OCD Hobbs

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBSOCD

JAN 05 2015

RECEIVED

FORM APPROVED
OMB NO. 1004-0135
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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMNM16835

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
NEUHAUS 14 FED 04

2. Name of Operator
CHEVRON USA INCORPORATED
Contact: DENISE PINKERTON
E-Mail: leakejd@chevron.com

9. API Well No.
30-025-36353-00-S1

3a. Address
15 SMITH ROAD
MIDLAND, TX 79705

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

10. Field and Pool, or Exploratory
FEATHERSTONE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 14 T20S R35E SWNE 1980FNL 1650FEL
32.575005 N Lat, 103.424723 W Lon

11. County or Parish, and State
LEA COUNTY, NM

12. CHECK 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
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☒ Temporarily Abandon	
	☐ 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 shall 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 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.)

CHEVRON IS REQUESTING TO EXTEND THE TA STATUS ON THE SUBJECT FOR 1 YR BECAUSE WE ARE INTERESTED IN RECOMPLETING THE WELL. WE HAVE BEEN UNABLE TO RECOMPLETE THE WELL TO THIS POINT BECAUSE OF SERVICE COMPANY AVAILABILITY. THERE HAVE BEEN SEVERAL NEW DEVELOPMENTS IN SE NM LATELY AND THE MAJORITY OF THE DEVELOPMENT HAS BEEN MULTI-STAGE HORIZONTAL COMPLETIONS. IT HAS BEEN A MAJOR CHALLENGE TO HAVE SERVICE COMPANIES FRACE WELLS FOR SMALL 1 STAGE VERTICAL RECOMPLETIONS. THEY ARE NOT ECONOMICALLY ATTRACTIVE AT THIS POINT IN TIME BUT SHOULD BE IN THE NEAR FUTURE.
PLEASE FIND ATTACHED, THE GEOLOGICAL ASSESSMENT FOR THE SUBJECT WELL SHOWING THE ZONE CHEVRON IS INTERESTED IN EXTENDING THE TA STATUS.
ALSO FIND ATTACHED, THE WELLBORE DIAGRAM.

MR. JIM AMOS, BLM, HAS RECOMMENDED THIS INTENT, AND HAD CONVERSATION WITH CHEVRON ENGINEER, ABDUL SULE. ANY QUESTIONS SHOULD BE DIRECTED TO MR. SULE @ 432-687-7419.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #285099 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by JIM AMOS on 12/29/2014 (15JA0051SE)

Name *(Printed/Typed)* DENISE PINKERTON — Title REGULATORY SPECIALIST

Signature (Electronic Submission) — Date 12/15/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By James A. Amos — Title SPET — Date 12-29-14

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.

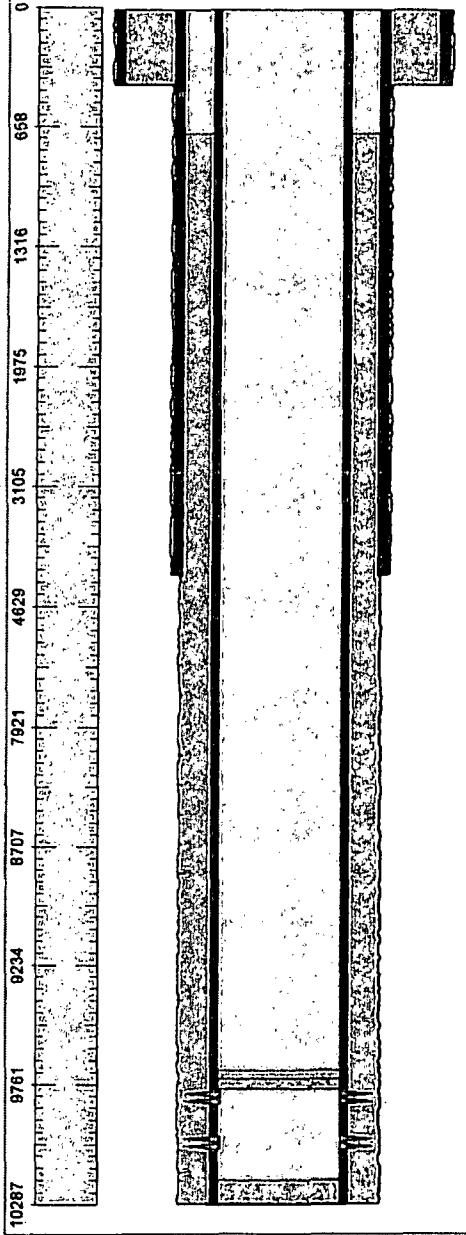
**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

MAB/OCD 1/7/2015

JAN 08 2015

Chevron U.S.A. Inc. Wellbore Diagram : NEU 14 F 4

Lease: OEU EUNICE FMT	**Well No.:** NEUHAUS 14 FEDERAL 4 T/A 4	**Field:** FEATHERSTONE EAST	
Location: 1980FNL1650FEL	**Sec.:** N/A	**Blk:**	**Survey:** N/A
County: Lea **St.:** New Mexico	**Refno:** HL7064	**API:** 3002536353	**Cost Center:** UCRD40200
Section: E035	**Township:** 14		**Range:** S020
Current Status: Temporarily Abandoned		**Dead Man Anchors Test Date:** 01/23/2013	
Directions:			



Surface Casing (Top-Bottom Depth) Desc
@(15-432) Wellbore Hole OD-13.3750-
@(15-432) Cement (behind Casing)-
@(15-432) H-40 13.375 OD/ 48.00# Round Short 12.715 ID 12.559 Drift-
Intermediate Casing (Top-Bottom Depth) Desc
@(432-3990) Wellbore Hole OD- 8.6250-
@(15-3990) Cement (behind Casing)-
@(15-3990) J-55 8.625 OD/ 32.00# Round Short 7.921 ID 7.796 Drift-
Production Casing (Top-Bottom Depth) Desc
@(3990-10288) Wellbore Hole OD- 7.8750-
@(700-10288) Cement (behind Casing)-
@(15-10288) N-80 5.500 OD/ 17.00# Unknown Thread 4.892 ID 4.767 Drift-
@(9788-10008) Producing Interval Bone Spring-
@(9700-9735) Plug - Cement on Top of Bridge Plug-
@(9735-9739) Bridge Plug Cast Iron 5.500-
@(9788-9818) Perforations-Open
@(9986-10008) Perforations-Open
@(10180-10288) Plug - Cement-

Ground Elevation (MSL): 3671.00	**Spud Date:** 08/24/2003	**Compl. Date:** 01/01/1800
Well Depth Datum: Kelly Bushing	**Elevation (MSL):** 3686.00	**Correction Factor:** 15.00
Last Updated by: fitecl	**Date:** 12/12/2013	

Chevron

Geological Assessment
Neuhaus 14 Fed 4

Well Name:	Neuhaus 14 Fed 4	API#:	3002536353
Location:	T20S, R35E, Sec. 14	Geologist:	W. Anderson
County:	Lea	Engineer:	A. Sule
State:	NM	FMT:	Eunice

EXECUTIVE SUMMARY

Recommend adding Upper, 1st, and 2nd Bone Spring intervals and re-stimulating the current producing interval. These recommendations are based off mudlog shows, offset production, and well log interpretation.

WELL HISTORY

Neuhaus 14 Fed 4 is currently TA'd and the TA permit expires in December 2014. The well was originally completed in the 1st Bone Spring in 2003, but was shut in by 2004. Concho proposed a recompletion in the Delaware Mountains Group, but there is no indication that the work was ever preformed. They returned the well to production in 2009 when Concho sold the well to Chesapeake. In 2011 Chesapeake added a zone below the existing perfs in the 2nd Bone Spring (see wellbore diagram).

JUSTIFICATION

Current completions in the 1st and 2nd Bone Spring appear to be targeting some of the oil and gas shows from the mudlog. After reviewing the completed intervals in the 1st and 2nd Bone Spring I noticed that some of the produced zones do not cover all of the porosity intervals for the mudlog show (see wireline logs). I recommend extending the current intervals into the additional porosity and re-stimulating the entire interval.

In addition to the previously perfed interval in the 1st and 2nd Bone Spring the mudlog from this well shows a large gas zone in the upper Bone Spring. This gas zone is apparent on the well logs because of a prominent crossover or "Gas Effect" between the neutron and density logs across this interval (see wireline logs). Although there are no offset wells producing from this gas zone the high porosity and low calculated water saturation, shown in the proposed perf table, make this an excellent recompletion target. Also, this can be comingled with the current intervals because it's still within the Bone Spring formation/pool.

ISSUES

The Neuhaus 14 Fed 5 is the only well currently producing on this lease. This lease has been identified as a high priority by the AD team for future development. If we are able to RTP/recomplete the Neuhaus 14 Fed 4 it could decrease the risk of losing the lease if the Neuhause 14 Fed 5 were to lose production.

There may be additional opportunities in the Delaware Mountains group, but the Bone Spring appears to be the best recompletion candidate at this time.

Proposed Perf Interval: Bone Spring

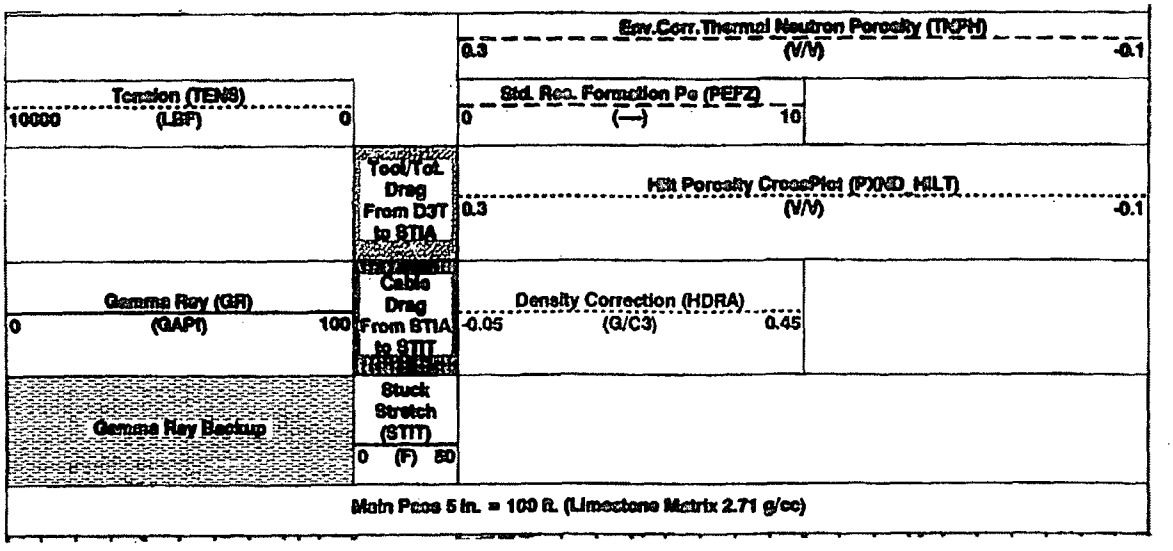
Top (md)	Base (md)	Net (ft)	Avg. Porosity	Rt	Rw	Sw	Gas Effect	GR (API)	Additional Comments
8603	8614	11	8%	800	0.025	7%	No		Gas Show on ML
8623	8626	3	14%	4000	0.025	2%	Yes		Gas Show on ML
8633	8640	7	19%	3000	0.025	2%	Yes		Gas Show on ML
8645	8649	4	18%	3300	0.025	2%	Yes		Gas Show on ML
8654	8657	3	16%	4000	0.025	2%	Yes		Gas Show on ML
8686	8699	13	18%	3000	0.025	2%	Yes		Gas Show on ML
8718	8725	7	10%	1500	0.025	4%	Yes		Gas Show on ML
8762	8766	4	24%	3000	0.025	1%	Yes		Gas Show on ML
8769	8778	9	18%	2000	0.025	2%	Yes		Gas Show on ML
8833	8842	9	12%	2300	0.025	3%	Yes		Gas Show on ML
8997	9004	7	7%	300	0.025	13%	Yes		
9593	9608	15	9.5%	3	0.024	94%	Yes		1st Bone Spring
9750	9754	4	8%	6	0.024	79%	No		1st Bone Spring
9757	9760	3	8%	11	0.024	58%	No		1st Bone Spring
9767	9776	9	12%	180	0.024	10%	No		1st Bone Spring
9893	9899	6	15%	35	0.024	17%	No		1st Bone Spring
9902	9918	16	12%	60	0.024	17%	No		1st Bone Spring
9937	9939	2	9%	3000	0.024	3%	No		2nd Bone Spring
9943	9948	5	11%	300	0.024	8%	No		2nd Bone Spring
9952	9956	4	8%	1000	0.024	6%	Yes		2nd Bone Spring
9959	9961	2	6%	4 E4	0.024	1%	Yes		2nd Bone Spring
9964	9968	4	8%	400	0.024	10%	Yes		2nd Bone Spring
9975	9977	2	9%	4000	0.024	3%	Yes		2nd Bone Spring
9981	9986	5	8%	23	0.024	40%	No		2nd Bone Spring

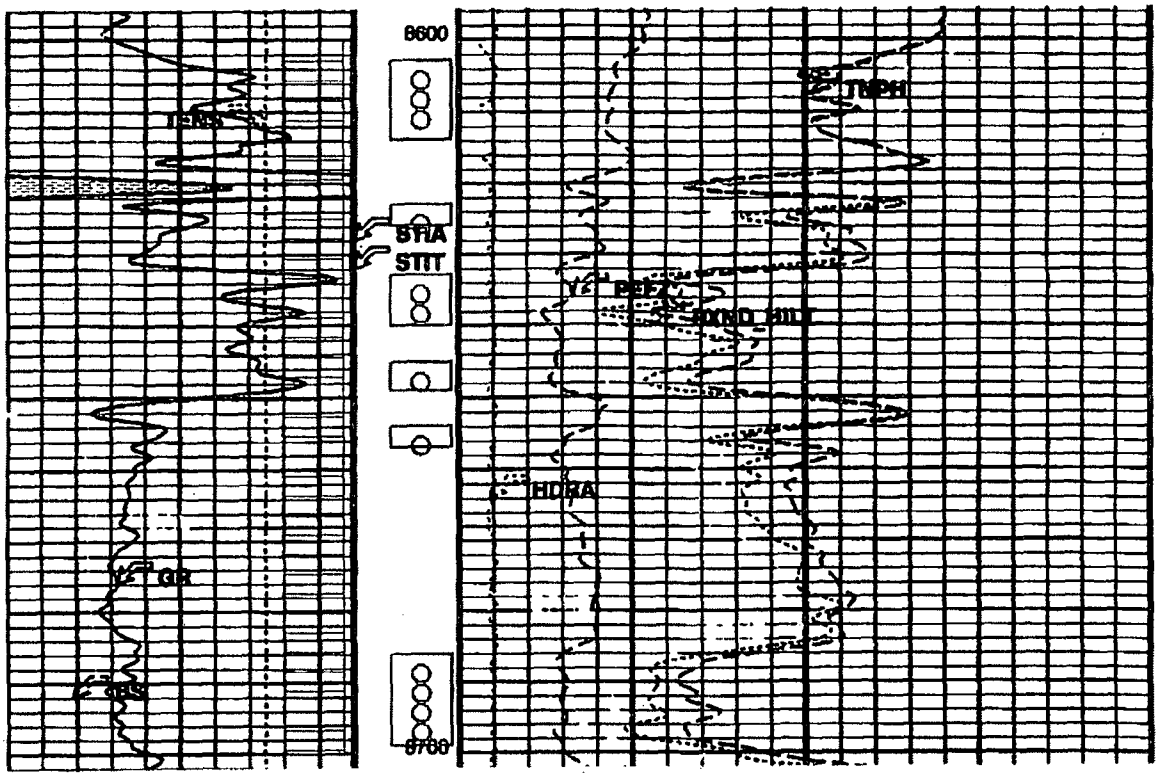
*Amount of cross over or "gas effect" varies. Most prominent in the upper intervals where there is a gas show.

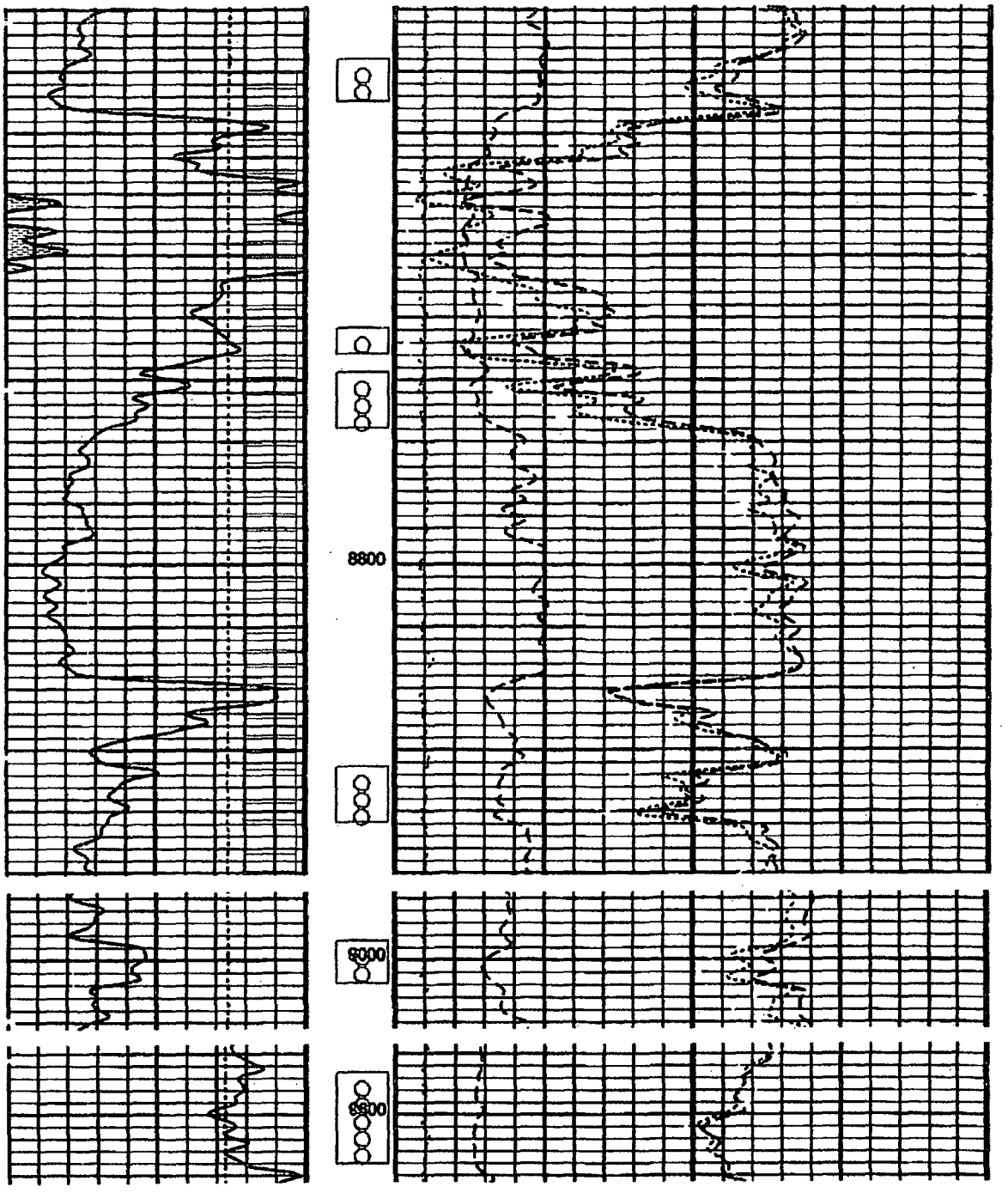
EXHIBITS

Wireline Logs:

Formation: Bone Spring



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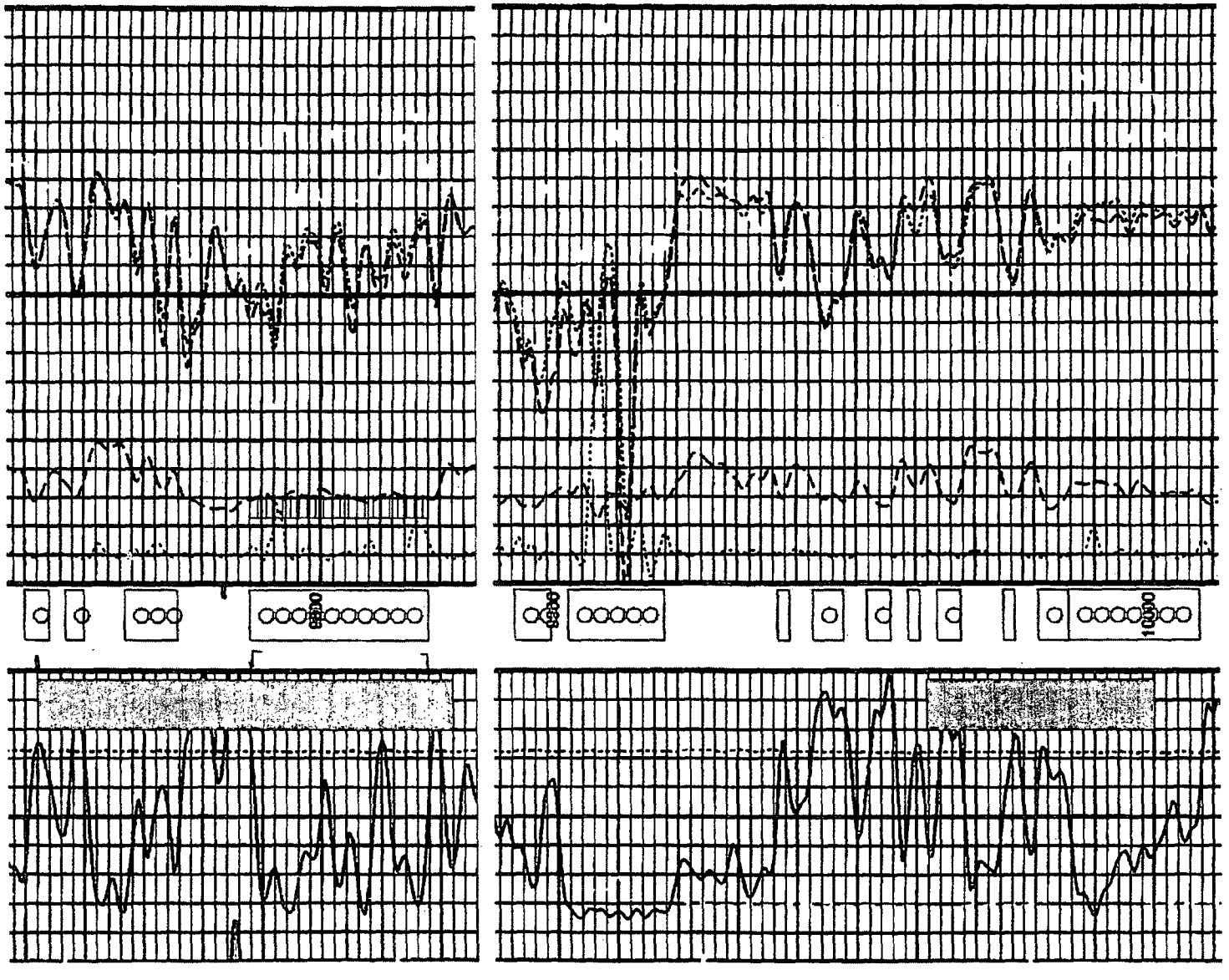
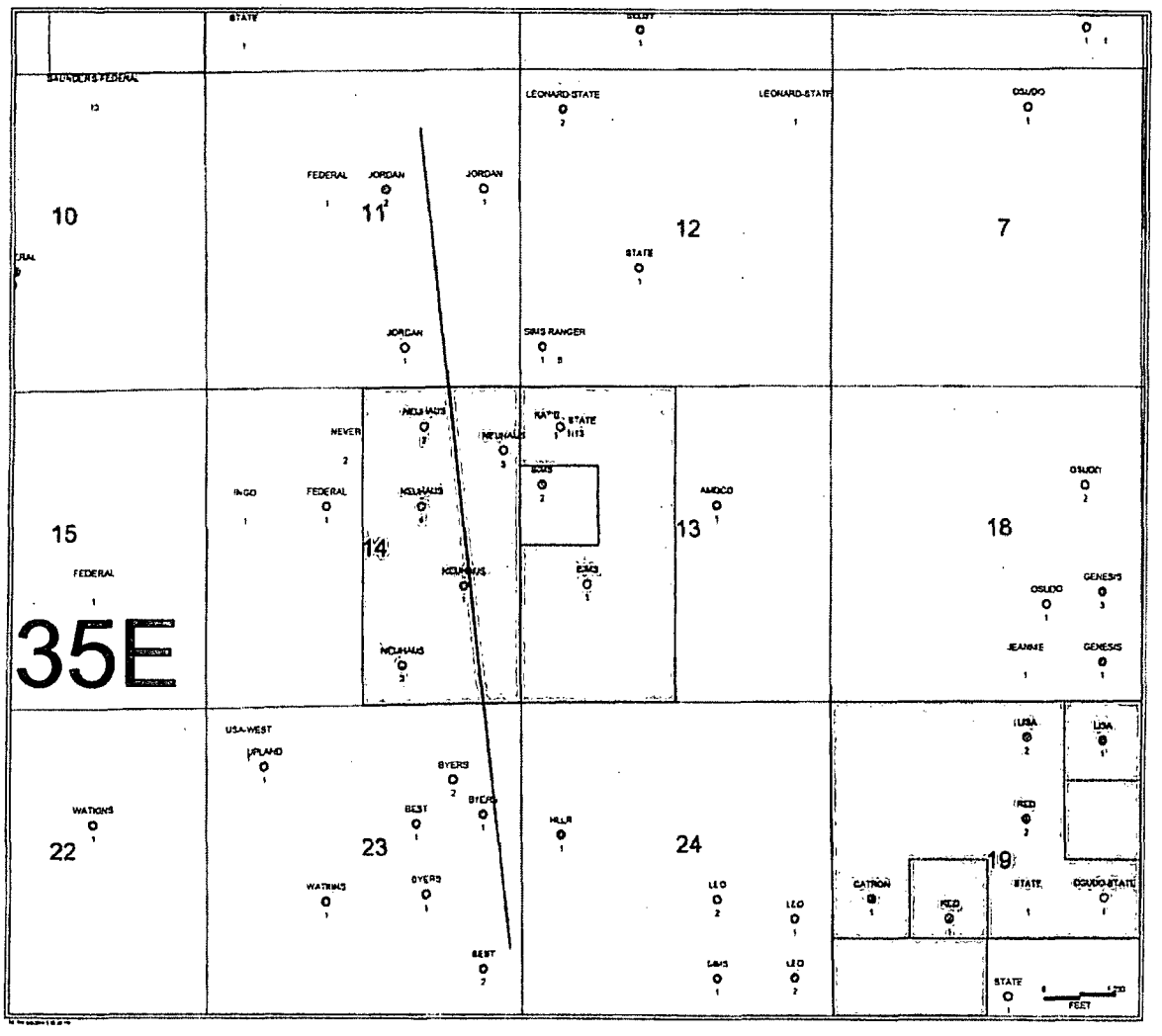
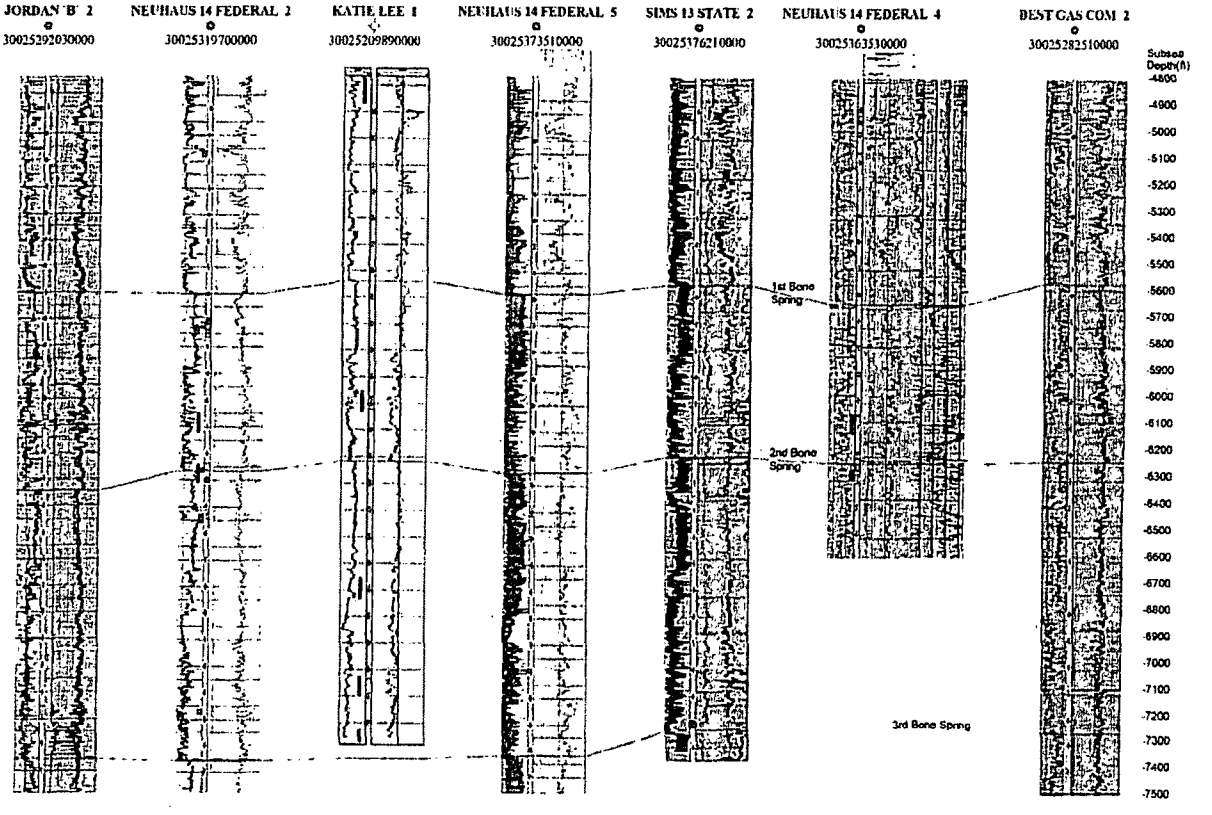


Location Map:



Cross Section:

Structure: Bone Spring



*Active perfs are in Lime Green, Proposed perfs are in Pink, and Mudlog shows/DST's are in Dark Green.

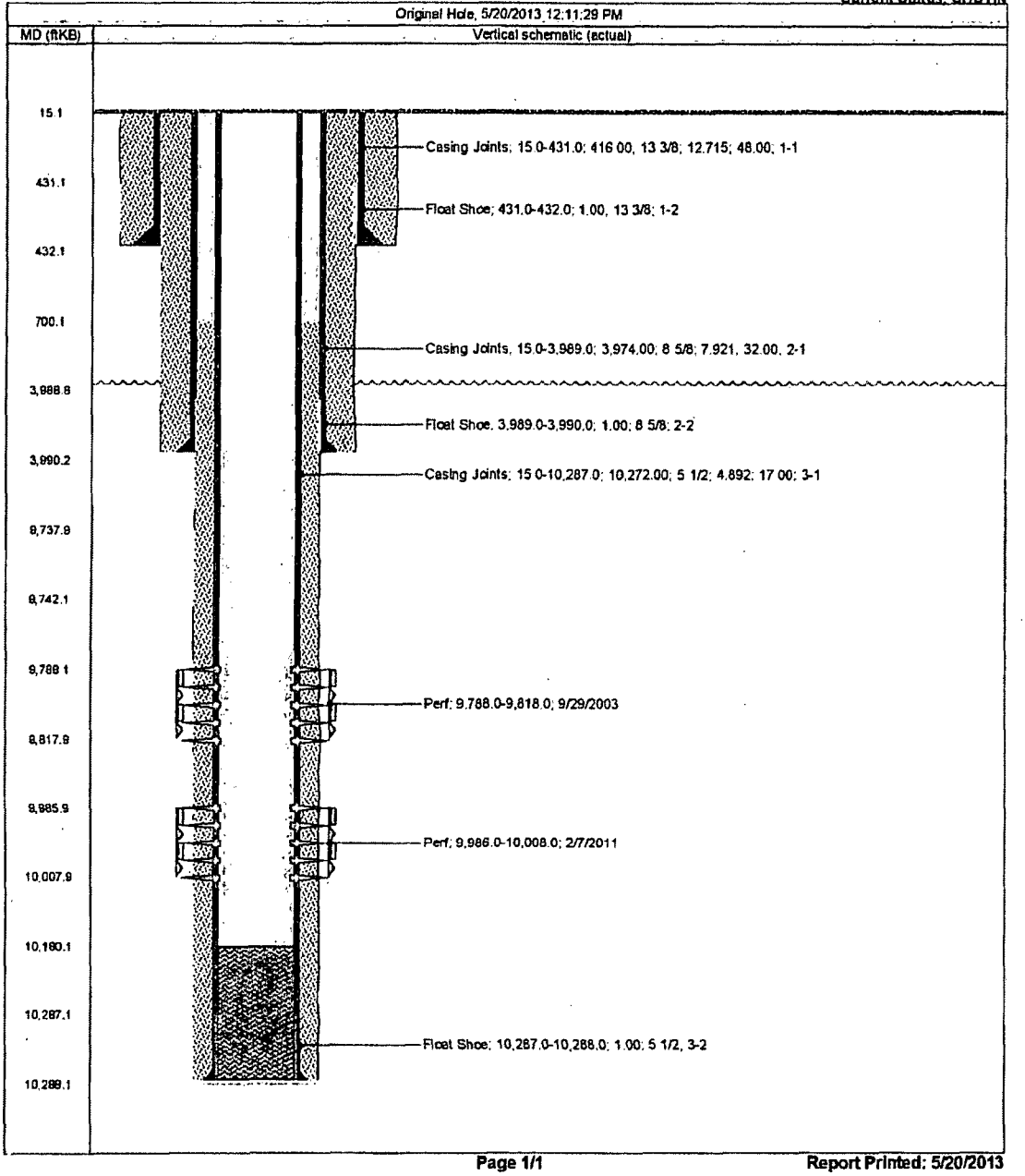
Well Bore Diagram:

Last Updated: 5/20/2013

Current Wellbore Schematic

WELL (PN): NEUHAUS 14 FEDERAL 4(CVX) (890895)
FIELD OFFICE: HOBBS
FIELD: FEATHERSTONE B, SPRING EAST
STATE / COUNTY: NEW MEXICO / LEA
LOCATION: SEC 14-20S-35E, 1980 FNL & 1650 FEL
ROUTE: HOB-NM-ROUTE 11- ADAM FLORES
ELEVATION: GL: 3,671.0 KB: 3,686.0 KB Height: 15.0
DEPTHS: TD: 10,288.0

API #: 3002536353
Serial #:
SPUD DATE: 8/24/2003
RIG RELEASE: 9/20/2003
1ST SALES GAS:
1ST SALES OIL: 10/13/2003
Current Status: SHUTIN



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