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

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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
Revised August 1, 2011

WELL API NO. 30-025-37187	
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 EUNICE KING
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 29
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 PENROSE; SKELLY GRAYBURG
4. Well Location Unit Letter F : 1340 feet from the NORTH line and 2620 feet from the WEST line Section 28 Township 21-S Range 37-E NMPM County LEA	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3467'

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: ACIDIZE & SCALE SQUEEZE		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 U.S.A. INC. INTENDS TO ACIDIZE & SCALE SQUEEZE THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, WELLBORE DIAGRAM, & 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: 06-27-2012

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

For State Use Only

APPROVED BY: Maley K Brown TITLE Compliance Officer DATE 7/3/2012

Conditions of Approval (if any):

JUL 03 2012

Eunice King 29 **6.6.2012**
Penrose Skelly- Grayburg
T21S, R37E, Section 28
Job: Clean out, N_2 Acidize

Procedure:

This procedure is meant to be followed. It is up to the WSM, Remedial Engineer and Production Engineer to make the decisions necessary to do SAFELY what is best for the well. In the extent that this procedure does not reflect actual operations, please contact RE,PE and Superintendent for possible MOC.

1. Ensure location is in appropriate conditions, anchors have been tested within the last 24 months, power line distance has been verified to determine if variance is needed and the right tools are scheduled for the energized job.

2. Verify that well does not have pressure or flow. If well has pressure, note tubing and casing pressures on wellview report. Bleed down well; if necessary, kill with cut brine fluid (8.6 ppg).

   - **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.**

3. MI & RU workover unit.

4. Unseat pump, POOH with rods and pump. Examine rods for wear/pitting/paraffin and capture any samples for analysis. Do not hot water unless necessary. ND wellhead, unset TAC, NU BOP. POOH and LD 1 jt, PU 5-1/2" packer and set ~ @ 25', test BOP pipe rams to 250 psi/500 psi. Note testing pressures on wellview report. Release and LD packer.

5. POOH while scanning 2-7/8" prod tubing (TAC 3,515', Bottom Csg 4,320', EOT 4,114', PBTD 4,273'). LD TAC and 2-7/8" tbg, remove all non-yellow band tbg.

   Note: Strap pipe out of the hole to verify depths and note them on Wellview report.
   Send scan log report to lgbi@chevron.com .

   - **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.**

6. PU and RIH 4-3/4" MT bit, 3-1/2" drill collars on 2-7/8" L-80 WS hydrotesting to 6000 psi to match maximum pressure. Tag and record fill depth. RU power swivel and clean out to PBTD at 4,273'. POOH with 2-7/8" WS and bit. LD bit & BHA.

   Note: If circulation is not expected, notify Remedial Engineer to discuss CO with bailer (continue to step 7) or foam/air unit (continue to supplemental procedure on back).

7. PU and RIH with 4-3/4" MT and Bulldog bailer on 2-7/8" 6.5# L-80 WS. Tag and record fill depth. Clean out to 4,273'. POOH and LD bit & BHA.

   - **Expect trapped pressure inside tubing while breaking connections during bailing operations, discuss on JSA and mitigate hazard. Use mudbucket (remove bottom seals if applicable) while breaking connections.**

8. POOH. LD bit & BHA.

9. PU and RIH with 5-1/2" treating packer on 2-7/8" 6.5# L-80 WS. Set packer ~ 3,615'. Load and test backside to 500 psi.

10. Prep location for N2 Acid Treatment. RU 2 open tanks (equipped with gas buster) and set them on opposite sides of the prevailing wind on location if possible. This is to ensure the flow is directed downwind at all times. Steel lines are to be secured with safety restraints as shown on **Image A**. If Baker lacks safety restrains contact Guardian for rental. NU TIW valve rated for 10,000 psi **(newly-tested and functioned).** Have flowback crew and choke manifold ready for flowback stage. Ensure all flowback equipment has current inspection and is properly secure.

11. Pressure up and maintain 300 psi on backside throughout acid job, monitor it and bleed down as necessary.

12. MI & RU Baker. **Test lines to 6,000 psi**. Treat perfs from 3,666' to 3,894' per schedule on Table A. **Maximum treating pressure at surface is 5,000 psi. Set pop-off to less than 6,000 psi.**

13. Pump 3 bbls of Brine water ahead @ 2 BPM. **Set maximum rate @ 5 BPM.**

    Acidize following Table A below for a total of 10 stages.

    Note: Please refer to the attached Baker N2 Acid Job Procedure for full details.

Table A. Treatment Schedule.

Stage	Downhole System			Wellhead Rates			
	Clean Volume (gal)	Base Fluid Description	Total Rate (bpm)	Clean System (bpm)	Clean Fluid (bpm)	Nitrogen (scfm)	Diverting Agent (unit/min)
1	1800	15% HCL +N2	5.0	5.5	2.5	2144	
2	2500	15% HCL +N2	5.0	5.2	0.3	4028	
3	1800	15% HCL +N2	5.0	5.5	2.5	2145	
4	2500	15% HCL +N2	5.0	5.2	0.3	4029	
5	1800	15% HCL +N2	5.0	5.5	2.5	2146	
6	2500	15% HCL +N2	5.0	5.2	0.3	4029	
7	1800	15% HCL +N2	5.0	5.5	2.5	2146	
8	2500	15% HCL +N2	5.0	5.2	0.3	4029	
9	1800	15% HCL +N2	5.0	5.5	2.5	2146	
10	1580	N2	5.0	5.7	0.0	4211	

FLUID & GAS QUANTITIES

Stage	Surface Stage Totals		Surface Cumulative Totals		Mitchell Quality			Average Specific Gravity
	Clean (bbls)	N2 (Mscf)	Clean (bbls)	N2 (Mscf)	W %	P %	F %	
1	21.4	18.38	21.4	18.38	55	49	50	0.568
2	3.0	47.96	24.4	66.34	95	95	95	0.213
3	21.4	18.39	45.8	84.73	55	49	50	0.568
4	3.0	47.96	48.8	132.69	95	95	95	0.213
5	21.4	18.39	70.2	151.09	55	48	50	0.568
6	3.0	47.97	73.2	199.05	95	95	95	0.213
7	21.4	18.40	94.6	217.45	55	48	50	0.568
8	3.0	47.97	97.6	265.42	95	95	95	0.213
9	21.4	18.40	119.0	283.82	55	48	50	0.568
10	0.0	31.68	119.1	315.50	100	100	100	0.156

NOTE: The Mitchell Quallity is the Gas Rate divided by the Gas + Gel Rate.

Pump a total of 5,000 gals (119 barrels) of anti-sludge **15% HCl acid*** foamed with Quality Nitrogen per Baker Procedure.

14. Displace acid to bottom perf (3,894') with 100% Nitrogen as indicated on stage 10.

15. RDMO. Shut in well for 4 hrs for the acid to spend. Monitor casing pressure to keep it below 300 psi. Bleed off excess pressure if necessary.

    Note: Acid job MUST start in the morning. If acid job is deferred, contact Remedial Engineering to discuss postponing job until the following day.

16. Flow well back to open tank. **If necessary, discuss flowing the well 24 hours a day as long as all the safety precautions are in place. Ensure light towers and a 2-man flowback crew are in place.**

17. Flowback well dead(may take 1 or 2 days), **Contact Derek Nash @ 432-687-7506 before pumping any kill fluid.**

    - **Ensure all personnel on location are aware of N2/H2S release and proper hazard mitigation and discussion is in place. Gas is to be vented downwind to either open tank at all times during flowback.**

    - **Consider a safety trailer and 4-way monitor system to monitor well flowback.**

18. Release packer, POOH and LD packer.

19. PU and RIH with 4-3/4" MT bit on 2-7/8" L-80 WS tag for fill. If fill entry was indentified @ 4,215' or above, clean-out to PBTD (4,273').

20. POOH & LD 2-7/8" WS and BHA.

21. RIH with 2-7/8" production tubing hydrotesting to 5,000 psi. **Set TAC per ALCR recommendation and record it on wellview.**

22. ND BOP. NU WH. **RIH with rods and pump per ALCR and record how much the pump was spaced-out on wellview.** Hang well on.

23. RD and release workover unit. Turn well over to production (contacts on back). Clean location.

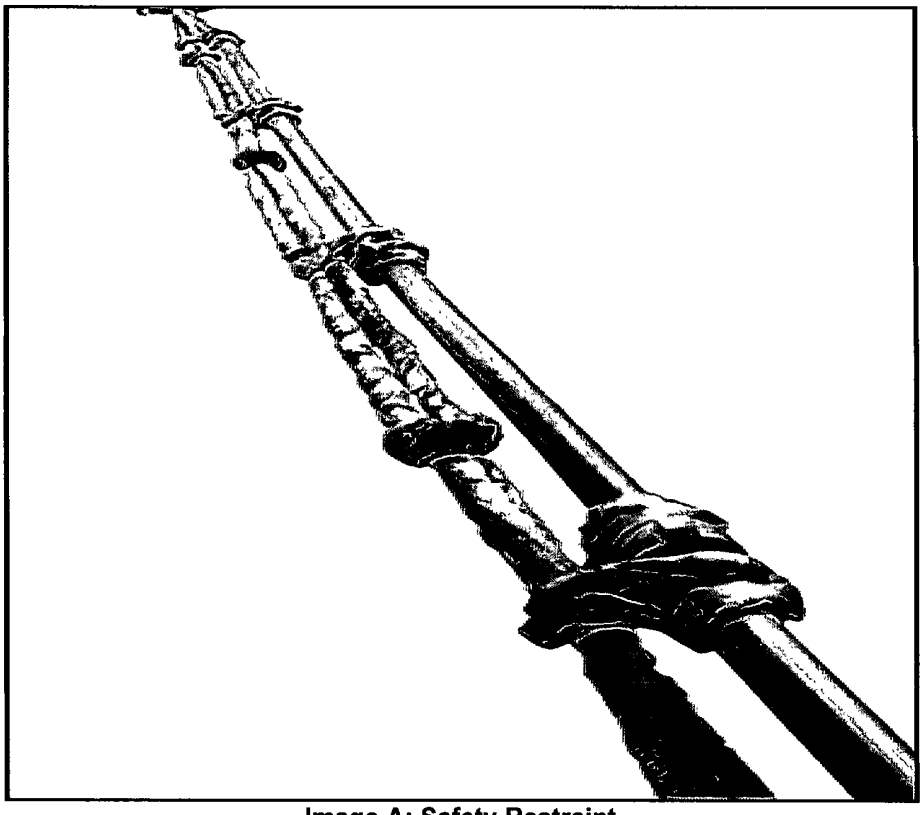


Image A: Safety Restraint

FOAM / AIR CLEANOUT PROCEDURE

- This procedure is an addition to the original procedure.

1. Install flowback manifold with two chokes. All components on flowback manifold must be rated to at least 5,000 psi. If possible, flowback manifold components should be hydrotested before delivery. Hardline pipes from 2" casing valve to manifold to half pit with gas buster.
2. Install flowback tank downwind from rig.
3. Position Air unit upwind from Rig next to water tanks. Have vacuum truck on standby to empty halfpit. (if needed)
4. RIH w/ 3-7/8" MT bit, bit sub (with dart-type float), 4 (2-7/8") drill collars on 2-3/8" 4.7# L-80 WS.
5. NU stripper head with **NO Outlets** (Check stripper cap for thread type - course threads preferred). **Stripper head to be stump tested to 1,000 psi before being delivered to rig**. Check chart or test at rig.
6. RU foam air unit. Make quality foam on surface before going down hole with foam/air. Install flapper float at surface before beginning to pump. Break circulation with foam/air. Evacuate fluid from well.

Pump high quality foam at all times. Do not pump dry air at any time. Fluid injection rates will generally be above 12 gallons per minute

Whenever there is pressure on the stripper head, have a dedicated person continuously monitor pressure at choke manifold and have a dedicated person at accumulator ready to close annular BOP in case stripper leaks. Do not allow pressure on stripper head to exceed 500 psi. If pressure cannot be controlled below 500 psi, stop pumping, close BOP and bleed off pressure.

7. Clean out fill to PBTD (4,273') with low RPM's rotation and circulation, always keep pipe moving. Short trips can be beneficial to hole cleaning. Circulate well clean for at least 1 hour at the end of the day.
8. When tripping out of hole, have special float bleed off tool available to relieve trapped pressure below float.

Ensure that high quality, stiff foam is pumped while circulating the fill. Stiff foam is required to prevent segregation while circulating. Monitor flow and pressures carefully when cleaning out.

Before rigging up power swivel to rotate, carefully inspect Kelly hose to ensure that it is in good condition. Ensure that swivel packing is in good condition.

Continue to step 8.

Contacts:

Well **Eunice King # 29** Field **Penrose Skelly** Reservoir. **Grayburg**

Location:

1340' FNL & 2620' FWL
Section 28 UL. F
Township. 21S
Range 37E
County Lea State NM
Lat/Long. 32° 27' 11.97" N -103° 10' 03 27" W

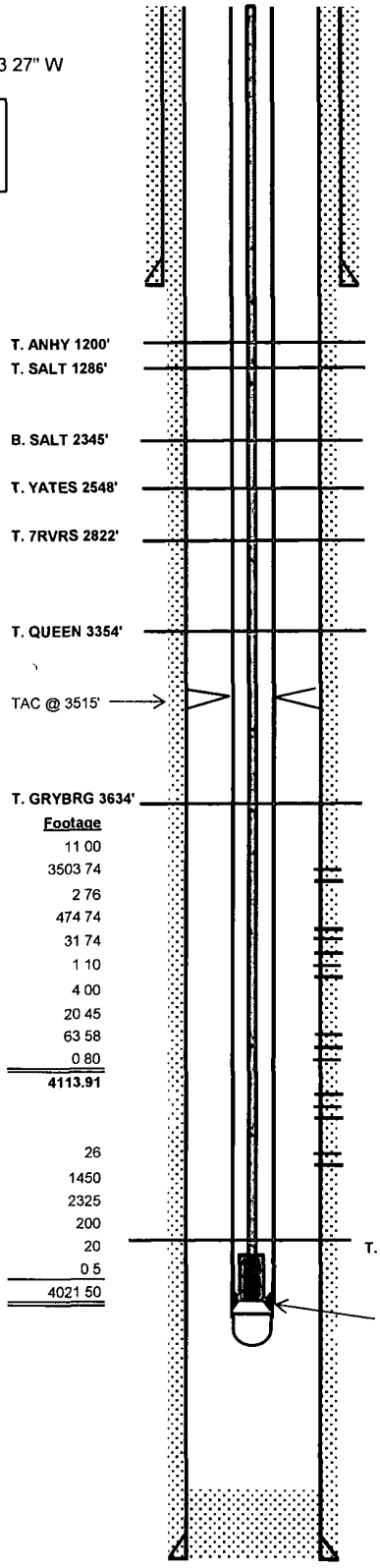
Elevations:
GL 3448'
KB 3459'
DF 3458'

Wellbore Diagram

Well ID Info:

Chevno HT0312
API No 30-025-37187
L5/L6 UCU491600
Spud Date 9/20/2005
Compl Date 11/1/2005

Surf. Csg: 8 5/8", 24#, J-55
Set: @ 444' w/ 550 sks
Hole Size: 12 1/4"
Circ: Yes **TOC:** Surface
TOC By: Circulated



Tubing Detail Well View:

#Jts:	Size:	Footage
	KB Correction	11 00
111	Jts 2 7/8" EUE 8R J-55 Tbg	3503 74
	TAC @ 3515'	2 76
15	Jts 2 7/8" EUE 8R J-55 Tbg	474 74
1	Jt 2 7/8" EUE 8R J-55 IPC Tbg	31 74
	SN @ 4024'	1 10
	2 7/8" x 4' Perf Tbg Sub	4 00
	Cavins Desander	20 45
2	Jt 2 7/8" EUE 8R J-55 Tbg	63 58
	Dump Valve	0 80
129	**Bottom Of String >>**	**4113.91**

Rod Detail Well View

1	PR 1 5 x 26'	26
58	1" N78 D RODS	1450
93	7/8" N78 D RODS	2325
8	1 5" K SINKER BARS	200
1	ROD PUMP 25-200-RHBC-20-1 5	20
1	1 5" PONY	0 5
		4021 50

Perfs:	Status:
3666-71'	Grayburg - Open
3676-78'	Grayburg - Open
3681-84'	Grayburg - Open
3691-97'	Grayburg - Open
3701-04'	Grayburg - Open
3723-32'	Grayburg - Open
3753-61'	Grayburg - Open
3766-71'	Grayburg - Open
3788-91'	Grayburg - Open
3794-3801'	Grayburg - Open
3805-10'	Grayburg - Open
3813-20'	Grayburg - Open
3828-38'	Grayburg - Open
3850-59'	Grayburg - Open
3867-76'	Grayburg - Open
3885-94'	Grayburg - Open

COTD: 4273'
PBTD: 4273' (float collar)
TD: 4339'

Prod. Csg: 5 1/2", 15 50#, J-55
Set: @ 4320' w/ 1100 sks
Hole Size: 7 7/8"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Updated: 4/24/2012 **By:** SEHE