

AUG 05 2014

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

RECEIVED

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. NMNM56263
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well [X] Oil Well [] Gas Well [] Other
2. Name of Operator CHEVRON U.S.A. INC.
3a. Address 15SMITH ROAD MIDLAND, TEXAS 79705
3b. Phone No. (include area code) Bob Holden 432-234-7325
9. API Well No. y 30-025-30663
10. Field and Pool or Exploratory Area PEARL; QUEEN
11. Country or Parish, State LEA COUNTY, NEW MEXICO

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

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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 recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones.

TD 5153', PBDT 5118'
8-5/8" 24# @ 1359' 400 sks of Class C Hole size 12-1/4" TOC Surface
5-1/2" 17# @ 5153' w/ 750 sks of cmt Hole size 7-7/8" TOC 300'
Perfs 4520' -4829' Csg leak @ 3952' - 3974'

SEE ATTACHED FOR CONDITIONS OF APPROVAL

- 1. MIRUWSU. NDWH. NUBOPE
2. Tag CIBP @ 4490" w/25 sks of C cement Tag. Spot 25 sk.
3. Pressure Test casing to 500 psi and record/report findings
4. Set Plug @ 4000' - 3700' w/ 40 sks of Class C cmt WOC & TAG (bottom of Salt and Leak) * See below
5. Set Plug @ 1750' - 1250' w/75 sks of Class C cmt WOC & TAG (top of Salt and Shoe) 1409-1309 Cshoe
6. Perf & Circulate & Verify 350' - Surface, w/ 75 sks of Class C cmt
7. Cut off wellhead and anchors 3' below grade. Weld on dry hole marker. Clean location.
8. Closed Loop System Used

* Add B/Salt plug 3400'-3200'; woc Tag.
T/Salt plug 2000'-1800'; woc Tag.

RECLAMATION PROCEDURE ATTACHED

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Agent for Chevron Robert Holden Title Operation Agent Signature Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by James R. Amis Title SPE T Date 8-1-14 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)

MBS/bcs 8/5/2014

AUG 06 2014

JM

Well: Sun Pearl Fed #2

Field: Pearl

Reservoir: Queen

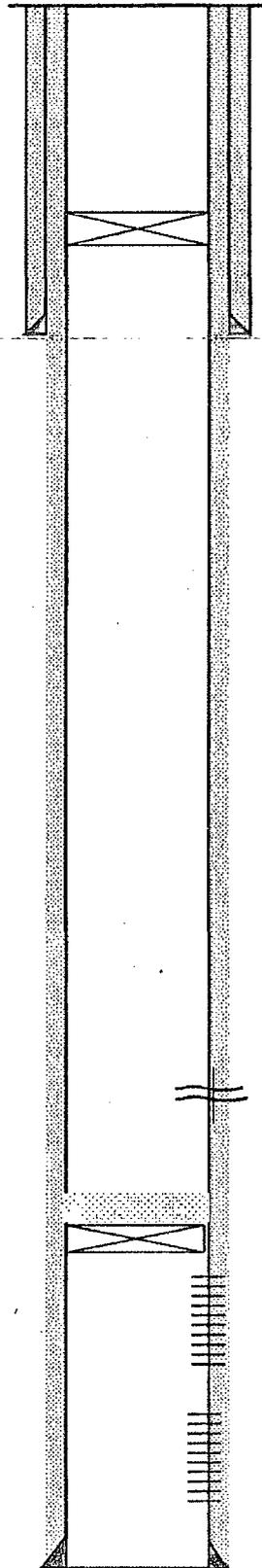
Current Wellbore Diagram

Location:
 1850' FSL & 550' FEL
 Section: 28
 Township: 19S
 Range: 38E Unit: 1
 County: Lea State: NM

Elevations:
 GL: 3709'
 KB:
 DF:

Well ID Info:
 Chevno: IW8232
 API No: 30-025-30663
 L5/L6:
 Spud Date: 11/17/1989

Surf. Csg: 8-5/8", 24#, K-55 ✓
 Set: @ 1359' ✓
 Size of hole: 12.25" ✓
 Circ: Yes TOC: Surface ✓
 TOC By: Circulated ✓



RBP @ 500'

Prod. Csg: 5-1/2", 17#, N-80 ✓
 Set: @ 5153' ✓
 Size of hole: 7-7/8" ✓
 Circ: No TOC: 300' ✓

T/salt 1900'
B/salt 3300'
Yates 3598
TR 3937
Qu 4560
Perrose 4776

This wellbore diagram is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of the update date below. Verify what is in the hole with the well file in the Eunice Field Office. Discuss w/ WED Engineer, WO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.

Csg. Leak @ 3952-3974

CIBP @ 4490'' w 35' of cmt on top

Queen Perfs
 4520-4540 ✓
 4782-4788 ✓
 4829-4835 ✓

PBTD: 5118'
 TD: 5153'

Well: Sun Pearl Fed #2

Field: Pearl

Reservoir: Queen

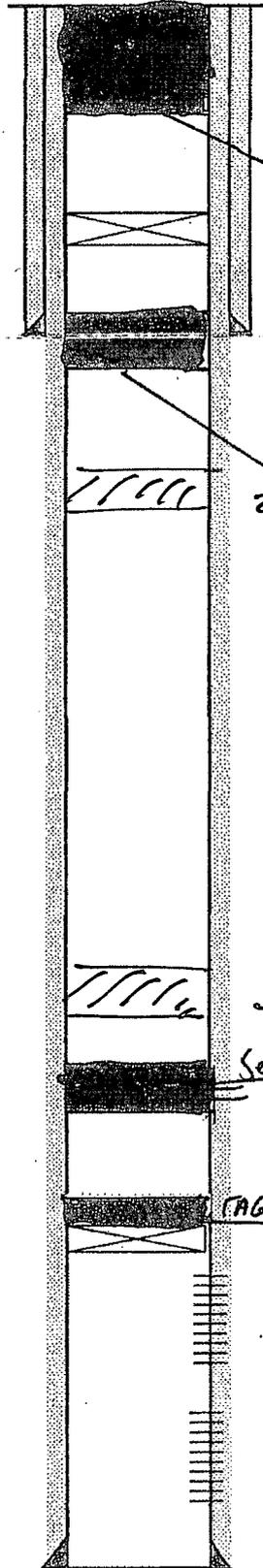
*Proposed
Gustant*

Wellbore Diagram

Location:
1850' FSL & 550' FEL
Section: 28
Township: 19S
Range: 38E Unit: I
County: Lea State: NM

Well ID Info:
Chevron: IW8232
API No: 30-025-30663
L5/L6:
Spud Date: 11/17/1989

Elevations:
GL: 3709'
KB:
DF:



Surf. Csg: 8-5/8", 24#, K-55
 Set: @ 1359'
 Size of hole: 12.25"
 Circ: Yes TOC: Surface
 TOC By: Circulated

RBP @ 500'
 350' to Surface Perf 4 Circ + U. it
 w/ 25 sks
 1409 - 1309
 WOC Tag

Prod. Csg: 5-1/2", 17#, N-80
 Set: @ 5153'
 Size of hole: 7-7/8"
 Circ: No TOC: 300'

2000 - 1800 T/Salt. WOC Tag
 Set Plug @ 1250 - 1250' w/ 25 sks
 of cmt ^{w/} TAB (TOP of salt, shoe)

T/Salt
 3400 - 3200 WOC Tag w/ TAB
 Set Plug @ 4000 - 3700 w/ 40 sks (comes bottom salt)
 Leaks

Csg. Leak @ 3952-3974

TAG CRP @ 4490 w/ 25' of cmt
 CIBP @ 4490' w 35' of cmt on top

Queen Perfs
 4520-4540
 4782-4786
 4829-4835

This wellbore diagram is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of the update date below. Verify what is in the hole with the well file in the Eunice Field Office. Discuss w/ WEO Engineer, WO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.

PBTD: 5118'
 TD: 5153'

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.

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 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 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.

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 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 conditions of approval will be developed and furnished to you.



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, redistribute 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 Petroleum Engineering Tech
575-234-5909, 575-361-2648 (Cell)

Cody Layton
Supervisory Multi Resources
575-234-5959

Solomon Hughes
Natural Resource Specialist
575-234-5951

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Jeffery Robertson
Natural Resource Specialist
575-234-2230

Amanda Lynch
Natural Resource Specialist
575-234-5922

Duncan Whitlock
Environmental Protection Specialist
575-234-5926

Jessie Rice
Natural Resource Specialist
575-234-5913

Linda Denniston
Environmental Protection Specialist
575-234-5974

Indra Dahal
Natural Resource Specialist
575-234-5996