Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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HOBBSOCD

FORM APPROVED
OMB No 1004-0137
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 page 2.

1 Type of Well: ☐ Oil Well ☐ Gas Well ☑ Other SWD-1138	5 Lease Serial No: LC-032100
	6 If Indian, Allottee or Tribe Name: N/A
	7 If Unit of CA/Agreement, Name and/or No: N/A
	8 Well Name and No: C.H. LOCKHART FEDERAL NCT-1 #8 ✓
2 Name of Operator: CHEVRON U.S.A. INC. ✓	9 API Well No: 30-025-12131 ✓
3a. Address: 15 SMITH ROAD, MIDLAND, TEXAS 79705 — 3b Phone No (include area code): 432-687-7375	10 Field and Pool or Exploratory Area: SWD; SAN ANDRES ✓
4 Location of Well (Footage, Sec., T.,R.,M., or Survey Description): 660'FSL, & 660' FEL UL P, SEC 18, T-22-S, R-38-E ✓	11 Country or Parish, State: LEA, NEW MEXICO ✓

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	☑ 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 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 U.S.A INC INTENDS TO FRAC STIMULATE THE SAN ANDRES FORMATION TO INCREASE INJECTIVITY

THE INTENDED PROCEDURE AND WELLBORE DIAGRAM IS ATTACHED FOR YOUR APPROVAL.

*Rejected
DW 2-26-10

SUBJECT TO LIKE APPROVAL BY STATE

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) DENISE PINKERTON	Title REGULATORY SPECIALIST
Signature Denise Pinkerton	Date 02/11/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by EG 3-4-10	Title GC FIELD REPRESENTATIVE V/STAFF MANAGER	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)

C. H. Lockhart Federal (NCT-1) # 8
Drinkard Field
T22S, R38E, Section 18
WBS # UWDPS-Rxxxx
Job: Frac Stimulate San Andres Formation

Procedure:

1. ***This procedure 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 2/4/2010. Verify what is in the hole with the well file in the Eunice Field office. Discuss w/ WEO Engineer, Workover Rep, OS, ALS, and FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.***

2. Displace injection line with fresh water. Have field specialist close valve at header. Pressure line according to the type of line. Buried fiberglass lines will be tested with 300 psi. All polypipe (SDR7 and SDR11) will be tested w/100 psi. All steel lines will be tested w/1000 psi. If a leak is found, contact Donnie Ives for repair/replacement. If test is good, bleed off pressure and **open valve** at header. Document this process in the morning report.

3. MI & RU workover unit. Bleed pressure from well, if any. Pump down tbg with 8.6 PPG cut brine water, if necessary to kill well. Remove WH. Install BOP's and test as required.

4. Release ArrowSet pkr at 4235'. POH with 2 3/8" IPC injection tbg string. LD on-off tool and packer.

5. MI & RU Baker Atlas electric line unit. Install lubricator and test to 2000 psi. GIH with gauge ring (for 5 ½" 14# csg) and junk basket to 5500'. POH. RD & release electric line unit.

6. PU and GIH w/ 5 ½" Arrow-Set 10K pkr & On-Off tool w/ 2.25" "F" profile and 129 jts. of 3 ½" EUE 8R L-80 work string, testing to 8000 psi. Set pkr at approximately 4000'. Install frac head. Pressure annulus to 350 psi to test csg and pkr. Leave pressure on csg during frac job to observe for communication. **Note: Set pressure relief valve on casing to not exceed 350 psi casing pressure due to cmt sqzd casing leak at 2910'.**

7. MI & RU DS Services. Frac well down 3 ½" tubing at **40 BPM** with 43,500 gals of YF125 and 58,250 lbs 16/30 mesh Jordan sand. Observe a maximum surface treating pressure of **7500 psi**. Pump job as follows:

   Pump 2,000 gals 2% KCL water pre-pad at **20 BPM**
   Pump 8,000 gals YF125 pad at **40 BPM**
   Pump 20,000 gals YF125 containing 0.5 PPG 16/30 mesh Jordan Sand

Pump 3,500 gals YF125 containing 1.5 PPG 16/30 mesh Jordan Sand
Pump 3,500 gals YF125 containing 2.5 PPG 16/30 mesh Jordan Sand
Pump 4,000 gals YF125 containing 3.5 PPG 16/30 mesh Jordan Sand
Pump 4,500 gals YF125 containing 4.5 PPG 16/30 mesh Jordan Sand.

Flush to 4225' with 1,692 gals WF125. **Do not overflush.** Shut well in. Record ISIP, 5, 10, and 15 minute SI tbg pressures. SWI. RD & Release DS Services. **Leave well SI overnight.**

8. Open well. GIH with sinker bar on sand line to 5500'. POH. **Note: If fill is tagged above any perfs, discuss cleanout with Engineering.**

9. Release pkr and POH with 3 ½" work string. Lay down 3 ½" work string and pkr.

10. PU and GIH w/ 5 ½" Arrowset 1-X NP pkr and on-off tool with 1.78" "F" profile on 2 3/8" IPC tbg string to 4243'. Test tbg to 5000 psi while GIH. Set pkr at 4243'. Fill casing with corrosion inhibited packer fluid and pressure test to 350 psi. **Note: Do not exceed 350 psi due to cmt sqzd casing leak at 2910'.**

11. Remove BOP's and install WH. Pressure test 5 ½" csg to 500 psi and record chart for 30 minutes. Send chart to Denise Pinkerton for filing with NMOCD. Rig down and release workover unit. **Note: Notify NMOCD of MIT Test with 48 hours advance notice.**

12. Turn well over to production. Report injection rates and tubing pressures.

AMH
2/5/2010

9e12i
SWD; San Andres

WELL DATA SHEET

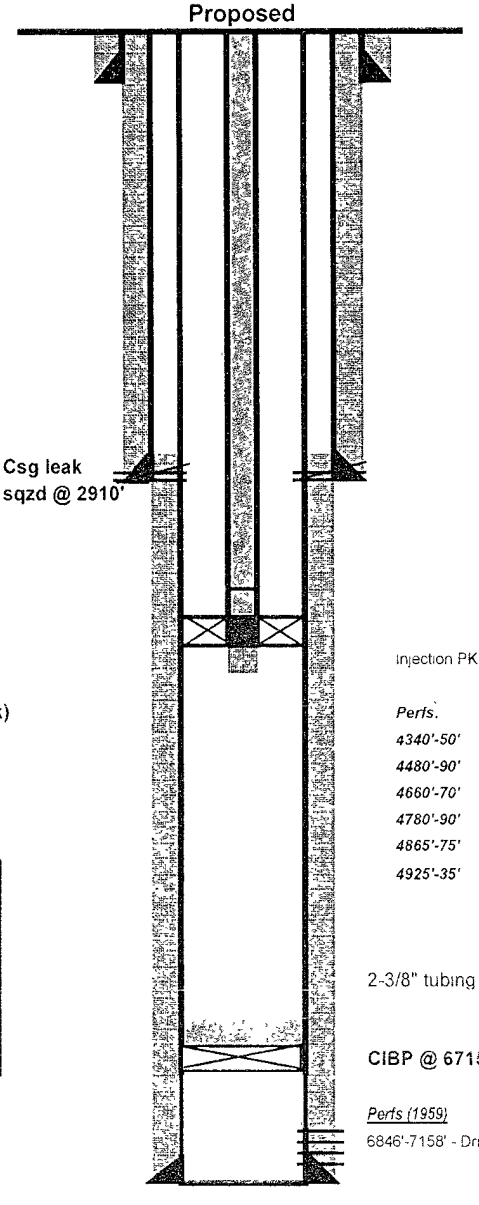
Field:	Blinebry O&G		**Well Name:**	C H Lockhart Federal (NCT-1) #8		**Lease Type:**	Federal
Location:	660' FSL & 660' FEL		**Sec:**	18-P	**Township:** 22S	**Range:**	38E
County:	Lea	**State:** New Mexico	**Refno:**	FB3080	**API:** 30-025-12131	**Cost Center:**	UCU464100
Current Status:	SI - Injector						
Current Producing Formation(s):	Drinkard/Abo WI well						

Proposed

167	*Surface Csg.*	
335	**Size:**	**13 3/8"**
502	**Wt.:**	**48#**
670	**Set @:**	**398'**
837	**Sxs cmt:**	**550**
1005	**Circ:**	**Yes**
1172	**TOC:**	**Surface**
1340	**Hole Size:**	**17-1/2"**
1507		
1674	***Intermediate Csg.***	
1842	**Size:**	**8 5/8"**
2009	**Wt.:**	**24#**
2177	**Set @:**	**2901'**
2344	**Sxs Cmt:**	**1200**
2512	**Circ:**	**Yes**
2679	**TOC:**	**Surface**
2847		
3014	***Production Csg.***	
3181	**Size:**	**5 1/2"**
3349	**Wt.:**	**4.7#**
3516	**Set @:**	**7200'**
3684	**Sxs Cmt:**	**650**
3851	**Circ:**	**No**
4019	**TOC:**	***3130' by TS**
4186	**(*TOC may have changed**	
4353	**since they sqzd the csg leak)**	
4521		
4688		
4856		
5023		
5191		

5358	Top Salt	1468'
5526	Base Salt	2335'
5693	Top Yates	2616'
5860	Top San Andres	4008'
6028	Top Glorieta	5202'
6195	Top Blinebry	5640'
6363	Top Tubb	6193'
6530	Top Drinkard	6470'

6698		
6865		
7033	**PBTD:**	**7190'**
7200	**TD:**	**7200'**



KB	3382'
DF	3381'
GL	3370'
Spud Date	5/15/1959
Compl Date	6/7/1959

Perfs.	*Status*
4340'-50'	*San Andres - Open*
4480'-90'	
4660'-70'	
4780'-90'	
4865'-75'	
4925'-35'	

Prepared by: K M Jackson
Date: 7/10/2003

Chevron USA Inc.
NMLC-032100: C.H. Lockhart Federal NCT-1 #8
API: 30-025-12131
Lea County, New Mexico

RE: Fracture Treat SWD – Conditions of Approval

This sundry has been REJECTED for the following reasons:

1. The stability of the formation for injection is questionable since a fracture treatment is needed.
2. The risk of fractures penetrating another formation, allowing unpermitted disposal.

If continued disposal is needed in this wellbore, acidizing and/or adding more perfs within the formation would be a better alternative.

DHW 022410