

Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
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

Revised July 18, 2013

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.)		WELL API NO. 30-005-60033
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Blue Sky NM Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 7941 Katy Freeway Suite 522 Houston, TX 77024		7. Lease Name or Unit Agreement Name Twin Lakes San Andres Unit
4. Well Location Unit Letter <u>L</u> 1980 feet from the <u>S</u> line and <u>660</u> feet from the <u>W</u> line Section <u>36</u> Township <u>08S</u> Range <u>28E</u> NMPM County Chaves		8. Well Number <u>034</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 300825
10. Pool name or Wildcat Cato; San Andres		

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	P AND A <input type="checkbox"/>
CLOSED-LOOP SYSTEM <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <input type="checkbox"/>

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.

NMOCD plans to plug this well in accordance with the attached procedure and any agreed modifications thereto.

ESTIMATED START DATE 9/1/22

SEE ATTACHED CONDITIONS
OF APPROVAL

LPC Area Below ground marker send pics before backfilling hole

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 Drake McCulloch TITLE Authorized Representative DATE 8/09/22

Type or print name Drake McCulloch E-mail address: drake@dwsrigs.com PHONE: 505 320 1180

For State Use Only

APPROVED BY: Kerry Fortner TITLE Compliance Officer A DATE 10/20/22

Conditions of Approval (if any): 575-263-6633

Blue Sky NM Inc.

Plug And Abandonment Procedure

Twin Lakes San Andres Unit #034

1980' FSL & 660' FWL, Section 36, T8S, R28E

Chaves County, NM / API 30-005-60033

1. Hold pre-job safety meeting. Comply with all NMOCD, BLM safety and environmental regulations. Test rig anchors prior to moving in rig if not rigged to base beam.
2. Check casing, tubing, and Bradenhead pressures.
3. Remove existing piping on casing valve. RU blow lines from casing valves and begin blowing down casing pressure. Kill well as necessary. Ensure well is dead or on a vacuum.
4. ND wellhead and NU BOP. Function test BOP.
5. P/U 4-1/2" bit or casing scraper on 2-3/8" work string and round trip as deep as possible above top perforation at 2,572'.
6. P/U 4-1/2" CR, TIH and set CR at +/- 2,522'. Pressure test tubing to 1000 psi. Sting out of CR. Load hole, and pressure test casing to 800 psi. If casing does not test, then spot or tag subsequent plugs as appropriate. POOH w/ tubing.
7. RU wireline and run CBL with 500 psi on casing from CR at 2,522' to surface to identify TOC. Adjust plugs as necessary for new TOC. Email log copy to

Brandon Powell at Brandon.powell@state.nm.us upon completions of logging operations.

8. Rig up to pump cement down tubing. Pump water to establish rate down tubing.
9. Circulate wellbore with 9.5 ppg salt gel.

NOTE: All Plugs Include 100% excess outside casing and 50% Excess inside casing

10. Plug 1 (San Andres Perforations and Formation Top 2,522'-1,816', 50 Sacks Type III Cement)

Mix 50 sx Type III cement and spot a balanced plug inside casing to cover the San Andres perforations and formation top.

11. Plug 2 (Queen Formation Top 1,540'-1,178', 25 Sacks Type III Cement)

Mix 25 sx Type III cement and spot a balanced plug inside casing to cover the Queen formation top.

12. Plug 3 (Yates Formation Top 822'-460', 25 Sacks Type III Cement)

Mix 25 sx Type III cement and spot a balanced plug inside casing to cover the Yates formation top.

13. Plug 4 (Surface Casing Shoe 450'-Surface, 120 Sacks Type III Cement)

Attempt to pressure test the bradenhead annulus to 300 psi; note the volume to load. If BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 120 sx cement and spot a balanced plug from 450' to surface, circulate good cement out of casing valve. TOH and LD tubing. Shut well in and WOC. If BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing from 450' and the annulus from the squeeze holes to surface. Shut in well and WOC.

14. ND cementing valves and cut off wellhead. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and restore location per BLM stipulations.

Proposed Wellbore Diagram

Blue Sky NM Inc.
Twin Lakes San Andres Unit #034
API: 30-005-60033
Chaves County, New Mexico

Surface Casing

8.625" 24# @ 400 ft
OH: 12.25"

Plug 4

450 feet - surface
450 foot plug
120 Sacks of Type III Cement

Plug 3

822 feet - 460 feet
362 foot plug
25 Sacks of Type III Cement

Plug 2

1540 feet - 1178 feet
362 foot plug
25 Sacks of Type III Cement

Plug 1

2522 feet - 1816 feet
747 foot plug
50 sacks of Type III Cement

Formation

Yates - 772 feet
Queens - 1490 feet
San Andres - 1916 feet

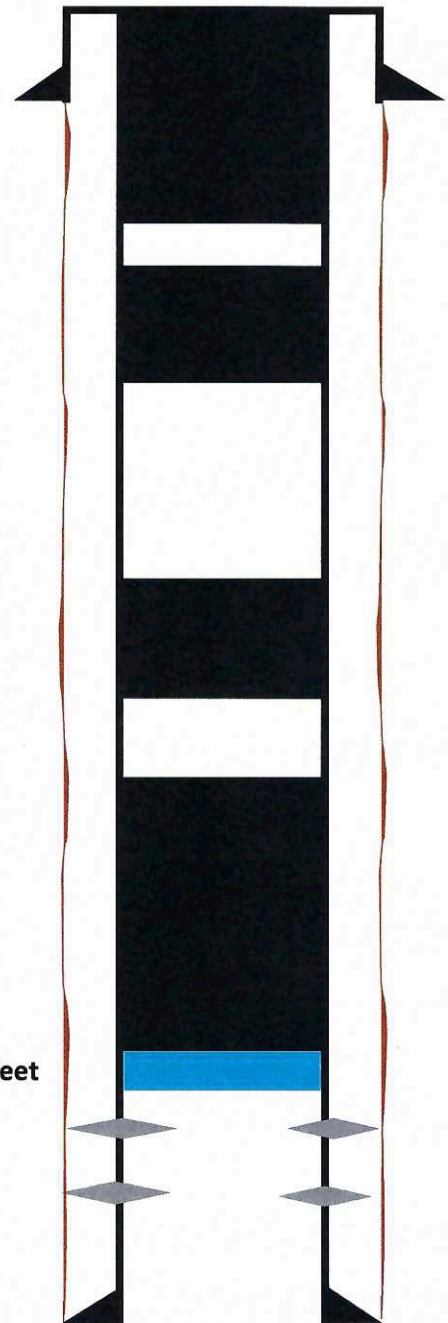
Retainer @ 2522 feet

Perforations

2572 feet - 2611 feet

Production Casing

4.5" 9.5# @ 2616 feet
OH: 7.875"



Existing Wellbore Diagram

Blue Sky NM Inc.
Twin Lakes San Andres Unit #034
API: 30-005-60033
Chaves County, New Mexico

Surface Casing

8.625" 24# @ 400 ft
OH: 12.25"

Formation

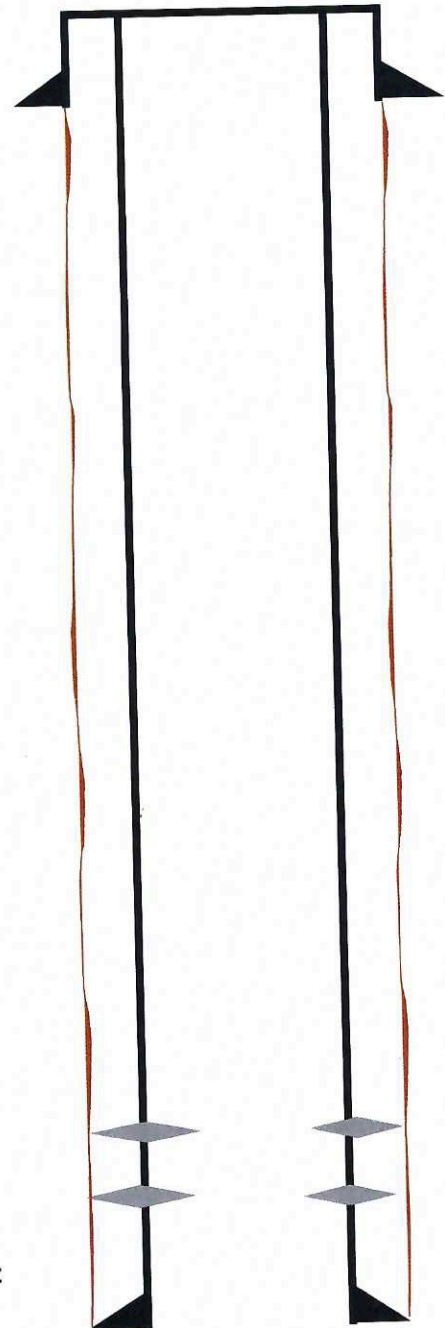
Yates - 772 feet
San Andres - 1916 feet

Perforations

2572 feet - 2611 feet

Production Casing

4.5" 9.5# @ 2616 feet
OH: 7.875"



**CONDITIONS OF APPROVAL
FOR PLUGGING AND ABANDONMENT
OCD - Southern District**

The following is a guide or checklist in preparation of a plugging program, this is not all inclusive and care must be exercised in establishing special plugging programs in unique and unusual cases, Notify NMOCD District Office I (Hobbs) at (575)-263-6633 at least 24 hours before beginning work. After MIRU rig will remain on well until it is plugged to surface. OCD is to be notified before rig down.

Company representative will be on location during plugging procedures.

1. A notice of intent to plug and abandon a wellbore is required to be approved before plugging operations are conducted. A cement evaluation tool is required in order to ensure isolation of producing formations, protection of water and correlative rights. A cement bond log or other accepted cement evaluation tool is to be provided to the division for evaluation if one has not been previously run or if the well did not have cement circulated to surface during the original casing cementing job or subsequent cementing jobs. Insure all bradenheads have been exposed, identified and valves are operational prior to rig up.
2. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to a permitted disposal location.
3. Trucking companies being used to haul oilfield waste fluids to a disposal - commercial or private- shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall be able to produce a copy upon request of an NMOCD Field inspector.
4. Filing a subsequent C-103 will serve as notification that the well has been plugged.
5. A final C-103 shall be filed (and a site inspection by NMOCD Inspector to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to Meet NMOCD standards) before bonding can be released.
6. If work has not begun within 1 Year of the approval of this procedure, an extension request must be file stating the reason the well has not been plugged.
7. Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.
8. Produced water will not be used during any part of the plugging operation.
9. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
10. All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
11. Class 'C' cement will be used above 7500 feet.
12. Class 'H' cement will be used below 7500 feet.
13. A cement plug is required to be set 50' above and 50' below, casing stubs, DV tools, attempted casing cut offs, cement tops outside casing, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged
14. All Casing Shoes Will Be Perforated 50' below shoe depth and Attempted to be Squeezed, cement needs to be 50' above and 50' Below Casing Shoe inside the Production Casing.
16. When setting the top out cement plug in production, intermediate and surface casing, wellbores should remain full at least 30 minutes after plugs are set
17. A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.
18. A CIBP with 35' of cement may be used in lieu of the 100' plug if set with a bailer. This plug will be placed within 100' of the top perforation, (WOC 4 hrs and tag).

19. No more than 3000' is allowed between cement plugs in cased hole and 2000' in open hole.
20. Some of the Formations to be isolated with cement plugs are: These plugs to be set to isolate formation tops
- A) Fusselman
 - B) Devonian
 - C) Morrow
 - D) Wolfcamp
 - E) Bone Springs
 - F) Delaware
 - G) Any salt sections
 - H) Abo
 - I) Glorieta
 - J) Yates.
 - K) Potash---(In the R-111-P Area (Potash Mine Area),
A solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, WOC 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.
21. If cement does not exist behind casing strings at recommended formation depths, the casing can be cut and pulled with plugs set at recommended depths. If casing is not pulled, perforations will be shot and cement squeezed behind casing, WOC and tagged. These plugs will be set 50' below formation bottom to 50' above formation top inside the casing.

DRY HOLE MARKER REQUIREMENTS

The operator shall mark the exact location of the plugged and abandoned well with a steel marker not less than four inches in diameter, 3' below ground level with a plate of at least ¼" welded to the top of the casing and the dry hole marker welded on the plate with the following information welded on the dry hole marker:

1. Operator name
2. Lease and Well Number
3. API Number
4. Unit letter
5. Quarter Section (feet from the North, South, East or West)
6. Section, Township and Range
7. Plugging Date
8. County

SPECIAL CASES -----AGRICULTURE OR PRARIE CHICKEN BREEDING AREAS

In these areas, a below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to NMOCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)

SITE REMEDIATION DUE WITHIN ONE YEAR OF WELL PLUGGING COMPLETION

8/26/2021

Twin Lakes San Andres Unit #34

Revision #: 1

api: 30-005-60033

Critical Well Notes

- Limited well files found on NMOCD database.
- Well type: gas --> injector
- Latest records reflect the injector equipment in the current wellbore diagram
- As an injector, proactively run wireline/slickline offline to see about setting tubing CIBP adjacent to packer

Offline Activity

- R/U wireline, run gauge ring to deepest obtainable bottom. If able to reach packer, request from NMOCD to set cast iron tubing plug adjacent to packer and plan to cut tubing above packer.
- Note the tubing is documented as being plastic-lined

Procedure - Rig Only

- 1 Contact NMOCD at least 24 hrs prior to performing any work
- 2 MIRU pulling service rig
- 3 Check pressure on all casing strings. Verify no pressure and observe well for 15 minutes to verify no flow. Kill well with brine or mud as necessary.
 - 1 Bubble test all annuli for 30 minutes each and capture results in WellView under daily pressures tab.
- 4 N/U stump-tested BOPE.
 - 1 5k 7-1/16" Class II BOP and pressure test 250 psi low and 1000 psi, MASP, or max anticipated pressure (whichever is larger) high for 5 min each.
- 5 [IF NOT PREVIOUSLY COMPLETED OFFLINE]. Attempt to set CIP adjacent to packer, then cut tubing above packer
 - 1 MIRU wireline and lubricator. Run gauge ring to planned set depth for CIP adjacent to packer at 2507'.
 - 2 POOH with gauge ring run. RIH with CIP and set at 2507'. POOH with W/L.
 - 3 RIH with jet cutter. Cut tubing above packer & CIP.
 - 4 If unable to set CIP adjacent to packer, plan to cut tubing above packer
- 6 TOH with tubing string and L/D same.
- 7 If a mechanical barrier was not established with CIP & packer, plan to set CIBP within 100' of top perforations
 - 1 MIRU wireline and lubricator. Run gauge ring to planned set depth for CIBP at 2507' (packer depth)
 - 2 POOH with gauge ring run. RIH with CIBP and set at 2507'. POOH with W/L.
- 8 TIH with pressure tested workstring and tag mechanical barrier
- 9 Pressure test CIBP, casing to 500 psi for 15 minutes
- 10 Proceed to pump cement per the cementing table below. Additional notes/considerations:
 - 1 Original TOC in production casing annulus = 1986' via CBL
 - 2 If bubble test on 4-1/2" annulus fails, discuss option to pump contingency cement prior to final plug to ensure leak is isolated. Discuss depths and volumes with engineer.
 - 3 If unable to circulate through perforation at 1050', plan to squeeze 150' of cement inside and out of 4-1/2" Will need to request this variance from NMOCD. If able to circulate, plan to circulate 500' barrier in annulus.
- 11 Discuss with engineer any changes to proposed plan forward during execution

Plug					
Summary Table	Base	Top	Volume	Perf & Squeeze	Notes
Formation 1	2500	2300	25	NO	WOC, tag, test
Formation 2	1909	1759	36	YES	WOC, tag, test
Formation 3	1480	1330	36	YES	WOC, tag, test
Formation 4	1050	550	120	YES	WOC, tag, test
Formation 5	450	0	108	YES	
Total Sacks	325				

8/26/2021

Twin Lakes San Andres Unit #34

api: 30-005-60033

Revision #: 1

Total Perf & Squeeze		4
Total Spot		1

Well Name	TLSAU 34	County	Chaves
API	30-005-60033	District	Artesia (NMOCD)

Lat	33.57
Long	-104.05
Well Type	Gas --> Injector

TLSAU = Twin Lake San Andres Unit

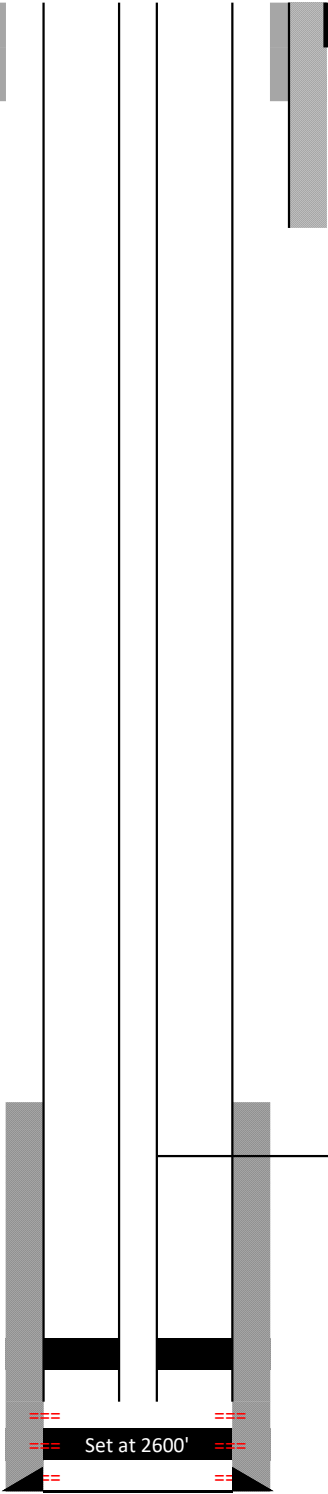
SURFACE CASING

Size:	8.625
Wt.:	24
Set @:	400
Sxs cmt:	400
Circ:	YES
TOC:	0
Hole Size:	12.25

Formation Record		Descriptions
0	450	Red Beds
408	1480	Anhydrite and Salt (Yates at 772')
1480	2219	Anhydrite (San Andres at 1909')
2219	2459	Anhydrite & Lime
2459	2617	Dolomite

PRODUCTION CASING

Size:	4 1/2
Wt.:	9.5
Set @:	2616
Sxs Cmt:	200
TOC:	1986 CBL
Hole Size:	7 7/8
PBTD	2616
TD	2616



Original tubing size: 2-3/8"
Set depth at 2550' (original set depth)

Converted to injector in 1988
Plastic lined tubing run to 2495'
Halliburton R-4 packer at 2507'
Perforations
2572' - 2582' (injection)
2581' - 2560' (squeezed) Yr: 1967
2606' - 2611' (squeezed 1969) Yr: 1967
2576' - 2581' (5/16/1969)

Well Name **TLSAU 34** County **Chaves**
 API **30-005-60033** District **Artesia (NMOCD)**

TLSAU = Twin Lake San Andres Unit

Lat 33.57
 Long -104.05
 Well Type Gas --> Injector

SURFACE CASING

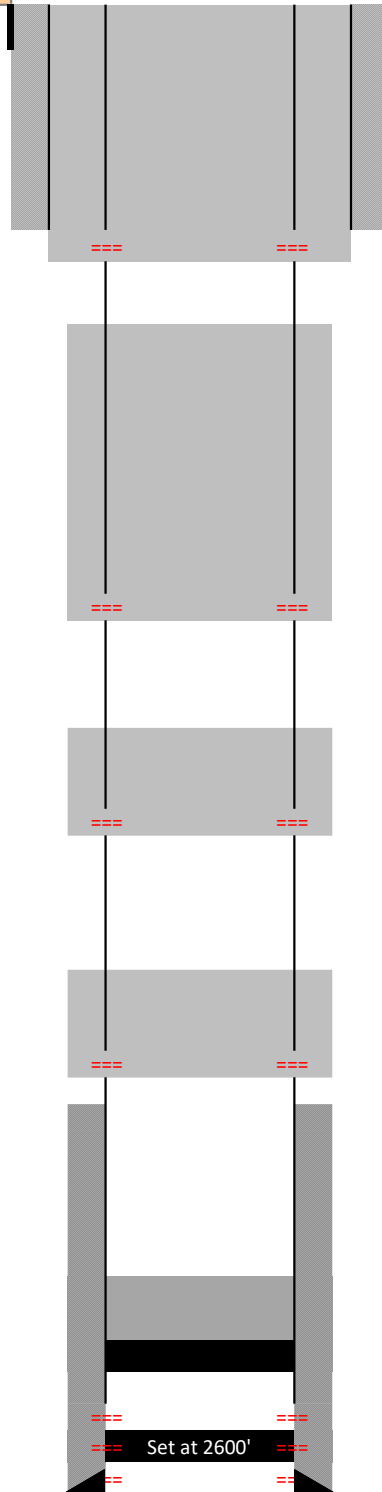
Size: 8.625
 Wt.: 24
 Set @: 400
 Sxs cmt: 400
 Circ: YES
 TOC: 0
 Hole Size: 12.25

Formation Record		Descriptions
0	450	Red Beds
408	1480	Anhydrite and Salt (Yates at 772')
1480	2219	Anhydrite (San Andres at 1909')
2219	2459	Anhydrite & Lime
2459	2617	Dolomite

PRODUCTION CASING

Size: 4 1/2
 Wt.: 9.5
 Set @: 2616
 Sxs Cmt: 200
 TOC: 1986 CBL
 Hole Size: 7 7/8

PBTD 2616
 TD 2616



Isolate 8-5/8" shoe, FW

Perforate at 450'
 Circulate cmt from 450' to surface
 108 sacks Class C cement

Establish 500' barrier, isolate Yates

(500' if able to circulate, if cannot circulate, squeeze 150' from 772' to 622')
 Perforate at 1050'
 Circulate cmt from 1050' to 550'
 120 sacks Class C cement
 WOC, TAG

Isolate Base of salt

Perforate at 1480'
 Cmt from 1480' to 1330'
 36 sacks Class C cement
 WOC, TAG

Isolate San Andres formation

Perforate at 1909'
 Cmt from 1909' to 1759'
 36 sacks Class C cement
 WOC, TAG

Primary Barrier: isolate injection interval

CIBP set at 2500'
 Cmt from 2500' to 2300' ** increased sacks
 25 sacks Class C
 WOC, TAG
 Converted to injector in 1988
 Plastic lined tubing run to 2495'
 Halliburton R-4 packer at 2507'
 Perforations
 2572' - 2582' (injection)
 2581' - 2560' (squeezed) Yr: 1967
 2606' - 2611' (squeezed 1969) Yr: 1967
 2576' - 2581' (5/16/1969)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 139389

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 139389
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
gcordero	None	9/2/2022