

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. 30-015-35513
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name South Culebra Bluff 23
8. Well Number: 20
9. OGRID Number 4323
10. Pool name or Wildcat Loving; Brushy Canyon, East
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,001' GL, 3,018' KB

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 ☐ Gas Well ☐ Other ☒ Injector

2. Name of Operator
Chevron USA Inc.

3. Address of Operator
6301 DEAUVILLE BLVD., MIDLAND, TX 79706

4. Well Location

Unit Letter J : 2460 feet from the South line and 2460 feet from the East line
Section 23 Township 23S Range 28E NMPM County Eddy

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: TEMPORARILY ABANDON ☐

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" @ 345' TOC Surface, 5-1/2" @ 6,347' TOC 4,300' (calculated), Perforations: 6,128'-6,240'.

Chevron USA INC respectfully request to abandon this well as follows:

*** SEE ATTACHED COA'S Revised

MUST BE PLUGGED BY
11/21/20

1. Call and notify NMOCD 24 hrs before operations begin.
2. MIRU slickline unit.
3. Run gauge ring t/ locate 1.43 F Nipple at 6,086'. Run tubing plug and set in profile.
4. Pressure test casing and tubing t/ 1,000 psi f/ 15 minutes each.
5. MIRU pulling unit, check well pressures, perform bubble test on surface casing annuli, if bubble test fails Chevron intends to Zonite or cut and pull casing after the well after it is plugged to a certain point agreed upon by the NMOCD and Chevron.
6. Unlatch from on-off tool and spot MLF as per the guidance document, if tubing passed pressure test.
 - a. Discuss with engineer on standing back tubing if it failed a pressure test.
7. Spot 25 sx CL "C" cmt f/ 6,086' t/ 5,840', discuss w/ NMOCD on waiving WOC and tag if casing passed a pressure test (Perfs).
WOC & Tag
8. Spot 25 sx CL "C" cmt f/ 4,770' t/ 4,524' (Brushy Canyon).
9. Perforate at 3,520' and squeeze 45 sx CL "C" cmt f/ 3,327' t/ 3,520', WOC & tag (Cherry Canyon). Must tag at 3,370' or higher.
10. Perforate at 2,680' and squeeze 140 sx CL "C" cmt f/ 2,077' t/ 2,680', WOC & tag (Bell Canyon, Lamar LS, B.Salt). Must tag at 2,130' or higher.
11. Perforate at 395' and squeeze 100 sx CL "C" cmt f/ Surface t/ 395', WOC & tag (Shoe, FW, T.Salt).
12. Cut all casings & anchors & remove 3' below grade. Verify cement to surface & weld on dry hole marker (4" diameter, 4' tall). Clean location.

Note: All cement plugs class "C" (<7,500') or "H" (>7,500') with closed loop system used, and MLF spotted between plugs.

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

SIGNATURE HL TITLE P&A Engineer, Attorney in fact DATE 10/23/19

Type or print name Howie Lucas E-mail address: howie.lucas@chevron.com PHONE: (832)-588-4044

For State Use Only

APPROVED BY: [Signature] TITLE Staff Mgr DATE 11/21/19
Conditions of Approval (if any):

SOUTH CULEBRA BLUFF 23-20

Loving East - 30-015-35513

Eddy County, New Mexico

J-23-23S-28E 2460 FSL 2460 FEL

Current Status: Inactive Inj; Updated by Y.LI on 8/8/2019

KB: 3,018'
GL: 3,001'

TOC @ surf
cmt w/ 300 sxs
Class "C" & 2%
CaCl2. TOC @20'.
Cmt to surface 2/
27 sxs cmt
8 5/8" csg @ 345'

Spud Date: 7/18/2007
TD Date: 7/27/2007
Compl Date: 8/24/2007

CASING DETAIL

Depth	Size	Weight	Grade	Hole Size
345'	8 5/8"	24#	J-55	12 1/4"
6347'	5 1/2"	15.5#	J-55	7 7/8"

Tbg Detail

KB	Length (ft)	Depth (ft)
	17	
198 Jts. Fiber Lined Tbg, 2-3/8", 4.7#, J-55, 8R, EUE tbg, 1.73 I.D.	6068.55	17
Fiber Line Adapter	0.7	6085.55
On-Off Tool w/1.43" ID 'F' Profile Nipple	1.45	6086.25
2-3/8" x 5-1/2" Arrow set 1-X Pkr, Nickle plated w/ Internal Plastic Coating	7.25	6087.7
2 3/8 WL Entry Guide	0.4	6094.95
EOT		6095.35

Note: Tbg details come from Range Record

TOC 4300' (CALC)

Pkr @ 6,080'

This wellbore diagram is based on most recent information regarding wellbore configuration & equipment that could be found in Midland Office well files & computer / online databases as of above update date.

MIT Test Failed 7/13/2017

Brushy Canyon C & D Perforations:

6128' - 6177' - 4 spf
6188' - 6192' - 4 spf
6198' - 6210' - 4 spf
6228' - 6240' - 4 spf

cmt w/ 450 sxs

5 1/2" csg @ 6347'

PBTD = 6,255'
TD = 6,350'

Note: This schematic is not to scale. For display purposes only.

SOUTH CULEBRA BLUFF 23-20
Loving East - 30-015-35513
Eddy County, New Mexico
J-23-23S-28E 2460 FSL 2460 FEL
 Current Status: Inactive Inj; Updated by Y.LI on 8/8/2019

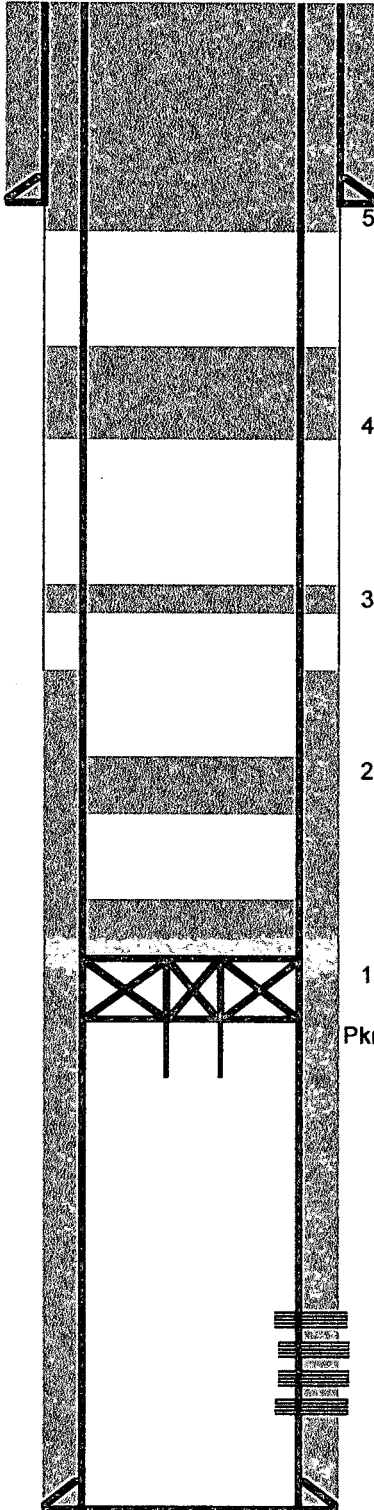
KB: 3,018'
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TOC @ surf
 cmt w/ 300 sxs
 Class "C" & 2%
 CaCl2. TOC @20'.
 Cmt to surface 2/
 27 sxs cmt
 8 5/8" csg @ 345'

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5 P&S from T.Salt
 t/ Surface

4 P&S across the Bell
 Canyon, Lamar LS, and B.Salt

3 P&S across the Cherry Canyon

2 Spot cement across the Brushy Canyon

1 Set tubing plug in 1.43 nipple, pressure test tbq and casing
 unlatch from on-off tool, pump cement above CIBP
 Pkr @ 6,080'

MIT Test Failed 7/13/2017

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CONDITIONS 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 II at (575)-748-1283 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.
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)