

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side

1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other

AUG - 5 2010

2. Name of Operator **Chevron USA Inc** /

NMOCD ARTESIA

3a. Address
15 Smith Rd., Midland, TX 79705

3b. Phone No. (include area code)
432-561-8600

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**UL O, Sec. 24-T22S-R31E
990' FSL & 2310' FEL**

5. Lease Serial No.
NM-25876

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.
Getty 24 Federal #13 /

9. API Well No.
30-015-31801 /

10. Field and Pool, or Exploratory Area
Livingston Ridge Delaware /

11. County or Parish, State
Eddy, New Mexico /

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|--|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input checked="" type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1. Notify BLM 24 hrs prior to MI and RU.
2. RIH set CIBP at 6500', spot 70sx plug of class "H" cement from 6500'-5950' (perfs/DV tool).
3. Displace hole w/MLF, 9.5# Brine w/25# gel P/BBL.
4. Perf 4 holes at 4614', sqz 80sx cement from 4614'-4297' (shoe/B.salt).
5. Perf 4 holes at 983', sqz 75sx, plug from 983'-690' (shoe/T-Salt) WOC Tag.
6. Perf 4 holes at 400', sqz 100sx, plug from 400'-surface (Fr.Wtr./surface) WOC Tag.
7. Install dry hole marker.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**RECLAMATION PROCEDURE
ATTACHED**

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

M. Lee Roark

Title **Agent for Chevron USA, Inc.**

Signature

Date

06/30/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

/s/ Dustin Winkler

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

**BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

(Instructions on page 2)

Colt

PLUGGING & ABANDONMENT WORKSHEET (3 STRING CSNG)

OPERATOR Chevron USA, Inc.

LEASENAME Getty 24 Federal

SECT 24 TWN 22S RNG 3/E
 FROM 990 NSL 2310 EWL
 TD: 8600' FORMATION @ TD
 PBDT: 8553' FORMATION @ PBDT

| | SIZE | SET @ | TOC | TOC DETERMINED BY |
|----------|--------------|-------|--------------|-------------------|
| SURFACE | 13 3/8 | 790' | surface | circulated |
| INTMED 1 | 8 5/8 | 4397' | surface | circulated |
| INTMED 2 | | | | |
| PROD | 5 1/2 | 8600' | surface | circulated |
| | SIZE | TOP | BOT | TOC DETERMINED BY |
| LINER 1 | | | | |
| LINER 2 | | | | |
| | CUT & PULL @ | | TOP - BOTTOM | |
| INTMED 1 | | | PERFS | 6582' - 8336' |
| INTMED 2 | | | OPENHOLE | |
| PROD | | | | |

* REQUIRED PLUGS DISTRICT I

| PLUGGER (UNIT) | |
|----------------|--------|
| YATES | |
| QUEEN | |
| GRAYBIRD | |
| SAN ANDRES | |
| | |
| CAPTAN REEF | |
| | |
| DELAWARE | |
| BELL CANYON | |
| CHERRY CANYON | 5372' |
| BRUBBY CANYON | 7060' |
| BONE SPRING | 8378' |
| | |
| GLORITA | |
| CLINEBRY | |
| TURB | |
| ORINKARD | |
| ABO | |
| LAMAR | 41513' |
| WC | |
| PENW | |
| STRAWN | |
| ATOKA | |
| MOORE | |
| SON | |
| DEVONIAN | |

| PLUG | TYPE | BACKS | DEPTH |
|----------|-----------------|---------|--------------|
| | PLUG | CMNT | |
| EXAMPLES | | | |
| PLUG #1 | OH | 25 SCS | 9850' |
| PLUG #2 | SHOE | 50 SCS | 8700'-8800' |
| PLUG #3 | CIBP/35' | | 5300' |
| PLUG #4 | CIBP | 25 SCS | 5300' |
| PLUG #5 | STUB | 50 SCS | 4600'-4700' |
| PLUG #6 | RETNR SQZ | 200 SCS | 400' |
| PLUG #7 | SURF | 10 SCS | 0-10' |
| PLUG #8 | Perfs | CIBP | 6500' |
| PLUG #9 | DV too l | 70s x | 6500'-5950' |
| PLUG #10 | shoe/su l | 80s x | 41614'-4297' |
| PLUG #11 | shoe/su l | 75s x | 983'-690' |
| PLUG #12 | Fr. Wt. / Sw. l | 100s x | 400' - surf. |
| PLUG #13 | | | |
| PLUG #14 | | | |
| PLUG #15 | | | |
| PLUG #16 | | | |
| PLUG #17 | | | |
| PLUG #18 | | | |
| PLUG #19 | | | |
| PLUG #20 | | | |
| PLUG #21 | | | |
| PLUG #22 | | | |
| PLUG #23 | | | |
| PLUG #24 | | | |
| PLUG #25 | | | |

13 3/8
 @ 790'
 TOC surface

8 5/8
 @ 4397'
 TOC surface

5 1/2
 @ 8600'
 TOC circulated

TD 8600'

Well: Getty 24 Federal #13

Field: Livingston Ridge

Reservoir: Brushy Canyon

Location:

990' FSL & 2310' FWL
 Section: 24 (SW/4 SE/4)
 Township: 22S
 Range: 31E Unit: N
 County: Eddy State: NM

Elevations:

GL: 3564'
 KB: 3581'
 DF: 3580'

Log Formation Tops

| | |
|---------------|-------|
| Lamar | 4513' |
| Cherry Canyon | 5372' |
| Brushy Canyon | 7060' |
| Bone Spring | 8378' |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

TUBING DETAIL - 9/10/2002

202 jts - 2-7/8" J-55 8rd tbg (6501 27')
 1 5 1/2" x 2 7/8" tbg anchor (3.7')
 58 jts - 2-7/8" J-55 8rd tbg (1914 68')
 1 2 7/8" SN @ 8436' (1.1')
 1 3 1/2" BPMAJT (33.92')

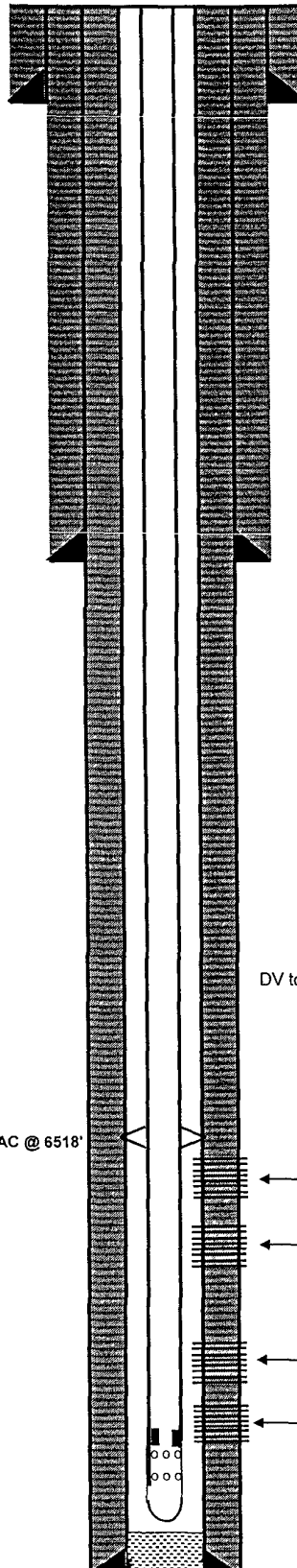
EOT landed @ 8475'

Rod Detail

1 1 1/2" SM Polish Rod (26')
 2 7/8" Subs (2' & 8')
 130 7/8" Norris 97 Rods (3250')
 199 3/4" Norris 97 Rods (4975')
 6 1 1/2" WT Bars (150')
 1 2 1/2" x 1 3/4" Insert pump (24')
 w/right hand release

SN @ 8436'
 EOT @ 8475'

COTD: 8553'
 PBD: 8553'
 TD: 8600'

Current Wellbore Diagram**Well ID Info:**

Cheveno:
 API No: 30-015-31801
 L5/L6
 Spud Date: 8/1/2002
 Rig Released: 8/20/2002
 Compl. Date: 9/11/2002

Surface Csg: 13 3/8", 48#, H-40 STC

Set: @ 790' w/ 950 sx Class C cmt

Hole Size: 17 1/2" to 790'

Circ: Yes TOC: surface

TOC By: Circulation (128 sx cmt)

Initial Completion:

8/28/02 Perf 8238-8252', 8280-8299' & 8300-8336' (2 JSPF)

Acdz 8238-8336' w/3500 gal 7 1/2% NEFE HCL

Frac 8238-8336' w/17,733 gal YF 130 XLG &

44,105# 16/30 RC SD.

Perf 8130-8162, 8182-8191 & 8197-8201 (4 JSPF)

Acdz 8130-8201' w/2250 gal 7 1/2% NEFE HCL

Frac 8130-8201' w/12,003 gal YF 130 XLG &

29,995# 16/30 RC SD

Perf 6582-6588, 6835-6855 & 7061-7064 (4 JSPF).

Acdz 7061-7064' w/500 gal 15% NEFE HCL

Acdz 6835-6855' w/2000 gal 15% NEFE HCL

Acdz 6582-6588' w/1000 gal 15% NEFE HCL

Intermediate Csg: 8 5/8", 32#, J-55 LTC

Set: @ 4397' w/ 1300 sx Class H cmt

Hole Size: 11" to 4397'

Circ: Yes TOC: surface

TOC By: Circulation (188 sx cmt)

DV tool @ 6095'

Prod. Csg: 5 1/2", 17# & 15 5# J-55 LTC

Set: @ 8600' w/ 1400 sx cmt (DV tool @ 6095')

Hole Size: 7 7/8" to 8600'

Circ: Yes TOC: surface

TOC By: Circulation (216 sx cmt)

Perfs
 6582-6588' & 6835-6855'

Status
 Cherry Canyon - open

Perfs
 7061-7064'

Status
 Brushy Canyon - open

Perfs
 8130-8162', 8182-8191' &
 8197-8201'

Status
 Brushy Canyon - open
 Brushy Canyon - open

Perfs
 8238-8252' & 8280-8336'

Status
 Brushy Canyon - open

By W P Johnson

Updated: 10-23-02 by WAYN

RM

OCD-ARTESIA

Form 3160-3
(August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5 Lease Serial No
NM-25876

6 If Indian, Allottee or Tribe Name
N/A

RECEIVED

FEB 22 2010

NMOC D-ARTESIA

SUBMIT IN TRIPLICATE - Other instructions on page 2

7 If Unit of CA/Agency Name and/or No
N/A

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8 Well Name and No
GETTY 24 FEDERAL #13

2 Name of Operator
CHEVRON U.S.A. INC

9 API Well No
30-015-31801

3a Address
15 SMITH ROAD
MIDLAND, TEXAS 79705

3b Phone No (include area code)
432-687-7375

10 Field and Pool or Exploratory Area
LIVINGSTON RIDGE DELAWARE

4 Location of Well (Footage, Sec., T.R.M. or Survey Description)
SECTION 24, T-22-S, R-31-E
990' FSL, & 2310' FEL

11 Country or Parish, State
EDDY, NEW MEXICO

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>EXTEND</u> |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | TA STATUS |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13 Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

CHEVRON U.S.A. INC. RESPECTFULLY REQUESTS AN EXTENSION FOR THE TA STATUS OF THE SUBJECT WELL

PLEASE FIND ATTACHED THE JUSTIFICATION FOR SAID REQUEST

Approval to extend TA until 8/28/2010
is granted. At that time the well must
be online or plans to P&A must be
submitted. This is the last TA for this
well.

Accepted for record
NMOC D
2/23/10

Last prod. 1/2007

14 I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
DENISE PINKERTON

Title REGULATORY SPECIALIST

Signature

Denise Pinkerton

Date 02/16/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title

L PET

Date

2/22/2010

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

CISF

SUBMIT ORIGINAL WITH 5 COPIES

5 Lease Designation and Serial No

NM-25376

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

6. If Indian, Alottee or Tribe Name

1a Type of Well OIL ☒ WELL GAS ☐ WELL DRY ☐ OTHER ☐

1b Type of Completion
NEW WORK DEEPE PLUG DIFF OTHER
WELL OVER N BACK RESVR

2 Name of Operator
CHEVRON USA INC

3 Address and Telephone No
15 SMITH ROAD, MIDLAND TX 79705 915-687-737

4 Location of Well (Report location clearly and in accordance with any State requirements *)

At Surface

Unit Letter O 990 Feet From The SOUTH Line and 2310 Feet From The EAST Line

At proposed prod zone

7 If Unit or CA, Agreement Designation

8 Well Name and Number
GETTY "24" FEDERAL

9 API Well No
30-015-31801

10 Field and Pool, Exploratory Area
LIVINGSTON RIDGE - DELAWARE

11 SEC, T, R M or BLK and Survey or Area
Sec. 24, Township 22-S, Range 31-E

At Total Depth

14 Permit No

Date Issued

12 County or Parish

13 State

EDDY

NM

15 Date Spudded 8/2/2002 16 Date T.D. Reached 8/17/2002 17 Date Compl (Ready to Prod) 8/29/2002 18 Elevations (Show whether DF, RT, GR, etc) 3581 KB 19 Elev. Casinhead

20 Total Depth, MD & TVD 8600' 21 Plug Back T.D., MD & TVD 8553' 22 If Multiple Compl., How Many* 23 Intervals Rotary Tools Drilled By --> Cable Tools

24 Producing Interval(s). Of This Completion -- Top, Bottom, Name (MD and TVD)*

25 Was Directional Survey Made

6582-8336 CHERRY & BRUSHY CANYON

YES

26 Type Electric and Other Logs Run

27 Was Well Cored

PLATFORM EXPRESS CBL, GR CCL

NO

28 CASING RECORD (Report all Strings set in well)

| CASING SIZE & GRADE | WEIG | DEPTH SET | HOLE SIZE | CEMENT RECORD | AMOUNT PULLED |
|---------------------|------|-----------|-----------|---------------|---------------|
| 13 3/8" | | 79C' | 17 1/2" | 950 SX | |
| 8 5/8" | | 4397" | 11" | 1300 SX | |
| 5 1/2" | | 8582' | 7 7/8" | 1400 SX | |

29 LINER RECORD

30 TUBING RECORD

| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE | DEPTH SET | PACKER SET |
|------|-----|--------|--------------|--------|--------|-----------|------------|
| | | | | | 2 7/8" | 8436' | |

31 Perforation record (interval size and number)

8238-8252 8252-8299, 8300-8336,
8132-8191 8197-8201
6582-88 6835-55, 7061-64

32 ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC

DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED

8238-8336 ACIDIZE W/3500 GALS 7.5% NEFE HCL

FRAC W/17,733 GALS YF130 GEL

8132-8201 ACIDIZE W/2250 GALS 7.5% NEFE HCL

FRAC W/12,003 GALS YF130 GEL

33 PRODUCTION

Date First Production 9/17/2002 Production Method (Flowing, gas lift, pumping - size and type pump) PUMPING 2 1/2" X 1 3/4" X 24'

Well Status (Prod or Shut-in)

PROD

Date of Test 11-18-02 Hours tested 24 HRS Choke Size Prod'n For Test Period Oil - Bbl 40 Gas - MCF 65 Water - Bbl 130 Gas - Oil Ratio

Flow Tubing Press Casing Pressure Calculated 24-Hour Rate Oil - Bbl Gas - MCF Water - Bbl Oil Gravity - API (Corr)

34 Disposition of Gas (Sold, used for fuel, vented, etc)

Test Witnessed By

SOLD

35 List of Attachments

NOTARIZED DEVIATIONS

36 I hereby certify that the foregoing is true and correct

SIGNATURE

TITLE Regulatory Specialist

DATE 12/9/2002

TYPE OR PRINT NAME

Denise Leake

37 SUMMARY OF POROUS ZONES (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem, tests including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries)

| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS ETC |
|---------------|------|--------|--------------------------------|
| BELL CANYON | 4566 | 5412 | SAND |
| CHERRY CANYON | 5412 | 7212 | SAND,SILT,SALTWATER,OIL & GAS |
| BRUSHY CANYON | 7212 | 8378 | SAND,SILT,SALTWATER, OIL & GAS |

38

GEOLOGIC MARKERS

| NAME | TOP | |
|---------------|------------|-----------------|
| | MEAS DEPTH | TRUE VERT DEPTH |
| RUSTLER | 735 | |
| SALT | 883 | |
| LAMAR | 4514 | |
| CHERRY CANYON | 5412 | |
| BRUSHY CANYON | 7212 | |
| BONE SPRING | 8378 | |

Chevron USA, Inc.
NM-25876: Getty 24 Federal #13
API: 30-015-31801
Eddy County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

H₂S monitoring equipment to be on location.

1. OK
2. WOC and tag at 6045' or shallower – Otherwise OK (Perfs – DV Tool)
3. OK
4. WOC and tag at 4345' or shallower. If injection rate cannot be established, spot cement 50' below perfs – Otherwise OK (Delaware – BOS – Casing shoe)
- 4a. Perf and squeeze a plug from 3725'-3585'. WOC and tag at 3585' or shallower. If injection rate cannot be established, spot cement 50' below perfs. (DV Tool)
5. Tag at 740' or shallower. If injection rate cannot be established, spot cement 50' below perfs – Otherwise OK (TOS – Casing shoe)
6. If injection rate cannot be established, spot cement 50' below perfs – Otherwise OK (Surface)
7. Verify cement to surface in all annuluses. Ground Level Dry Hole Marker required in this area. **Requirements** attached – Otherwise OK
8. Submit a subsequent report to the BLM.

See attached standard COAs.

DHW 072110

Requirements for ground level dry hole markers
Well Identification Markers
Conditions of Approval (COA)

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) Requires that ground level dry hole markers be placed on well within the Lesser Prairie Chicken habitat area. The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

1. An 8 inch X 8 inch steel plate 1/8 to 3/16 of an inch thick is to be placed on the old dry-hole marker stand pipe 2-inches from ground level; in the Lesser Prairie Chicken habitat area.
2. Steel plate may be welded or bolted approximately 2 inches from ground level on the stand pipes. If plates are bolted to the stand pipe, the person installing the plate will be required to weld a pipe collar on the plate and place a minimum of two set screws/bolt on each collar. Aluminum data plates may be bolted with minimum 1/4 inch bolt and locking nuts or self tapping fine threaded screws. A minimum of one in each corner is to be installed on each plate.
3. An 8 inch x 8 inch aluminum plate, which is 12 gauge or .080 sign material (1/8 inch aluminum plate may be used in place of the .080 plate) with the required information for that well stamped or engraved in a minimum 3/8 inch tall letter or number.
4. The following information will be stamped or engraved on the 8 inch X 8 inch aluminum plate in the following order.
 - a. First row: Operators name
 - b. Second row: Well name and number
 - c. Third row: Legal location to include 1/4 1/4, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the 1/4 1/4 (example: 1980 FNL 1980 FWL) being on the top row.
 - d. Fourth row: Lease Number and API number.
 - i. Example marker plate: (attached)

NMOCD Order No. R-12965 also required the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a ground level dry hole marker was installed as required in the COA's from the BLM.

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Federal Wells
Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Any plug that requires a tag will have a minimum WOC time of 4 hours.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified when the wellhead is cut off to verify that cement is to surface in the casing and all annuluses.** The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

~~7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one~~
original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well.
Show date well was plugged.

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation procedure.

DHW 112309



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.

2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.

3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.
5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909, 575-361-2648 (Cell)

Cody Layton
Natural Resource Specialist
575-234-5959

Terry Gregston
Environmental Protection Specialist
575-234-5958

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Bobby Ballard
Environmental Protection Specialist
575-234-2230

Todd Suter
Surface Protection Specialist
575-234-5987

Randy Rust
Natural Resource Specialist
575-234-5943

Doug Hoag
Civil Engineering Technician
575-234-5979

Linda Denniston
Environmental Protection Specialist
575-234-5974

Tanner Nygren
Natural Resource Specialist
575-234-5975

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

John Fast
Natural Resource Specialist
575-234-5996

Justin Frye
Environmental Protection Specialist
575-234-5922