

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

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|---|
| WELL API NO. 30-015-24708 |
| 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 Carrasco 18 |
| 8. Well Number: 1 |
| 9. OGRID Number 4323 |
| 10. Pool name or Wildcat Lovington; Delaware, South |

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.)
NM OIL CONSERVATION
ARTESIA DISTRICT

| |
|---|
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> |
| 2. Name of Operator Chevron USA INC FEB 04 2019 |
| 3. Address of Operator 6301 DEAUVILLE BLVD., MIDLAND, TX 79706 RECEIVED |
| 4. Well Location Unit Letter <u>D</u> : <u>990</u> feet from the <u>North</u> line and <u>990</u> feet from the <u>West</u> line Section <u>18</u> Township <u>23S</u> Range <u>28E</u> NMPM County <u>Eddy</u> |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR 3,059' & KB 3,077' |

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

| | |
|--|---|
| NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> OTHER: <input type="checkbox"/> | SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input 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. 13-3/8" 24# @ 400' TOC surface, 5 1/2" 15.5# @ 4900' TOC surface, perforations 3969'-3972', 3975'-3986'.

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

1. Call and notify NMOCD 24 hrs before operations begin. Sustained casing pressure exists on surface string.
2. MIRU high pressure low volume pump.
3. Hook up to surface casing valve, and begin squeezing Nano-Sealant down bradenhead until pressure remains steady at 1800 psi.
4. Allow 24-48 hours to setup.
5. Verify zero pressure on all casing strings.
6. Cut wellhead off and install dry hole marker as per NMOCD requirements.

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

SIGNATURE [Signature] TITLE Well Abandonment Engineer, Attorney-in-fact DATE 2/4/19

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 mg. DATE 2/6/19
 Conditions of Approval (if any):

*See Attached COAs



Well: Carrasco 18-1

Field: Lovington North

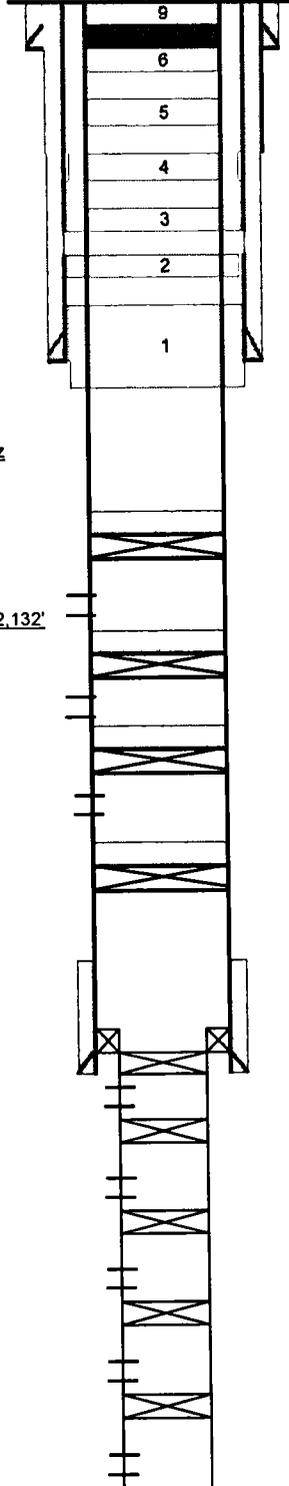
Reservoir: Brushy Canyon, Atoka, Morrow

Location:
 990' FNL & 990' FWL
 Section: 18
 Township: 23S
 Range: 28E
 County: Eddy State: NM

- 9 Well showed zero pressure on all strings, bubble test passed, spotted 236 sx f/ 689' t/ surface
- 8 Placed Zonite f/ 766' t/ 688'
- 7 Perforated f/ 760' t/ 757' w/ roll shot
- 6 Perforated @ 921' and 820' Set CICR @ 908' and performed sqz w/ 87 sx gas block, added 61 sx on top of CICR t/ 760', tagged @ 766'
- 5 Perforated @ 1101' and 1000' Set CICR @ 1090', squeezed resin cmt and spotted 45 sx cmt t/ 950' tagged @ 954' and upgraded w/ 12 sx tagged w/ wireline @ 925'
- 4 Perforated @ 1171' and 1285' Set CICR @ 1265', perform suicide sqz w/ 84 sx gas block, tagged @ 1114'
- 3 Perforated @ 2100' and 1725', set CICR @ 2080', performed suicide squeeze w/ 101 sx gas block cmt spot 244 sx gas block t/ 1330', tagged @ 1381', upgraded w/ 29 sx
- 2 Spotted 100 sx CL "C" cmt f/ 2,435' t/ 2,132' tagged cmt @ 2,100'
- 1 Spotted MLF f/ 5,220' t/ 2,435'

Current Wellbore Diagram

9-5/8" X 13-3/8" has 4 psi sustained casing pressure



TD: 12,650'

Well ID Info:
 API No: 30-025-29092
 Spud Date: 2/4/1984
 Compl. Date: 7/25/1984
Elevations:
 GL: 3,059'
 KB: 3,077'

Conductor: 20", 94#, J-55
 Set: @ 437' w/ 750 sks
 Hole Size: 26"
 Circ: Yes TOC: Surface
 TOC By: Circulated

Surface Csg: 13-3/8", 68#, K-55
 Set: @ 2,386' w/ 2,900 sks
 Hole Size: 17-1/2"
 Circ: Yes TOC: Surface
 TOC By: Circulated

Production Csg: 9 5/8", 40#, N-80
 Set: @ 10,642' w/ 1,850 sks
 Hole Size: 12-1/4"
 Circ: No TOC: 8,487'
 TOC By: Temp Survey
 DV Tool: 5,619

Production Liner: 5 1/2", 20# N-80
 Set: @ 10,108'-12,650' w/ 800 sks
 Hole Size: 7 7/8"
 Circ: No TOC: 10,108'
 TOC By: Temperature Survey

Formation Tops

| | |
|--------------|-------|
| Anhydrite | 437 |
| Salt | 1775 |
| Bone Springs | 5850 |
| Wolfcamp | 9195 |
| Canyon | 10770 |
| Strawn | 11060 |
| Morrow | 11850 |

Updated: 5

7/24/2018

By: H Lucas

Well: Carrasco 18-1

Field: Lovington North

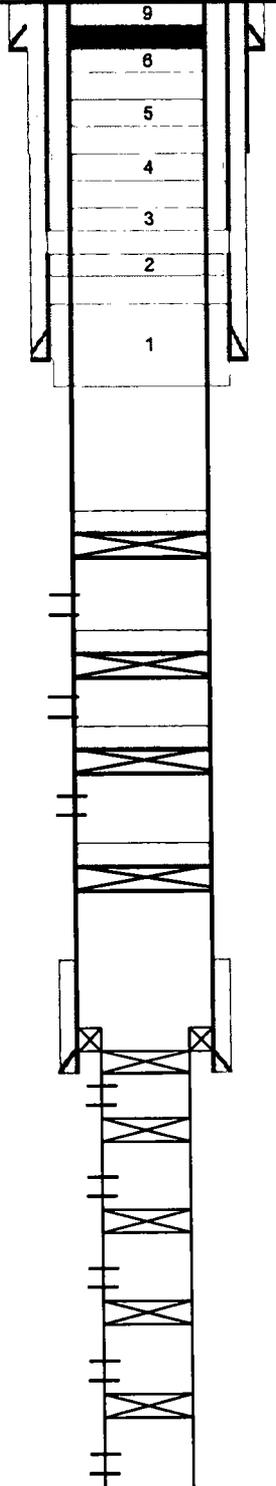
Reservoir: Brushy Canyon, Atoka, Morrow

Location:
 990' FNL & 990' FWL
 Section: 18
 Township: 23S
 Range: 28E
 County: Eddy State: NM

- 3 Check pressures on all strings, bubble test and verify zero pressure
- 2 Allow 24-48 hours to set
- 1 Hook up to surface casing valve at surface, begin squeezing Nano-Sealant down bradenhead until squeeze locks up, max pressure no more than 1800 psi

Current Wellbore Diagram

9-5/8" X 13-3/8" has 4 psi sustained casing pressure



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Updated: 5

7/24/2018

By: H Lucas

D264 Nanosealant

High-injectivity, self-diverting leak repair fluid

APPLICATIONS

- Remediation of sustained casing pressure
- Repair of pinhole leaks in cemented casings

BENEFITS

- Repairs leaks as small as 20 μm with injectivity comparable with that of water
- Minimizes operation time and number of squeezes by self diverting to plug multiple gaps or cracks of different widths
- Simplifies operations as a single-component fluid requiring no mixing at surface
- Reduces cleanup time

FEATURES

- Self activation in contact with cement
- Coiled tubing, drillpipe, or surgical placement options
- Ability to withstand high pressure differentials (>1,000 psi/ft [>22.6 MPa/m]) when placed in microleaks
- High drillability

D264 nanosealant is a single-component, self-diverting technology used to repair small cracks and microannuli in a cemented annulus. It is ideal for repairs for which injectivity is too low to pass Portland cement-based systems or microcement systems such as SqueezeCRETE* remedial cementing solution.

Plug more leaks in a single squeeze

The D264 nanosealant begins to set only after contact with set cement and hardens in a matter of hours. This property extends the possible squeeze time and combines with the self-diverting property to enable penetration into more leakage paths—as each leak is sealed, the fluid flows into the next gap.

Another advantage of this setting mechanism is that it can be implemented rapidly without laboratory testing of thickening time or curing time, which are required for well cement or other sealants. It also improves postsqueeze cleanup because of the low risk of setting inside tubulars or surface equipment.

This nanosealant is a single-component system; thus, no mixing or blending is required at surface. Because of its low rheology and nanosized particles, injectivity is similar to that of water and has been demonstrated to penetrate leaks as small as 20 μm .

Choose the best placement for each well

The nanosealant can be placed through conventional tubing, coiled tubing, or with a CHDT* cased hole dynamics tester. The CHDT tester is a wireline tool that creates a hole in the casing, injects the sealant, and then plugs the hole with a mechanical metal-to-metal seal that can withstand pressure differentials as high as 10,000 psi [69 MPa].

D264 Nanosealant Specifications

| | |
|------------------------------|---------------------------|
| Placement temperature | Up to 250 degF [120 degC] |
| Maximum exposure temperature | 300 degF [150 degC] |

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. If the well is not plugged within 1
7. 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.
8. **Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.**
9. Produced water will not be used during any part of the plugging operation.
10. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
11. 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.
12. **Class 'C' cement will be used above 7500 feet.**
13. **Class 'H' cement will be used below 7500 feet.**
14. **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**
15. **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)