Submit 3 Copies 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

Form C-103
June 19, 2008

WELL API NO.
30-015-25003

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
DAGGER DRAW SWD

8. Well Number 1

1. Type of Well: Oil Well ☐
Gas Well ☐ Other SWD

DEC 16 2008
OCD-ARTESIA

2. Name of Operator
CHEVRON MIDCONTINENT, L.P.

9. OGRID Number 241333

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

10. Pool name or Wildcat

4. Well Location
Unit Letter E 14955 feet from the NORTH line and 225 feet from the WEST line
Section 22 Township 19-S Range 25-E 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: CSG REPAIR, INTENT TO TEMPORARILY ABANDON		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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

THIS SWD WELL FAILED ITS MECHANICAL INTEGRITY TEST ON AUGUST 9, 2008. AFTER RIGGING UP, WE WERE UNABLE TO RELEASE THE PACKER IN ORDER TO DETERMINE THE CAUSE OF THE FAILED TEST. RECENTLY, THE CASING WENT ON A VACUUM, WHILE THE TBG HELD STEADY, INDICATING A POSSIBLE CASING LEAK. WE PLAN ON REMOVING THE PACKER & TBG, SQZ ANY CASING LEAKS, AND SECURE THE WELL FOR TEMPORARY ABANDONMENT STATUS WHILE THE PROPERTY IS UNDERGOING DIVESTMENT.

THE INTENDED PROCEDURE IS ATTACHED FOR YOUR APPROVAL.

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 12-15-2008

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

For State Use Only

APPROVED BY: TITLE DATE DEC 17 2008

Conditions of Approval (if any):
MIT to request T/A must be witnessed.

Dagger Draw #1 SWD **12/4/2008**
Dagger Draw North Field
T19S, R25E, Section 22, Unit E
Job: Repair Casing Leak

Background:
This SWD well failed its mechanical integrity test as witnessed by the New Mexico OCD on August 19, 2008. In October 2008, following up the failed MIT, Company personnel rigged up but were unable to release the packer in order to determine the cause of the failed test. A load of water and soap was pumped down the backside in trying to release the packer. The casing went on a screaming vacuum, but not the tubing. Personnel were unable to get the packer to release. Suspected casing leak. Rigged down to assign to workover crew.

Procedure:

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 11/13/2008. Verify what is in the hole with the well file in the Carlsbad Field office. Discuss w/ WEO Engineer, Workover Rep, OS, ALS, and FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.

1. Ensure that Production has isolated the Dagger Draw SWD #1 from upstream produced water for disposal from Penasco Draw Field, Bradshaw Lease.

2. MIRU workover unit. Bleed pressure from well, if any. Disconnect and temporarily cap disposal line connections.

3. Disassemble wellhead. Unseat Packer.

4. If possible, move and reset packer. Load backside and attempt to perform MIT. If well passes MIT, reassemble wellhead and reconnect disposal line connections. RDMO.

   New Mexico MIT Specifications: Pressure test the casing/tubing annulus to a minimum pressure of 300psi for 30 minutes. If a 10% reduction in pressure is recorded during the 30 minute test, the test is considered a failure.

5. If well fails MIT or packer cannot be moved and reset, TOH with packer and tubing.

6. RIH with retrievable bridge plug and packer. Move tools to isolate sections of casing to determine location of casing leak.

7. After determining location of casing leak, set packer and establish flow rate into leak. Determine if flow rate is sufficient to perform squeeze. Perforate, if necessary.

8. POOH with packer. Dump approximately 50# sand into open casing. Allow sufficient time for sand to settle on top of retrievable bridge plug.

9. RIH with cement retainer. Set retainer to isolate casing leak. Establish flow rate into leak. Perform cement squeeze with mix containing fluid loss prevention additive.

10. Sting out of cement retainer. Circulate to clean hole. POOH with stinger. WOC overnight.

11. RIH with bit. Drill cement retainer and cement. POOH.

12. RIH with RBP retrieval tool and packer. Set packer and pressure test squeeze. If necessary, repeat squeeze or move tools to locate any additional casing leak. Squeeze, if necessary.

13. Wash sand from top of retrievable bridge plug, engage, and POOH.

14. TIH with minimum open-ended tubing string to comply with requirements for temporary abandonment of well and to allow safe re-entry into well to perform future well abandonment procedures.

15. Reassemble wellhead. RDMO.