Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO.
30-045-24392

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
Administrative Order SWD-632

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
Cardon Com

1. Type of Well: Oil Well ☐ Gas Well ☐ Other SWD

8. Well Number 1

2. Name of Operator
Chevron Midcontinent, L.P.

9. OGRID Number
241333

3. Address of Operator
15 Smith Road Midland, Texas 79705 (c/o Alan W. Bohling, Rm 4205)

10. Pool name or Wildcat
SWD (Entrada)

4. Well Location
Unit Letter A : 1120 feet from the North line and 1050 feet from the East line
Section 27 Township 32-N Range 13-W NMPM San Juan County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
5,897' GR

Pit or Below-grade Tank Application ☒ or Closure ☐ (See Concurrently Filed NOI Sundry for Workover Pit Reg.)

Pit type ___ **Workover** __ **Depth to Groundwater** _<100'_ **Distance from nearest fresh water well** _>100'__ **Distance from nearest surface water** _<1000'____

Pit Liner Thickness: 12 **mil** **Below-Grade Tank: Volume** _____ **bbls; Construction Material** __ **Lined Earthen** ____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☒	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER: Isolate 4-1/2"x7" Annular Leak & Bring 9-5/8" Casing to Surface to Achieve SWD MIT & Bradenhead Test Compliance	☒			OTHER:			☐

RCVD MAR8'07
OIL CONS. DIV.
DIST. 3

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

To bring this SWD well back into MIT & Bradenhead Test compliance and to comply with instructions received from Mr. Villanueva-OCD to perforate & squeeze cement to seal off gas & pressures occurring within the 4-1/2" x 7" casing annulus and to bring the 9-5/8" surface casing back up to surface, Chevron Midcontinent, L.P. respectfully submits the following (and attached) procedure for your approval:

1. Comply w/ all Regulatory Agency and Chevron HES Regulations. PUT LO/TO on well. Bleed down pressure if possible. Well currently has 650 psi SITP at the moment. Be sure to be constantly monitoring annulus throughout performing job.
2. Install and test rig anchors. Record test results and flag anchors. Prepare flow back tank. Spot 2 extra frac tanks for capacity. Dig and prepare Workover Pit for cementing operations. Be sure pit is lined and has a fence around it.
3. MI & RU rig. Conduct safety meeting w/ all personnel on location. Discuss safety at work during high pressure wells and well control operations.
4. ND Wellhead, NU cleanout spool and 2-3" lines to frac tanks. **(See Attached Continuation Pages 2 & 3)**

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.**

SIGNATURE Alan W. Bohling TITLE: _Regulatory Agent _____ DATE: _3/06/2007__

Type or print name: _Alan W. Bohling _____ E-mail address: _ ABohling@chevron.com __ Telephone No.: _432-687-7158 ___

For State Use Only

APPROVED BY: H. Villanueva 3/7/07 TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE MAR 08 2007

Conditions of Approval (if any):

Cardon Com #1 SWD

(API: 30-045-24392)
UL A, Sec. 27, T-32-N, R-12-W
San Juan County, New Mexico
SWD (Entrada)

5. NU BOP's. Pressure test BOP's on the high and low side. Record test.
6. RU H&H Slickline unit with lubricator. Test lubricator to 1000 psi.
7. PU 1.78" R-profile plug. RIH. Set plug @ R profile nipple @ ~7715.
8. Bleed pressure off of tubing slowly to see if plug is holding. Be aware that you will have 650 psi below the plug. If tubing is building pressure, RIH and grab R-profile plug. We do not want to trap any pressure between the two plugs. If tubing is stabilized and not building pressure, PU 1.78" F- Profile plug and set @ ~ 7703'
9. Bleed pressure off of tubing if possible and report results to Houston. RD slickline
10. Load backside with water and make sure it is not building pressure.
11. PU on tubing hanger and attempt to release ON-OFF tool only if there is no pressure on the annulus and tubing.
12. POOH with tubing and send to Tuboscope yard. PU On-Off tool, 3-1/8" Intensifier, 3-1/8" DC's, 3-1/8" Jars and 3-1/8" Bumper Sub on 2-3/8", N-80 workstring and latch back onto packer. Be sure there is a dead-line indicator in place and working and all other weight indicators working. Compare results and attempt to have all working and reading similar. Work packer loose by pulling and jarring as much as possible. Once packer is free. POOH as much tubing as possible before coming pipe light. By my calculation you should be able to get half way out of the hole and stop at that point. Re-land well if possible and wait for Cudd Snubbing unit to arrive. Cudd Snubbing unit is scheduled to arrive on location March 19th. They should be in Farmington by March 18th.
13. MIRU Cudd Snubbing Unit. Pressure test any equipment/materials that need to be tested.
14. Stand workstring back and lay down packer when out-of-the-hole.
15. RD Cudd Snubbing Unit and release crew when appropriate.
16. Make all personnel aware that the well should have +/- 650 psi on the well when completed.
17. MIRU Halliburton CT unit with injector head. RIH with jet nozzle and jet clean from just above the top perf to TD @ 8000'.
18. Take returns into flowback tank and haul off as needed. POOH when finished with CT. Rig down Halliburton CT and release crew when done.
19. RU Schlumberger unit and lubricator. Test lubricator to 1000 psi.
20. PU Baker Hornet Retrievable packer with profile plugs in place or pump off plug on bottom of wireline re-entry guide. Be sure Baker provides the wireline adapter kit to set packer on e-line.
21. RIH and set the packer @ ~ +/- 7700'. We can not set the packer any higher than 100' from the top most perf, which is @ 7780'.
22. Once packer is set, bleed pressure off of well and see if packer is holding back pressure or not. Make everyone aware of what the pressure is and what is going on with the well at all times.
23. RU Service Company. Test surface lines to 3000 psi. Pressure test casing to 500 psi for 30 min. (max pressure for MIT test is 500 psi, a successful MIT test means the pressure does not change more than 10% in 30 minutes, in this case 50 psi) Note: Use digital pressure recorder in every test, record casing pressure. Report results on daily reports and to Houston. Keep an eye on the 4-1/2" x 7" annulus. Record pressure on bradenhead if possible.
24. Bleed off pressure. RD service provider. Report results to Houston before proceeding forward.
25. PU RBP. TIH with and set at ~5000', pressure test to 1000#, dump 50' sand on plug. Load well with water.
26. PU 2-7/8", PJ-2906 perforating guns, 4 holes @ 90 deg phasing. RIH. Perforate @ +/-200' above the Mesaverde section based on CBL. POOH. RD Schlumberger unit.
27. PU 4-1/2" Cement packer and 2-3/8", 4.7 #/ft, N-80, EUE. RIH. Set cement packer @ ~4100'. Close ram. Pressure up annulus to 500 psi. Establish injection rate into perfs and relay back to Houston.
28. Injection profile will determine the type and volumes of cement pumped.
29. Injection profile may also determine the use of a retainer. We will discuss going forward.

Cardon Com #1 SWD

(API: 30-045-24392)
UL A, Sec. 27, T-32-N, R-12-W
San Juan County, New Mexico
SWD (Entrada)

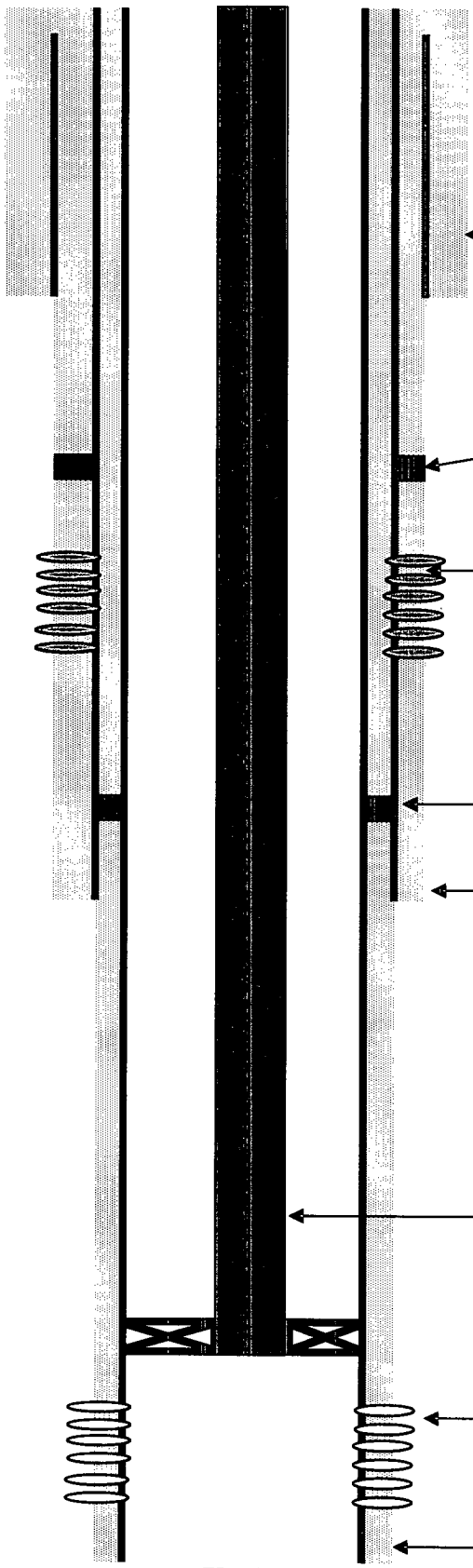
30. MIRU Cementing services. Will pump cement followed by ~ 15.6 ppg, 1.18 yield,neat cement based on injection profile. Bleed off annular pressure. Release from packer or retainer. Reverse cement inside string. POOH. Wait on Cement as per service company recommendation.
31. PU 3-1/8" bit, bit sub and drill collars. RIH. Tag TOC. Break circulation. Drill out cement to top of sand and POOH.
32. RU Service Company. Test surface lines to 3000 psi. Pressure test casing to 500 psi for 30 min. (max pressure for MIT test is 500 psi, a successful MIT test means the pressure does not change more than 10% in 30 minutes, in this case 50 psi) Note: Use digital pressure recorder in every test, record casing pressure. Report results on daily reports and to Houston. Keep an eye on the 4-1/2" x 7" annulus. Record pressure on bradenhead if possible.
33. Bleed off pressure. RD service provider. Report results to Houston before proceeding forward.
34. If test pressure does not hold, repeat procedure from step 26 after discussing with Houston. Otherwise, proceed with step 35.
35. PU RBP retrieving head. RIH and circulate out sand with air and foam sweeps. Cleanout well to RBP @ 5000'. Latch onto RBP and POOH.
36. PU and run new 2-3/8". L-80 injection tubing to just above new packer, circulate packer fluid around. Latch on ON-OFF tool.
37. RU Service Company. Test surface lines to 3000 psi. Load tubing with water. Pressure test annulus to 500 psi for 30 min. (max pressure for MIT test is 500 psi, a successful MIT test means the pressure does not change more than 10% in 30 minutes, in this case 50 psi) Note: Use digital pressure recorder in every test, record casing pressure and tubing pressure if any. Report results on daily reports and to Houston. Keep an eye on the 4-1/2" x 7" annulus. Record pressure on bradenhead if possible.
38. Bleed off pressure. RD service provider. Report results to Houston before proceeding forward.
39. ND BOP. NU Wellhead. Leave well shut-in for 1 full day to allow annulus to come to equilibrium.
40. Notify NMOCD 24 hours prior to conducting the MIT as per regulatory agents.
41. RU Service Company. Test surface lines to 3000 psi. Pressure test casing to 500 psi for 30 min. (max pressure for MIT test is 500 psi, a successful MIT test means the pressure does not change more than 10% in 30 minutes, in this case 50 psi) Note: ~~Use digital pressure recorder in every~~ test, record casing pressure and tubing pressure. Report results on daily reports and to Houston. Keep an eye on the 4-1/2" x 7" annulus. Record pressure on bradenhead if possible.
42. Bleed off pressure. RD service provider. Report results to Houston before proceeding forward.
43. Use pumping service provider to pump out plug in bottom of packer or use slickline to retrieve plugs in packer profiles.
44. RD and move out of location.

Bringing 9-5/8" Casing to Surface

1. Comply w/ all Regulatory Agency and Chevron HES Regulations. Conduct safety meeting w/ all personnel on location. Discuss safety at work during high pressure wells and well control operations.
2. Dig out 10 ft around wellhead to uncover 9-5/8" casing stub.
3. Bring casing wrap split into two pieces provided by WSI. Place two pieces around existing 9-5/8" and bolted together.
4. Place and energize two set of packoff at each side of the casing wrap.
5. Pressure test casing wrap with 500 psi. - BH Test Required.
6. Notify Artificial Lift/Corrosion Rep. to schedule a step rate test to modify the injection pressure limit.

Step. 41 OCD requires Chart for MIT
Max 2 Hr Clock
1000 PSI Spring

Cardon Com SWD #1
San Juan, New Mexico
Current Well Schematic as of 2-27-2007



API:	30-045-24392
Legals:	Sec 27 - T 32N - R 12W
Field:	Basin Dakota
KB	12'
KB Elev	5909'
GR Elev	5897'

Geologic Tops:

Fruitland	1440'
PC	1740'
Lewis	1790'
CH	3435'
Menefee	3611'
PLO	4138'
Dakota	6532'

Surface Casing:
9-5/8", 36#, K-55, set @ 294' in 12-1/4" hole
Cmt'd. with 250 sks, circulated to surface

DV Tool @ 3621'
Cmt'd with 550 sks lead & 150 sks tail
Cmt circulated to surface

**Note holes are behind liner casing
Old Mesaverde Perforation Details: All 1 jspf

4216' - 4234'	4410' - 4412'
4246' - 4248'	4420' - 4422'
4264' - 4278'	4492' - 4496'
4287' - 4289'	
4301' - 4310'	
4347' - 4349'	
4383' - 4396'	

DV Tool @ 4798'
Pumped 325 sks lead & 50 sks tail
Circulated 27 bbls to surface

Production Casing:
7", 20 #, K-55, Set @ 5099' in 8-3/4" Hole
Cmt'd with 100 sks lead & 150 sks tail
TOC = 3621'

244 jts, 2-3/8", 4.7#, EUE Tubing @ 7714.91'
1.92' , 2-3/8" On-Off Tool
.85' 1.78 ID "F" Profile Nipple SS
6.5', Guiberson VI Packer @ 7718.00'
4.10', 2-3/8", 4.7#, EUE tubing sub
.85', 1.78 ID "R" 316 SS Profile Nipple
.50', Wireline Re-entry Guide (3.063" OD x 2.0" ID)

Entrada Perforations: 90 deg phasing
7780' - 7910': .40" Holes: 4 spf: 520 holes

Liner Casing:
4-1/2", 11.6#, N-80 set @ 7998' in 6-1/4" Hole
1st Stage: cmt'd with 425 sks. Circulated 25 bbls to DV tool

TD = 8000'

Prepared by: James Carpenter
Date: 2/27/2007

Revised by:
Date: