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Form 3160-5
(August 2007)

UNITED STATES
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.

SUBMIT IN TRIPLICATE – *Other instructions on page 2.*

5. Lease Serial No.
NM-10186

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☐ Gas Well ☐ Other INJECTION

8. Well Name and No.
WEST DOLLARHIDE DRINKARD UNIT #51

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

9. API Well No.
30-025-12279

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)*
2310' FNL & 330' FEL, SECTION 31, T-24S, R-38E UL: H

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 SURFACE WELLHEAD REPAIR & SHALLOW CSG REP
	☐ 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.)

CHEVRON U.S.A. INC. INTENDS TO REPAIR THE SURFACE WELLHEAD & RETURN TO INJECTION.

PLEASE FIND THE ATTACHED PROCEDURE & WELLBORE DIAGRAM.

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 01/18/2011

APPROVED
JAN 24 2011
WESLEY W. INGRAM
PETROLEUM ENGINEER

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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. ECG 1-31-2011

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)

Chevron U.S.A. Production Co.
Mid-Continent Business Unit

Field:	West Dollarhide Drinkard Unit
Well:	WDDU #51 WIW
API:	30-025-12279
CHEVNO:	FB3220
Date:	January 12, 2011
WBS #:	UWDOL-R0258
Revision #:	1
Rev. Date:	January 16, 2011

Well Work Procedure
Prepared by R. Tyre & I. Wardell

Objective: **Repair Wellhead, Plumb Risers and Return to Injection**

Tubulars

TD: 6812' PBTD: 6778' GL: 3144' KB: ?'

Casing Record:
16" 65#/ft @ 161' w/ 125 sx, Circ to surf
10-3/4" 40#/ft @ 3009' w/ 2500 sx, Circ to surf
7" 20 & 23#/ft @ 6325' w/ 400 sx, TOC: 2640' by T.S.

5" Liner (w/ replaced top joint):
5-1/2" 17#/ft to 32', X/O to 34' & 5" 13#/ft to 6812' w/ ?? sx; TOC: 5400'

Perforations

Original Perforations:
Lwr DRKD: 6410-6448', 1 spf, 22' (7/73)
ABO: 6448-6728' (7/73), cmt sqz'd (12/84)
New Perforations:
Upper DRKD: 6334-6406', 4 spf, 72' gross / 26' net (5/2010)

Procedure

Note: This procedure is a guideline that is subject to the discretion of the WSM. It is the WSM's option to modify the procedure as economics, well conditions or safety dictate.

1. Notify NMOCD of workover operations. Prior to MIRU, check & record SITP & SICP; bleed well down if necessary.

2. MIRU workover rig & reverse unit.
Note: Well should be dead. Current condition of wellbore, new tbg, new injection pkr with profile plug in place. Well passed MIT in July, 2010.

3. NDWH, NUBOP & test.

4. Release from on/off tool & POOH w/ tbg.
Note: 1 jt 2-3/8" 4.7# J-55 PCID 8rd tbg, 2 pup jts 2-3/8" 4.7# J-55 PCID 8rd tbg, 197 jts 2-3/8" 4.7# J-55 PCID 8rd tbg, on/off tool w/ 1.43 F profile & 5" nickel plated/pcid Lok-Set pkr.

5. PU & RIH w/ 5" 13# RBP on injection tbg. Set RBP @ 6200'. Test RBP to 500 psi.

6. POOH, L/D inj tbg to ~500 ft. Stand back remaining tbg.

7. PU & RIH w/ 5" 13# RBP. Set RBP @ ~500'. Test RBP to 500 psi.

8. Dump 1 sack of sand on top of RBP. POOH, L/D remaining tbg.

10. ND BOPE and prepare to un-land 5-1/2" joint (top joint of 5" liner) from 7" WH.

11. PU 5-1/2" 17# csg spear. Pull 5-1/2" csg off of slips and let liner relax.

12. Release 5-1/2" spear & LD tools.

13. RDMO workover rig.

14. Switch to separate WDDU #51 Surface Csg & Wellhead Repair procedure.

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15. MIRU workover rig & reverse unit. ND/NU BOPE & test.

16. PU RBP retrieving head & RIH on 2-3/8" 4.7# J-55 PCID inj tbg to ~500'. Reverse out sand & release 5" 13# RBP and POOH. LD RBP.

17. RIH, PU additional inj tbg to 6200'. Release 5" 13# RBP & POOH. L/D RBP & retrieving head.

18. PU & RIH w/ previous injection string: **Top half of on/off tool, 197 jts 2-3/8" 4.7# J-55 PCID 8rd tbg, 2 pup jts (2' & 8') 2-3/8" 4.7# J-55 PCID 8rd tbg & 1 jt 2-3/8" 4.7# J-55 PCID 8rd tbg.**

19. Circulate clean pkr fluid & land tbg. ND/NU & test.

20. RDMO workover rig & reverse unit.

21. Perform official NMOCD MIT to 500 psi & hand well over to operations.

Contacts	Post	Company	Office	Cellular
Ivone Wardell (Ivone.Wardell@Chevron.com)	PE	Chevron	432-687-7440	432-238-0903
Rob Tyre (rob.tyre@chevron.com)	WEO Engineer	Chevron	432-687-7463	432-638-9446
John Bermea (JBermea@chevron.com)	ALCR	Chevron	432-523-3655 x7619	432-813-5368

Schematic - Current

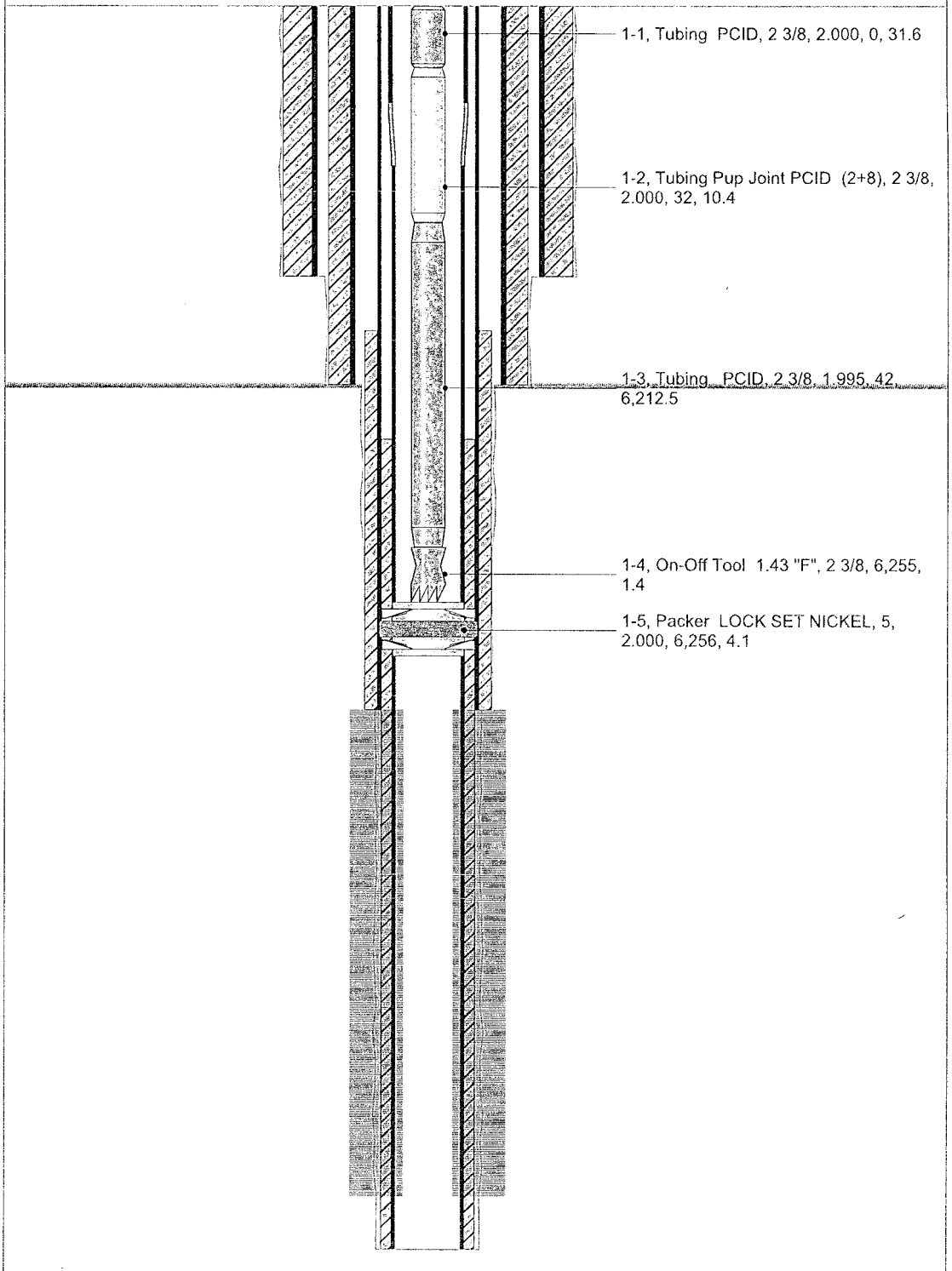
Well Name	Lease	Field Name	Business Unit
WEST DOLLARHIDE DRINKARD UNIT 051	West Dollarhide Drinkard Unit	Dollarhide - Primary	Mid-Continent/Alaska

Ground Elevation (ft)	Original RKB Elevation (ft)	Current RKB Elevation (ft)	Mud Line Elevation (ft)	Water Depth (ft)
	3,144.00			

Wellbore Name	Directional Type	Wellbore UWI	Wellbore ChevNo
Original Hole	Vertical	300251227900	FB3220-00

Prod Tree Loc: - Original Hole, 1/16/2011 5:44:17 PM

ftKB (MD)	ftKB (TVD)	Incl	Schematic - Actual
0			
31			
32			
34			
42			
161			
2,640			
3,009			
5,400			
6,200			
6,255			
6,256			
6,260			
6,325			
6,334			
6,340			
6,352			
6,358			
6,374			
6,380			
6,398			
6,406			
6,486			
6,812			



Report Printed: 1/16/2011

Shallow Casing / Wellhead Repair

Well Name: WDDU #51 Date: 01-17-11

Ensure all safe guards are in place, JSA & Safe Work Practices. Test 30 mins. prior to work and again @ start of work. Before any hot work - ***Zero LEL, Zero ppm H2S, 19.5 – 23% O2***
If any of the above readings are not within the safe guidelines, retesting is required after purging the area. Testing should not be done while purging the area.

Current Well Condition:
Well has been pulled and prepared for wellhead repair/replacement. Well has a 5" 13# Lok-Set injection pkr w/ 1.43" profile plug in place @ 6256', 5" 13# RBP @ ~6200' & a 5" 13# RBP @ ~500' capped with sand. The production liner (5-1/2" 17# J-55 @ surface x 5" 13# to TD) has been released from its slips inside the 7" WH to allow the string to relax and stack out. The 7" production casing is assumed to be in tension. The 10-3/4" WH will is weak and needs propping up until it can be cut off and removed. The 16" WH was cut and pulled after the 10-3/4" intermediate string was run & cemented. Dig test has already been notified for the excavation (two additional anchors have been set to aid in WH stabilization for the rig-work).

Rigless Operations:

1. Bring in back-hoe (or Badger Services) to dig out around wellhead. Slope sides if possible, or set shoring as required (15' is the maximum depth that can be set unless approval is given by a superintendant). Have a rescue team and equipment for top entry confined space rescue on site during the repairs. Inspect the surface casing riser. The 16" WH was cut & pulled during drilling, so there is a large amount of cement build-up stuck to the top of the 16" surface pipe. This cement will need to be broken loose by sledge or jackhammer. The day before or the day of the casing cut offs - Flush the 2" Braden head valve with fresh water, if unable to pump into annulus, fill with water and let any oil residue rise to surface, vacuum out any oil and refill annulus. Fill or circulate fresh water down all three casing stings. Replace nipples & valves on both wellheads if

needed before pumping water. Ensure that the casing is full of water and no oil residual is present before starting the hot work permit process. Use soap mixed with the flush water if excess oil is present. (One Pump truck w/ half a load of FW & a Vacuum truck should be sufficient).

2. Check LEL readings in the bottom of the shoring can, the casing, flowline and all annulus. (Ask the safety crew to use blast-proof flashlights, if going into the hole. Safety Intl normally brings them. Also ask the safety crew to bring out a wand, so they can sniff out the gas in any hard to reach valves or csg holes.) LEL must read ZERO, H2S = ZERO PPM and O2 = 19.5- 23% before performing any hot work. If the readings are not within the ranges then contact the Remedial Engineer. Welder should light his torch and lower it into the shoring before entering.

3. MIRU crane truck. Attach a sling to the casing and the wellhead (above the center of gravity so that casing will not flip over when cut), make sure there is at least 12" of slack in the sling, slack is needed because the casing will relax when the windows are cut. Cut window slots in the outer casing and let the inner production casing squat down. (this is because of the casing tension on the casing slips) If the outer casing is the conductor pipe, cut windows, if the conductor will not squat, then cut window slots in the next inner string. The conductor may not be the load bearing string.

4. After the casing has squatted down, cut and remove both strings of casing.

   ** You should have water standing in the Prod Csg, which will tell you where the leak is (some of the leaks are barely visible). You will need about 1' from the bottom of the leak to weld the SOW collar. **

   Check the annulus with a plumb bob to find the top of the cement, fill the annulus with cement. Have the gang will bring a pallet of Quick-Crete (Yield of 1) to the location. Use a long

broom handle, rod, etc to pack the cement in there while mixing it in the Ann w/ water.

5. Dress off the casing stubs and plate back both the 16" & the 10-3/4" casing strings separately. Both of these strings will need risers plumbed to surface w/ 2" valves. Use a SOW collar with a new piece of 7" casing, weld on – bring casing to surface. (Weld on a Bell Nipple to the top of the new 7" Casing before fitting the SOW Collar/ Casing into the hole. This saves time, since Vetco wellheads are all threaded boxes on the bottom.)

6. Install new 7" wellhead and test both the casing repair and the wellhead. Test pressures will depend on the casing and wellhead types. The 5-1/2" liner will need to be speared and re-landed in the 7" WH once the rig arrives. (Test as many connections as possible with a pressure truck to about 500 psi f/ 10 minutes.)

Note: If the job is two days, do not leave the wellbore open. Cover it with a B1, casing protector, etc, as long as it cannot blow or fall off.

7. Have the gang coat the outer csg, plate and bottom of the wellheads with Polyken Primer and Tape. (Without it, the steel will corrode.)

8. Continue on with the original procedure from step #15.

Rob Tyre
Remedial Engineer
432-687-7463 (ofc)
432-638-9446 (mob)
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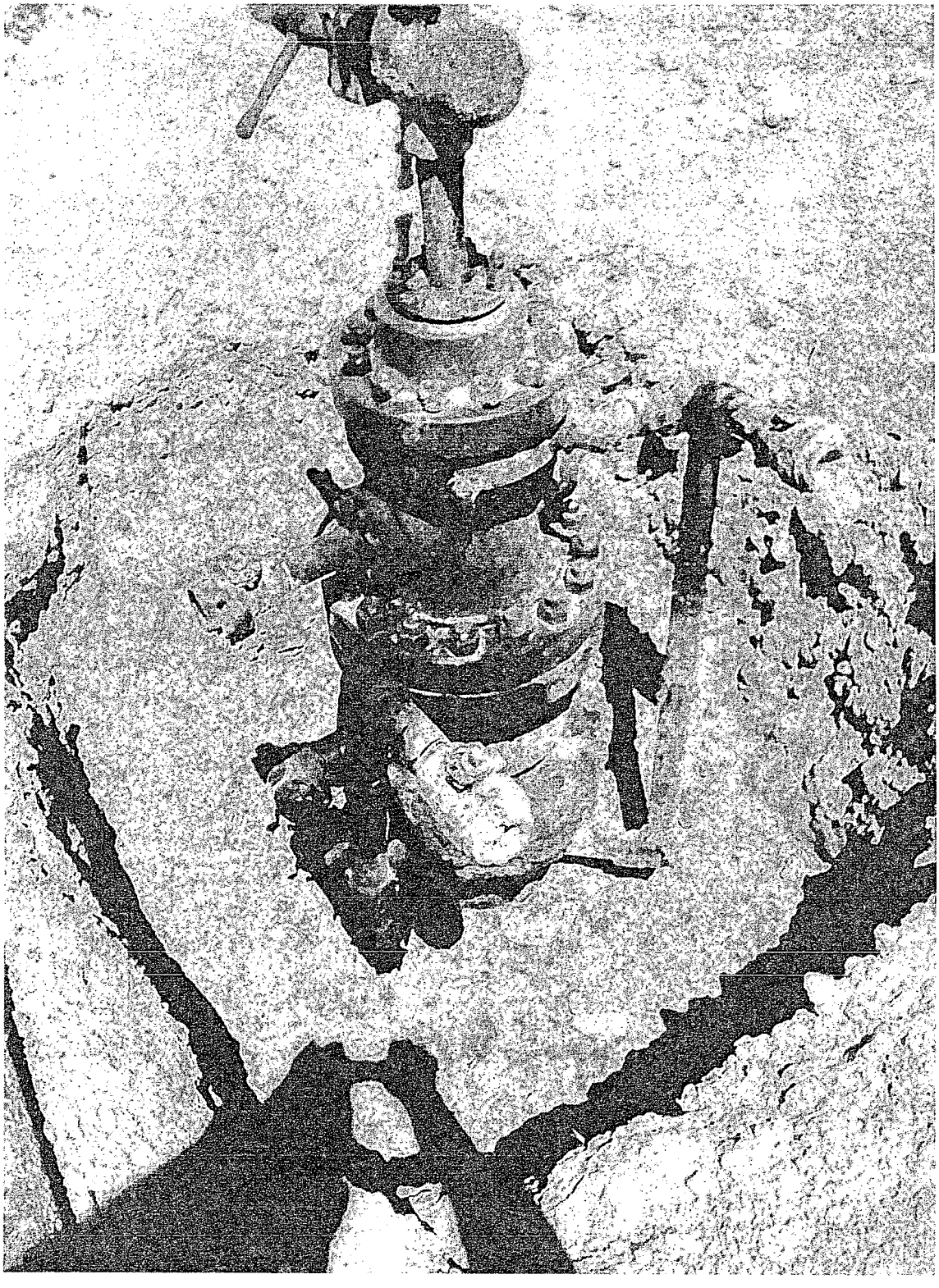

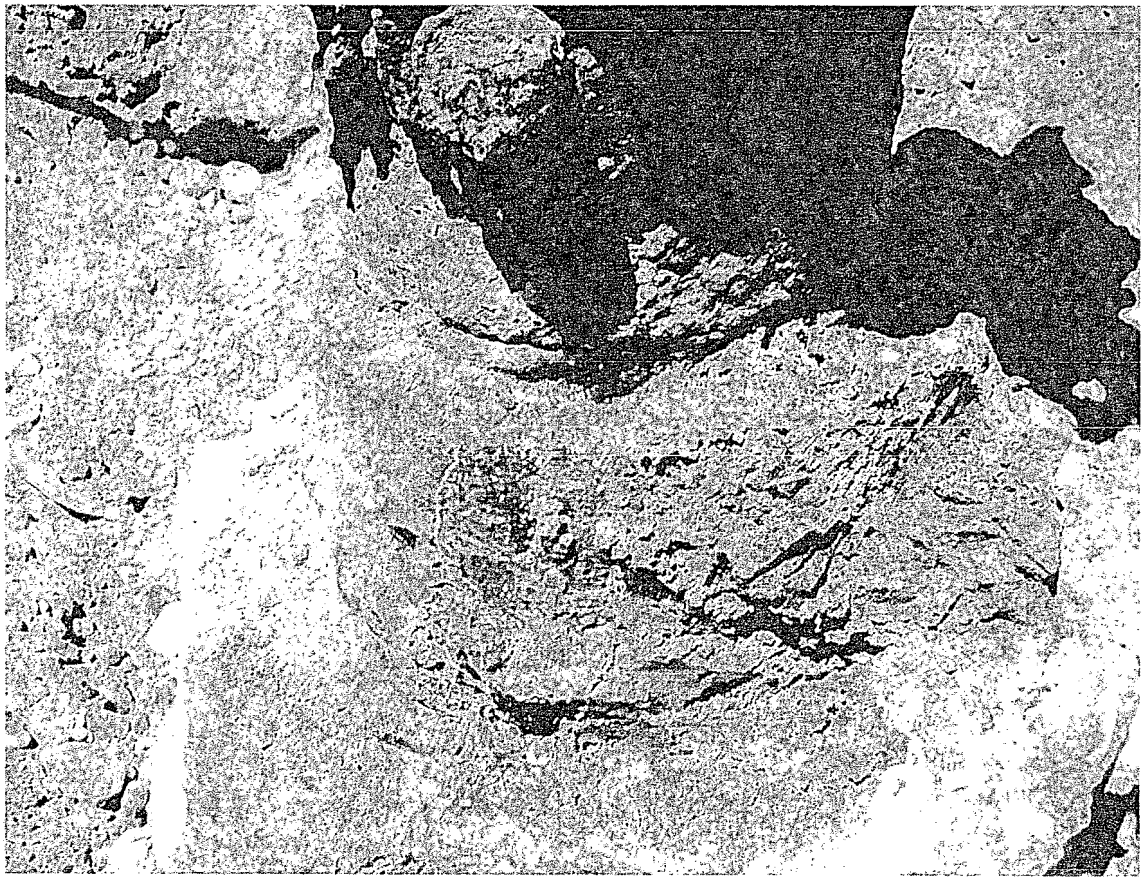

West Dollarhide Drinkard Unit #51
30-025-12279
Chevron U.S.A. Inc.
January 24, 2011
Conditions of Approval

1. **Operator states that well passed an MIT in July 2010. It appears that test was performed, but pursuant to sundry remarks, the test was not witnessed by NMOCD or BLM.**

2. **Operator has been reporting an injection pressure of 1600 psi for the past four years when the well was injecting. Operator shall install a Scada monitoring system on the tubing/casing annulus with a high pressure shutdown of injection at 300 psi. The monitoring system shall shut in the well and provide an alarm. System to be operational prior to placing well back on injection. Details of what has been installed to be submitted on subsequent sundry detailing work to place well back on injection. Exact date well is placed back on injection shall be listed.**

3. **Contact BLM and NMOCD prior to official MIT test. Conduct a Mechanical Integrity Test of at least 500 psig for 30 minutes on the injection tbg/csg annulus of the well. The test pressure should have at least 200 psig differential with tubing pressure but no more than casing test pressure as described by Onshore Order 2.III.B.1.h. (tubing pressure may need to be reduced). Document the MIT test on a calibrated recording chart registering 25 to 85 per cent of its full range. Notify Paul R. Swartz at 575-200-7902 at least 24 hours before the test. If there is no response, notify the BLM via on call drilling phone, 575-361-2822. Submit the recorded MIT chart with a subsequent Sundry Form 3160-005 relating the MIT activity. Include the original and three copies of the recorded chart and Sundry.**

4. **A wellhead bradenhead test shall be conducted during the MIT. Each casing annulus shall be open to the atmosphere for observation before and during the test.**

5. **Submit documentation of the maximum tubing injection pressure allowed by NMOCD. Compliance with this injection pressure is required. Display real time tubing pressure values onsite. A bourdon tube gauge registering 25 to 85 per cent of its full range is acceptable. Within 24 hours report injection pressure observed above the NMOCD maximum. Should wellhead injection pressure reach 50psig below this maximum, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment. Report any other unexplained significant variations of rate or pressure.**

6. **Display tubing-casing annular pressure onsite. A bourdon tube gauge that will register tubing pressure within 25 to 85 per cent of its full range is acceptable. Should the casing/tubing annulus exhibit communication with injection pressure, a tubing or packer failure probable. Monitor the annulus. The use of automation equipment that will monitor and alarm is encouraged for any well and necessary when tubing or casing competence is questionable. Maintain the annulus full of packer fluid and be able to verify that fluid level to a BLM inspector at any time. Report a significant (5bbl/month) loss of packer fluid. Should tubing or casing failure be detected, cease injection and reduce the annular pressure to 0psig. Notify Paul R. Swartz at 575-200-7902 within 24 hours. If there is no response, notify the BLM on call drilling phone, 575-361-2822. Also submit to this office on a notice of intent (Sundry Form 3160-5) for approval by BLM and NMOCD, a plan of correction and the anticipated date of repair. After the repairs submit a subsequent report (Sundry Form 3160-5) describing the repair(s) and a BLM witnessed Mechanical Integrity Test chart. Include the date(s) of the well work, descriptions of tubing, on/off equipment, profile nipple installation, and packer setting depth.**

WWI 012411