Submit 1 Copy 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

HOBBS OCD
APR 29 2011
RECEIVED

Form C-103
October 13, 2009

WELL API NO. 30-025-05960	
5. Indicate Type of Lease STATE ☐ FEE ☒	
6. State Oil & Gas Lease No.	
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 J.R. PHILLIPS
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 7
2. Name of Operator CHEVRON U.S.A. INC.	9. OGRID Number 4323
3. Address of Operator 15 SMITH ROAD, MIDLAND, TEXAS 79705	10. Pool name or Wildcat EUMONT; YATES 7 RVR QUEEN
4. Well Location Unit Letter E: 2088 feet from the NORTH line and 660 feet from the WEST line Section 6 Township 20S Range 37E NMPM County LEA	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*

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 ☐	
DOWNHOLE COMMINGLE ☐			
OTHER IDENTIFY CASING LEAK		OTHER:	

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

CHEVRON U.S.A. INC. INTENDS TO IDENTIFY THE SOURCE OF A CASING LEAK IN THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE & WELLBORE DIAGRAM.

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Denise Pinkerton TITLE REGULATORY SPECIALIST DATE 04-28-2011

Type or print name DENISE PINKERTON E-mail address: leakejd@chevron.com PHONE: 432-687-7375

For State Use Only

APPROVED BY: TITLE STAFF MGR DATE 5-2-2011

Conditions of Approval (if any):

April 12, 2011

J.R. Phillips #7
Monument Field
T20S, R37E, Sec.6, 660' FWL 2088' FNL
Job: Identify casing leak

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 April 12, 2011. Verify what is in the hole with the well file in the Eunice field office. Discuss with WEO Engineer, Workover Rep, OS, ALCR, and FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.***

2. Displace flowline 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. **Note: Prior to performing this step of the procedure, ensure that all valves, pipe, and fittings that will be exposed to test pressure are rated higher than the planned test pressure.**

3. MI Kill truck. Pump down casing with 8.6 PPG cut brine water into 13-3/8" X 8-5/8" annulus, 8-5/8" X 5-1/2" Annulus, and 5-1/2" casing prior to rigging up workover unit. MI & RU workover unit. **Note: This well had gas and water bubbling out at the surface. Ensure safe work conditions (LELs, H2S, etc.) before beginning work.** Unseat pump and POOH, laying down rods and pump. Send rods to 1788 yard. Discuss with Shannon Richardson (ALCR) about how to handle pump.

4. ND WH. Release TAC. Record tension on TAC. Install and Function Test BOP's. POOH and LD 2-7/8" tubing, send all pipe to 1788 yard.

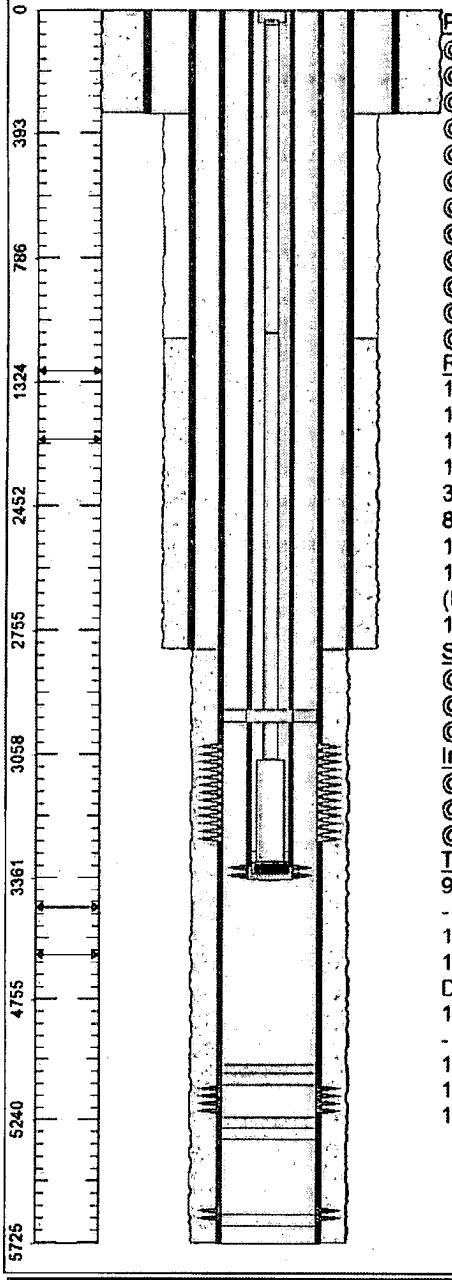
5. PU 5-1/2" RBP and packer on 2-7/8" L-80 work string. RIH and set RBP at 2930' (100' above top of Eumont perforations). PU 5', set pkr and pressure test RBP to 500 psi.

6. Release pkr, PUH and set 5-1/2" packer at 20'. Pressure test above and below pkr. If any leak off occurs, isolate the leak. If any leak is between 2930 and 20', isolate leak and establish injection rate. If there is only a leak from 0'-20', isolate leak interval, and set additional RBP at 50'. Drop 4sx of sand. If leak off occurs above 20' and below contact remedial engineer to discuss remediation issues.

7. TOOH and lay down pkr and workstring. RDMO workover unit. Report findings to Remedial Engineer. **Note: This well is a possible P&A candidate. Contact Remedial Engineer before RD.**

Chevron U.S.A. Inc. Wellbore Diagram : PHILLIPSJR07Y

Lease: OEU EUNICE	**Well No.:** PHILLIPSJR 07 Y 7	**Field:** FLD-MONUMENT	
Location: 2088FNL660FWL	**Sec.:** N/A	**Blk:**	**Survey:** N/A
County: Lea **St.:** New Mexico	**Refno:** FA7081	**API:** 3002505960	**Cost Center:** UCU937500
Section: 6	**Township:** 020 S		**Range:** 037 E
Current Status: ACTIVE		**Dead Man Anchors Test Date:** 07/10/2006	
Directions:			



Production Casing (Top-Bottom Depth) Desc
@(3030-3260) Perforations - Open Eumont Yates 7 Rvs Qn
@(5015-5050) Plug Back Total Depth
@(5050-5054) Bridge Plug Cast Iron 5.500" - Bare
@(5102-5206) Perforations - Isolated Paddock
@(5230-5270) Plug - Cement - Bare
@(5270-5274) Bridge Plug Cast Iron 5.500" - Bare
@(5583-5599) Perforations - Isolated Blinebry
@(3030-5599) Producing Interval 02 PR Eumont Yates, Paddock, Blinebry
@(5613-5617) Bridge Plug Cast Iron 5.500" - Bare
@(2800-5725) Wellbore Hole OD- 7.8750
@(1-5725) Unknown 5.500 OD/ 15.50# Round Short 4.950 ID 4.825 Drift
@(2800-5725) Cement

Rod String Quantity (Top-Bottom Depth) Desc
1 @(1-27) 1.500 (1 1/2 in.) C x 26 - Spray Metal
1 @(27-29) 0.750 (3/4 in.) N-90 (D) x 2 Rod Sub
1 @(29-35) 0.750 (3/4 in.) N-90 (D) x 6 Rod Sub
1 @(35-43) 0.750 (3/4 in.) N-90 (D) x 8 Rod Sub
39 @(43-1018) 0.750 (3/4 in.) N-90 (D) x 25 Rod
82 @(1018-3068) 0.750 (3/4 in.) N-90 (D) x 25 Rod
10 @(3068-3318) 1.500 (1 1/2 in.) K x 25 Sinker Bar
1 @(3318-3336) Rod Pump (Insert) (NON-SERIALIZED) - 20-150-RHBC-18-4 (Bore = 1.50)
1 @(3336-3348) Gas Anchor 1.000 OD x 12'

Surface Casing (Top-Bottom Depth) Desc
@(1-328) Unknown 13.375 OD/ 48.00# Round Short 12.715 ID 12.559 Drift
@(1-328) Cement
@(1-328) Wellbore Hole OD-17.5000

Intermediate Casing (Top-Bottom Depth) Desc
@(1-2800) Unknown 8.625 OD/ 28.00# Round Short 8.017 ID 7.892 Drift
@(1039-2800) Cement
@(328-2800) Wellbore Hole OD-11.0000

Tubing String Quantity (Top-Bottom Depth) Desc
94 @(1-2947) J-55 2.375 OD/ 4.70# T&C External Upset 1.995 ID 1.901 Drift - Internal Plastic Ctg-TK-70
1 @(2947-2950) Tubing Anchor/Catcher 2.375" - Nickel Plated
11 @(2950-3295) J-55 2.375 OD/ 4.70# T&C External Upset 1.995 ID 1.901 Drift - Internal Plastic Ctg-S505
1 @(3295-3326) J-55 2.375 OD/ 4.70# T&C External Upset 1.995 ID 1.901 Drift - Internal Plastic Ctg-TK-99
1 @(3326-3327) Seat Nipple - Heavy Duty (2.375") Cup Type
1 @(3327-3331) Perforated Tubing Sub 2.375"
1 @(3331-3362) Bull Plug Mud Anchor 2.375" - Internal Plastic Ctg-TK-70

Ground Elevation (MSL):: 3576.00	**Spud Date:** 06/17/1970	**Compl. Date:** 01/01/1970
Well Depth Datum:: CSI0000N	**Elevation (MSL)::** 0.00	**Correction Factor:** 1.00
Last Updated by: dncu	**Date:** 03/15/2011 ✓	