

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. 30-015-41744
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 SKEEN 2 SWD
8. Well Number #1
9. OGRID Number 4323
10. Pool name or Wildcat SWD; BRUSHY CANYON

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 SWD
2. Name of Operator CHEVRON USA INC
3. Address of Operator 1616 W. BENDER BLVD HOBBS, NM 88240
4. Well Location Unit Letter <u>M</u> : <u>400</u> feet from the <u>SOUTH</u> line and <u>1200</u> feet from the <u>WEST</u> line Section <u>02</u> Township <u>26S</u> Range <u>27E</u> NMPM County <u>EDDY</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3218' 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	P AND A <input type="checkbox"/>
CLOSED-LOOP SYSTEM <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: Shut In Status/Testing of well <input checked="" 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.

The Skeen 2 SWD #1 was shut in on October 13, 2016 to allow for wellbore thermal stabilization in advance of flow profile diagnostic testing that was conducted on October 20, 2016. Flow profile work demonstrated that the only perforations taking/ giving up flow were from the perforated unit 4706-4716'. The last day that injection took place into the Skeen 2 SWD #1 was October 12, 2016 with a volume of 382 barrels. Due to the need to move Chevron's new, deep Gravitas 2 SWD well surface location which will now infringe on the pad where the Skeen 2 SWD #1 is located, the existing Skeen 2 SWD #1 surface equipment (flowline, tree and tubing head) will need to be removed and the wellhead capped at ground level so that there will be clear access for the Gravitas 2 SWD pad and drilling equipment.

Cont'd. on next page.

NOTE - LAST REPORTED INJECTION IS 9/1/2016.
SO PERMIT WILL EXPIRE 9/1/2017.
NOT WHEN TA STATUS WAS GRANTED!

Spud Date:

Rig Release Date:

NM OIL CONSERVATION
ARTESIA DISTRICT
NOV 07 2016

I ALSO DO NOT SEE AN APPROVED TA IN WELL FILE - PLEASE CHECK! THX! RJ

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

SIGNATURE Cindy Herrera-Murillo TITLE PERMITTING SPECIALIST DATE 11/01/2016

Type or print name CINDY HERRERA-MURILLO E-mail address: Cherreramurillo@chevron.com PHONE: 575-263-0431
For State Use Only

APPROVED BY: Richard Inae TITLE COMPLIANCE OFFICER DATE 11/17/16
Conditions of Approval (if any):

Shut In Status Procedure:

Chevron expects to be done with the drilling, completion and testing of the Gravitass 2 SWD well around mid-year 2017 when we will be in a better position to determine future plans for the Skeen 2 SWD #1. Chevron has currently filed a TA request for the Skeen 2 SWD #1 which has been approved to TA as of 10/27/2016. The TA period will start following obtaining an approved and witnessed MIT at the conclusion of TA activities. Chevron understands that after a 1 year period of non-injection into an SWD well, the permit expires so the well must be re-entered, re-completed and returned to disposal service before ~~October 12, 2017~~ and if the TA period extends beyond ~~October 12, 2016~~, either the well must be either be plugged or Chevron must apply for a new SWD permit. 9/1/2017

Chevron currently expects for the Skeen 2 SWD #1 to remain in shut in status until approximately September 30, 2017.

Sept 1st 2017