

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

HOBBS OCD

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

NOV 16 2012

| |
|-----------------------------------------------------------------------------------------------------|
| WELL API NO. 30-025-38787 |
| 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 VACUUM GRAYBURG SAN ANDRES UNIT |
| 8. Well Number 440 |
| 9. OGRID Number 4323 |
| 10. Pool name or Wildcat VACUUM G/B SAN ANDRES |

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 INJECTOR

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

3. Address of Operator
15 SMITH ROAD, MIDLAND, TEXAS 79705

4. Well Location

Unit Letter C : 100 feet from the NORTH line and 1980 feet from the West line
Section 1 Township 18-S Range 34-E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3996' GL

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

NOTICE OF INTENTION TO:

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

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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.

THIS WELL WAS FOUND TO HAVE PRESSURE ON THE BACKSIDE. THERE WILL BE A RIG ON THIS WELL TO PULL THE EQUIPMENT AND REPAIR THE WELL TO MIT TEST, AND RIT.

Per Underground Injection Control Program Manual

11.6 C Packer shall be set within or less than 100
feet of the uppermost injection perfs or open hole.

Condition of Approval: notify

OCD Hobbs office 24 hours

prior of running MIT Test & Chart

The Oil Conservation Division

MUST BE NOTIFIED 24 Hours

Rig Release Date:
Prior to the beginning of operations

Spud Date:

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

SIGNATURE Danise Pinkerton TITLE Regulatory Specialist DATE 11-15-2012

Type or print name Danise Pinkerton E-mail address: leakejd@chevron.com PHONE: 432-689-2375

For State Use Only

APPROVED BY: [Signature] TITLE DIST MGR DATE 11-19-2012
Conditions of Approval (if any):

NOV 19 2012

Well: Vacuum Grayburg San Andres Unit # 440
Field: Vacuum Grayburg San Andres
API No.: 30-025-38787
Lea County, New Mexico

Description of work: Test tubing, release packer, POOH with tubing and packer. CO. RIH with tubing and packer, set packer and test.

Pre-Work:

Check wellhead and all connections and change out anything that needs to be replaced prior to rigging up on the well

1. Utilize the rig move check list.
2. Check anchors and verify that pull test has been completed in the last 24 months.
3. Ensure location of & distance to power lines is in accordance with MCA SWP. Complete and electrical variance and electrical variance RUMS if necessary.
4. Ensure that location is of adequate build and construction.
5. Ensure that elevators and other lifting equipment are inspected. Caliper all lifting equipment at the beginning of each day or when sizes change.
6. When NU anything over and open wellhead (EPA, etc.) ensure the hole is covered to avoid dropping anything downhole
7. For wells to be worked on or drilled in an H2S field/area, include the anticipated maximum amount of H2S that an individual could be exposed to along with the ROE calculations for 100 ppm and 500 ppm.
8. If the possibility of trapped pressure exists, check for possible obstruction by:
 - Pumping through the fish/tubular – this is not guaranteed with an old fish as the possibility of a hole above the obstruction could yield inconclusive results
 - Dummy run – make a dummy run through the fish/tubular with sandline, slickline, eline or rods to verify no obstruction. Prior to making any dummy run contact RE and discuss.

If unable to verify that there is no obstruction above the connection to be broken, or if there is an obstruction:

- Hot Tap at the connection to check for pressure and bleed off
Observe and watch for signs / indicators of pressure as connection is being broken. Use mud bucket (with seals removed) and clear all non-essential personnel from the floor.

Procedure:

1. Rig up pulling unit. Check wellhead pressure, and pump tubing volume of 10# BW. Calculate kill mud weight.
2. Rig up wireline truck. Set 1.5" "F" blanking plug in profile nipple. Pressure test tubing to 1,500 psi after plug is set. Bleed off pressure.
3. ND wellhead. NU 5,000 psi BOP with 2-3/8" pipe rams over blinds with hydrill on top.
4. Release from on/off tool. Circulate kill mud. POOH with 1 joint of tubing, install 5-1/2" test packer, RIH & set packer at ~25'. Test BOP to 250 psi low / 500 psi high. POH & lay down test packer.

Well: Vacuum Grayburg San Andres Unit # 440
Field: Vacuum Grayburg San Andres
API No.: 30-025-38787
Lea County, New Mexico

5. Latch back up and pressure casing to 500 psi to test for a casing leak. RU WL and pull plug.
6. Release AS1X packer and TOH. Scan tubing coming out of the hole, laying down bad joints. Provide remedial engineer tubing scan results so a decision can be made on the amount of new 2-3/8" Fiberline tubing will need to be purchased. Inspect packer and repair. (If packer elements are swollen to the point fluid will not readily pass: RU WL and perf tubing above the packer.)
7. If casing did not test in Step 4, PU packer and RBP on 2-3/8" work string and isolate leak. Once leak is found establish PI rate and pressure and report same to RE for supplemental procedure.
8. TIH with 2-3/8" work string and 4-3/4" MTB and clean out fill from 4,294' to 5,020'.
9. POOH with work string and MTB.
10. TIH with injection packer with on-off tool and 1.43" ID 'F' profile nipple on injection tubing with pump out plug on bottom (Hydro-test the tubing in the hole). Set packer @ 4,214' (Upper most setting depth is 4,194').
11. Unlatch from the on-off tool and circulate packer fluid to load the backside. Attach back on to on-off tool.
12. Pressure backside to 500 psi and hold for 32 minutes (pre-MIT).
13. Bleed off pressure. ND BOP. NU wellhead. Pressure tubing to blow pump-out plug.
14. Install chart recorder. Pressure backside to 500 psi for 32 minutes to satisfy requirements for an official MIT.
15. Rig down pulling unit.
16. Write work order to re-connect the injection line.
17. Send MIT chart to Denise Pinkerton.
18. Place well on injection.

RRW 9/21/2012

Contacts:

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|--------------------------------------|-------------------------------------|
| Remedial Engineer – Larry Birkelbach | (432-687-7650 / Cell: 432-208-4772) |
| Production Engineer – Ryan Warmke | (432-687-7452 / Cell: 281-460-9143) |
| ALCR – Danny Acosta | (Cell: 575-631-9033) |
| D&C Ops Manager – Boyd Schaneman | (432-687-7402 / Cell: 432-238-3667) |
| D&C Supt. – Heath Lynch | (432-687-7857 / Cell: 281-685-6188) |
| OS – Nick Moschetti | (Cell: 432-631-0646) |

VGSAU 440 Wellbore Diagram

Created: 04/15/09 By: CAYN
 Updated: 05/12/09 By: Cayce
 Lease: Vacuum Grayburg San Andres Unit
 Field: Vacuum Grayburg San Andres
 Surf. Loc.: 100' FNL 1980' FWL
 Bot. Loc.:
 County: Lea St.: NM
 Status: CO2 Injector

Well #: 440 St. Lse: -
 API: 30-025-38787
 Unit Ltr.: C Section: 1
 TSHP/Rng: 18S 34E
 Unit Ltr.: Section:
 TSHP/Rng:
 Directions: Buckeye, NM
 CHEVNO: LD9383
 OGRID: 4323

Surface Casing

Size: 11 3/4"
 Wt., Grd.: 42# H-40 STC
 Depth: 1500'
 Sxs Cmt: 950
 Circulate: yes, 349 sx
 TOC: Surface
 Hole Size: 14 3/4"

ECP on 8 5/8" @ 1376'
 Ryte-Wrap csg 1392-2368'

Intermediate Casing

Size: 8 5/8"
 Wt., Grd.: 24# J-55 STC
 Depth: 2962'
 Sxs Cmt: 1,140
 Circulate: yes, 168 sx
 TOC: surface
 Hole Size: 11"

ECP on 5 1/2" @ 2688'
 Ryte-Wrap csg 1308-1796'

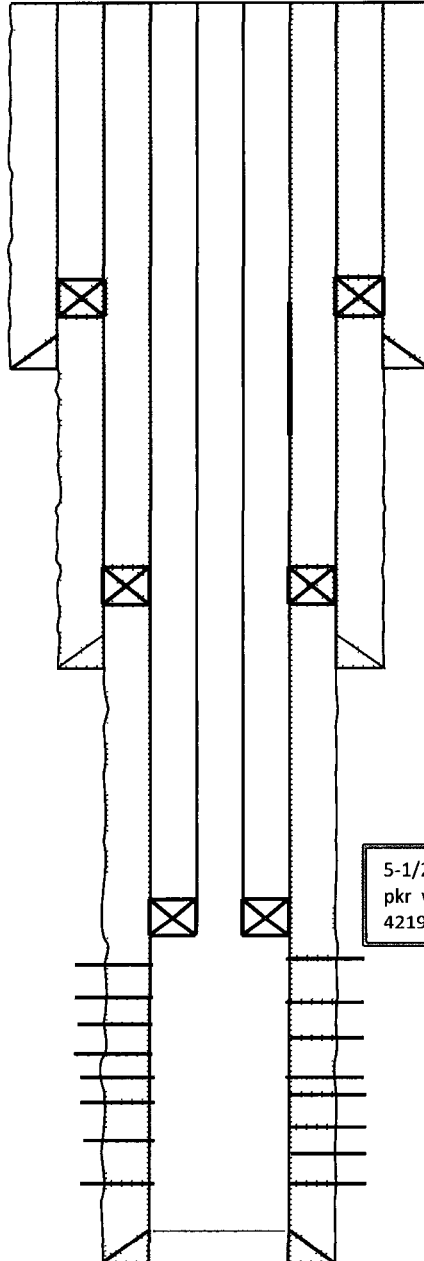
Tubing detail:

132 jts 2-3/8" x 4173' Fiberline tbg

Production Casing

Size: 5 1/2"
 Wt., Grd.: 17#, J-55 LTC
 Depth: 5018'
 Sxs Cmt: 1,050
 Circulate: yes, 334 sx
 TOC: Surface
 Hole Size: 7 7/8"

Perfs: 4294'-4860'



KB: 4018'
 DF:
 GL: 3996'
 Ini. Spud: 03/19/09
 Ini. Comp.: 04/01/09

History:

4/09 Spot w/500 gals 10% acetic acid
 Perf 4294-4860' Acidize w/25,000 gals
 15% HCL in one stage. Did not ballout.
 Set pkr @ 4219'.

5-1/2" x 2-3/8" AS1X
 pkr w/ on-off tool @
 4219'

Perfs detail:

4294-4299, 4306-4322, 4332-4348, 4354-
 4356, 4362-4366, 4410-4422, 4481-4488,
 4492-4496, 4498-4502, 4510-4514, 4516-
 4526, 4528-4536, 4596-4604, 4606-4618,
 4622-4625, 4639-4641, 4643-4646, 4650-
 4658, 4662-4673, 4676-4678, 4680-4692,
 4696-4700, 4704-4709, 4716-4724, 4750-
 4754, 4756-4762, 4768-4778, 4783-4795,
 4798-4808, 4816-4828, 4838-4840, 4844-
 4846, 4848-4850, 4852-4856, 4858-4860

PBTD:

TD: 5020'