Submit 3 Copies 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

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

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Form C-103
June 19, 2008

WELL API NO. 30-025-39804	
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 CENTRAL DRINKARD UNIT
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 440
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 DRINKARD
4. Well Location Unit Letter N: 959 feet from the SOUTH line and 2519 feet from the WEST line Section 29 Township 21-S Range 37-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 ☐	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 SET 5 ½" CASING		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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

PLEASE FIND ATTACHED, THE PROCEDURE TO SET PRODUCTION CASING, AS DISCUSSED WITH E.L. GONZALES, NMOCD. A SHORT SUMMARY IS AS FOLLOWS:

*Move in H&P 304 Rig. RU equipment.
*Check wellhead & bleed off pressure. ND Abandonment cap. NU BOP. Test BOP.
*PU & TIH w/retrieving head for 8 5/8" RBP & 4 ½" DP. Circulate. Latch onto RBP. POH.
*PU & TIH w/7 7/8" tricone bit to top of fish @ 6511'. Note: wash & ream hole as necessary. Circ fresh mud. POH.
*Run & cement the 5 ½" 15.5#/ft, J-55 to 6495'. DO NOT SET CSG ANY LOWER THAN 6500'. (NMOCD REQUEST FOR MINIMUM AMOUNT OF CEMENT OVER THE TOP OF THE FISH).

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 11-10-2010

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

For State Use Only

APPROVED BY: E Gonzales TITLE STAFF MGR DATE 11-22-10

Conditions of Approval (if any):

Central Drinkard Unit #440
Lea County, New Mexico
Eunice Asset Team

Case 5 or 6: Run & Cement Casing @ Present Depth

Well Name:	Central Drinkard Unit #440
WBS Number:	UWDPS-F0014 DRL
WBS Amount:	$1,021,577
Working Interest:	72.95%
API Number:	30-025-39804
Chevno:	MI0722-01
Field, Co., State:	Central Drinkard Unit, Lea County, New Mexico
Total Depth:	6,750' MD / 6,750' TVD
Permit Depth:	6,750' MD / 6,750' TVD
Est. DOL:	15.98 days
Surface Location:	959' FSL & 2519' FEL, Sec. 29 - T21S - R37E
Bottom Hole Location:	959' FSL & 2519 FEL, Sec. 29 - T21S - R37E
GL Elevation:	3467'

Well Summary:

Rpt No.	Start Date	End Date	Day Total	Cum To Date	Summary
1	10/4/2010 2:00	10/5/2010 0:00	26,921	26,921	Move rig from CDU #443 to CDU #440, Spot rig equipment, raise sub, raise derrick, rigging up for drilling operations. set cuttings bend with rails.
2	10/5/2010 0:00	10/6/2010 0:00	42,042	68,963	Drill to surface TD @ 1256'. Circ hole clean. POOH to 1047'. Ream out of hole to 300'.
3	10/6/2010 0:00	10/7/2010 0:00	136,780	205,743	R/U & run 8 5/8" csg to 1254'. Mix & pump 104 bbls (335 sx, 1.75 yld, 13.5 ppg) lead cmt. Mix & pump 37 bbls (155 sx, 1.34 yld, 14.8 ppg) tail cement. Full returns throughout. 17 bbls cmt to surface. Check flts - held. N/U wellhead & BOP.
4	10/7/2010 0:00	10/8/2010 0:00	116,345	322,088	Test BOP. P/U 7 7/8" PDC & BHA. Test csg. Drill out. Drill ahead to 1995'.
5	10/8/2010 0:00	10/9/2010 0:00	31,995	354,083	Drill f/ 1995 to 3218.
6	10/9/2010 0:00	10/10/2010 0:00	35,090	389,173	Drill f/ 3218 to 3577.
7	10/10/2010 0:00	10/11/2010 0:00	40,395	429,568	Drill f/ 3577' to 3819'.
8	10/11/2010 0:00	10/12/2010 0:00	39,615	469,183	Drill f/ 3819 to 3850'. Lost 100 psi pressure & torque. POOH. Left Teledrift, IBS, motor & bit in hole. P/U fishing tools & RIH.
9	10/12/2010 0:00	10/13/2010 0:00	56,036	525,219	TIH w/ fishing assbly. Latched onto fish. POH recover fish. TIH w/ 7 7/8" PDC & BHA. Drill f/ 3850' to 4905'.
10	10/13/2010 0:00	10/14/2010 0:00	45,095	570,314	Drill f/ 4905' to 5710'.
11	10/14/2010 0:00	10/15/2010 0:00	39,860	610,174	Drill f/ 5710 to 6339'.
12	10/15/2010 0:00	10/16/2010 0:00	30,880	641,054	Drill f/ 6339 to Production section TD @ 6750'. Circ hole clean. POH for logs.
13	10/16/2010 0:00	10/17/2010 0:00	28,795	669,849	POH for logs. R/U & run e-logs. Stuck Dipole sonic log. Wait on fish tools.
14	10/17/2010 0:00	10/18/2010 0:00	25,960	695,809	R/U for stripping. Strip over E-line. Fish log tools.
15	10/18/2010 0:00	10/19/2010 0:00	144,221	840,030	Strip over E-line. Fish log tools. Latch fish. Pull out rope socket. Spool E-line in. POH w/ fish.
16	10/19/2010 0:00	10/20/2010 0:00	52,541	892,571	POH working through tight spots. Stuck @ 4512', pump oil. Attempt to work free, R/U, Free pt, BO

Rpt No.	Start Date	End Date	Day Total	Cum To Date	Summary
17	10/20/2010 0:00	10/21/2010 0:00	47,337	939,908	Finish POOH, M/U Fishing BHA, TIH, W&R
18	10/21/2010 0:00	10/22/2010 0:00	43,244	983,152	W&R, POOH, C/O BHA. RIH, W&R, Latch fish, Work fish
19	10/22/2010 0:00	10/23/2010 0:00	39,012	1,022,164	Attempt to jar fish free, R/U & free pt, make BO.
20	10/23/2010 0:00	10/24/2010 0:00	26,234	1,048,398	TIH, W&R, Cut over fish.
21	10/24/2010 0:00	10/25/2010 0:00	45,707	1,094,105	Cut over fish, POOH, C/O Mill, TIH, Cut over fish.
22	10/25/2010 0:00	10/26/2010 0:00	51,683	1,145,788	Milling over fish, POOH, L/D BHA, WOE, P/U BHA & RIH at report time.
23	10/26/2010 0:00	10/27/2010 0:00	26,245	1,172,033	TIH, Milling over fish, POOH, RIH w/ OS, Latch fish, POOH
24	10/27/2010 0:00	10/28/2010 0:00	58,731	1,230,764	POOH, L/D fish, TIH w/ OS, Attempt t/ latch fish, POOH, RIH w/ 7-7/8" cone-buster mill, Mill fish.
25	10/28/2010 0:00	10/29/2010 0:00	29,074	1,259,838	Milling on fish, POOH, RIH w/ new mill, Mill fish, W&R cleaning junk & hole.
26	10/29/2010 0:00	10/30/2010 0:00	25,169	1,285,007	Jar pipe free, Mill on junk, W&R t/ 6485', POOH, C/O Mill. TIH
27	10/30/2010 0:00	10/31/2010 0:00	25,882	1,310,889	TIH, W&R, Mill on Junk, POOH
28	10/31/2010 0:00	10/31/2010 14:00	527,749	1,838,638	POOH, Displace mud in surface csg., POOH, RIH W, RBP, Set RBP @ 1185', POOH, N/D BOP, Install abandonment head, & test. Rig release. The proposed P&A would leave a portion of the San Andres formation open to the area's Blinebry, Tubb, and Drinkard producing formations. As a result, more work must be done on the CDU #440 to rehabilitate the well or prepare it for P&A. The H&P 304 will move to another CDU well this weekend.
29	11/4/2010 13:00	11/4/2010 15:00	500	1,839,138	Test csg to 550 psi for 30 min & chart for NMOCD.

Planned Activities:

- Move in Rig. RU equipment.
- Check and Bleed off pressure. ND Abandonment cap. NU BOP. Test BOP.
- PU and TIH with retrieving head for 8 5/8" RBP and 4 ½" DP. Circulate. Latch onto RBP. POH.
- PU and TIH with 7 7/8" tricone bit to top of fish @ 6511'. Note: wash and ream hole as necessary. Circulate fresh mud. POH.
- Run and cement the 5 1/2" 15.5#/ft, J-55 to 6495'. *DO NOT set the casing any lower than 6500'. (NMOCD request for minimum amount of cement over the top of the fish.)*
- ND BOP. NU Wellhead.
- RD Rig.

Drilling Program

BHA #4 and Drill string:

Item	# of Items	OD	ID	Weight	Connection	Length
Insert Bit	1	7.875	-	-	4 1/2 Reg	Rental
Bit sub	1	6.5	2.813	-	NC-46	Rog
HWDP	30	4.5	2.813	42.19	NC-46	Rig

1. Check and Bleed off pressure. ND Abandonment cap. Nipple up BOPE (Double Ram, Annular Preventer and Rotating Head on top). Test BOPs, manifold, and well control equipment to 250/3,000 psi with independent testers. Test the casing to 1,500 psi/15 min before drilling out cement (if not done with cementers) and note this on the morning report.

   Note: We are permitted to test the BOPE to 3,000 psi on the front of the OCD approved permit to drill.

2. PU and TIH with retrieving tool and 4 ½" 16.6 #/ft S-136 drill pipe. Latch onto 8-5/8" 24#/ft Bobcat RBP @ 1185'. Release RBP. POH.

   Note: Contact Peak Completions for removal of RBP. Peak contact: Kevin Orr (575-602-1201), he has retrieval head.

   Note: have 2 7/8" 6.5 #/ft tubing and swabbing unit on call in case you need to swab well down to retrieve RBP.

3. PU 7-7/8" bit and BHA #4 to 6,511' (top of fish).
   - Ream well down if necessary.
   - Use mud to circulate and condition the wellbore. Mud properties:
     - MW: 9.4 ppg, API Filtrate < 20 cc/30 min, YP >14 lbf/100ft2
   - If circulation losses are found, Pump 50 bbl pill w/ 13 ppb cotton seed hulls, 12 ppb kwik seal, 6 ppb baroseal and 2 ppb starch.
4. Circulate hole clean. POH and lay down.
5. Run and cement the 5 1/2" 15.5#/ft, J-55, LTC production casing to **6495'** as follows:
   a. Float Shoe
   b. 1 Joints of Casing
   c. Float Collar
   d. Short Marker joint at ~5,900'
   e. Casing to 3,800'
   f. DV Collar
   g. Casing to surface. Run 5 1/2" Casing mandrel hanger.
   - Place one bow spring centralizer in the middle of the 1st and 2nd joints over a stop collar. Install one bow spring centralizer on every other joint to 4500', and one every 4th joint to the surface shoe. Place 2 centralizers above and below DV tool. Place 1 centralizer 10' below the wellhead.
   - Clean, drift, and inspect casing.

   All casing joints need to be less than 42 ft long otherwise will hit the crown of the rig.
6. Land casing. Run pack-off, run in the four lock down screws on the drilling adapter. Install return lines to 3" line pipe outlets. Verify 3" line has no pressure and back out lock down screws on the upper connection of drilling adapter. Remove snap ring and pack-off adapter ring and test through ¼" line pipe test ports.
7. RU Cement Company iron and cement head. Test lines to 3000 psi. Mix the cement as per cement company program. Pump 10 bbls Red Dyed fresh water and 10 bbl of Gel spacer followed by 375 sks 13.2 ppg VersaCem – PBSH2. Drop the plug and displace with cement pumps using fresh water from the float collar to the DV collar and mud from the DV collar to surface. Slow displacement rate to 2 bbls/min within 10 bbls of calculated displacement. Bump plug with 1,000 psi over final displacement circulating pressure.
8. Drop bomb to open DV collar as per Halliburton guidelines. Circulate for 4 hours with rig pumps.
9. For the second stage, mix the cement as per cement company program. Pump 20 bbls Red Dyed fresh water spacer followed by 2000 sks EconoCem HLC 12.7 ppg followed by 50 sxs Halcem - C 14.8 ppg. Drop the top plug and displace using the cement pumps bumping up on the DV collar and closing as per Halliburton guidelines. Pressure test casing to 2,000 psi with cement pump. Release pressure and check DV Collar for flow back. If the flow back observed, hold pressure for four hours and then re-check.
10. Install top nut assembly, thread the top nut onto the QCS-102 casing head until it shoulders out on top of the casing head top face. Install the necks seals for the 5 ½" casing hanger. Install 4 1/2" abandonment cap stabbing over 5 1/2" casing hanger neck and make up the

lock down screws on the top nut. Install the 11" 5M x 5 1/2" 5M tubing head. Test the void to 2,000 psi (49% of 17# J55 collapse rating).

11. Release the rig.
12. Stay in close communication with OS/WO Rep so that they are aware when the rig will be moving off of location. Be certain that the location is clean. Transfer cut-off joints and excess casing to the next location when the rig is moved (document the transfer on ELP-400 and Wellview).

Proposed Schematic

Well: CDU #440 | Field: Central Drinkard Unit | Operator: Chevron

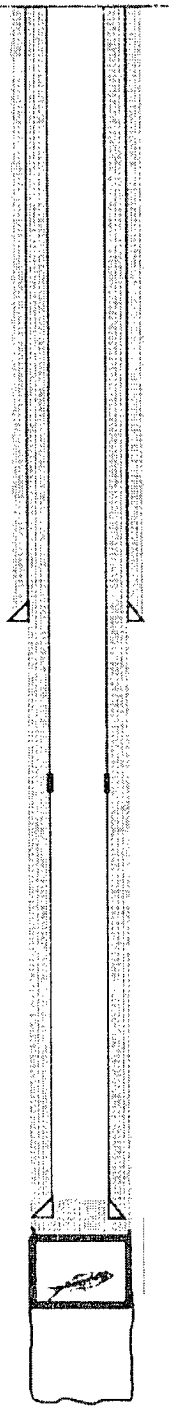
Proposed
Wellbore Diagram

Location:
959' FSL & 2519' FWL
Unit Letter: N
Section: 29
Township: 21S
Range: 37E
County: Lea State: NM

Elevations:
GL: 3467'
KB:
DF:

FORMATIONS
Top of Salt
T/Yates -
T/San Andres -
T/Glorieta -

Well ID Info:
API No: 30-025-39804
Spud Date: 10/4/2010



Surface Csg: 8-5/8"
Set: @ 1244' w/ 490 sx cmt
Hole Size: 12-1/4" hole
Circ: Yes TOC: Surf
TOC By: Circ

DV Tool @ 3800'

Casing: 5-1/2" 15.5# J-55
Set: @ 6500' w/ (estimated) 800 sx cmt
Hole Size: 7-7/8"
Circ: No TOC: 1000'
TOC By: Calculation

Overshot Bowl, Grapple, Guide Shoe Pieces and Logging Tool @ 6511'
Estimated bottom of Fish at 6585'.

PBTD: 6490'
TD: 6778'

Updated: 11/8/2010 By: Bob Hall