Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

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 page 2.

HOBBS OCD

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

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

DEC 31 2012

8. Well Name and No.
WEST DOLLARHIDE DRINKARD UNIT # 87

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

9. API Well No.
30-025-12393

3a. Address
15 SMITH ROAD,
MIDLAND, TX 79705

3b. Phone No. *(include area code)*
432-467-7198

RECEIVED

10. Field and Pool or Exploratory Area
DOLLARHIDE, DRINKARD, ABO

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
2323' FSL & 660' FEL, UL: I, SEC 5, T-25S, R-38E

11. County or Parish, State
LEA COUNTY, NEW MEXICO

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other CLEANOUT, ACIDIZE, SAND FRAC
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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. INTENDS TO CLEANOUT, ACIDIZE & SAND FRAC STIMULATE THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE , WELLBORE DIAGRAM, & C-144 INFORMATION FOR THE NMOCD.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Title PERMITTING SPEACIALIST

Signature Scott Haynes

Date 11/28/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved by

Title

Date DEC 27 2012

Jennifer Noden

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

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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)

JAN 08 2013

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and grantingapproval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

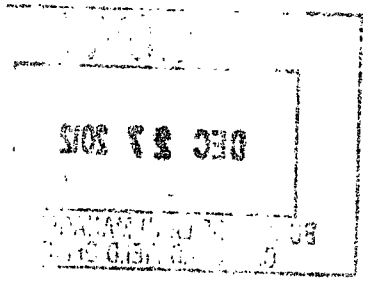
The Paperwork Reduction Act of 1995 requires us to inform you that:

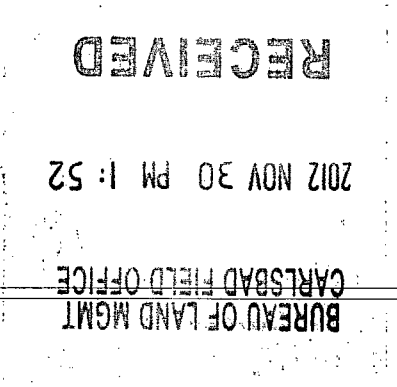
The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240





WELLBORE DIAGRAM WDDU 87

FIELD: West Dollarhide Drinkard Unit		**Well No:** 87	**FORMATION:** DRKD, ABO
LOC: 2323' FSL, 660' FEL	**Sec:** 5	GR: 3134'	**CURRENT STATUS:** OIPR
TOWNSHIP: 25S	**Cnty:** Lea	KB: +10'	**API NO:** 30-025-12393
RANGE: 38E	**State:** NM	DF:	**Chevno:** FB3330

320 Unit - SMALL

SPUD: 02/10/55

Date Completed: 06/22/55	Initial Production:
Initial Formation: Tubb/Drinkard	BO, Mcf, BW
FROM: 6450 TO: 6875	GOR, Grav

Initial completion:
Treated OH 6450-6875' w/ 1000 gals mud acid & 4,000 gals 15%

Subsequent workovers:

08/68: Well shut in. Reclassified as TR-O, held for secondary recovery

03/71: C/O fill 6540-6875'. Run tbg & rods. Producing from OH section 6450-6875' (Tubb/Drinkard). RTP

06/81 Run Liner: C/O fill f/ 6541-6800'. Run & cmt 4" liner. DO cmt 5504-5699'. Tested- held OK, no backflow. Perf lwr Drkd 6531-6679'. Acdz w/ 3.2k gal 15% & 100 BS. Frac'd perfs w/ 30,000 gals x-linked gel, 35,000# 20/40 sd, 16 BS, 2 stgs. Max Pr 5500#, ISIP 2500#. RTP.

07/96 Re-perf: C/O fill 6643-6714'. Perf Drkd 6564-660'. Unable to perf 6530-39', 48-58' & lower interval 6648-62' due to floating rubber inside liner. Rev circ floating trash to 6714', unable to get deeper. Still unable to get perf gun past 6520'. Acdz perfs 6541-6685' (76 holes) w/ 5k gal 15% & 105 BS. RTP.

09/07 Polished Rod Part/ Preventative Tbg Insp: Fish polish rod. POOH inspecting rods & tbg. Tag fill @ 6724'. RTP.

13-3/8" 48# 8RD csg set @ 330'; cmt w/ 400 sx, circ to surface

8-5/8" 24 & 32# 8rd csg set @ 3910'; cmt w/ 2200 sx, TOC unknown

Size	Manufacturer	No. of Rods	Length	Grade
1.5"	POLISH ROD	1	26'	C
1"	AXELSON	111	2775'	D
7/8"	AXELSON	83	2075'	D
3/4"	AXELSON	62	1550'	D
1 1/2"	K-BARS	8	200	C

PUMP INFO (Run in Hole)

PUMP NO.	E-444
MAKE	CDI
TYPE	RHBM
SIZE	2.0 X 1.25 X RHBM X 24 X 5' .009
TYPE LOCK	2.0 MECH

TOL @ 5699'

5-1/2" 15.5 & 17# 8rd csg set @ 6450'; cmt w/ 700 sx; TOC unknown

4" 11.34# AB FL4-S, K-55 flush jt liner; shoe @ 6786', TOL @ 5699'; cmt w/ 150 sx, circ through TOL

PBTD: 6751'

TD: 6875'

TUBING DETAIL (Run in Hole)

Equipment	Size	EUE Plain	Thread	No. Joints	Feet	Tenths
6.5# J-55 TBG	2 7/8	EUE	8 RD	126	4,007.96	
4.7 # J-55 TBG	2 3/8	EUE	8 RD	46	1,434.15	
TAC	2 3/8	X	5 1/2		2.80	
4.7# J-55 TBG	2 3/8	EUE	8RD	15	464.19	
4.7# J-55 TBG W/TD COLLARS	2 3/8	EUE	8RD	23	711.77	
PCD JNT	2 3/8	EUE	8 RD	1	31.70	
MECH SEAT NIPPLE	2 3/8	EUE	8 RD		0.85	
DIP TUBE	2 3/8	EUE	8 RD		12.08	
KELLY BUSHING					10.00	
	FINAL HANGING DEPTH				6,675.50	

DEPTH SUMMARY

SEATING NIPPLE	TUBING ANCHOR OR PACKER	
6663'	5455'	

CLFK "A" & Thief (07/81): 6531-33', 37', 43-44', 46', 50-53', 56', 64-65', 70-72', 79', 85', 94', 98', 6612', 17-19', 31', 33', 37', 41-42', 51-53', 57', 60', 65', 70', 74-75', 79' w/ 1 SPF (40 1/2" holes)

Re-Perf (07/96): 6564-74', 92-6600' w/ 2 JSPF (18', 36 holes)

Workover Procedure
West Dollarhide Drinkard Unit
Dollarhide Field

WBS # UWDOL – R2422
WDDU 87

API No: 30-025-12393 09/27/12
CHEVNO: FB3330

Description of Work: Cleanout, Acidize and Sand Frac stimulate the Tubb/Drinkard

Current Hole Condition:

Total Depth: 6875' PBTD: 6751' GL: 3134' KB: +10'

Casing Record:

13-3/8" 48# 8RD csg set @ 330'; cmt w/ 400 sx, circ to surface
8-5/8" 24 & 32# 8rd csg set @ 3910'; cmt w/ 2200 sx, TOC unknown
5-1/2" 15.5 & 17# 8rd csg set @ 6450'; cmt w/ 700 sx, TOC unknown
4" 11.34# K-55 flush jt liner; shoe @ 6786', TOL @ 5699'; cmt w/ 150 sx, circ through TOL

Existing Perforations:

Drinkard: 6531-6679'
Proposed Perfs: 6614-19', 6638-43', 6656-61', 6666-71', 6676-81', 6711-16', 6744-49'

REGULATORY REQUIREMENTS: N/A

CONTACT INFORMATION:

Jamie Castagno	Production Engineer	Cell: 432-530-5194
Femi Esan	Geologist	Ph: 432-687-7731
Hector Cantu	Completions Engineer	Cell: 432-557-1464
Phillip R Minchew	Production Foreman	Cell: 432-208-3677
Aaron Dobbs	Production Specialist	Cell: 505-631-9071

Prepared by: Jamie Castagno (10/11/12) Reviewed by: Hector Cantu (10/19/12)

This procedure is meant to be followed. It is up to the WSM, Remedial Engineer and Production Engineer to make the decisions necessary to do it safely and do what is best for the well. In the extent that this procedure does not reflect actual operations, please contact RE, PE and Superintendent.

PRE-WORK:

1. Complete the rig move checklist.
2. Ensure location is in appropriate condition, anchors have been tested within the last 24 months, power line distance has been verified to determine if variance and RUMS are
3. When NU anything over and open wellhead (EPA, etc) ensure the hole is covered to avoid anything downhole.
4. Review H2S calculations in H2S tab included.
5. Any equipment installed at the wellbore, including wellhead (Inside Diameter), is to be visually inspected by the WSM to insure no foreign debris or other restrictions are present.

PROCEDURE:

6. MIRU. Bleed well down or kill as necessary. Record SICP and SITP. TOOH/LD rods & pump. Plan to replace pump and bad rods.

- **Caliper elevators and tubular EACH DAY prior to handling tubing/tools and anytime size changes.**

7. Kill well and monitor. ND wellhead. Release TAC, NU dual Hydraulic BOP with blind rams on bottom and 2-7/8" pipe rams on top, NU Annular BOP for tapered string. LD 1 joint, PU/RIH with 5-1/2" packer and set it ~ @ 25', test BOP pipe rams to 250 psi/ 1000 psi. Note testing pressures on wellview report. Release and LD packer.
8. POOH scanning 2-7/8" & 2-3/8" production tubing per attached tubing detail. **Caliper elevators and tubular EACH DAY prior to handling tubing/tools.** Tally out with tubing and LD bad joints (green and red).
9. PU/RIH with 3-1/4" MT bit, XO on 2-3/8" L80 4.6# tubing (enough to cover the 4" interval), 2-3/8" 8RD x 2-7/8" 8RD XO and good 2-7/8" production tubing. Tag and record fill depth. PU power swivel, C/O to PBTD (6751') and circulate well clean.

Note: If string weight is not enough to clean out to PBTD, discuss with Workover Engineer and fisherman prior to PU DC's inside 4" liner.

Note: Recover and send samples in a timely manner to Baker Chemical rep and ALCR for analysis (if possible at location). Discuss treatment recommendation with Chemical rep and ALCR.

Note: If it's required to spot scale converter for HCL Acid solubility discuss with Remedial Engineer to perform additional run prior to Acid job.

10. POOH LD bit.

11. MIRU wireline. RIH and perforate the CLFK from 6614-19', 6638-43', 6656-61', 6666-71', 6676-81', 6711-16'& 6744-49' with 2-1/2" casing guns at 3 spf and 60 deg phasing. POOH. RDMO wireline.

    Note: Correlate with attached log dated 7/7/1981.

12. PU/RIH with 4" treating packer on 2-3/8" L80 4.6# tubing (enough to cover the 4" interval), 2-3/8" 8RD x 2-7/8" 8RD XO and good 2-7/8" production tubing hydrotesting in the hole to 5500 psi. Set PKR above perforations @ ~ 6480'. Pump scale converter mixed with equal amounts water across all perfs per Chemical rep recommendation. Load backside and pressure test to 500 psi.

13. MIRU acid contractor. RU choke manifold to flowback tank. Test lines and equipment to 6000 psi. Pressure up backside to 500 psi. Monitor casing pressure throughout acid job. Bleed off if casing pressure exceeds 500 psi. **Set pop-off valve to less than 5500 psi. Maximum surface pumping pressure of 5500 psi.**

14. Acidize perforations from 6531'-6749' with 8,000 gal 15% NEFe HCl dropping GRS between stages to divert at 1-2 PPG.

15. Flush tubing to bottom perforations. SI well for 2 hours allowing acid to spend. Record ISIP, 5, 10, & 15 minute SIP's.

16. Swab or flow back to recover 100% of treatment and load volumes, if possible. Kill tubing if necessary. Report acid volumes and pressures on morning wellview report.

17. Release treating packer, POOH and LD packer. PU/RIH with notched collar and C/O any rock salt to PBTD (6751'). Circulate well with fresh water to dissolve remaining GRS. POOH/LD production tubing.

18. Close blind rams. Change 2-7/8" pipe rams to 3-1/2" pipe rams. Test BOP pipe rams to 250 psi/ 1000 psi. ND Annular BOP.

19. PU/RIH with 10K 4" AS-1X treating packer, on-off tool, hardened profile nipple, 2-3/8" 8RD x 2-7/8" PH6 XO, 24 joints 2-7/8" 4.7# L80 PH6 premium flushed connection, 2-7/8" PH6 x 3-1/2" 8RD XO and the rest of 3-1/2" 9.3# L-80 workstring. Hydrotest tubing to 8000 psi while RIH. **Set packer at ~ 6400' leaving the 3-1/2" tubing inside the 5-1/2" casing.** Pressure test annulus to 500 psi. Nipple up 10K tubing saver frac valve to BOP. Test frac valve to 8500 psi.

20. RDMO pulling unit.

21. Prior to job, verify compatibility of all frac fluids with the used fresh water.

22. RU flowback crew if location permits. MIRU frac equipment. Install pop-off valves downstream of SLB check valve with manually operated valve below pop-off. Test all service company pressure shutdowns on each pump truck and surface lines to 8000 psi. **Set pop-off in pump to less than 8,000 psi. Install pop-off on 5-1/2" x 3-1/2" annulus and set to 500 psi. Pressure up to 300 psi and monitor during frac job.**

23. Establish pump rate into perforations with fresh water. Complete sand fracture treatment as per attached SLB procedure.

DO NOT OVERDISPLACE (EVEN TO TOP PERF) UNDER ANY CIRCUMSTANCES.

24. RDMO SLB. SION to allow sand to cure.
25. Flow back well through choke manifold until well dies.
26. MIRU pulling unit. Test 3-1/2" pipe rams to 500 psi against packer.
27. ND frac valve. NU Annular for tapered string. Release packer. POOH and lay down 4" packer, 3-1/2" and 2-7/8" 4.7# L80 PH6 workstring.
28. Close Blind rams. Change 3-1/2" to 2-7/8" pipe rams. Open blind rams. PU/RIH and set packer @ ~ 25' to test 2-7/8" pipe rams to 250 psi / 1000 psi. Release and LD packer.

- **Caliper elevators and tubular EACH DAY prior to handling tubing/tools and anytime size changes.**

29. PU/RIH with 3-1/4" MT bit, XO on 2-3/8" L80 4.6# tubing (enough to cover the 4" interval), 2-3/8" 8RD x 2-7/8" 8RD XO and good 2-7/8" production tubing. Tag top of sand and drill out any sand that has set up in wellbore to PBTD. Circulate well clean. POOH and LD bit.

    Note: If string weight is not enough to clean out to PBTD, discuss with Workover Engineer and fisherman prior to PU DC's inside 4" liner.

30. PU 7" treating PKR on 2-7/8" WS. Spot scale inhibitor across perfs per Chemical rep recommendation. Set PKR @ ~ 6480'. Flush scale inhibitor. SI to soak overnight.
31. Release PKR. POOH & LD PKR.
32. PU and RIH with production tubing as per ALCR recommendation.
33. ND BOP, set TAC per ALCR recommendation and NU WH.
34. RIH with rods, weight bars and pump per ALCR recommendation. RDMO pulling unit
35. Turn well over to production (see contacts on first page of procedure).

Conditions of Approval

Chevron U.S.A. Inc.
West Dollarhide Drinkard Unit # 87
API 30-025-12393
T25S-R38E, Sec 05
December 27, 2012

Work to be completed by March 27, 2012.

1. **Subsequent report shall be submitted for the re-perf done in 1996.**
2. Functional H_2S monitoring equipment shall be on location.
3. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record (from top of 4 ½'' liner to surface) attached to an email to pswartz@blm.gov**
4. Surface disturbance beyond the originally approved pad must have prior approval.
5. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
6. A minimum of 2,000 (2M) BOPE shall be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M) Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
7. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
8. File **subsequent sundry** Form 3160-**5** within 30 days of completing work and submit test results.
9. Workover approval is good for 90 days (completion to be within 90 days of approval). A detailed justification is necessary for extension of that date.

JAM 122712

Access information for **use of Form 3160-5** "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.