

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 July 18, 2013

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

WELL API NO. 30-015-25804
5. Indicate Type of Lease STATE X FEE
6. State Oil & Gas Lease No. V-640
7. Lease Name or Unit Agreement Name STATE 2
8. Well Number 2
9. OGRID Number 4323
10. Pool name or Wildcat SHUGART YATES 7-RIVERS QN-GB

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 X Gas Well Other

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

3. Address of Operator
15 SMITH ROAD MIDLAND, TEXAS 79705

4. Well Location DATUM 27 Y- LAT X-LONG.
Unit Letter 3 : 400 feet from the NORTH line and 2250 feet from the WEST line
Section 2 Township 19S Range 30-E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,523.7" GR

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON X
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
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. 8 5/8"-636' TOC SURFACE, 5 1/2"-3,860' TOC SURFACE, PERFS 2,364'-2,378' CIBP's @ 3,535', 3,220', 2,997' W/ 35' CMT. ON EACH

AS EARLY AS MAY, 18, 2015 MOVE IN & RIG UP, RIH TO 2,997', MIX & SPOT 25 SX CL "C" CEMENT FROM 2,997'-2,797'.
POOH, PU & RIH W/ 5 1/2" CIBP SET @ 2,300', CIR W/ 9.5# SALT GEL.
MIX & SPOT 25 SX CL "C" CEMENT FROM 2,300'-2,100'.
PULL UP TO 600', RIG UP WIRELINE, RIH PERF @ 685', EST CIR. UP 8 5/8", POOH, RD W/L UNIT.
MIX & CIR. 200 SX CL "C" CEMENT TO SURFACE ON BOTH STRINGS. POOH W/ TBG. NIPPLE DOWN CUT & CAP WELL TO MEET WITH RULE 19.15.7.14 NMAC REQUIREMENTS.
CLASS "C" CEMENT & CLOSED LOOP SYSTEM TO BE USED.

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.

*Plugging must be done by 5/8/2016

NM OIL CONSERVATION
ARTESIA DISTRICT

MAY 04 2015

Spud Date:

Rig Release Date:

RECEIVED

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

SIGNATURE [Signature] TITLE Agent Chevron U.S.A. DATE 04/22/15

Type or print name Monty L. McCarver E-mail address: monty.mccarver@cjes.com PHONE: 713-325-6288

For State Use Only

APPROVED BY: [Signature] TITLE Dist. Supervisor DATE May 8, 2015

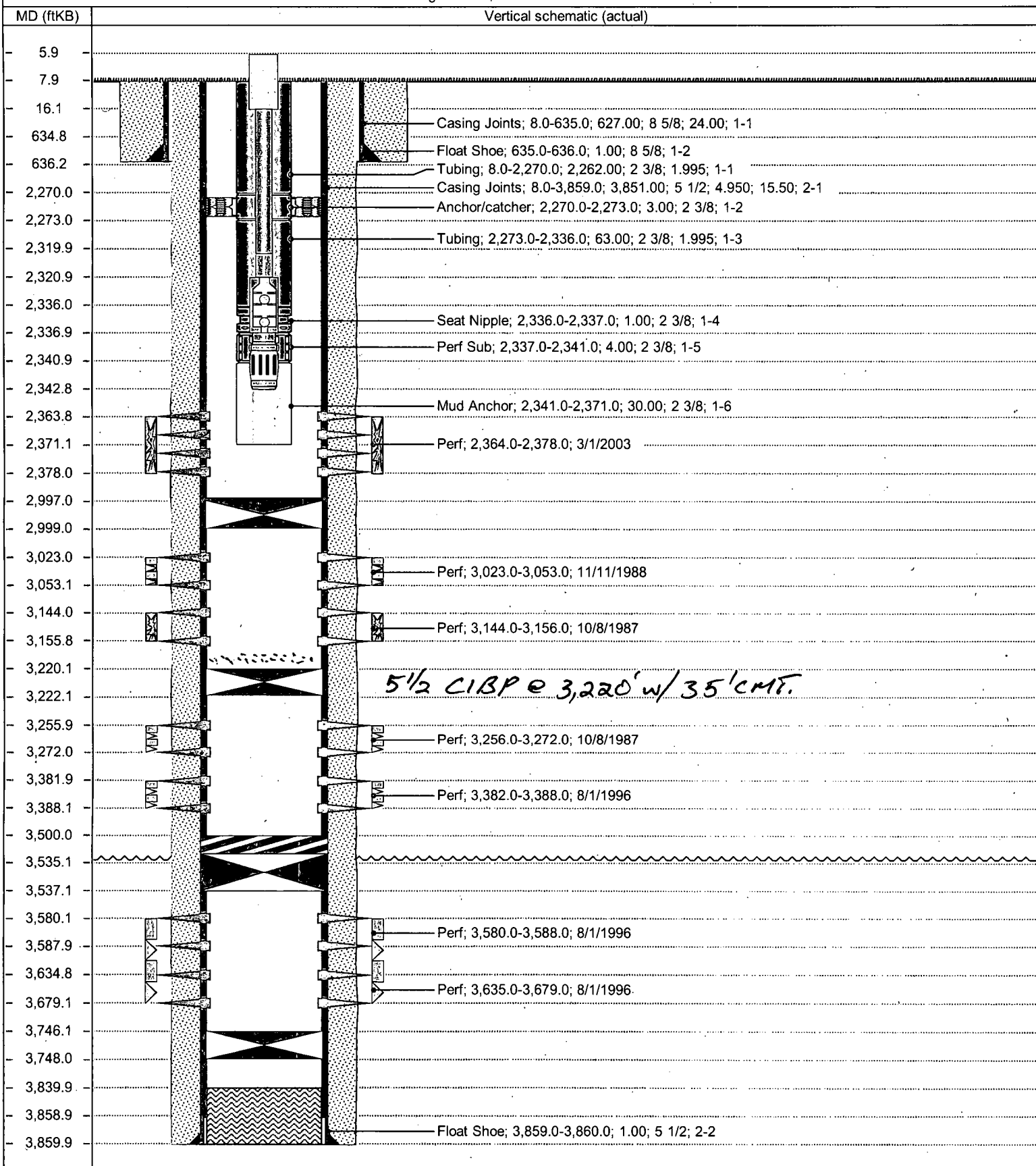
Conditions of Approval (if any): * See Attached COA's

Current Wellbore Schematic

WELL (PN): STATE 2 2(CVX) (891343)
 FIELD OFFICE: HOBBS
 FIELD: SHUGART QUEEN FIELD
 STATE / COUNTY: NEW MEXICO / EDDY
 LOCATION: SEC 2-19S-30E, 400 FNL & 2250 FWL
 ROUTE: HOB-NM-ROUTE 13- MATTHEW LUNA
 ELEVATION: GL: 3,523.7 KB: 3,531.7 KB Height: 8.0
 DEPTHS: TD: 3,860.0

API #: 3001525804
 Serial #:
 SPUD DATE: 9/12/1987
 RIG RELEASE: 9/23/1987
 1ST SALES GAS:
 1ST SALES OIL: 10/14/1987
 Current Status: PRODUCING

Original Hole, 5/21/2013 8:41:49 AM

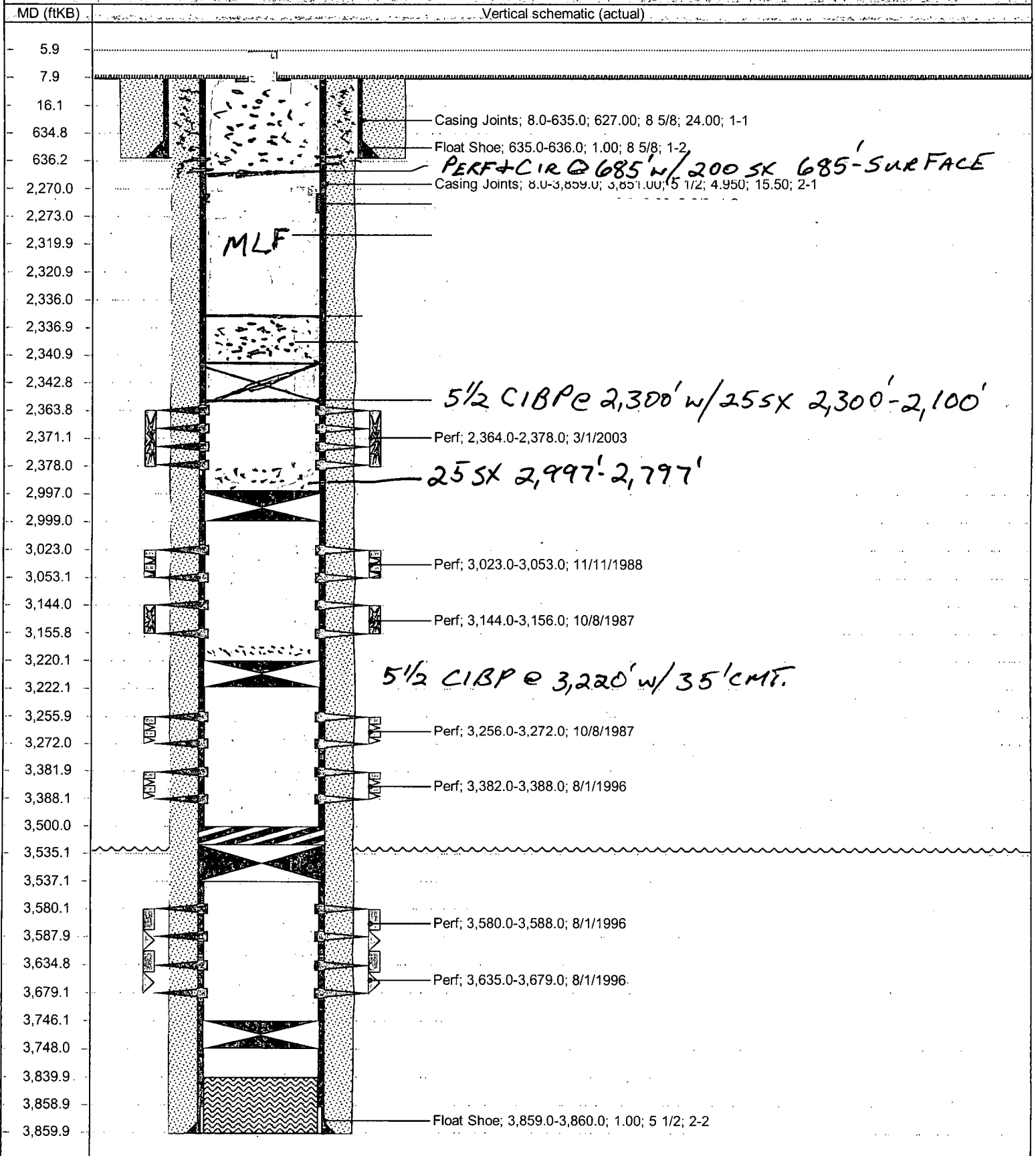


AFTER Wellbore Schematic

WELL (PN): STATE 2 2(CVX) (891343)
 FIELD OFFICE: HOBBS
 FIELD: SHUGART QUEEN FIELD
 STATE / COUNTY: NEW MEXICO / EDDY
 LOCATION: SEC 2-19S-30E, 400 FNL & 2250 FWL
 ROUTE: HOB-NM-ROUTE 13- MATTHEW LUNA
 ELEVATION: GL: 3,523.7 KB: 3,531.7 KB Height: 8.0
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Original Hole, 5/21/2013 8:41:49 AM



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 2 #2
API #: 30-015-25804

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 perms, 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: 5/8/15

APPROVED BY: SRD

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).