

Submit 1 Copy To Appropriate District 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

Form C-103
Revised August 1, 2011

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

WELL API NO. 30-015-32559
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name State IE Com
8. Well Number: 3
9. OGRID Number: 4323
10. Pool name or Wildcat Happy Valley Morrow

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.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Water Injection	
2. Name of Operator Chevron U.S.A. INC.	
3. Address of Operator 15 Smith Road Midland, TX 79705	
4. Well Location Unit Letter <u>D</u> : <u>829'</u> feet from the <u>North</u> line and <u>363</u> feet from the <u>West</u> line Section <u>16</u> Township <u>22-S</u> Range <u>26-E</u> NMPM County <u>Eddy</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3542' GL	

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"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <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.

TD-11,750' PB-11,734' PERFS-9230' - 9314', 10725' - 11624'
13-3/8" 48# csg @ 734' w/800 sks, 17-1/2" hole, TOC Surface
9-5/8" 40# csg @ 2315' w/1110 sks, 12-1/2" hole, TOC Surface
5-1/2" 17# csg @ 11750' w/920 sks, 7-7/8" hole, TOC 7850'
CIBP @ 9180', CIBP @ 9260', CIBP @ 10700', CIBP @ 11150', CIBP @ 11390'
CIBP @ 11520'

CONDITIONS OF APPROVAL ATTACHED

- MIRUWSU, NDWH, NUBOP.
- Tag CIBP @ 9180' w/25 sks of Class H cement - 35' cmt on top CIBP
- Pressure Test casing to 500 psi and record/report findings.
- Perf & Sqz 60 sks of H cement @ 7500'-7300' CTOC, WOC & TAG
- Perf & Sqz 60 sks of Class H cement @ 4500' - 4300', WOC & TAG
- Perf & Sqz 60 sks of Class C cement @ 2415' - 2215', WOC & TAG, (Shoe)
- Perf & Sqz 60 sks of Class C cement @ 834' - 634', WOC & TAG, (Shoe)
- Perf & Circulate 125 sks of C cement 350'-Surface
- Cut off wellhead and anchors 3' below grade. Weld on dry hole marker. Clean location.
- CLOSED LOOP SYSTEM USED

Approval Granted providing work is
Completed by

4-30-2015

Approved for plugging of well bore only.
Liability under bond is retained pending receipt
of C-103 (Subsequent Report of Well Plugging)
which may be found at OCD Web Page under
Forms, www.emnrd.state.nm.us/oed.

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 Robert Holden TITLE Representative DATE 04/30/2014

Type or print name Robert Holden E-mail address: rholden@keyenergy.com PHONE: 432-523-5155

For State Use Only

APPROVED BY: RDade TITLE Dist II Supervisor DATE Apr 30th 2014

* See Attached COA's

CURRENT

Well: State IE Com #3

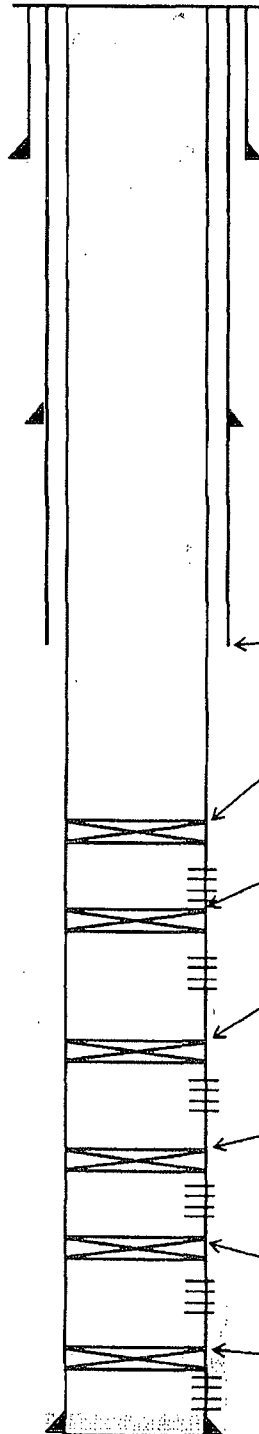
Field: Happy Valley

Reservoir:

Location:
GPS: 32.39705 -104.30483
829' FNL & 363' FWL
Unit Letter: D
Section: 16
Township: 22S Range: 26E
County: Eddy State: NM

Elevations:
GL: 3,542'
KB:
DF:

Wellbore Diagram



Well ID Info:
Chevno: HK5908
API No: 30-015-32559
Spud Date: 5/12/2003
Drill End Date: 6/23/2003
TA'd: 6/26/2006

Surface Csg: 13-3/8" 48# H-40
Set: @ 734' w/ 800 sx cmt
Hole Size: 17-1/2"
Circ: No TOC: Surface
TOC By: 1" top-off w/ 450 sx cmt
(Prior to top-off: TS @ 425')

Intermediate Csg: 9-5/8" 40# J-55
Set: @ 2315' w/ 1110 sx cmt
Hole Size: 12-1/2"
Circ: No TOC: Surface
TOC By: 1" top-off w/ 150 sx cmt

TOC @ 7850' (CBL)

TOC @ 9,160'
CIBP @ 9,180'
capped w/ 20' cmt

Perfs:
9,230' - 9,260'

CIBP @ 9,260'
Perfs:
9,310' - 9,314'

TOC @ 10,665'
CIBP @ 10,700'
capped w/ 35' cmt

Perfs:
10,725' - 10,733'

TOC @ 11,115'
CIBP @ 11,150'
capped w/ 35' cmt

Perfs:
11,186' - 11,200'
11,241' - 11,251'

CIBP @ 11,390'
Perfs:
11,402' - 11,432'

CIBP @ 11,520'
Perfs:
11,569' - 11,624'

Production Csg: 5-1/2" 17# S-95
Set: @ 11750' w/ 920 sx cmt
Hole Size: 8-3/4"
Circ: No TOC: 7850'
TOC By: CBL (7/13/03)

PBTD: 11,734'
TD: 11,750'

Updated: 1/9/2014

By: Bob Hall

Proposed

Well: State IE Com #3

Field: Happy Valley

Reservoir:

Location:
GPS: 32.39705 -104.30483
829' FNL & 363' FWL
Unit Letter: D
Section: 16
Township: 22S Range: 26E
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GL: 3,542'
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Well ID Info:
Chevno: HK5908
API No: 30-015-32559
Spud Date: 5/12/2003
Drill End Date: 6/23/2003
TA'd: 6/26/2006

Perf / Circulate / Verify w/ 125 SKS
9' Class C 350' to

Surface Csg: 13-3/8" 48# H-40
Set: @ 734' w/ 800 sx cmt
Hole Size: 17-1/2"
Circ: No TOC: Surface
TOC By: 1" top-off w/ 450 sx cmt
(Prior to top-off: TS @ 425')

SURFACE

Perf 4 Sqz w/ 60 sks of Class C
mt @ 734' to 634' (circs)
SHOE

Perf 4 Sqz w/ 60 sks of Class C cmt
@ 2415' to 2215' (over SHOE)

Perf 1 Sqz 60 sks of Class C @ 4500' to 4300'

ET Plug @ 7500' to 7300' Perf 1 Sqz w/ 60 sks
of Class H cmt

Alt CIBP @ 9180' w/ 25 sks of Class H

Intermediate Csg: 9-5/8" 40# J-55
Set: @ 2315' w/ 1110 sx cmt
Hole Size: 12-1/2"
Circ: No TOC: Surface
TOC By: 1" top-off w/ 150 sx cmt

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CIBP @ 11,620'
Perfs:
11,569' - 11,624'

35' cmt

PBTD: 11,734'
TD: 11,750'

By: Bob Hall

Updated: 1/9/2014

Production Csg: 5-1/2" 17# S-95
Set: @ 11750' w/ 920 sx cmt
Hole Size: 8-3/4"
Circ: No TOC: 7850'
TOC By: CBL (7/13/03)

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: Chevron

Well Name & Number: State IE Com #3

API #: 30-015-32559

1. Produced water **will not** be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. 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 place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged **ONLY**. A C-103 **FINAL** shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perfs, before any plugs can be set, by whatever means possible.
8. Cement Retainers may not be used.

9. Squeeze pressures are not to exceed 500 PSI, unless approval is given by NMOCD.
10. Plugs may be combined after consulting with and getting approval from NMOCD.
11. Minimum WOC time for tag plugs will be 4 Hrs.

DATE: 4/30/2014

APPROVED BY: *RDade*

GUIDELINES FOR PLUGGING AND ABANDONMENT

DISTRICT II / ARTESIA

- All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sacks of gel per 100 bbls of water.
- A cement plug is required to be set 50' below and 50' above all casing shoes and casing stub plugs. These plugs must be tagged.
- A CIBP with 35' of cement on top may be set in lieu of 100' cement plug.
- A plug as indicated above must be placed within 100' of top perforation. This plug must be tagged.
- Plugs set below and above salt zones must be tagged.
- No more than 2000' is to be allowed between cement plugs in open hole and no more than 3000' in cased hole.
- DV tools are required to have a 100' cement plug set 50' above and below the tool and must be tagged.
- Formations to be isolated with plugs placed at the top of each formation are:
 - Fusselman
 - Devonian
 - Morrow
 - Wolfcamp
 - Bone Spring
 - Delaware
 - Any Salt Section (Plug at top and bottom)
 - Abo
 - Glorieta
 - Yates (this plug is usually at base of salt section)
- If cement does not exist behind casing strings at recommended formation depths, the casing must be cut and pulled with plugs set at these depths or casing must be perforated and cement squeezed behind casing at the formation depths.
- 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 common to the section penetrated and in suitable proportions, but not more than a 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible (50' below and 50' above).