

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 <input checked="" type="checkbox"/> 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
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,523.7" GR

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

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 REQUIRMENTS.  
**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 [www.cmnrd.state.nm.us/oed](http://www.cmnrd.state.nm.us/oed).

\*Plugging must be done by 5/8/2016

NM OIL CONSERVATION  
 ARTESIA DISTRICT

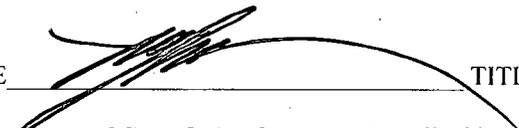
MAY 04 2015

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  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

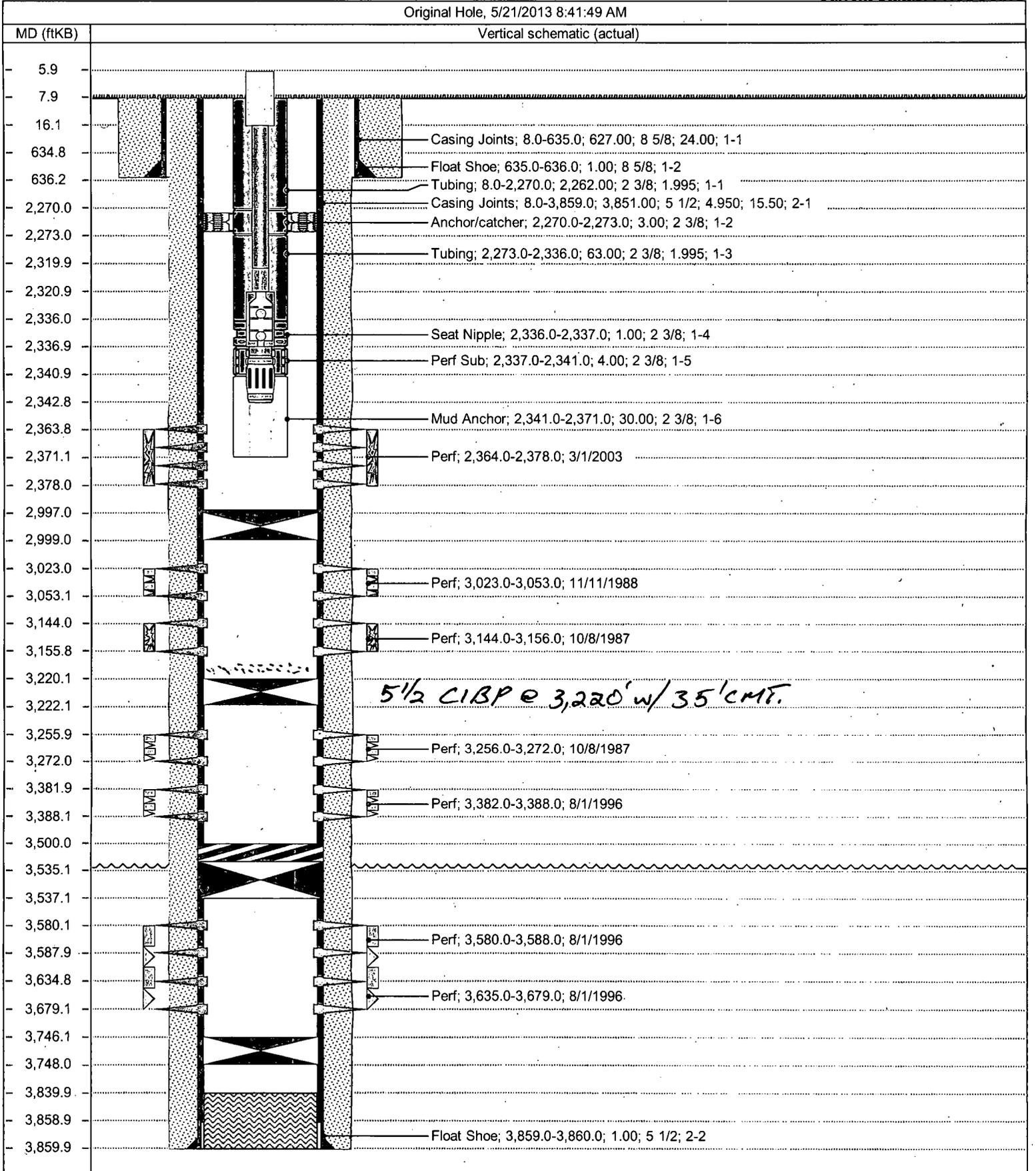
APPROVED BY:  TITLE Dist. P Supervisor DATE May 8, 2015

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

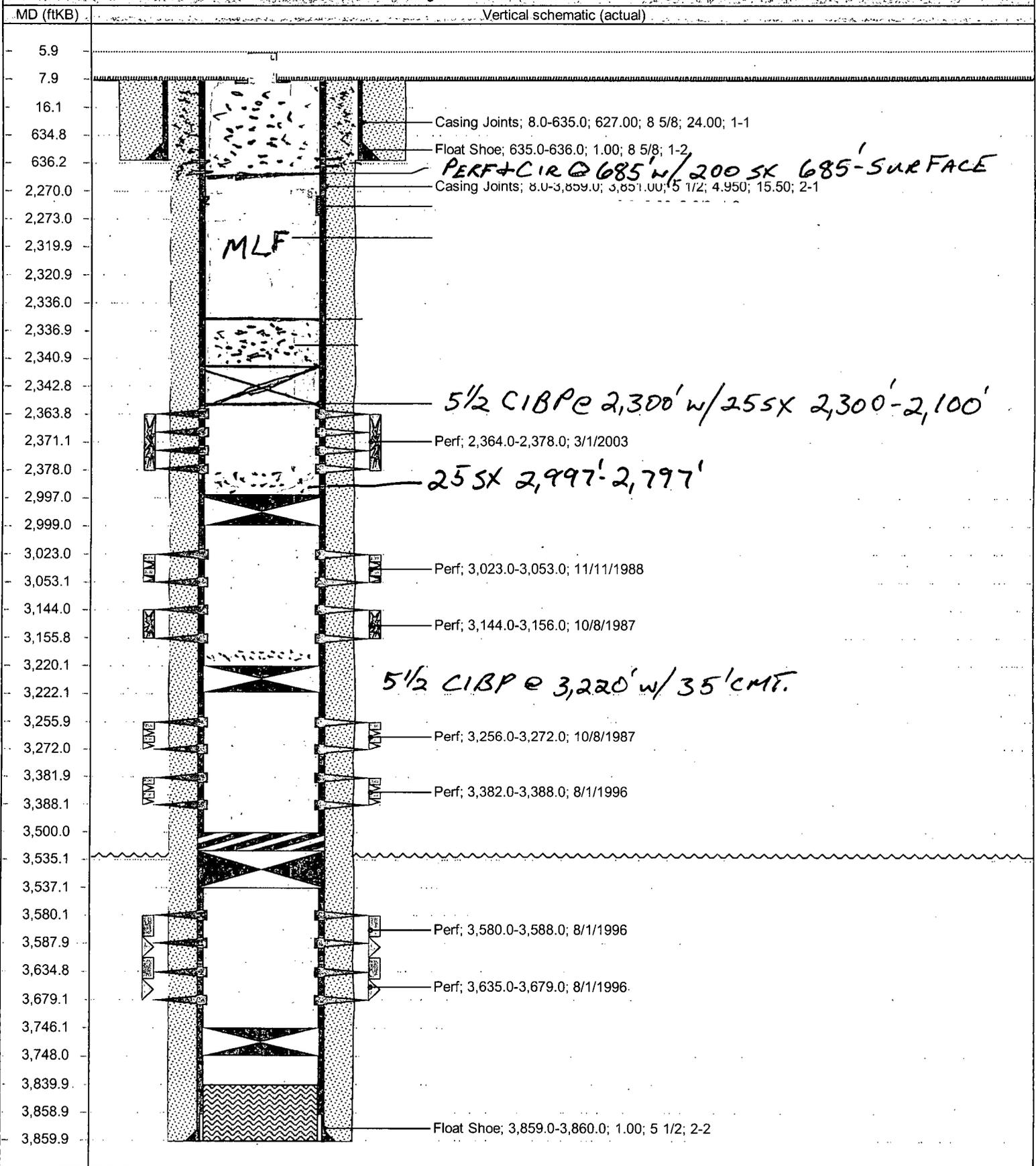


# AFTER Wellbore Schematic

**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  
**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



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 in 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 plus 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).