

Office

Energy, Minerals and Natural Resources

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

WELL OIL CONSERVATION

ARTESIA DISTRICT

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

MAR 06 2017

RECEIVED

WELL API NO. 30-015-32862
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STATE 2
8. Well Number: 8
9. OGRID Number 4323
10. Pool name or Wildcat BENSON; DELAWARE

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

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

3. Address of Operator
6301 DEAUVILLE BLVD, MIDLAND, TX 79706 RM.N3002

4. Well Location
Unit Letter N : 660 feet from the SOUTH line and 1980 feet from the WEST line
Section 2 Township 19S Range 30E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3427' GR

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

NOTICE OF INTENTION TO:

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

OTHER:

SUBSEQUENT REPORT OF:

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

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.

1. Call and notify NMOCD 24 hrs. before operations begin.
 2. MIRU. NDWH. NU BOPE.
 3. Set CIBP@4,750', circulate well w/9.5 ppg mud and spot 25sx of cmt. on top. Pressure test casing.
 4. Perf and squeeze 55sx of Class "C" cement from 3,278'-3,078', WOC&Tag. (Shoe)
 5. Perf and squeeze 55sx of Class "C" cement from 1,850'-1,650', WOC&Tag. (Yates)
 6. Perf and squeeze 175sx of Class "C" cement from 698' to surface. (Shoe/FW/surface)
 7. Verify cement to surface on all casings. Cut off wellhead and anchors 3' below grade. Weld on dryhole marker and clean location.
- Closed loop above ground tank system will be used for fluids.

WELL MUST BE PLUGGED BY 3/6/2018

Appropriate 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 OSD Web Page under
 Form C-103, www.cmrnd.state.nm.us/osd.

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

SIGNATURE M. Lee Roark TITLE Project Manager DATE 02/27/17

Type or print name M. Lee Roark E-mail address: LRoark@Chevron.com PHONE: (432)-687-7279

For State Use Only

APPROVED BY: Robert J. Byrd TITLE COMPLIANCE OFFICER DATE 3/6/2016

Conditions of Approval (if any):

SEE ATTACHED COA-S

PROPOSED P&A WBD

STATE 2 #8

Well #: 8 St. Lse: _____
 Lease: STATE 2
 Field: BENSON, DELAWARE
 Surf. Loc.: 660' FSL & 1980' FWL
 Bot. Loc.: _____
 County: Eddy St.: NM
 Status: _____

API: 30-015-32862
 Unit Ltr.: _____ Section: 2
 TSHP/Rng: 19S-30E

 Directions: _____
 Chevno: _____

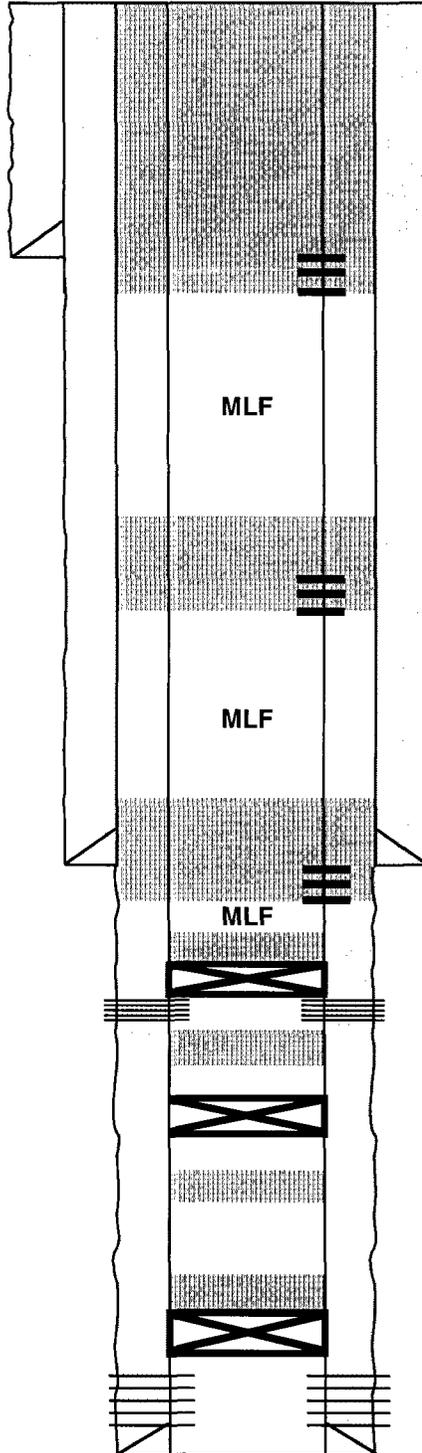
Surface Casing

Size: 13 3/8"
 Wt., Grd.: 48#
 Depth: 673'
 Sxs Cmt: 700
 Circulate: Yes
 TOC: Surface
 Hole Size: 17 1/2"

Intermediate Casing

Size: 8 5/8"
 Wt., Grd.: 32#
 Depth: 3228'
 Sxs Cmt: 925
 Circulate: Yes
 TOC: Surface
 Hole Size: 11"

Size: 5 1/2"
 Wt., Grd.: 17#
 Depth: 12234'
 Sxs Cmt: 1350
 TOC: _____
 Hole Size: 7 7/8"



Perf at 698' and squeeze 175sx of Class "C cement over shoe/FW/surface from 698'-surface.

Perf and Sqz. 55sx of Class "C cement over Yates from 1,850'-1,650'. WOC & TAG.

Perf and Sqz. 55sx of Class "C" cement over Shoe from 3,278'-3,078'. WOC & TAG.

CIBP@4750' plus 25sx on top *woc & TAG*

Perfs: 4817'-5153'(OA)
 Cement Plug from 6702'-5904'

CIBP@8732'

Cement Plug from 10102'-9690'

CIBP@11550' and 37' of cement on top.

Perfs: 11598'-11978'(OA)

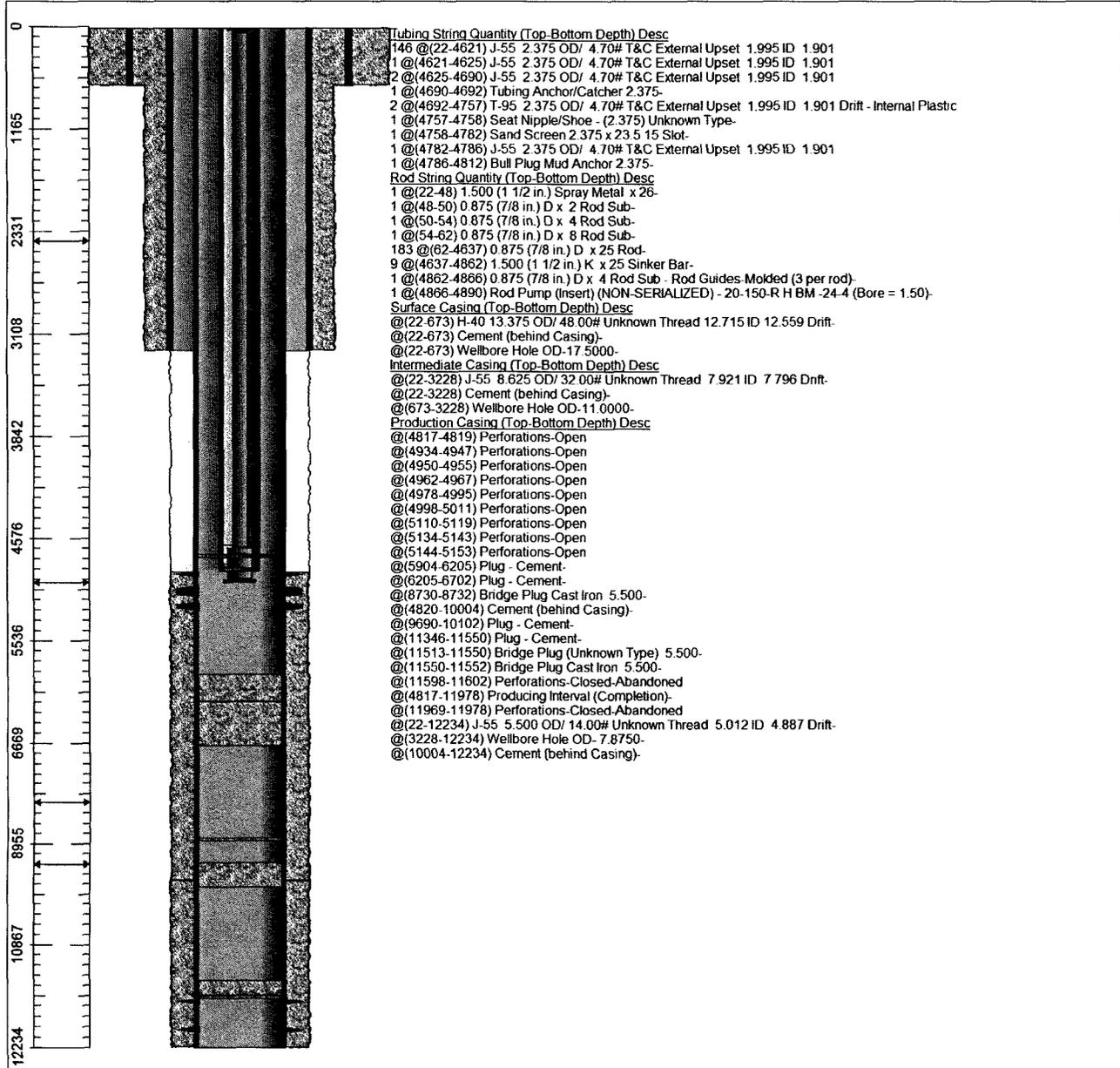
PBTD: 12148'
 TD: 12234'

CURRENT

Chevron U.S.A. Inc. Wellbore Diagram : STATE 2 8



[Lease] OHO HOBBS FMT [Well No.] STATE 2 8 8 [Field] HACKBERRY NORTH
 [Location] 660FSL1980FWL [Sec.] N/A [Blk] _____ [Survey] N/A
 [County] Eddy [St.] New Mexico [Refno] HL5623 [API] 3001532862 [Cost Center] UCRD70400
 [Section] E030 [Township] 2 [Range] S019
 [Current Status] Hole Abandoned - Gene [Dead Man Anchors Test Date] NONE
 [Directions] _____



[Ground Elevation (MSL)] 3427.00 [Spud Date] 08/10/2003 [Compl. Date] 01/01/1800
 [Well Depth Datum] Kelly Bushing [Elevation (MSL)] 3449.00 [Correction Factor] 22.00
 [Last Updated by] kswa [Date] 10/22/2015
 [null] null [null] null

CONDITIONS FOR PLUGGING AND ABANDONMENT

District II / Artesia N.M.

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.**

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. **Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.**
7. Produced water **will not** be used during any part of the plugging operation.
8. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
9. 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.
10. **Class 'C' cement will be used above 7500 feet.**
11. **Class 'H' cement will be used below 7500 feet.**
12. **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**
13. **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**
14. 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
15. **A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.**

16. 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)**.
17. No more than **3000'** is allowed between cement plugs in cased hole and **2000'** in open hole.
18. 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.**
19. **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)