Form 3160-5
(August 2007)

UNITED STATES **OCD-HOBBS**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5 Lease Serial No
~~LC-067968~~ NM 10185

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

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

1 Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8 Well Name and No
WEST DOLLARHIDE DRINKARD UNIT #137

2 Name of Operator
CHEVRON U.S.A. INC

9 API Well No
30-025-32088

3a Address
15 SMITH ROAD
MIDLAND, TEXAS 79705

3b Phone No *(include area code)*
432-687-7375

10 Field and Pool or Exploratory Area
DOLLARHIDE; TUBB DRINKARD

4 Location of Well *(Footage, Sec , T ,R ,M , or Survey Description)*
1125' FSL, & 2450' FEL, SEC 19, T-24S, R-38E, UL O

11 Country or Parish, State
LEA COUNTY, 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
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☑ Temporarily Abandon	
☐ Final Abandonment Notice	☐ 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)

THE SUBJECT WELL IS ON THE INACTIVE WELL LIST. A FRAC JOB IS SCHEDULED, WITH THE INTENTION OF COMPLETING THE WORK & REACTIVATING THE WELL DUE TO SERVICE COMPANY SCHEDULING, THE FRAC JOB WILL NOT BE PERFORMED UNTIL JUNE OR JULY OF THIS YEAR IN THE MEANTIME, CHEVRON WOULD LIKE TO SET AN RBP IMMEDIATELY ABOVE THE NEW PERF TO BE SHOT @ 6283', CIRC PKR FLUID, AND RUN AN MIT TEST (RBP WILL BE SET WITHIN 100' OF THE TOP PERF IN ORDER TO BE IN COMPLIANCE) (PER INSTRUCTIONS OF MR. E.L. GONZALES, NMOCD)

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE & THE WELLBORE DIAGRAM

SUBJECT TO LIKE APPROVAL BY STATE

SEE ATTACHED FOR CONDITIONS OF APPROVAL

RECEIVED
JUN 09 2010
HOBBSOCD

APPROVED
JUN 8 2010
/s/ JD Whitlock Jr
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14 I hereby certify that the foregoing is true and correct Name *(Printed/Typed)*
DENISE PINKERTON

Title REGULATORY SPECIALIST

Signature Denise Pinkerton

Date 05/26/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by EGG 6/4-10

Title

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)

AM

WEST DOLLARHIDE DRINKARD UNIT WORKOVER

WDDU 137

API No: 30-025-32088
T24S, R38E, Section 19 **3/09/2010**

Workover Purpose: Reactivate the Lower Abo, perf Tubb and sand frac stimulate

Current Hole Condition:

Total Depth: 7670' PBTD: 7660' GR: 3166' KB: 3179'

Casing Record: 8-5/8" 24#/ft @ 1263' w/ 700 sx, Circ to surf
5-1/2" 15.5 & 17#/ft @ 7670' w/ 2600 sx, TOC: 1800' by TS

Existing Perforations: DRKD: 6639-6731', 2&4 jspf, 120 hls (8/93)
Upper ABO: 6851-6985' (8/93)
Lower ABO: 7083-7515' (8/93)
CIBP @ 7030' (4/98); CIBP @ 7050' (9/93);

Prepared by: Ivone da Silva (3/09/2010) Reviewed by: Rob Tyre (3/10/2010)

Shut in well and allow pressure to stabilize. Bleed off wellhead pressure.

1. MIRU PU. POOH with rods and pump. ND WH NU BOP and test as required. Rig up scanaloggers and POOH w/ tubing string while scanning. Lay down any bad joints.

2. PU DC's and 4-3/4" bit on 2-7/8" workstring. RIH and tag for fill. **C/O fill and drill out CIBP @ 7030'. Drill out second CIBP @ 7050' and C/O to approx 7565'**. Circulate well clean. POOH w/ DC's, bit and tubing. LD bit, DC's and worstring. Inspect returns and turn samples to chem rep & production foreman for treatment recommendation (***treatment chemicals to be added to the frac***).

3. PU and RIH w/ 5-1/2" treating packer complete w/ on-off tool, harden profile nipple and blast joint on 3-1/2" 9.3# L-80 workstring. Pressure test tubing to 9000# while RIH. Set packer at 6163' (approx 120' above top perf). Pressure test annulus to 500# and monitor/maintain throughout the frac job. Nipple up remote hydraulically operated tubing saver frac valve. RDMO PU.

4. MIRU wireline contractor to perforate. Perforate the following Tubb and Drinkard intervals w/ deep penetrating charges gun:

TUBB interval:	6283-6307'	(24')	
	6334-6358'	(24')	
	6438-6462'	(24')	= 72'
DRKD interval:	6758-6782'	(24')	= 24'
	Total new perfs		= 96'

5. POOH w/ perforating guns. RDMO wireline contractor.

   NOTE: Operations engineering to secure Sierra as hydraulic fracture QC consultant.

6. MIRU Halliburton and Gray Wireline (Tracer-Tech Services). Install pop-off valves downstream of Halliburton check valve w/ manually operated valve below pop-off. Test all service company pressure shutdowns on each pump truck to maximum expected pumping pressure. Pressure test surface lines to 9000#.

7. Acidize w/ 8000 gal 15% acid at an average rate of 25-30 BPM. Prepare to sand frac.

   In conjunction with Sierra, Halliburton to perform all frac fluid quality control (including breaker tests) on-site w/ actual mixing water and all chemicals to be used on job.

8. Prior to frac job, verify compatibility of all frac fluid and oil at reservoir temperature of 110° F and perform sand sieve analysis.

9. Pump a total of 108,000 gals XL gelled fluid with 300,000 lbs 20/40 sand treated with Expedite at a treating rate of 60 BPM, and maximum expected treating pressure of 8500 psi, tag frac and pump as follows:

   Note: XL gelled fluid is to be delayed by pipe-pump time in order to reduce friction pressure.

   A. Pump pre-pad of 2,000 gal linear gel w/ scale inhibitor at 60 BPM
   B. Pump 41,000 gals XL gelled fluid pad at 60 BPM
   C. Pump 10,000 gals XL gelled fluid at 60 BPM w/ 2 PPG 20/40 sand at 60 BPM
   D. Pump 31,000 gals XL gelled fluid at 60 BPM w/ 4 PPG 20/40 sand at 60 BPM
   E. Pump 26,000 gals XL gelled fluid at 60 BPM w/ 6 PPG 20/40 sand at 60 BPM
   F. Pump enough linear gel fluid to packer depth (approx 6124') only to slightly under displace sand slurry.

DO NOT OVERDISPLACE (EVEN TO TOP PERF) UNDER ANY CIRCUMSTANCES.

10. RDMO Halliburton and Gray Wireline. MIRU PU. Let sand cure overnight. Flow well down to test tank at ~ 35 bbls/hr.

11. Release packer. POOH and lay down 5-1/2" packer, on-off tool, harden profile nipple, blast joint and 3-1/2" WS.

12. PU and RIH w/ 4-3/4" bit on 2-7/8" workstring. Drill out any sand that has set up in wellbore to approx 7565'. Circulate well clean. POOH and lay down bit.

13. PU and RIH with 5-1/2" pkr on WS. Set pkr at approx 6233'. RU swab and swab back well until there is no sand inflow **not to exceed one day**. MIRU Apollo Perforators. Install lubricator and test to 1000 psi. RIH and conduct after-frac GR/CCL log from 6283-7515'. POH w/ logging tool. RDMO Apollo.

14. POOH and LD workstring and packer.

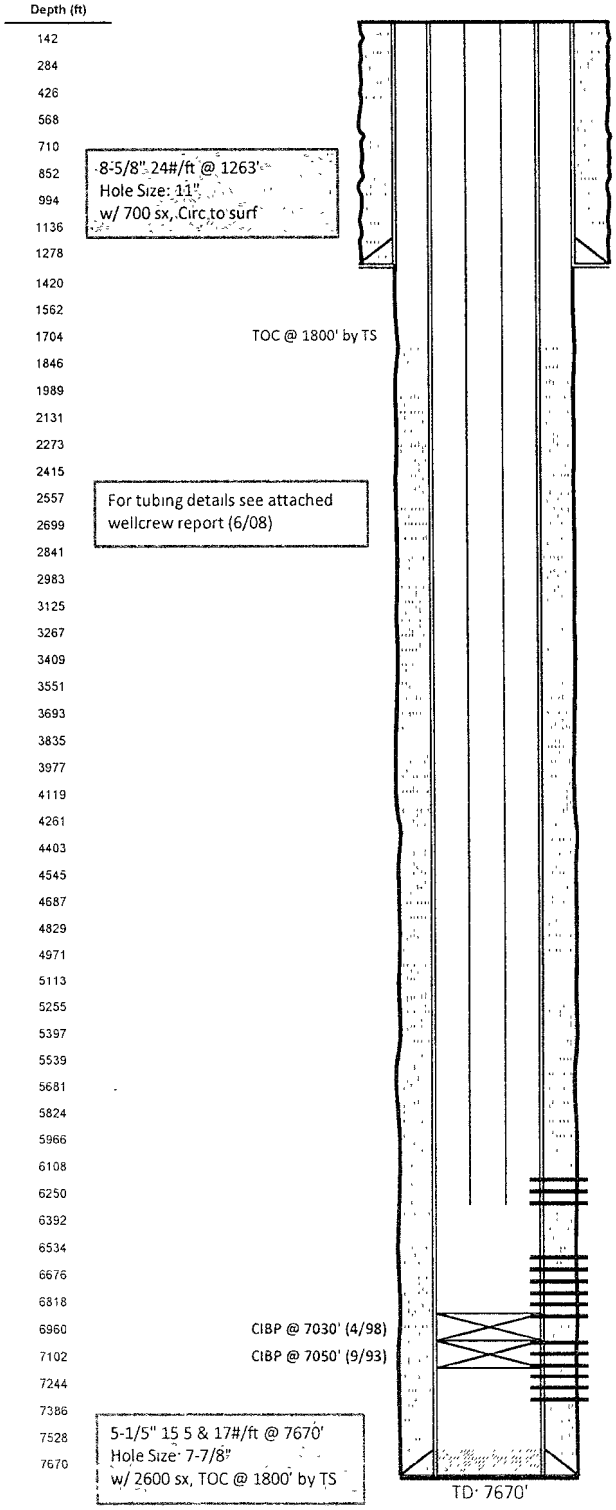
15. Rerun production tubing and artificial lift equipment as per ALCS design. Return well to production. Place well on test and report volumes and fluid levels until well stabilizes.

Contact Information:

Ivone Wardell	Production Engineer	Cell: 432-238-0903
Rob Tyre	D&C Engineer	Cell: 432-638-9446
Bryan Musgrave	Geologist	Ph: 432-687-7387
John Bermea	Production Foreman	Cell: 432-967-3420
Ronnie Hazelwood	Operations Supervisor	Cell: 432-557-0178

WELLBORE DIAGRAM CURRENT WDDU 137

FIELD: West Dollarhide Drinkard Unit		Well No: 137	FORMATION: TUBB, DRKD, ABO
LOC: 1125' FNL & 2450'FEL	Sec: 19	GR 3166'	CURRENT STATUS Producer
TOWNSHIP: 24S	Cnty: Lea	KB 3179'	API NO 30-025-32088
RANGE: 38E	State: NM	DF '	Chevno QU2510



SPUD 8/22/1993

Date Completed 9/30/93	Initial Production
Initial Formation. Drkd, L+U Abo	91 BO, 40 Mcf, 277 BW
FROM 6639' TO 7515'	440 GOR, 37 Sp Grv

Initial completion:
Perf Lower Abo w/ 2jspf 140 hls f/ 7083-87, 7101-07, 24-27, 71-79, 92-7201, 17-22, 7307-15, 7452-68, 94-99, 7509-15, Acidize L Abo (7083-7515') w/ 5k gal 15% NEFe, **Set CIBP @ 7050'**
Perf Upper Abo w/ 2 jspf, 354 holes f/ 6851-59, 72-79, 6920-24, 29-32, 34-37, 40-44, 50-52, 80-85, acidz U Abo (6851-6985') w/ 3k gal
Perf DRKD w/ 4&2 JSPF 120 holes f/ 6639-54, 61-66, 71-75, 84-91, 6700-12, 17-19, 23-31, Ac frac'd w/ 15k gal 65 qual foamed 20% HCl

Subsequent workovers:
04/98 set CIBP and acidz. run bit to 7034' - unable to get deeper, set CIBP @ 7030' no cmt, RIH w/ sonic hammer, ac wash f/ 6639-6985 w/ 120 bbls 2% KCl and 2k gal 15%

02/06: repair tbg leak and return to prod (tag fill @ 7025')
02/07: slow down pump (optimization)
04/08: rod part/preventattive tbg inspection (tag fill @ 7015')
07/08: bad pump/ preventative tbg failure
07/09: 1 CYL MAG M DN ANN DUE TO BLACK WATER
10/09 PICKED W/ 130 BBLS 1% PACKER FLUID, LOADED TBG, PMP REMAINDER DN ANN CONTINUE W/ MONTHLY CRW9156 TRUCK TREATMENT
12/09: BAD PUMP /PREVENTIVE TBG INSPECTION

Formation Tops
T Anhy @
Salt @
Base of Salt @
Yates @ '
Queen @
San Andres @ '
Glorietta @
Tubb @
Drinkard @
Abo @
Fullerton @

Proposed Tubb. 6283-6462' (3/10)

DRKD 6639-6731', Ac frac'd w/ 15k gal (9/93), Proposed 6758-82 (3/10)

U ABO: 6851-6985', acdz w/ 3k gal (9/93)

L ABO: 7083-7515', acdz w/ 5k gal, PB w/ CIBP @ 7050' (9/93)

Created by I da Silva
2/25/2010

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

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).

2. A description of the temporary abandonment procedure.

   a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.

   b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leakoff will be evaluated.

   c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.

   d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.

   e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.

3. **Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.**

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status provided that the operator:

1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval **with well bore diagram** with all perforations and CIBP's and tops of cement on CIBP's.

2. Describes the temporary abandonment procedure.

3. Attaches a clear copy or the original of the pressure test chart.

4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

West Dollarhide Drinkard Unit #137. Well may be approved to be TA/SI for a period of 90 days until September 8, 2010 after successful MIT and subsequent report with well bore diagram is submitted. This will be the last and only TA/SI approval. Well must be P&A or plans to return to beneficial use submitted by September 8, 2010.