

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

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

WELL API NO. 30-025-23470
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name DRINKARD NCT-B
8. Well Number 3
9. OGRID Number 4323
10. Pool name or Wildcat BRUNSON; DRINKARD-ABO, SOUTH

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 ☐

2. Name of Operator
CHEVRON U.S.A. INC.

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

4. Well Location

Unit Letter O: 660 feet from the SOUTH line and 1980 feet from the EAST line

Section 30 Township 22-S Range 38-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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: INTENT TO SONIC HAMMER, ACIDIZE, SCALE SQZ

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 SONIC HAMMER, 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: 11-30-2012

Type or print name: DENISE PINKERTON

E-mail address: leakejd@chevron.com

PHONE: 432-687-7375

APPROVED BY

[Signature]

TITLE: DIST. MGR

DATE: 12-06-2012

Conditions of Approval (if any):

DEC 06 2012

Drinkard B #3
Brunson South, Drinkard
T22S, R38E, Sec. 30
N 32° 21' 25.956", W -103° 5' 49.272" (NAD27)
Job: Sonic Hammer, Acidize & Scale Squeeze

9.20.2012

PREWORK:

1. Utilize the rig move check list.
2. Check anchors and verify that pull test has been completed in the last 24 months.
3. Ensure location of & distance to power lines is in accordance with MCA SWP. Complete and electrical variance and electrical variance RUMS if necessary.
4. Ensure that location is of adequate build and construction.
5. Ensure that elevators and other lifting equipment are inspected. Caliper 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. For wells to be worked on or drilled in an H₂S field/area, include the anticipated maximum amount of H₂S that an individual could be exposed to along with the ROE calculations for 100' and 500'.
8. If the possibility of trapped pressure exists, check for possible obstructions by:
 - Pumping through the fish/tubular – this is not guaranteed with an old fish as the possibility of a hole above the obstruction could yield inconclusive results
 - Dummy run – make a dummy run through the fish/tubular with sandline, slickline, eline or rods to verify no obstruction. Prior to making any dummy run contact RE and discuss.

If unable to verify that there is no obstruction above the connection to be broken, or if there is an obstruction:

- Hot Tap at the connection to check for pressure and bleed off

Observe and watch for signs / indicators of pressure as connection is being broken. Use mud bucket (with seals removed) and clear all non-essential personnel from the floor.

The Drinkard B #3 does not have reported H₂S, However most Eunice wells have some H₂S so plan for possible H₂S

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 MOC

1. 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).
2. MI & RU workover unit.
3. Unseat pump, POOH with rods and pump. Examine rods for wear/pitting/paraffin. 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/1000 psi. Note testing pressures on Wellview report. Release and LD packer.
4. PU tubing and tag for fill and to confirm top of fish (TAC 6,250', Bottom Perfs 6,494', EOT 6,474', PBTD 6,481' **NOTE: well records indicate that there is a fish at 6,481'-6,496' it is 15' 2-3/8" MAJT**, original PTBD was 6,563'). POOH while scanning 2-3/8" prod tubing. LD all non-yellow band joints. If fill is tagged:
 - A. Above 6,481' continue with foam/air clean out per step 6.

B. Below 6,481' clean out not needed, skip step 6

Note: Strap pipe out of the hole to verify depths and note them on Wellview report.

Send scan log report to LGBI@chevron.com.

5. Close blind rams on BOP, switch BOP's pipe rams and elevators to 2-7/8". Caliper elevators. PU and go in hole with 5.5" pkr on 2-7/8" 6.5# L-80 WS. Set pkr at ~25', test BOP pipe rams to 250 psi/1000 psi. Note testing pressures on Wellview report. Release and LD packer.
6. PU and RIH with 4-3/4" MT bit, 4 (3-1/2") drill collars on 2-7/8" 6.5# L-80 WS. RU power swivel and clean out to top of fish @ 6,481' with foam/air unit (**continue to supplemental procedure and in accordance with attached SOG**). If fish is not encountered attempt to clean out to original PBTD of 6,563'. POOH with 2-7/8" WS and bit. LD bit & BHA.
7. Contact sonic tool rep to be on site during job. PU and RIH with Sonic Hammer tool and work string to within 10' of determined new PBTD or 6,496' whichever is higher in the hole. Hydrotest tubing to 6,000 psi. Stand back tubing to top perforations. Install stripper head and stand pipe with sufficient treating line to move tools vertically ~ 65'. Rig up pressure gauges to allow monitoring of tubing and casing pressures.
8. MI & RU Petroplex. **Titrate acids and verify concentration (HCl \pm 1.5%) report results in daily work summary.** Treat all intervals from 6,312' to 6,494'* with 30 bbls of 8.6 ppg cut brine water per interval (refer to Table A). Pump down Sonic Hammer tool at 5 BPM while reciprocating tool across intervals. Do not exceed 5,000 psi tubing pressure. Leave annulus open in circulation mode while treating intervals with brine water.
9. Follow the brine water wash with 3,000 gals 15% NEFE HCl of total acid for all intervals. Spot 3 bbls of acid outside tubing, shut in casing, pump 500 gallons of acid @ 5 BPM over first treating interval from 6,307'-6,350', monitor casing pressure not exceeding 500 psi. Flush tubing with brine water after every acidized interval, make a connection and continue with remaining interval. Refer to Table A.

Table A: Perforation Intervals for acid.

Interval	Depth	Interval (Ft.)	Acid Volume (gal)
1	6307' - 6350'	43	500
2	6376' - 6436'	60	1,250
3	6436' - 6496'*	60	1,250
			3,000

**The bottom depth will be determined by PBTD, go down to 10' off bottom if PBTD is above bottom perf*

10. Shut in well for 1 hr for the acid to spend. Monitor casing pressure to keep it below 500 psi. Bleed off excess pressure if necessary.
11. Scale squeeze well with a total of 160 bbls 8.6 ppg brine water and 2 drums (110 gallons) Baker SCW-358 Scale Inhibitor Chemical. Continue moving uphole with Sonic Hammer. Pump at max rate of 5 BPM per pump schedule. Ensure top of tubing is flushed with brine water before making a connection.

Table B: Scale Sqz Pump Schedule

Step		Interval (ft)	Max Rate (BPM)	Volume Brine (bbl)	Volume Scale Chem (Gal)	Cum Volume (bbl)
1	Pump Chemical/brine while moving from	6496'* - 6436'	5	2	10	2.2
2	Pump Brine while moving from	6496'* - 6436'	5	18		20
3	Pump Chemical/brine while moving from	6496'* - 6436'	5	12	50	33
4	Pump Brine while moving from	6496'* - 6436'	5	24		58
5	Move pipe to next interval of	6436' - 6376'				58
6	Pump Brine while moving from	6436' - 6376'	5	4		61
7	Pump Chemical/brine while moving from	6436' - 6376'	5	12	50	75
8	Pump Brine while moving from	6436' - 6376'	5	24		99
9	Move pipe to next interval of	6350' - 6307'				99
10	Pump Brine while moving from	6350' - 6307'	5	54		153

12. Ensure Sonic Hammer is above all perforations. Do not exceed 500 psi casing pressure or 5 BPM while pumping scale squeeze or casing flush. RD and release pump truck.
13. Run back in the hole and tag for fill. If fill entry was indentified PBTD or above, clean-out to PBTD following steps 6.
14. POOH & LD 2-7/8" WS and Sonic Hammer tool.
15. Close blind rams on BOP, switch BOP's pipe rams and elevators to 2-3/8". Caliper elevators. PU and go in hole with 5.5" pkr w/ wireline re-entry guide on 2-3/8" 4.7# production tbg. Set pkr at ~25', test BOP pipe rams to 250 psi/1000 psi. Note testing pressures on Wellview report. Release and LD packer.
16. RIH with 2-3/8" production tubing hydrotesting to 6,000 psi. Set TAC per ALCR recommendation. ND BOP. NU WH. RIH with rods and pump per ALCR. Hang well on. RD and release workover unit.
17. Turn well over to production.

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 with 4-3/4" MT bit, 4 (3-1/2") drill collars on 2-7/8" 6.5# 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.

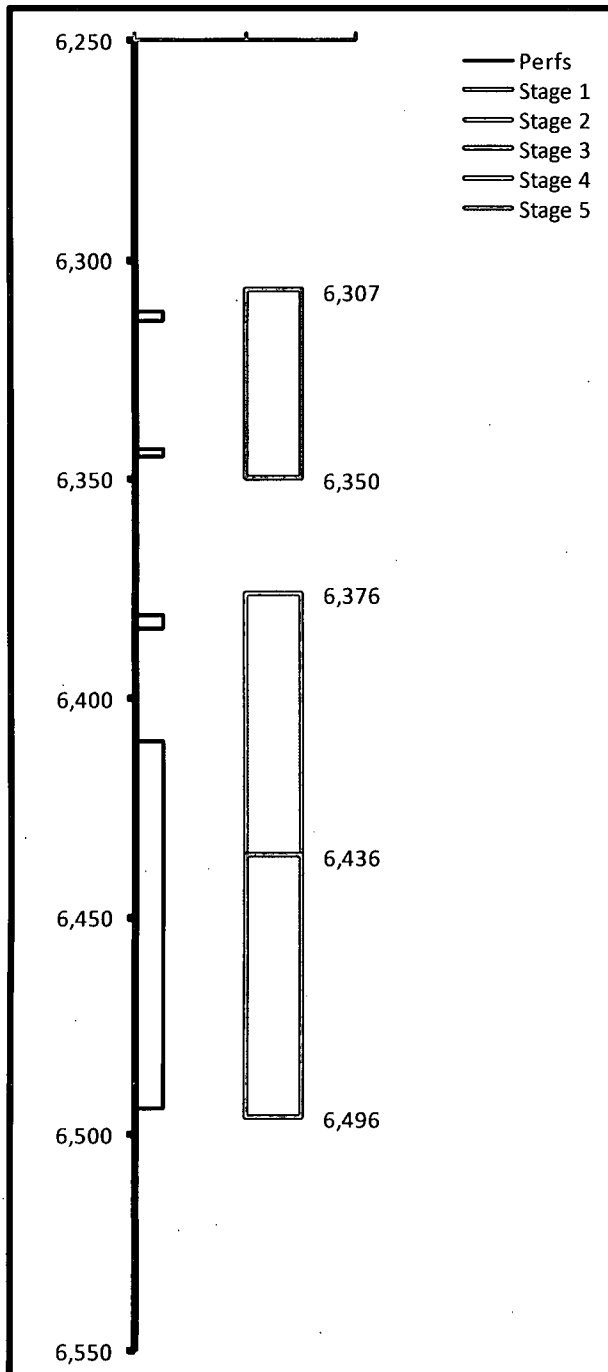
7. Clean out fill to top of fish @ 6,481' or original TD @ 6,536' with low RPM's rotation and circulation, always keep pipe moving. Short trips can be beneficial to hole cleaning. Circulate well clean for at least 1 hour at the end of the day and pull up above the perforations before shut down for night. If the foam/air unit goes down, pull above the perforations.
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.

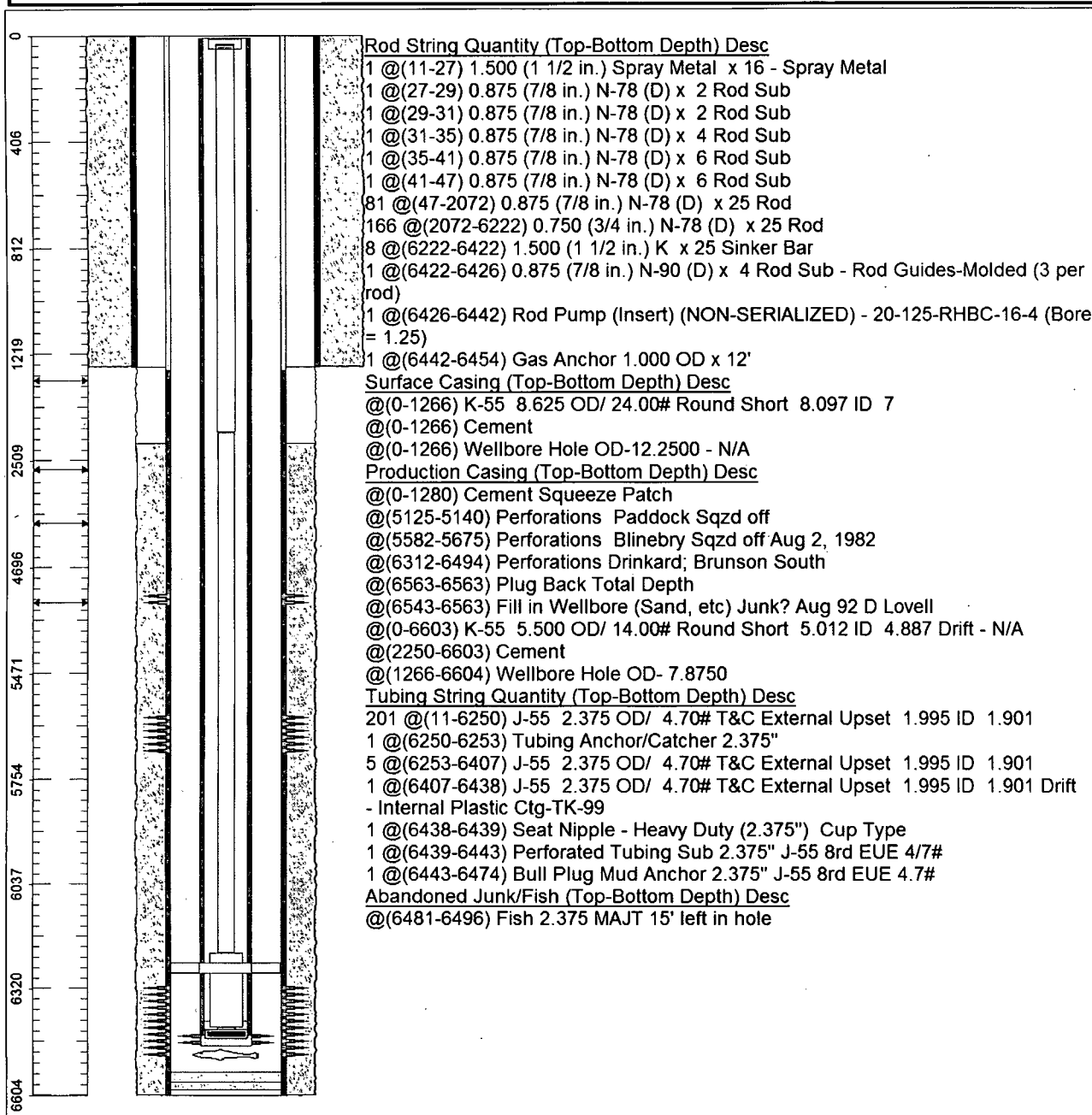
Continue on with original procedure for completion.

Well: Drinkard (NCT-B) # 3

[illegible]

Chevron U.S.A. Inc. Wellbore Diagram : DRKB3

Lease: OEU EUNICE FMT		Well No.: DRINKARD /NCT-B/ 3		Field: BRUNSON SOUTH	
Location: 660FSL1980FEL		Sec.: N/A		Blk:	Survey: N/A
County: Lea	St.: New Mexico	Refno: FG6447		API: 3002523470	Cost Center: UCU861300
Section: 30		Township: 022 S			Range: 038 E
Current Status: ACTIVE				Dead Man Anchors Test Date: 03/07/2006	
Directions:					



Ground Elevation (MSL):: 3354.00	Spud Date: 04/10/1970	Compl. Date: 05/01/1970
Well Depth Datum:: CSI0000N	Elevation (MSL):: 0.00	Correction Factor: 11.00
Last Updated by: canojg	Date: 11/28/2007	