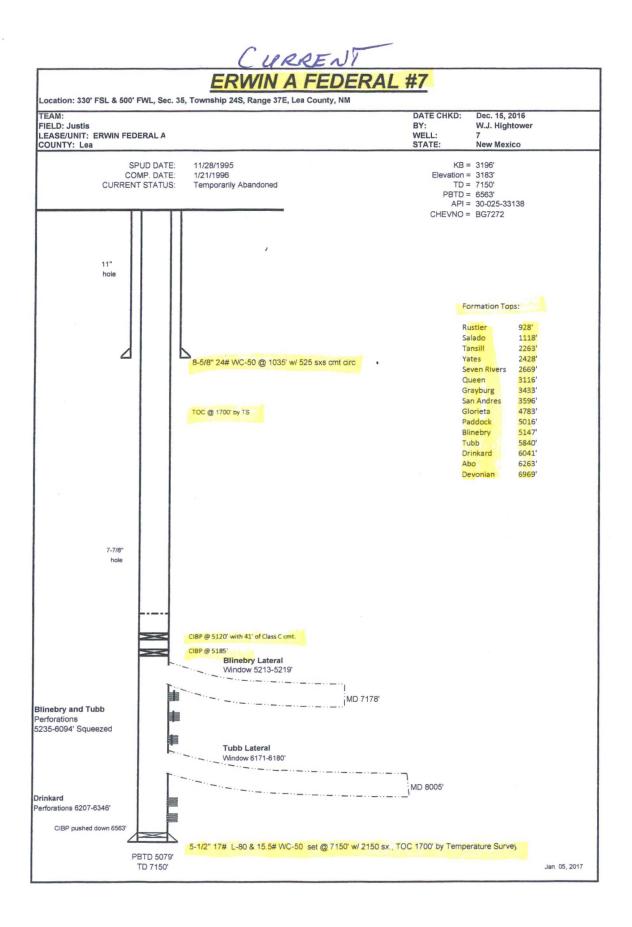
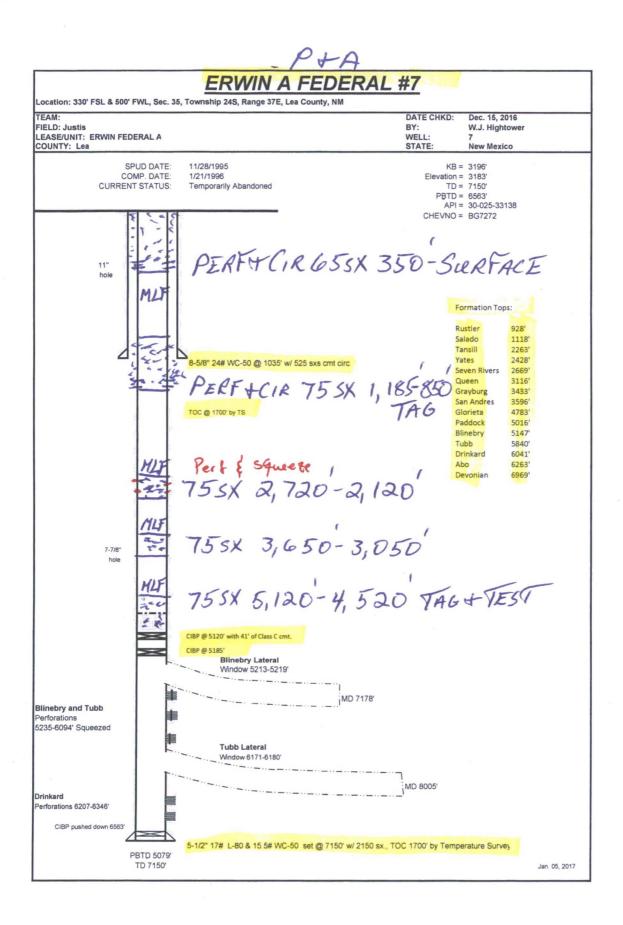
| Form 3160-5<br>(August 2007) UNITED STATES<br>DEPARTMENT OF THE INTERIOR<br>BUREAU OF LAND MANAGEMENT HOBBS OC<br>SUNDRY NOTICES AND REPORTS ON WELLS<br>Do not use this form for proposals to drill or to relenter an  |  |   |  |  |   | FORM APPROVED<br>OMB No. 1004-0137<br>Expires: July 31, 2010 |   |  |  |  |
|---|--|---|--|--|---|--|---|--|--|--|
| BUR<br>SUNDRY N<br>Do not use this f  | EAU OF LAND MAN  | AGEMENT   | HOBBS  | OC   | ar.   | <b>Isbad</b><br><b>OCT</b>                                   | or Tribe Name   | Off  | ice  |  |
| Do not use this form for proposals to drill or to retenter an abandoned well. Use Form 3160-3 (APD) for such proposals.017  |  |   |  |  |   |  |   | 15   |  |  |
| SUBMIT IN TRIPLICATE - Other instructions or page 2.  |  |   |  |  |   | 7. If Unit of CA/Agreement, Name and/or No.                  |   |  |  |  |
| 1. Type of Well Gas Well Other  |  |   |  |  |   | 8. Well Name and No.   |   |  |  |  |
| 2. Name of Operator<br>CHEVRON U.S.A. INC.  |  |   |  |  |   | Well No.   | L. ERWIN "A" F  | EDERAL   | _ # 7  |  |
| CHEVRON U.S.A. INC.     /       3a. Address     3b. Phone No. (include area code)   |  |   |  |  |   |  | -025-33138<br>r Exploratory Are   | ea   |  |  |
| 6301 DEAUVILLE BLVD. RM #N3002<br>MIDLAND, TX. 79706 432-687-7375 LEE ROAK  |  |   |  |  |   | JUSTIS; TUBB DRINKARD / BLINEBRY                             |   |  |  |  |
| 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)  |  |   |  |  |   | 11. Country or Parish, State<br>LEA COUNTY, NM.              |   |  |  |  |
| 330' FSL & 500' FWL, SEC-35, T- 24S, R-37E  |  |   |  |  |   |  |   |  |  |  |
| 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTIC   |  |   |  |  |   | ORT OR OT  | HER DATA  |  |  |  |
| TYPE OF SUBMISSION  |  |   | TION   |  | _   |  |   |  |  |  |
| ✓ Notice of Intent  | Acidize  |   | Deepen<br>Fracture Treat   |  | Production (Start/Resume) Reclamation                                   |  | INT TO PA   |  |  |  |
| Subsequent Report   | Casing Repair  | New   | Construction   | Rec  | Recomplete  |  | P&A N<br>P&A R  |  |  |  |
| Final Abandonment Notice  |  |   | and Abandon<br>Back  |  | emporarily Abandon<br>ater Disposal                                     |  | FORAP   | ΡαΑΚ   |  |  |
| <ul> <li>13. Describe Proposed or Completed Op<br/>the proposal is to deepen directions<br/>Attach the Bond under which the w<br/>following completion of the involv<br/>testing has been completed. Final J<br/>determined that the site is ready for</li> <li>ON OR ABOUT 02 / 01 / 17 MI &amp; RU<br/>TAG &amp; TEST. ( BLINEBRY, PADDO<br/>MIX &amp; SPOT 75 SX CL "C" CMT FR</li> <li>MIX &amp; SPOT 75 SX CL "C" CMT FR</li> <li>PERF &amp; CIR 75 SX CL "C" CMT FR</li> <li>PERF &amp; CIR 65 SX CL "C" CMT FR</li> <li>AS PER COA's, TURN OVER TO R</li> <li>CLASS "C" CEMENT USED W/ CLO</li> <li>BOND COVERAGE: CA 0329</li> <li>14. 1 hereby certify that the foregoing is tr</li> </ul> | ally or recomplete horizontal<br>york will be performed or pro-<br>ed operations. If the operati<br>Abandonment Notices must<br>final inspection.)<br>J, NDWH & NU BOP, RIH<br>OCK, GLORIETA )<br>COM 3,650'-3,050'. (SAN<br>COM 2,720'- 2,120'. (SEV<br>OM 1,185'- 850', WOC &<br>OM 350'- SURFACE ON<br>ECLAMATION.<br>DSED LOOP SYSTEM. | ly, give subsurfi<br>ovide the Bond 1<br>on results in a n<br>be filed only aft<br>I TO TOC ON<br>ANDRES, GR.<br>EN RIVERS, Y<br>TAG. ( SURF<br>BOTH STRING | ace locations and m<br>No. on file with BL<br>nultiple completion<br>er all requirements,<br>CIBP @ 5,120', C<br>AYBURG, QUEEL<br>AYBURG, TANSILL<br>SHOE, RUSTLEF | easured a<br>M/BIA.<br>or recom<br>including<br>IR MLF,<br>N))<br>) ~ Pe<br>R)<br>ELL HEA<br>S | and true v<br>Required<br>pletion in<br>g reclama<br>MIX&SF<br>D 3' BGL | n a new intervition, have been port 75 SX (                  | of all pertinent n<br>eports must be fi<br>al, a Form 3160-<br>en completed and<br>CL "C" CMT 5,1 | markers ar<br>led within<br>4 must be<br>d the opera<br>120'- 4,52 | nd zones.<br>a 30 days<br>filed once<br>ator has<br>20', WOC &<br>MARKER |  |
| Monty L. McCarver   | Title SR. Manager / Agent for Chervon U.S.A. Inc.  |   |  |  |   |  |   |  |  |  |
| All   | 01/18/2017   |   |  |  |   |  |   |  |  |  |
| Signature   |  |   | Date -01/18/201  |  | -   | 100  |   |  |  |  |
|   | THIS SPACE   | FOR FEDE  | RAL OR STA   | TE OF  | FICE L  | USE PP   | ROVED   |  | <u> </u>   |  |
| Approved by Teungku N   | Title  | PE  | TROLE  | UM ENGI  | NGE R   | 7  |   |  |  |  |
| Conditions of approval, if any, are attached<br>that the applicant holds legal or equitable ti<br>entitle the applicant to conduct operations t   | tle to those rights in the subject<br>hereon.  | ct lease which we   | ertify<br>ould Office  |  |   | WIAT   | 1 2017  |  |  |  |
| 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 fictitious or fraudulent statements or representations as to any matter within its jurisdiction.  |  |   |  |  |   | CARLSBAD   | FIELD OFFICE  | Entited  | States any false,  |  |
| (Instructions on page 2)  |  |   |  |  | i.  |  | RECOR   | 06/Z   | NLY<br>617   |  |





## 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 <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> 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. <u>Notification:</u> 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. <u>Blowout Preventers</u>: 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. <u>Mud Requirement:</u> 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. <u>Cement Requirement</u>: 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. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), 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. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.** 

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. <u>Dry Hole Marker</u>: 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 a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10<sup>th</sup> day, the BLM is to be contacted with justification to receive an extension for completing the cut off.

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). 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. <u>Subsequent Plugging Reporting</u>: Within 30 days after plugging work is completed, file one original and three 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. <u>Trash:</u> 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 objectives.