

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 July 18, 2013

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

| | |
|---|---|
| WELL API NO. 30-025-38641 | - |
| 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 CENTRAL VACUUM UNIT | / |
| 8. Well Number 459 | / |
| 9. OGRID Number 4323 | |
| 10. Pool name or Wildcat VACUUM; GRAYBURG 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 **HOBBSOCD**

2. Name of Operator
CHEVRON U.S.A. INC. **APR 24 2015**

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

4. Well Location **RECEIVED**
 Unit Letter: D 1050 feet from NORTH line and 566 feet from the WEST line
 Section 31 Township 17S Range 36E 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"/> | | | |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | | | |
| OTHER: INTENT TO REPAIR MIT | | 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.

THE SUBJECT INJECTION WELL IS CURRENTLY DOWN FOR A MIT FAILURE. CHEVRON INTENDS TO RIG UP AND RESTORE THE MECHANICAL INTEGRITY OF THE WELLBORE AND RETURN IT TO INJECTION.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE AND WELLBORE DIAGRAM.

DURING THIS PROCESS, WE PLAN TO USE THE CLOSED LOOP SYSTEM WITH A STEEL TANK AND HAUL TO THE REQUIRED DISPOSAL, PER THE OCD RULE 19.15.17.

The Oil Conservation Division

MUST BE NOTIFIED 24 Hours

Spud Date: **Prior to the beginning of operations**

Condition of Approval: notify

OCD Hobbs office 24 hours

Rig Release Date: **prior of running MIT Test & Chart**

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 04/22/2015

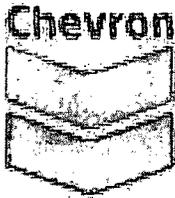
Type or print name DENISE PINKERTON E-mail address: leakejd@chevron.com PHONE: 432-687-7375
 For State Use Only

APPROVED BY: *Mary Brown* TITLE *Dist. Supervisor* DATE *4/27/2015*

Conditions of Approval (if any):

APR 28 2015

dm



CVU #459

MIT Failure

ChevNo: LC0281 API #: 30-025-38641

Operator: Chevron Midcontinent, L.P.

Location: Vacuum FMT County: Lea

Spud: 12/20/2008 Completion: 2/20/2009

Updated: RYNW 1/26/2015

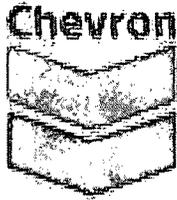
Pre-work:

1. Utilize the rig move check list and complete electric line route survey with FMT.
2. Check anchors and verify that a pull test has been completed in the last 24 months.
3. Ensure location of & distance to power lines is in accordance with MCBU SWP. Complete an electrical variance and RUMS if necessary.
4. Ensure that location is of adequate build and construction.
5. **Ensure that elevators and other lifting equipment are inspected. Calliper 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. Review H2S calculation radius of exposure.
8. Review JSA and identify hazards with crew. Visually inspect wellhead, casing, and tubing valves. Decide whether tubing and casing valves can be used or replaced as needed. Isolate hazardous energy. Bleed down well as necessary.
9. Any equipment installed at the wellhead (ID) is to be visually inspected by the WSM to insure that no foreign debris or other restrictions are present.
10. If wireline is to be used (I.e. perforating guns, collar locator, or logging tools) tools need to be callipered and reported on the daily WellView report.

Procedure:

1. Notify production operations or rig up flowback crew and bleed down well to workable pressure, if needed. Pressure casing to 500 psi to test for possible casing leaks. Notify remedial engineer with results.
2. Rig up pulling unit and associated surface equipment.
3. Check wellhead pressure. If well has pressure, pump tubing volume (~17 bbls) of 10# BW down tubing. Shut in and calculate kill mud weight.
4. Rig up slickline truck. Set up exclusion zone around SL unit. Test lubricator on catwalk to 1,000 psi. RIH with gauge ring to ensure tubing is free of debris or obstructions. RIH and set blanking plug in profile nipple (1.5" F PN). Pressure test tubing to 1,500 psi after plug is set. Bleed off pressure and leave plug set. RD SL unit. Notify workover engineer if tubing doesn't test.
5. Monitor well for 30 minutes to ensure well is static. ND wellhead tree.
6. **NU Chevron Class III configured 7-1/16" 5M** remotely-operated hydraulically-controlled BOP with 2-3/8" pipe rams over blind rams. NU EPA pan above BOP stack.

Caliper elevators and tubular EACH DAY prior to handling tubing/tools. Note in JSA when and what items are callipered within the task step that includes that work.



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7. RU floor. TOH and LD 1 jt 2-3/8" tbg. PU 5-1/2", 10.46# rated packer along with a joint of 2-3/8" tubing and set below WH @ ~25'. Test BOP pipe rams to 250/1500 psi. Note testing pressures on Wellview report. Release and LD packer.

Keep the charted test of the BOP supplied by the business partner for the entire job.

8. Circulate kill mud (KWM).
9. TOH with 2-3/8" injection tubing. Keep yellow tubing only (25% wall loss or less).

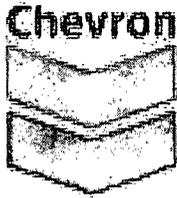
Closely monitor weight indicator and tubing string while TOH to look for indications of possible casing issues downhole (parted, collapse, etc.)

Tally and strap production string out of the hole to verify depths/equipment and note them in WellView. Send tubing scan report to EAUI@chevron.com.

10. MIUL and strap 2-3/8" 4.7# L-80 8RD EUE tubing as workstring.
11. PU slotted SN and on/off tool. TIH on 2-3/8" workstring and latch onto downhole injection packer.
12. Rig up slickline truck. Set up exclusion zone around SL unit. Test lubricator on catwalk to 1,000 psi. RIH and retrieve blanking plug in profile nipple (1.5" F PN). RD SL unit.
13. Release packer and TOH. Lay down packer.
14. TIH with a 4-3/4" MTB on 2-3/8" work string to PBTD @ 4,938'. Clean out fill if necessary to reach PBTD. Circulate hole clean.
15. TOH and lay down bit. Secure well.
16. If casing didn't test in step #1, PU 4" RBP and 5-1/2" packer. TIH and set RBP at ~4,340'. Work packer uphole to isolate casing leak. Once top and bottom of leak is found within 5', establish injection rates and pressures into leak, if it can be done safely. Max pump pressure = 1500 psi. Notify remedial engineer of results (step rates & pressures, total fluid, communication at surface, etc.). Secure well and await supplemental procedure to remediate casing leak.
17. If casing tested okay in step #1, MIUL and strap 2-3/8" 4.7# J-55 fiberlined injection tubing.

Have fiberline tubing technician on location to assist in running tubing.

18. TIH with 2-3/8" Fiberlined injection tubing with on-off tool, 1.43" ID 'F' profile nipple and 5-1/2" Arrow Set IX (external nickel plated, internal plastic coated) injection packer with pump out plug on bottom.



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19. Set packer at ~4,335' (Upper most setting depth is 3,905'). Top of unitized interval is 3905'.
20. Load tubing & equalize pressure @ on/off tool. Unlatch from on/off tool, circulate packer fluid to surface, and latch onto on/off tool.
21. Pressure test tubing to 250/1500 psi for 5 minutes. Once tubing passes, pressure up to blow pump out plug and push to PBTD.
22. Run preliminary MIT – apply 550 psi to the casing for 30 minutes. Isolate reverse pump during the pre-MIT & use chart recorder to record the pressure response. Notify remedial engineer if pressure losses are greater than or equal to 10 % of applied pressure.
23. Notify OCD w/ 24 hrs of intent to run official MIT.
24. If pre-MIT test is good, bleed off backside pressure.
25. Monitor well for 30 minutes for flow prior to ND BOPE.
26. ND BOPE, NU wellhead.
27. RDMO pulling unit and associated surface equipment.
28. Note in WellView on time log *****Final Report*****
29. Perform and chart final MIT to 550 psi for 30 min. Submit C103 report with original MIT chart attached.
30. Write work order to re-connect the injection line.
31. Hand over to production for return to injection.

References:

SOP-W003 – Workover and Completion Barrier Standards

CVU #459 Wellbore Diagram

Created: 01/15/09 By: CAYN
 Updated: 05/22/12 By: CHAY
 Lease: Central Vacuum Unit
 Field: Vacuum Grayburg San Andres
 Surf. Loc.: 1050' FNL 566' FWL
 Bot. Loc.: _____
 County: Lea St.: NM
 Status: Active WAG Injector

Well #: 459 St. Lse: -
 API: 30-025-38641
 Unit Ltr.: D Section: 31
 TSHP/Rng: 17S 35E
 Unit Ltr.: _____ Section: _____
 TSHP/Rng: _____
 Directions: Buckeye, NM
 CHEVNO: LC0281
 OGRID: 4323

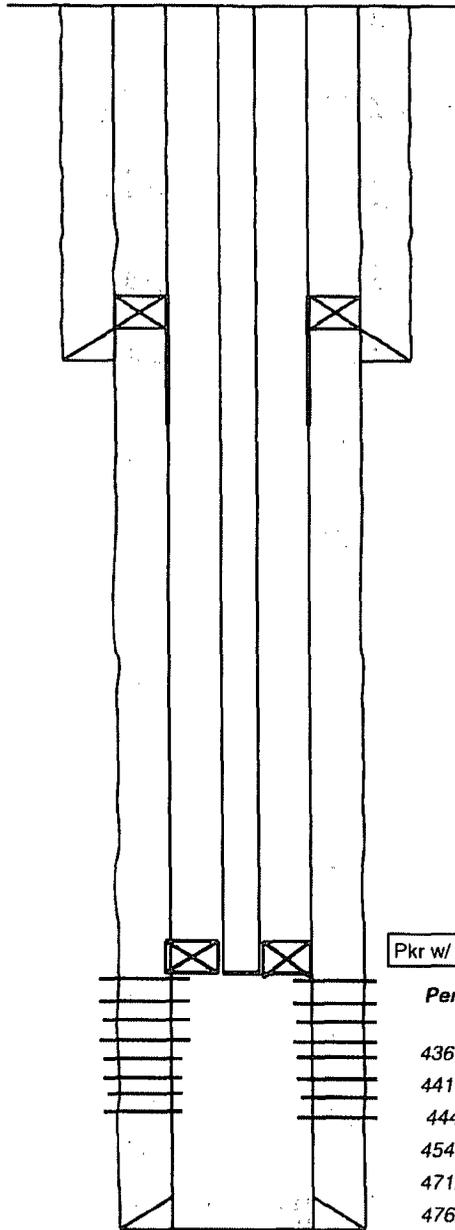
Surface Casing

Size: 8 5/8"
 Wt., Grd.: 24#, J-55
 Depth: 1549'
 Sxs Cmt: 1,175
 Circulate: 400 sx
 TOC: Surface
 Hole Size: 11"

KB: 3999'
 DF: _____
 GL: 3988'
 Ini. Spud: 12/20/08
 Ini. Comp.: 02/20/09

Production Casing

Size: 5 1/2"
 Wt., Grd.: 17#, J-55
 Depth: 5005'
 Sxs Cmt: 1,100
 Circulate: yes, 92 sx
 TOC: surface
 Hole Size: 7 7/8"



History:

Initial Completion: 2-2-09

Perfs: 1st run: 4818'-22', 4810'-16', 4790'-4802', total 44 holes.

2nd Run: 4777'-86', 4768'-75', 4762'-65', total 38 holes.

Acdz w/4,000 gals 15% HCL w/ 160 ball sealers.

RU WL set Composite plug @ 4756' & perf 4545'-4743'.

Acdz w/7,500 gals 15% HCL w/ 300 ball sealers.

RU WL set Composite plug @ 4538' & perf 4367'-4455'.

Acdz w/6,000 gals 15% HCL w/ 225 ball sealers.

DO composite plugs to PBT (4938').

RIH w/137 jts 2-3/8" fiberlined tbg for injection & o/o tool assb. to 4327'.

Pkr w/ on/off tool w/ 1.5" PN @ 4340'

Perfs in the 5-1/2" csg. 3-1/2" guns 2 SPF 120 Phasing:

4367'-71', 4372'-76', 4380'-84', 4388'-96', 4400'-08
 4410'-14', 4416'-18', 4421'-23', 4425'-37',
 4442'-45', 4452'-55'
 4545'-57', 4659'-70', 4678'-88', 4690'-4706'
 4712'-23', 4728'-35', 4737'-43'
 4762'-65', 4768'-75', 4777'-86', 4790'-802'
 4810'-16', 4818'-22'

PBTD: 4938'
 TD: 5005'

Central Vacuum Unit 459
API No. 30-025-38641
Lea County, NM

Engineering Comments

This CO2 injection well is currently down for a MIT failure. It is recommended that this well be rigged up on the restore the mechanical integrity of the wellbore and return it to injection.

This well was drilled in the end of 2008 and completed in 2009. It is anticipated to only have a tubing/packer leak.

Project economics are based on the incremental production gained from returning the well to injection vs. leaving it down. This injector was taking ~4,000 MCFPD when on CO2 and ~1,500 BWPD while on water injection. Economics were run for 4 years recovering 9 MBO. The current pattern production is 44 BOPD.



Ryan Warmke
3/18/15