Submit 1 Copy 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

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State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
October 13, 2009

WELL API NO. 30-025-40062	
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 NEW MEXICO 'R' NCT-4
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 5
2. Name of Operator CHEVRON U.S.A. INC.	9. OGRID Number 4323
3. Address of Operator 15 SMITH ROAD, MIDLAND, TEXAS 79705	10. Pool name or Wildcat VACUUM; BLINEBRY
4. Well Location Unit Letter C: 330 feet from the NORTH line and 1835 feet from the WEST line Section 7 Township 18-S Range 35-E NMPM County LEA	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3978'

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: INTENT TO SHUT OFF WATER		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.

CHEVRON INTENDS TO CEMENT SQUEEZE THE EXCESSIVE WATER PRODUCTION IN THE SUBJECT WELL. PLEASE FIND ATTACHED, THE INTENDED PROCEDURE & C-144 INFORMATION.

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: 04-10-2012

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

APPROVED BY: TITLE DATE 4-16-2012
Conditions of Approval (if any):

APR 17 2012

New Mexico State R NCT-4 No. 5
API No. 30-025-40062
Vacuum (Blinebry) Field
Lea County, NM

Engineering Comments

It is recommended that excessive water production be cement squeezed in the subject well. The subject well was drilled and completed in 2011 and was last tested for 8 BOPD & 264 BWPD. The pumping equipment is at 100% capacity.

The cement bond log ran before the frac stimulation showed that cement job was adequate across the pay for zonal isolation. The gross production interval 5556' to 6064' was frac stimulated in two separate stages. Both frac jobs were pumped to completion, but when on flow back, large amounts of resin coated sand were produced. Although there was a flowback plug between the two zones, it is believed that the upper frac stage gave up most of the sand.

Based previous Blinebry completions with high water volumes, most of the water can be attributed to the Delaware Sands located above the Blinebry formation. No effort has been made to run a production log to determine if this upper interval is the source of the water in the subject well since the well is on rod pump and has not flowed water to the surface.

Project economics are based on a 15 BOPD production increase after workover.

New Mexico State R NCT-4 No. 5
API No. 30-025-40062
Vacuum (Blinebry) Field
Lea County, NM

Workover Procedure

1. Rig up pulling unit. Kill well. Bleed down as necessary.
2. POH with rods and pump.
3. ND wellhead. NU 5,000 psi hydraulic BOP with 2-7/8" pipe rams over blinds.
4. Pick up 5-1/2" packer and set at 25'. Test pipe rams to 250/500 psi. Test annular to 250/500 psi. Bleed off pressure.
5. TOH w/ 2-7/8" production tubing.
6. Rig up wireline truck. RIH and set composite bridge plug at 5600'.
7. TIH w/ 5-1/2" cement retainer on 2-7/8"workstring and set at 5,525'.
8. Rig up pump truck and establish rate into perfs 5556'-5560'.
9. Squeeze perfs 5556'-5560'. Cement squeeze design will be based on the pump in rates.
10. Sting out of retainer and reverse tubing clean. TOH. WOC.
11. TIH w/ 4-3/4" mill tooth bit and 6 3-1/8" drill collars on 2-7/8" workstring.
12. Rig up reverse unit. Drill out cement retainer and cement. Circulate hole clean. Pressure test casing to 500 psi to determine if a squeeze was obtained.
13. Re-squeeze if necessary, otherwise drill out composite bridge plug set at 5600'.
14. Clean out hole to 6120' (PBTD). Note in Wellview the depth of fill. Circulate hole clean. TOH.
15. TIH w/ production tubing. Consult with remedial engineer on tubing landing depth.
16. ND BOP. NU wellhead.
17. RIH w/ pump and rods.
18. Rig down pulling unit.
19. Place well on production and test.

PTB 3/27/12

Contacts:

Drilling Supt – Heath Lynch – 281 685 6188
Remedial Engineer – Larry Birkelbach 432-687-7650 / 432-208-4772
Production Engineer – Paul Brown 432-687-7351 / 432-238-8755
ALCR – Danny Acosta 575-631-9033
Peak Packers – Sam Prieto 575-631-7704