Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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
SEP 11 2017
RECEIVED

5. Lease Serial No.
NMNM118722

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: INJECTION

8. Well Name and No.
SALADO DRAW SWD 13 1

2. Name of Operator
CHEVRON USA INC

Contact: CINDY H MURILLO
E-Mail: CHERRERAMURILLO@CHEVRON.COM

9. API Well No.
30-025-42354

3a. Address
6301 DEAUVILLE BLVD
MIDLAND, TX 79706

3b. Phone No. (include area code)
Ph: 575-263-0431
Fx: 575-263-0445

10. Field and Pool or Exploratory Area
DEVONIAN SWD

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 13 T26S R32E Mer NMP SWSW 290FSL 10FWL

11. County or Parish, State
LEA COUNTY, NM

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
☒ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ 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 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 USA INC RESPECTFULLY SUBMITS DAILY REPORT FOR DEEPENING OF THE ABOVE SWD. DAILY REPORTS FROM 11/26/2016 THROUGH 01/16/2017 ARE ATTACHED ALONG WITH A SCHEMATIC OF THE SWD.
PLEASE FORWARD TO PAUL SWARTZ PER HIS REQUEST.

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

Electronic Submission #377142 verified by the BLM Well Information System
For CHEVRON USA INC, sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 05/24/2017 ()

Name *(Printed/Typed)* CINDY H MURILLO — Title PERMITTING SPECIALIST

ACCEPTED FOR RECORD

Signature (Electronic Submission) — Date 05/24/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By — Title TPET — Date 08/17/17

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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Salado Draw 13 SWD #1 30-025-42354

11/27/2016 MIRU

11/28/2016 N/U BOP stack. Perform bottle test on accumulator. Pull BPV and set 2 way check. Begin testing BOP's

11/29/2016 Continue testing BOP's Change out annular element. Finish testing annular. 4 1/2 " TSH Blue x 2 7/8" HT-26 X-Over left made in hanger after pulling test joint. Perform accumulator test and slip drill line. R/U Man's hydraulic winches and lift stack. Back out X-Over and retrieve same. Begin N/U break.

11/30/2016 Finish N/U BOP's and rotating head. Perform connection test. Pull 2 way check. RIH and screw into tubing hanger. Pull free and unlatch from packer. Check for pressure on tubing due to different fluid weights in tubing and annulus. Observed 21 PSI. Pump 20 bbls slug. After L/D hanger, well U-tubing and personal monitors detected H2S. Shut in well and mobilize frac tanks. Displace well to 9.0 ppg brine through panic line and shut in well. Observed 150 PSI on casing. Spot 10.0 ppg mud cap.

12/01/2016 Reverse circulate 600 bbls of 10.0 ppg brine. Monitor pressure. 0 PSI on casing ad 910 PSI on tubing. Continue reverse circulating until 10.0 pg brine returns to surface. S/D and monitor pressure. Open well and observe diminishing returns from 33 bph to 4 bph and then static POOH, L/D 310 joints of 4.5" tubing.

12/02/2016 Finish POOH, L/D tubing Total of 475 joints L/D. R/D tubing handling tools. Install wear bushing. P/U Baker packer milling/fishing assy. P/U and TIH with 2 7/8" x 4" x 5" workstring to 6,017'.

12/03/2016 Continue P/U and TIH with 2 7/8" x 4" x 5" workstring to 17,650'. Obtain parameters and begin milling over Baker production packer. After 20", unable to make further progress, indicating worn mill shoe. Release from packer and begin POOH to swap out mill shoe.

12/4/2016 Finish POOH with milling/fishing assy. Change out mill shoe and TIH to 2,109'.

12/05/2016 Finish TIH to 17,770' and ream down to packer at 17,774'. Mill over 8" of packer.

12/6/2016 Mill over -8" of packer. Unsuccessfully attempt to pull packer, spear would not engage. TOH to change out milling BHA. TIH to 6,353'.

12/7/2016 TIH to 17,775' and latch spear into packer. Pull 60k lbs over, but was unable to pull packer, Mill -3" of packer and attempt to pull again. Unable to latch spear into packer. Mill -1.5" of packer.

12/8/2016 Mill packer. Attempt to latch onto packer with no success. Decision made to TOH. TOH from 17,777' to surface and laydown fishing/milling assembly. While TOH dropped rig radio down hole. Found 4" line from mud pumps to top drive was packed off with soda ash.

12/9/2016 Use heated power washers to clean out 4" lines from mud pump to top drive. Unpin Kelly hose and clean out. Continue washing 4" lines, 3" DC, and 2 7/8" DP.

12/10/2016 Pin Kelly hose to derrick. Flush through all 4" lines and pressure test to 3500 PIS to ensure no leaks. Slip and cut drill line P/U Baker milling BHA to mill over rig radio. P/U 2 7/8' DP and circulate through every 20 joints to ensure joints are clear of soda ash. TIH with 4" and 5" DP to 17,021'.

12/11/2016 TIH from 17,736'. Establish milling parameters and mill rig radio from 17,734 to 17,739'. All signs indicating rig radio is milled up and stop ring on milling assembly is sitting on top of packer mandrel. TOH and L/D milling assembly. P/U new Baker fishing;/milling assembly and TIH to 893'.

12/12/2016 TIH to 17,735' and tag packer. Attempt to latch spear in packer multiple lines unsuccessful. Decision made to TOH. TOH to 6219'

12/13/2016 TOH and L/D Baker fishing assembly. P/U Baker VAC's assembly. TIH to 17,734' and circulate with VAC's assembly to clean off top of fish.

12/14/2016 Circulate with VAC's assembly to clean off top of fish. Mill top of fish to clean OD of mandrel in preparation to fish with grapple. TOH and L/D VAC's BHA. P/U Baker spiral grapple overshot assembly with TIH to 10457'.

12/15/2016 TIH with overshot grapple assembly. Tag fish at 17,733' and appear to latch on fish with grapple. Set 20 klbs on fish while rotating and push fish down to 17765'. Pull fish into tight spot at 17733 and pull 25 klbs over. Drag indicating fish might still be in grapple. Decision mad to TOH. L/D fishing assembly, fish not captured. P/U Baker milling assembly.

12/16/2016 TIH to 17,737' and tag tight spot. Work pipe through tight spot and down to 18,259'. Tag what is believed to be packer. TOH to 11,083' to P/U overshot grapple assembly.

12/17/2016 To 11,083' to surface. L/D milling assembly, P/U overshot with 3 5/8" spiral grapple. TIH to 11,604'

12/18/2016 TIH and tag fish at 18,260'. Change in pump pressure and drag weight indicating that fish might be latched. Decision made to TOH after seeing continuous drag weight of 10 klbs in open hole. L/D overshot grapple assembly. Packer not retrieved, but piece of MJ tool that broke off BHA #3 successfully retrieved. Begin R/U tester in preparation to test BOPE.

12/19/2016 Test BOPE, Replace black jack on top drive. 4" drive at mud pumps leaking during test. Replace valves and retest. Valves still leaking, continue to trouble shoot problem.

12/20/2016 Finish testing BOPE, Install W/B P/U overshot with 3 5/8" spiral grapple. TIH to 17,750'. Obtain parameters and wash down to 18,255' work through and attempt to retrieve injection packer at 18,261'

12/21/2016 Tag at 18,260' and begin TOH. Pulled into tight spot at 18,230' w/30k over. Begin pumping and lost pressure differential. Run back in and tag at 18,260' with an increase in differential pressure. TOH and pull into tight spot at 18,230'. Pump out and work through with no loss of differential. TOH Packer no recovered.

12/22/2016 M/U millshoe and watermelon mill. And TIH to 4.5" open hole. Obtain parameters and begin running through open hole. Tag tight spot at 18,234' Work through with pumps and rotation to 18,244' Continue to attempt to work through with no success. TOH with no drag through open hole or casing to 7,456'

12/23/2016 Finish TOH and L/D mill shoe assembly. Found packer pump out plug inside mill shoe along with chunks of formation. Discuss plan forward to make decision to run Hurricane mill and clean out open hole. P/U Mill and TIH to 9,785'

12/24/216 Finish TIH with Hurricane mill. Obtain parameters and wash/reams through open hole to 18,258'. Pump fluid caliper sweep. TOH t 11,778

12/25/2016 Finish TOH and L/D mill. P/U 2 3/8' cement stringer and TIH. Circulate and condition brine. TIH and tag packer at 18,260' Begin R/U cementers.

12/26/2016 Mix and spot 25 bbls of 16.4 ppg cement plug. TOH above plug and reverse circulate 1.5x pipe volumes. Forward circulate while waiting on cement.

12/27/2016 Wash down and tag cement plug at 18,043' with 6k down. Circulate B/U. TOH, L/D cement stringer. P/U 4 ½ Hurricane bit and milling BHA . TIH to 3286'

12/28/2016 Continue TIH with 4 ½ Hurricane mill to 17,861'. Reverse circulate cement debris from inside 5" DP. Wash down and tag cement at 18,015'. Ream through cement stringers from 18,015' to 18,0048'. Drill good cement from 18,068' to 18,085'. Perform short trip to shoe. RIH and tag cement at 18,085'. Circulate 40 bbl Calcium Cabonate sweep around TOH to 13,597'.

12/29/2016 TOH to 6,600'. Slip and cut drill line. Finish TOH. L/D milling assembly. P/U whipstock and TIH to 6,826'.

12/30/2016 Finish TIH w/whipstock. Reverse circulate 1.5 B/U. RIH with whipstock and tag at 18,080'. Spot 25 bbls of cement on top of whipstock. Shear off and set whipstock at 18,080' (Tops of whipstock at 18,064') TOH above cement and reverse circulate 1.5 B/U. Begin washing out cement above shoe.

12/31/2016 Wash down ad tag cement at 17,381'. Drill cement to 17,760'. Rotate and reciprocate watermelon mill through future packer setting depth. Continue drilling cement to 17,853'. Circulate B/U, continue drilling cement to 17,909.

01/01/2017 Drill cement from 17,909' to 17,966'. Replace swivel packing. Continue drilling cement from 17,966 to 18,064'. Mill window and formation from 18,064 to 18,085.

01/02/217 Circulate B/U and confirm new formation after milling window (65% dolomite). TOH above show and clean active pit. Fill with clean 10.0 ppg brine. TIH to 18,055' and displace well to clean 10.0 ppg brine. TOH, L/D 5" and 4" DP to 4,065'.

01/03/2017 Finish L/D 4" and 2 7/8" DP. L/D Baker window mill BHA and Baker DC's. R/U and test BOP's. PU 5" DP to circulate through and RIH to 1,025'.

01/04/2017 P/U 5" DP and TIH to 11,516'. Reverse circulate through DP to clean out cement debris. TOH and rack back. P/U 4.5" diamond impreg deepening BHA. Visually re-inspect 2 7/8". DP due to rabbit hanging up on traces of soda ash scale. Visually identify and confirm 140 joints of clean 2 7/8" DP. P/U DP and TIH to 1,645'.

01/05/2017 Continue P/U 2 7/8" and 4" DP. TIH with 5" DP to 18,085'. Drill 4 ½ "open hole section to 18,178'.

01/06/2017 Continue drilling 4 ½' open hole section to 18,256'. Decision made to TOH due to directional proximity to original wellbore and indications of turbine stalling out on top of packer. Circulate sweep out of hole. TOH from 18,256' to 3,960'.

01/07/2017 L/D 2 7/8" DP and BHA. Perform maintenance while waiting on whipstock to be delivered.

01/08/2017 Continue to perform rig maintenance while waiting on whipstock to be delivered. P/U whipstock assembly. P/U 2 7/8" DP and TIH to 3,700'.

01/09/2017 TIH with 4" DP and 5" DP to bottom of Sidetrack #1 @ 18,256'. R/U wireline. RIH with Gyro tool and orientate whipstock. POOH with Gyro tool R/D wireline.

01/10/2017 Perform cement job over whipstock. Work pipe in tight spot @ 18,096'. Unable to move or rotate pipe. Decision made to back off drill string using primer change run on wireline. Wait on wireline unit to arrive. R/U wireline unit.

01/11/2017 RU wireline unit and RIH to 17,186'. POH with wireline and R/D unit. Circulate two bottoms before TOH. TOH from 17,186' to surface. Recover 103 of 113 joints of 2 7/8". DP in hole.

01/12/2017 Run USIT log on 7 5/8" and 9 5/8" casing. P/U 2 3/8" stringer. PU 2 7/8" DP. TIH with 4" DP and 5" DP to 15,970'.

01/13/2017 Finished TIH with 5" DP to 17,192'. Wait on Schlumberger cement unit, labs, and wiper balls. Pump 10.6 bbls balanced cement plug. Pump 210 bbls of 234 bbls displacement and pump truck pressured up to 4500 PSI. Trip out to above calculated cement top. Attempt to pump with rig pumps and pressure up to 4800 PSI. Successfully reverse circulate cement out of drill string to surface.

01/14/2017 Circulate foam wiper ball down drill pipe to clean DP. Build 500 bbls of gelled fresh water. Displace brine with gelled fresh water. Pump first balanced plug. TOH to 16,600' out of cement plug. Circulate and rotate pipe while WOC. TIH from 16,600' to 16,685'. Tag cement @ 16,865' CC hole to clear any green cement. TOH from 16,865' to 16,586'. CC hole.

01/15/2017 Spot 5 bbls high vis pill. Spot second balanced cement plug from 15,505' to 15,005'. TOH to above cement plug and circulate to clean drill pipe. ID and annulus of cement. Spot 5 bbls high vis pill. Spot third balanced cement plug from 14,738' to 14,238'. TOH to above cement plug and circulate to clean drill pipe. ID and annulus of cement. WOC to reach 500 PSI compressive strength. Wash down and tag third cement plug @ 14,294'. Circulate green cement out of hole.

01/16/2017 Spot 10 bbl high bis pill. Spot fourth balance plug with 21.3 bbls of cement at 14,004'. TOH to above cement plug ad circulate to clean cement out of drill pipe. ID and annulus WOC and tag TOC @ 13,430" with 10K. TOH laying down DP. Remove wear bushing.

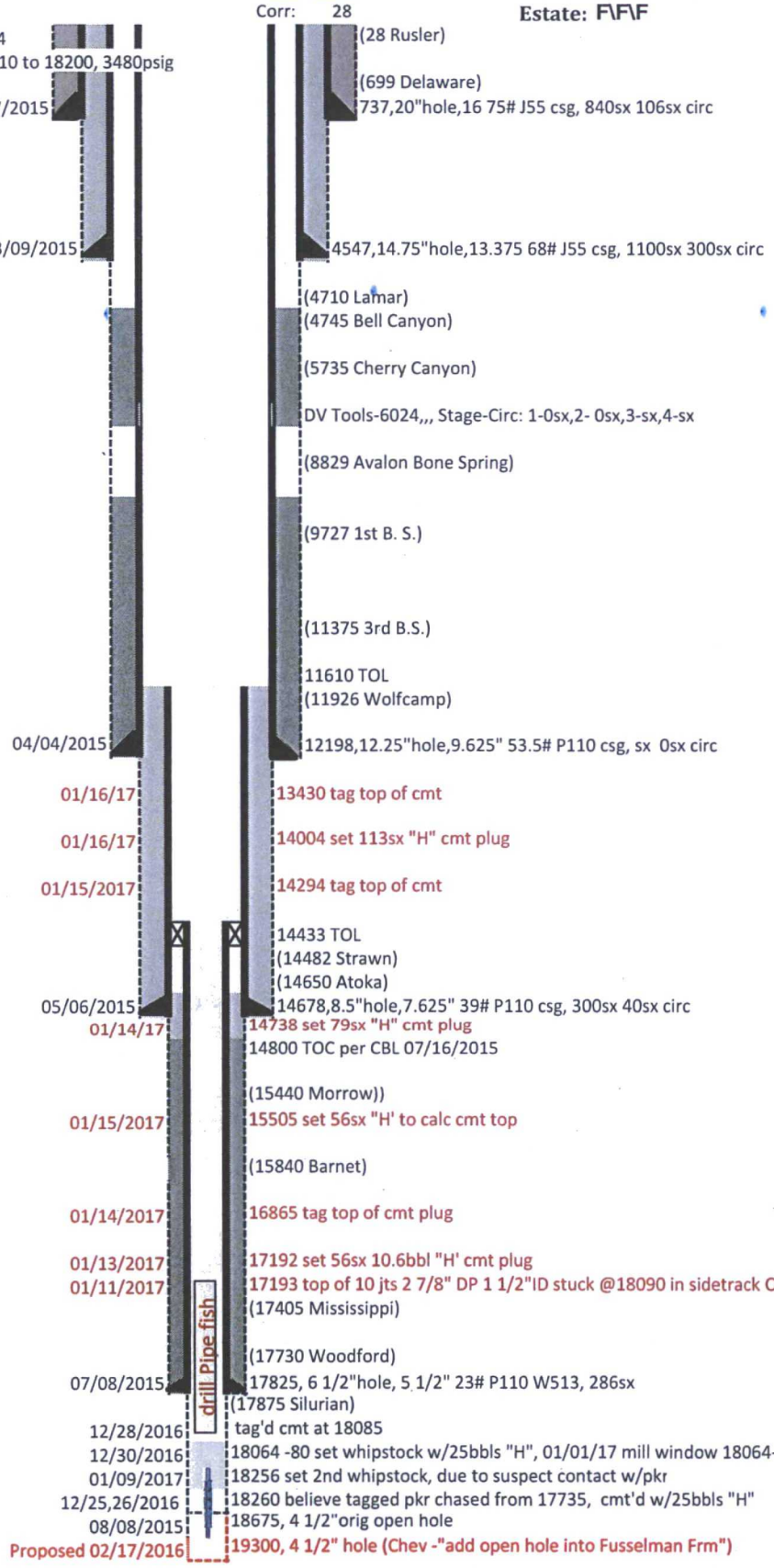
01/17/2017 Install tubing hanger with BPV pre-installed and pressure test hanger seal. N/D BOP, Release rig @ 12:00. Install TA cap on wellhead. Final Report.

Operator: Chevron USA Incorporated
Surface Lease: NM118722 **BHL:** NM118722
Case No: NM118722 **Lease Agreement**
Subsurface Concerns for Casing Designs: ,,,,
Well Status: POW
Spud date: 02/21/2015
WDW, R of W: 0
Admn Order, date: SWD-1488, 06/13/2014
Formation, Depths, psig: Devonian-Silurian, 17410 to 18200, 3480psig

Well: SALADO DRAW SWD 13-1
API: 3002542354
@ Srfce: T26S-R32E,13.290s10w
@ M TD: T26S-R32E,13.290s10w

KB: 3199
GL: 3171
Corr: 28

Estate: F\F\F



05/12/2016 MIT held 545 to 525psig 34m to pkr
02/09/2017 MIT held 540-530psig from 13430'

NOTE: 4 1/2" sidetrack open holes (2) below 17192 abandoned with problems

Diagram last updated: 08/17/2017

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