

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.	30-025-06686
5. Indicate Type of Lease	STATE ☐ FEE ☒
6. State Oil / Gas Lease No.	
7. Lease Name or Unit Agreement Name	C.L. HARDY
8. Well No.	3
9. Pool Name or Wildcat	PENROSE SKELLY GRAYBURG
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3305' GL

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMI
(FORM C-101) FOR SUCH PROPOSALS.

1. Type of Well:	OIL WELL ☒ GAS WELL ☐ OTHER
2. Name of Operator	CHEVRON USA INC
3. Address of Operator	15 SMITH RD, MIDLAND, TX 79705
4. Well Location	Unit Letter <u>K</u> : <u>1980'</u> Feet From The <u>SOUTH</u> Line and <u>1980'</u> Feet From The <u>WEST</u> Line Section <u>20</u> Township <u>21-S</u> Range <u>37-E</u> NMPM <u>LEA</u> COUNTY
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3305' GL

11.

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 ☐
OTHER: ADD PERFS, ACIDIZE, & SCALE SQUEEZE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPERATION ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

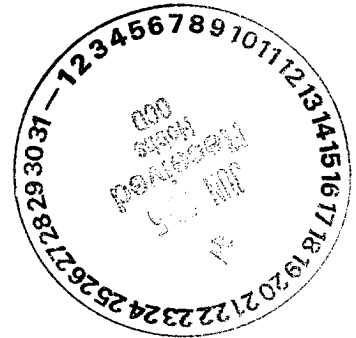
12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

CHEVRON U.S.A. INC. INTENDS TO ADD PERFS IN THE GRAYBURG FORMATION, ACIDIZE, & SCALE SQUEEZE.

THE CURRENT AND PROPOSED WELLBORE DIAGRAMS ARE ATTACHED FOR YOUR APPROVAL.

THE INTENDED PROCEDURE IS ALSO ATTACHED.

A PIT WILL NOT BE USED FOR THIS WORKOVER. (JUST ADDING PERFS) (STEEL FRAC TANK)



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 6/20/2005
TYPE OR PRINT NAME Denise Pinkerton Telephone No. 432-687-7375

(This space for State Use)

APPROVED Hayden White
CONDITIONS OF APPROVAL, IF ANY:

TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER
DATE

Location:

1980' FSL & 1980' FWL
 Section: 20
 Township: 21S
 Range: 37E
 County: Lea State: NM

Elevations:

GL: 3305'
 KB: 3315'
 DF: 3314'

Current
Wellbore Diagram

Well ID Info:

Refno: FA7787
 API No: 30-025-06686
 L5/L6: U493600
 Spud Date: 5/10/48
 Compl. Date: 6/19/48

Surf. Csg: 13", 50# LW
 Set: @ 290' w/ 300 sks
 Hole Size: 17 1/4"
 Circ: Yes TOC: Surface
 TOC By: Circulated

Interm. Csg: 9 5/8", 36#, H-40
 Set: @ 2900' w/ 1300 sks
 Hole Size: 12 1/4"
 Circ: No TOC: 1250'
 TOC By: Temperature Survey

Tbg Detail:

BP @ 3692'
 1 jt. 2 7/8" EUE 8R J-55 tbg
 2 7/8" x 4" perf sub
 SN @ 3655'
 1 jt. 2 7/8" EUE 8R J-55 IPC tbg
 2 jts. 2 7/8" EUE 8R J-55 tbg
 TAC @ 3559'
 114 jts. 2 7/8" EUE 8R J-55 tbg

CICR @ 3939'

CIBP @ 5150'
 (35' cmt on top)

CIBP @ 5450'
 (35' cmt on top)

CIBP @ 5640'
 (10' cmt on top)

RBP @ 5718'

CIBP @ 5765'
 (20' cmt on top)

CIBP @ 6450'
 (35' cmt on top)

COTD: 3940'
 PBDT: 3940'
 TD: 6680'

Updated: 5/6/03

By: A. M. Howell

Perfs:	Status
3700-02'	Grayburg - Open
3712-14'	Grayburg - Open
3722-24'	Grayburg - Open
3732-34'	Grayburg - Open
3746-48'	Grayburg - Open
3780-82'	Grayburg - Open
3812-14'	Grayburg - Open
3827-31'	Grayburg - Open
3839-43'	Grayburg - Open
3851-53'	Grayburg - Open
3859-62'	Grayburg - Open
3870-72'	Grayburg - Open
3878-81'	Grayburg - Open
3894-99'	Grayburg - Open
3949-53'	Grayburg - Cmt Sqzd

5186-5204' Paddock - Cement Sqzd

5484'	5541'	Blinebry - Below CIBP
5487'	5547'	Blinebry - Below CIBP
5492'	5556'	Blinebry - Below CIBP
5498'	5564'	Blinebry - Below CIBP
5502'	5576'	Blinebry - Below CIBP
5508'	5588'	Blinebry - Below CIBP
5515'	5592'	Blinebry - Below CIBP
5518'		Blinebry - Below CIBP

5724' Blinebry - Below CIBP

5775' Blinebry - Below CIBP
 5837' Blinebry - Below CIBP
 5900' Blinebry - Below CIBP

6495-97' Drinkard - Below CIBP
 6523-25' Drinkard - Below CIBP
 6544-46' Drinkard - Below CIBP
 6547-49' Drinkard - Below CIBP
 6550-52' Drinkard - Below CIBP

Prod. Csg: 7", 23#, J-55
 Set: @ 6571' w/ 700 sks
 Hole Size: 8 3/4"
 Circ: No TOC: 2710'
 TOC By: Temperature Survey

6571-6680' Drinkard - Open Hole

Location:
 1980' FSL & 1980' FWL
 Section: 20
 Township: 21S
 Range: 37E
 County: Lea State: NM

Elevations:
 GL: 3305'
 KB: 3315'
 DF: 3314'

Proposed Wellbore Diagram

Well ID Info:
 Refno: FA7787
 API No: 30-025-06686
 L5/L6: U493600
 Spud Date: 5/10/48
 Compl. Date: 6/19/48

Surf. Csg: 13", 50# LW
Set: @ 290' w/ 300 sks
Hole Size: 17 1/4"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Interm. Csg: 9 5/8", 36#, H-40
Set: @ 2900' w/ 1300 sks
Hole Size: 12 1/4"
Circ: No **TOC:** 1250'
TOC By: Temperature Survey

Tbg Detail:
 BP @ 4035'
 1 jt. 2 7/8" EUE 8R J-55 tbg
 2 7/8" x 4' perf sub
 SN @ 4000'
 1 jt. 2 7/8" EUE 8R J-55 IPC tbg
 12 jts. 2 7/8" EUE 8R J-55 tbg
 TAC @ 3600'
 116 jts. 2 7/8" EUE 8R J-55 tbg

CIBP @ 5150'
 (35' cmt on top)

CIBP @ 5450'
 (35' cmt on top)

CIBP @ 5640'
 (10' cmt on top)

RBP @ 5718'

CIBP @ 5765'
 (20' cmt on top)

CIBP @ 6450'
 (35' cmt on top)

COTD: 3940'
PBTD: 3940'
TD: 6680'

Perfs:	Status
3687-91'	Grayburg - Open
3700-06'	Grayburg - Open
3712-18'	Grayburg - Open
3722-28'	Grayburg - Open
3732-40'	Grayburg - Open
3744-52'	Grayburg - Open
3767-73'	Grayburg - Open
3780-88'	Grayburg - Open
3794-98'	Grayburg - Open
3812-20'	Grayburg - Open
3827-31'	Grayburg - Open
3839-43'	Grayburg - Open
3851-53'	Grayburg - Open
3859-62'	Grayburg - Open
3870-72'	Grayburg - Open
3878-82'	Grayburg - Open
3894-99'	Grayburg - Open
3906-12'	Grayburg - Open
3918-22'	Grayburg - Open
3932-36'	Grayburg - Open
3949-53'	Grayburg - Open
3963-67'	Grayburg - Open

5186-5204' Paddock - Cement Sqzd

5484'	5541'	Blinbry - Below CIBP
5487'	5547'	Blinbry - Below CIBP
5492'	5556'	Blinbry - Below CIBP
5498'	5564'	Blinbry - Below CIBP
5502'	5576'	Blinbry - Below CIBP
5508'	5588'	Blinbry - Below CIBP
5515'	5592'	Blinbry - Below CIBP
5518'		Blinbry - Below CIBP

5724' Blinbry - Below CIBP

5775' Blinbry - Below CIBP
 5837' Blinbry - Below CIBP
 5900' Blinbry - Below CIBP

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Prod. Csg: 7", 23#, J-55
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Hole Size: 8 3/4"
Circ: No **TOC:** 2710'
TOC By: Temperature Survey

6571-6680' Drinkard - Open Hole

Updated: 5/6/03

By: A. M. Howell

C. L. Hardy # 3

Penrose Skelly Field

T21S, R37E, Section 20

WBS # UWDOL-R5189

Job: Add Perfs In Grayburg Formation, Acidize, And Scale Inhibitor Squeeze

Procedure:

1. Install flowline. Displace flowline with fresh water. Have field specialist close valve at header. Pressure line according to the type of line. AGU, EMSU, and EMSUB buried fiberglass lines will be tested with 300 psi. All polypipe (SDR7 and SDR11) will be tested w/100 psi. All steel lines will be tested w/500 psi. If a leak is found, contact Donnie Ives for repair/replacement. If test is good, bleed off pressure and **open valve** at header. Document this process in the morning report.
2. MI & RU workover unit. Bleed pressure from well, if any. Pump down csg with 8.6 PPG cut brine water, if necessary to kill well. POH with rods and pump. Remove WH. Install BOP's and test csg and BOP's to 3000 psi. POH with 2 7/8" tbg string.
3. PU and GIH with 6 1/4" MT bit and 2 7/8" work string to 3935'. MI & RU air unit. Establish circulation using foamed 8.6 PPG cut brine water. LD and drill out fill, CICR, and cmt in 7" csg to 5115'. Circulate well clean from 5115' using foam. POH with work string and bit. LD bit. RD & release air unit.
4. MI & RU Baker Atlas electric line unit. Install lubricator and test to 2000 psi. GIH with 3 1/8" slick casing guns and perforate from 3687-91', 3700-06', 3712-18', 3722-28', 3732-40', 3744-52', 3767-73', 3780-88', 3812-20', 3878-82', 3906-12', 3918-22', 3932-36', 3949-53', and 3963-67' with 4 JSPF at 120 degree phasing, using 23 gram premium charges. POH. RD & release electric line unit. **Note: Use casing collars from Baker Atlas C.P.N.L. Log conducted 2/4/2003 for depth correction.**
5. PU and GIH w/ 7" PPI pkr (with 10' element spacing) and SCV on 2 7/8" work string to approximately 3650'. Test tbg to 5500 psi while GIH.
6. MI & RU DS Services. Acidize perfs 3687-3967' with 5,600 gals anti-sludge 15% HCl acid * at a maximum rate **as shown below** and a maximum surface pressure of **3500 psi**. Spot acid to bottom of tbg at beginning of each stage. Pump job as follows:

Interval	Amt. Acid	Max Rate	PPI Setting
3963-67'	200 gals	1 BPM	3960-70'
3949-53'	200 gals	1 BPM	3948-58'
3932-36'	200 gals	1 BPM	3930-40'
3918-22'	200 gals	1 BPM	3915-25'
3906-12'	300 gals	1 BPM	3904-14'

3894-99'	300 gals	1 BPM	3892-3902'
3878-82'	200 gals	1 BPM	3876-86'
3870-72'	200 gals	1 BPM	3866-76'
3859-62'	200 gals	1 BPM	3855-65'
3851-53'	200 gals	1 BPM	3846-56'
3839-43'	200 gals	1 BPM	3836-46'
3827-31'	200 gals	1 BPM	3825-35'
3812-20'	400 gals	1 BPM	3811-21'
3794-98'	200 gals	1 BPM	3790-3800'
3780-88'	200 gals	1 BPM	3779-89'
3767-73'	300 gals	1 BPM	3765-75'
3744-52'	400 gals	1 BPM	3743-53'
3732-40'	400 gals	1 BPM	3731-41'
3722-28'	300 gals	1 BPM	3720-30'
3712-18'	300 gals	1 BPM	3710-20'
3700-06'	300 gals	1 BPM	3698-3708'
3687-91'	200 gals	1 BPM	3685-95'

Displace acid with 8.6 PPG cut brine water -- do not overdisplace. Use a SCV to control displacement fluid. Record ISIP, 5 & 10 minute SIP's. RD and release DS services. **Note: Pickle tubing in 1 run of 500 gals acid, prior to acidizing perfs. Pickle acid is to contain only 1/2 gal A264 and 1 gal W53. Also, if communication occurs during treatment of any interval, monitor casing pressure and attempt to complete stage w/o exceeding 1000 psi csg pressure. If cannot, then move PPI to next setting depth and combine treatment volumes of the intervals.**

* Acid system is to contain:	1 GPT A264	Corrosion Inhibitor
	8 GPT L63	Iron Control Agent
	2 PPT A179	Iron Control Aid
	20 GPT U66	Mutual Solvent
	2 GPT W53	Non-Emulsifier

- Release PPI pkr and PUH to approximately 3650'. Swab back all intervals together. Recover 100% of treatment and load volumes before shutting well in for night, if possible. Report recovered fluid volumes, pressures, and/or swabbing fluid levels. **Note: Selectively swab perfs as directed by Engineering if excessive water is produced.**
- Open well. MI & RU pump truck. Pump down tbg with 50 bbls 8.6 PPG cut brine water containing 55 gals Baker RE-4777 Scale Inhibitor followed by 200 bbls 8.6 PPG cut brine water at **5 BPM** and **2500 psi maximum pressure**. RD and release pump truck. Release PPI pkr. POH LD 2 7/8" work string and PPI packer.
- PU and GIH w/ BP mud anchor jt of 2 7/8" tbg, 2 7/8" x 4' perforated sub, SN, 1 jt. 2 7/8" EUE 8R J-55 IPC tbg, 12 jts 2 7/8" EUE 8R J-55 tbg, TAC, and 116 jts 2 7/8"

EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 3600', with EOT at 4035' and SN at 4000'.

10. Remove BOP's and install WH. GIH with rods, weight bars, and pump per ALS recommended design. RD & release workover unit.
11. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

AMH
6/17/2005