

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

7. If Unit or CA/Agreement, Name and/or No.
NMNM117035

8. Well Name and No.
CODORNIZ 28 FEDERAL 2

9. API Well No.
30-025-36196-00-S1

10. Field and Pool or Exploratory Area
QUAIL RIDGE

11. County or Parish, State
LEA COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

HOBBS OCD
DEC 11 2017
RECEIVED

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
CHEVRON USA INCORPORATED
Contact: CINDY H MURILLO
E-Mail: CHERRERAMURILLO@CHEVRON.COM

3a. Address
6301 DEAUVILLE BLVD
MIDLAND, TX 79706

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 28 T19S R34E NWSW 1980FSL 660FWL

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleate 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 recompleation 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 THE FOLLOWING REMEDIATION WORK ON THE ABOVE WELL. UPON THE NEXT MAJOR REMEDIATION WORK ON THE WELL; TWO EXISTING PLUGS WILL BE DRILLED OUT AND THREE NEW PLUGS WILL BE SET IN ORDER TO COMPLY WITH COA PROVIDED BY BLM. THE FIRST PLUG SHALL BE SET AT 13,278' CEMENTING TO 12,660' WITH CLASS H (MORROW FORMATION), THE SECOND PLUG SHALL BE SET AT 10,859' CEMENTING TO 10,396' WITH CLASS H (WOLFCAMP AND DV TOOL), THE THIRD PLUG SHALL BE SET AT 8,251' CEMENTING TO 8,071' WITH CLASS H (BONE SPRING).

CURRENT PLUGS ARE SET AT 10,754' AND 8,265'.

CAMERON KHALILI, PRODUCTION ENGINEER HAS BEEN IN CONTACT WITH JIM AMOS/BLM REGARDING THE ABOVE REMEDIATION WORK. SPOKE TO JIM ON 11/24/2017.

*WOC Tag -
WOC Tag -*

Approval dated 12-7-14 is still valid with the above changes. COA's apply for **SEE ATTACHED FOR CONDITIONS OF APPROVAL**

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

Electronic Submission #395960 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by JIM AMOS on 12/06/2017 (18JA0017SE)

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

Signature (Electronic Submission) Date 11/27/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By James R. Amos Title Supv. PET Date 12-6-17

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 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)

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

KZ

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Hobbs

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

SUNDRY NOTICES AND REPORTS ON WELLS
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NMNM56263

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7. If Unit or CA Agreement, Name and or No.
NMNM117035

8. Well Name and No.
CODORNIZ 28 FEDERAL 2

9. API Well No.
30-025-36196

10. Field and Pool or Exploratory Area
MORROW

11. County or Parish. State
LEA COUNTY NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
CHEVRON USA INC Contact: CINDY H MURILLO
E-Mail: CHERRERAMURILLO@CHEVRON.COM

3a. Address
1616 W. BENDER BLVD
HOBBS, NM 88240

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

4. Location of Well (Footage, Sec, T, R, M, or Survey Description)
Sec 28 T19S R34E Mer NMP NWSW 1980FSL 660FWL

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CHEVRON USA INC IS REQUESTING TO RECOMPLETE THE ABOVE SUBJECT WELL. THE WELL IS IN THE MORROW FORMATION AND WILL NOW BE IN THE DELAWARE FORMATION WITH THE NEW FOLLOWING PROCEDURE:

MIRU N/U BOPE AND TEST
TOOH WITH EXISTING TUBING
SET CIBP AT 10,759' DUMP BAIL 35' OF CEMENT (WOLFCAMP PLUG)
SET CIBP AT 8,200' DUMP BAIL 35' OF CEMENT (BONE SPRING PLUG)
FIRST STAGE PERF AND FRAC DELAWARE FORMATION (7010'-7020'; 7034' - 7050')
SECOND STAGE PERF AND FRAC DELAWARE FORMATION (8042' - 8062')
DRILL OUT TO NEW PBTD AT 8200'
RUN IN HOLE WITH RODS AND TUBING
N/D BOPE, N/U TREE, RDMO

ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #358282 verified by the BLM Well Information System
For CHEVRON USA INC, sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 11/18/2016 ()

Name (Printed Type): CINDY H MURILLO Title PERMITTING SPECIALIST

Signature (Electronic Submission) Date 11/17/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title DEC 7 Date _____

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 _____

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 **

MJB/OCD 12/21/2014

Additional data for EC transaction #358282 that would not fit on the form

32. Additional remarks, continued

PLEASE SEE ATTACHED WELL BORE DIAGRAMS OF CURRENT AND PROPOSED WELLBORE.

IF YOU HAVE ANY QUESTIONSON PROCEDURE, PLEASE CONTACT CAMERON KHALILI AT 432-687-7360.

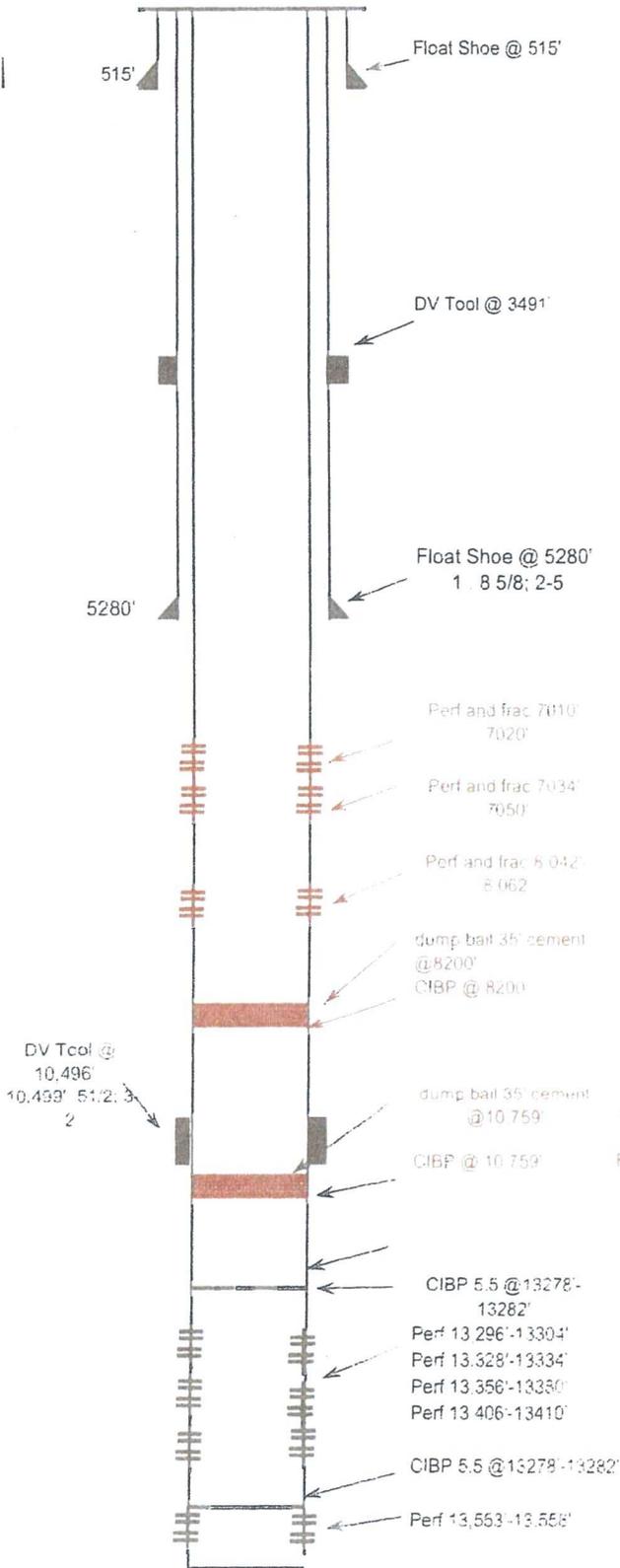
THIS SUNDRY REPLACES EC # 356787 SUBMITTED ON 11/02/2016.

Lease Name: Codorniz
 Well No. 28 Fed #2
 Sur Location: 1980 FSL 660 FWL
 Sec.: 28
 Twn 19S
 Range 34E
 Cost Center UCRH90110

Field: Quail ridge
 Reservoir: Morrow
 GL: 3691'
 KB: 3712'
 DF: -
 Status: Temp Abn.

API No. 30-025-36196
 REFNO: HL1647
 Spud Date: 7/6/2003
 Comp. Date:
 County: Lea
 State: New Mexico
 Type Lease: Federal

Vertical Well



Surface Casing

Hole Size: 17 1/2"
 Csg. Size: 13 3/8"
 Wt. Grd: 48# H-40
 Depth: 514'
 Sks. Cmt: 500 Sx. Class "C"
 TOC @: 21'
 Circ: Y/N: Y

Intermediate Casing

Hole Size: 12 1/4"
 Csg. Size: 8 5/8"
 Wt. Grd: 32# J-55
 Depth: 3491'
 Sks. Cmt: 1600 Sx. stg 1 Class "C"
 Stg 2: 200 Sx. Class "C"
 TOC @: 21'
 Circ: Y/N: Y

Production Casing

Hole Size: 7 7/8"
 Csg. Size: 5 1/2"
 Wt. Grd: 17# LS-110
 Depth: 13,750'
 Sks. Cmt: 700 Sx. Class "H"
 Stg 2: 700 Sx. Class "H"
 TOC @: 21'
 Circ: Y/N: Y

Proposed WBD

Total Depth: 13751'

Codorniz 28 Federal 2
30-025-36196
Chevron USA Inc
December 07, 2016
Conditions of Approval

Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.

Work to be completed by March 06, 2017.

1. Operator shall tag CIBP at 13,278' and place 25sx Class H Cement on top. WOC and tag.
2. Operator shall place a solid Class H Cement plug from 12,890'-12,660' to seal the top of the Morrow formation.

Note: Operator may combine plug 1 and 2. Setting CIBP at 13,278' and cementing to 12,660' if desired. WOC and tag.

3. Operator shall place a solid Class H Cement plug from 10,859'-10,651' to seal the top of the Wolfcamp formation.
4. Operator shall place a solid Class H Cement plug from 10,596'-10,396' to seal the DV tool. WOC and tag.

Note: Operator may combine plug 2 and 3 to place one Class H Cement plug from 10,859'-10,396'. WOC and tag.

5. Operator shall place a solid Class H Cement plug from 8,251'-8,071' to seal the top of the Bone Spring formation.
6. Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails
7. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
8. Surface disturbance beyond the originally approved pad must have prior approval.
9. Closed loop system required.

10. All waste (i.e. drilling fluids, 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.
11. Operator to have H2S monitoring equipment on location.
12. A minimum of a **5000 (5M)** BOP to 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 (5M 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.
13. **Subsequent sundry required detailing work done, C-102 form, and completion report with the new formation. Operator to include well bore schematic of current well condition when work is complete.**
14. See attached for general requirements.

JAM 120716

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Production Zone 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 this approval.

If you are unable to plug back 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 back. 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 plug back operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-393-3612

3. **Blowout Preventers:** 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. **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 brine 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. 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.**

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. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back 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 work was completed.**

7. 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.