

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

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 October 13, 2009

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

WELL API NO. 30-025-20125
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 NEW MEXICO O STATE NCT 1
8. Well Number 17
9. OGRID Number 4323
10. Pool name or Wildcat

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 **HOBBS OCD**

2. Name of Operator
CHEVRON U.S.A. INC. **AUG 05 2014**

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

4. Well Location **RECEIVED**
 Unit Letter N : 760 feet from the NORTH line and 2080 feet from the WEST line
 Section 36 Township 17-S Range 34-E NMPM County LEA

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

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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Excavation Operations <input checked="" 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.

The subject well is a legacy Texaco well acquired by Chevron that is currently experiencing a loss of containment. The well was plugged and abandoned in October of 2001. On 08/05/2014, Cudd Well Control began supervision of excavation operations around the well. The wellhead will be dug out deep enough to locate the exit point of the fluid. A procedure will then be created to repair the leak and remediate the location. Recent water analysis tests indicate a higher chloride count than CVU/VGSAU/VGWU produced formation water; this could indicate fluid coming from the salt section. Attached are the results from samples taken from the subject well on 07/22/14 & 07/23/14. Chevron will keep the Maxey Brown, NMOCD Hobbs District Supervisor, updated with any new findings which may impact decisions or procedures.

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 TITLE Vacuum Petroleum Engineer DATE 08/05/2014

Type or print name Sean Heaster E-mail address: SHeaster@chevron.com PHONE: 432-640-9031

APPROVED BY: TITLE Dist Supervisor DATE 8/5/2014

Conditions of Approval (if any):

AUG 05 2014