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1000 Rio Brazos Rd., Aztec, NM 87410
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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

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.)		WELL API NO. 30-025-31973
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> HOBBS OCD		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Chevron USA Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 15 Smith Road Midland, TX 79705		7. Lease Name or Unit Agreement Name West Dollarhide Drinkard Unit
4. Well Location Unit Letter L 2450 feet from the South line and 150 feet from the West line Section 33 Township 24 S Range 38E NMPM County Lea		8. Well Number 126H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR 3176'		9. OGRID Number 4323
10. Pool name or Wildcat Dollarhide Tubbs Drinkard		

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 ☐
CLOSED-LOOP SYSTEM ☐
OTHER: Intent to cleanout and acidize

SUBSEQUENT REPORT OF:

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

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 USA Inc intends to cleanout and acidize the subject well.
Please find attached the intended procedure and wellbore diagram.

During this procedure 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

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 Britany Cortez TITLE Regulatory Specialist DATE 12/4/13

Type or print name Britany Cortez E-mail address bcortez@chevron.com PHONE: 432-687-7415

For State Use Only

APPROVED BY: Mark Whelan TITLE Compliance Officer DATE 12/9/2013

Conditions of Approval (if any):

DEC 10 2013

DEC 06 2013

WELL DATA SHEET

FIELD: West Dollarhide Drinkard Unit
 LOC: 2450' FSL & 150' FWL
 TOWNSHIP: 24S
 RANGE: 38E

Well No: 126H

Sec: 33 GL: 3176'
 Cnty: Lea KB: 3189'
 State: NM KB to GL: 13'

FORMATION: Drinkard

CURRENT STATUS: Producer
 API NO: 30-025-31973
 Chevno: QU2187

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Horizontal

SPUD: 6-30-93

Date Completed: 8-2-93

Initial Formation: Drinkard & Abo

FROM: 6464' TO: 7416'

Initial: Production

40 Oil, 39 Gas, 160 WTR

11-3/4" 42# WC-40 Set @
 1170' w/ 700 sx, circ 110 sx

Tops

Rustler	1166'
Salt	1333'
B/Salt	2562'
Yates	2699'
Queen	3663'
San Andres	4077'
Glorieta	5166'
Tubb	6090'
Drkd	6370'
Abo	6645'

Rod & Tbg Detail Attached

Completion data:

Perf 6693-7416' A/8501gal 15% NEFE. Perf 6464-6628' ;
 AF/15000gal 65Q CO2 Foamed 20% HCL & 7500gal 65Q CO2
 Foamed 10ppg brine

Subsequent Workovers:

08/1993: Set CIBP @ 6650

04/1995: Perf 2spf 6193-97, 6210-21, 6231-32, 6247-53, 6256,
 6281-84, 6288-6313, 6323-24 ; A/5000gal 15% NEFE (6193-
 6324)

06/1997: Sqzd Tubb 6193-6324 & Drinkard 6464-6628

07/1997: Drill Horizontal 6376-8456 ; A/40,000gal 15%;
 AF/120,000gal 20% & 138,000gal WF130

03/1998: Convert from ESP to rod pump

01/2006: Tbg leak - last pull

PERFS

6193-97, 6210-21, 6231-32, 6247-53, 6256,
 6281-84, 6288-6313, 6323-24

STATUS

Tubb - sqzd - 6/97
 Tubb - sqzd - 6/97

7" Whipstock set @ 6364' on
 top of CIBP @ 6384'

Window @ 6361' to 6376'

4-3/4" hole
 MD @ 8456'
 TVD @ 6602'

CIBP @ 6650' set 8/93

5-1/2" 17# & 15.5# L-80 & WC-50
 set @ 7555' w/2950 sx ; circ

6464-71, 6483-86, 6491-94, 6497-6511,
 6516-20, 6528-37, 6545-51, 6557-66,
 6572-80, 6610-13, 6624-28

Drinkard - sqzd - 6/97
 Drinkard - sqzd - 6/97
 Drinkard - sqzd - 6/97

6693-96, 6721-27, 6735-42, 6854-57, 6890-96,
 6903-05, 6916-19, 6927-30, 6934-36, 6980-85,
 7002-06, 7018-30, 7081-86, 7091-98, 7126-36,
 7174-78, 7192-96, 7238-42, 7333-50, 7410-16

Abo - closed
 Abo - closed
 Abo - closed
 Abo - closed

Verticle TD 7555'

PBSD 6364'

Horizontal TD 8456'

WDDU126_H-WB.xls

Updated-jxxf 01-07-2013

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**Workover Procedure
West Dollarhide Drinkard Unit
Dollarhide Field**

WBS # UWDOL – R3643
WDDU 126H

API No: 30-025-31973
CHEVNO: QU2187

11/01/2013

Description of Work: Cleanout and Acidize the Tubb/Drinkard

Current Hole Condition:

Vertical Section: PBTD: CIPB @ 6384' w/ Whipstock @ 6364' Window @ 6361-6376'
Horizontal Section: TVD: 6602' TMD: 8456' GL: 3176' KB: +13'

Casing Record:

11-3/4" 42# WC-40 Set @ 1170' w/ 700 sx , circ 110 sx
5-1/2" 17# & 15.5# L-80 & WC-50 set @ 7555' w/2950 sx ; circ
OH Horizontal: 4-3/4" Hole; Window 6361-6376'; ~2130' long

Existing Perforations:

OH Horizontal: From window to MD @ 8456'.
Squeezed perms 6193'-6324'. (Ok if broken down during job)

REGULATORY REQUIREMENTS: N/A

CONTACT INFORMATION:

Jamie Castagno	Production Engineer	Cell: 432-530-5194
Tim O'Connell	Superintendent	Ph: 432-687-7850
Jonathan Paschel	Workover Engineer	Cell: 432-687-7512
Phillip R Minchew	Production Foreman	Cell: 432-208-3677
Aaron Dobbs	Production Specialist	Cell: 505-631-9071

Prepared by: Jamie Castagno (01/07/2013)

Reviewed by: Jonathan Paschel (11/04/2013)

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 it safely and do what is best for the well. In the extent that this procedure does not reflect actual operations, please contact RE, PE and Superintendent.

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PRE-WORK:**RECEIVED**

1. Complete the rig move checklist and check with FMT electrician for route approval.
2. Ensure location is in appropriate condition, anchors have been tested within the last 24 months, power line distance has been verified to determine if variance and RUMS are necessary.
3. When NU anything over and open wellhead (EPA, etc) ensure the hole is covered to avoid anything downhole.
4. Review H2S calculations in H2S tab included.
5. Any equipment installed at the wellbore, including wellhead (Inside Diameter) and BOP rams, is to be visually inspected by the WSM to insure no foreign debris or other restrictions are present.

PROCEDURE:

6. MIRU. Bleed well down or kill as necessary. Record SICP and SITP. TOOHL/LD rods & pump. Plan to replace pump and bad rods.
- **Caliper elevators and tubular EACH DAY prior to handling tubing/tools and anytime size changes.**
7. Kill well and monitor. ND wellhead. Release TAC, NU dual Hydraulic BOP with blind rams on bottom and 2-7/8" pipe rams on top. LD 1 joint, PU/RIH with 5-1/2" 15.5#-17# packer and set it ~ @ 25', test BOP pipe rams to 250 psi/ 1000 psi. Note testing pressures on wellview report. Release and LD packer.
8. POOH scanning 2-7/8" production tubing per attached tubing detail. Tally out with tubing and LD all joints. Transfer out bad joints (green and red).

An attempt will be made to cleanout with the rig or at least to pass through the lateral before going to coil. If foam is required or the cleanout takes more than a day with no progress consult with the WOE about stopping to bring in coil. The following are possible options, but depending on well conditions, changes may be made. Consult with the WOE.

Options: In all situations before the rig moves off, inject into the casing and record the pressure pumping 3 bpm for 100 bbls. Do not exceed 1000 psi casing pressure. This will determine if a conduit string is necessary. The coil size will vary depending on the option.

OPTIONS:

- a. Cleanout with rig then acidize without running conduit string if lateral is easy to work into.
- b. Cleanout just the curve with the rig and then continue cleanout with coil.
- c. Cleanout with the rig then run 3.5" tbg conduit to acidize with CT.

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Cleanout Option A.

1. PU/RIH with 4-3/4" MT bit, bit sub, and XO on 2200' 2-7/8" PH-6 7.9# L-80 workstring followed with 2-7/8" 6.5# L80 Workstring. Tag and record fill depth. PU power swivel, C/O vertical wellbore to top of window (6361') and circulate well clean.

➤ Caliper all elevators and record in JSA when changing elevator types.

2. At top of window @ 6361', break circulation, begin rotating, and ease into lateral. Clean out curve f/ 6361 to ~7084'. After reaching 7084' rotate into lateral, make sure that it is drilling out fairly quick to keep from side tracking the lateral at the heel of the curve.
3. After getting past the curve, continue the lateral clean out, pump high viscosity sweeps to keep the lateral clean using EZ-mud. After making about 200' in the lateral pull back and circulate clean (more or less depending on cuttings load). Continue this process until the toe is reached @ 8456'. Monitor PU and Slack off weights to identify trends for hole cleaning. Circulate viscous sweeps as necessary while rotating. Short trips to clean the heel may be necessary. Circulate clean.

a. Keep a detailed record of pickup and slackoff weights recorded every 100'.

Note: Recover and send samples in a timely manner to Baker Chemical rep and ALCR for analysis (if possible at location). Discuss treatment recommendation with Chemical rep and ALCR.

Note: If it's not required to spot scale converter for HCL Acid solubility skip step 4.

4. RU and spot scale converter mixed with equal amounts water across lateral per Chemical rep recommendation while at PBTB. POOH w/ tubing and SION. LD bit sub and bit.
5. POOH laying down all workstring.
6. N/U 7-1/16" 5M full opening frac valve on top of the BOP and test against the blind rams to 2500 psi.
7. RDMO workover unit.
8. MIRU CT contractor. Reference Appendix for CT R/U procedure. Plan on running 24 hrs if necessary.
9. Equalize pressure across the gate valve, open well, and RIH with sonic hammer and BHA detailed in appendix.
10. RIH to ~500' (no greater than 50 ft/min), perform weight check. Perform weight checks every additional 500' to the top of the window at 6361'.
11. At top of window @ 6361', break circulation.
12. Acidize the OH lateral with 24,000 gal 15% NEFe HCl per acid proposal with the backside closed.
13. Report acid volumes and pressures on morning WellView report. After pumping the acid, POOH to the window to allow the acid to spend for 1 hour. After acid is spent, GIH to PBTB and pump scale squeeze into the lateral evenly while POOH per Chemical rep recommendation. POOH w/ coil. SI to soak overnight. RDMO coil unit.
14. Continue with step 9 of "Post Operations".

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Cleanout Option B.**RECEIVED**

1. Complete cleanout steps of options A as far as desired or necessary.
2. NU 7-1/16" 5M full opening frac valve on top of the BOP, test to 2500 psi against the blind rams, and RDMO workover unit.
3. MIRU CT contractor. Reference Appendix for CT R/U procedure. Plan on running 24 hrs if necessary.
4. Equalize pressure across the gate valve, open well, and RIH with sonic hammer and BHA detailed in appendix.
5. RIH to ~500' (no greater than 50 ft/min), perform weight check. Perform weight checks every additional 500' to the top of the window at 6361'.
6. At top of window @ 6361', break circulation. Clean out curve f/ 6361 to ~7084'.
 - a. If well will not circulate, plan on using nitrogen. Reference the flowback of energized fluids SOP when setting up surface equipment.
7. After getting past the curve, continue the lateral clean out, pump high viscosity sweeps to keep the lateral clean. Conduct weight checks every 200' or as needed. Continue this process until the toe is reached @ 8456'. Circulate clean.

Note: Recover and send samples in a timely manner to Baker Chemical rep and ALCR for analysis (if possible at location). Discuss treatment recommendation with Chemical rep and ALCR.

8. Pump scale converter if necessary, if not skip to acidizing.
 - a. If needed, spot scale converter mixed with equal amounts water across lateral per Chemical rep recommendation while at PBTD. POOH w/ coil and SION.
 - b. RIH to ~500' (no greater than 50 ft/min), perform weight check. Perform weight checks every additional 500' to the window.
9. Acidize the OH lateral with 24,000 gal 15% NEFe HCl per acid proposal.
10. Report acid volumes and pressures on morning wellview report. After pumping the acid, POOH to the window to allow the acid to spend for 1 hour. After acid is spent, GIH to PBTD and pump scale squeeze into the lateral evenly while POOH per Chemical rep recommendation. POOH w/ coil. SI to soak overnight. RDMO coil unit.
11. Continue to step 9 of "Post Operations".

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Cleanout Option C.

Continue from step 5 of option A.

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1. Close blind rams and change out pipe rams from 2-7/8" to 3.5". Open blind rams and RIH to ~25' w/ 5-1/2" 15.5-17# rated packer to test pipe rams to 250/1000psi for 5 minutes each bleeding off pressure between test. Record results in WellView.
2. PU/RIH w/ notched collar, 800' 3.5" L80 9.3# workstring, Peak 440 casing packer (compression set), and 3-1/2" workstring to land packer below perfs at 6324' but above window at 6361'. Set Packer.
 - a. Consult with WOE about necessary tailpipe length or even changing the tailpipe size depending what is seen during cleanout.
3. N/U 7-1/6" flange w/ 4-1/16" through bore 5K frac valve on top of the BOP. Test annulus against the packer and casing.
4. RDMO workover unit
5. MIRU CT acid contractor. Reference Appendix for CT R/U procedure. Plan on running 24 hrs if necessary.
6. Equalize pressure across the gate valve, open well, and RIH with sonic hammer and BHA detailed in appendix.
7. RIH to ~500' (no greater than 50 ft/min), perform weight check. Perform weight checks every additional 500' to end of the 3.5".
8. Acidize the OH lateral with 24,000 gal 15% NEFe HCl per acid proposal.
9. Report acid volumes and pressures on morning wellview report. After pumping the acid, POOH to the window to allow the acid to spend for 1 hour. After acid is spent, GIH to PBTD and pump scale squeeze into the lateral evenly while POOH per Chemical rep recommendation. POOH w/ coil. SI to soak overnight. RDMO coil unit.
10. MIRU workover unit.
11. N/D frac valve. Release packer and POOH w/ 3.5" workstring laying down.
12. Close blind rams and change out pipe rams from 3.5" to 2-7/8". Open blind rams and RIH to ~25' w/ 5-1/2" 15.5-17# rated packer to test pipe rams to 250/1000psi for 5 minutes each bleeding off pressure between test. Record results in WellView.
13. Continue with step 11 of "Post Operations."

Continuation Post Options

9. MIRU workover unit.
10. ND frac valve.
11. PU and RIH hydrotesting production tubing as per ALCR recommendation.
12. ND BOP set TAC per recommendation and NU WH.
13. RIH with rods, weight bars and pump per recommendation. Check for pump action to ensure all equipment is in working order. RDMO pulling unit
14. Turn well over to production (see contacts on first page of procedure)

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Appendix

15. MIRU coil unit. (referenced from Coil Tubing Unit Drillout SOP)

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- a. Prior to CT RU shut in well. Spot CTU along w/ 24000 gal 15% HCL avoiding placement of equipment where evacuation routes are obstructed. Ensure that CTU crane/gooseneck placement is in accordance with MCA SWP electrical line policy.
 - b. Verify crane is inspected by certified operator and that all lifting equipment is tagged for the appropriate load.
 - c. The CT stack should be as follows: 7" 5K BOP, Frac Valve, companion flange, flowcross, lubricator, CT BOP (blind, shear, slip, and pipe), lubricator, and injector head. From the flowcross, run a line to a dual choke manifold w/ a minimum rating of 5M. All lines should have Kevlar straps and be anchored to the ground. The downstream line of the choke should run to a tank rated for energized fluids. Setup equipment to monitor backside pressure.
 - d. Ensure that there is a sufficient distance between the top of the frac valve and the top of the lubricator to contain the entire CT BHA. Verify that there is enough room for the valve to close with 16 inches of clearance.
 - e. Perform hydraulic function test of the BOP rams and inspect all components.
 - f. Inspect the CT BOP. Ensure proper sized rams are installed and that sealing elements are appropriate for the environment. Ensure BOP shear rams are rated to cut tubing being used. Verify that vendor has tested BOP's within last 14 days and supplies stump test chart.
 - g. Perform a mechanical function test of the BOP.
 - h. Connect lubricator to the injector and run tubing through the lubricator.
 - i. Cut the end of the coiled tubing with a manual rotary pipe cutter and affix a tubing connector. Check manufacturing specs for load requirements in order to determine pull test ratings.
 - j. Perform pull test by installing a pull plate in bottom box of the CTU connector. Pull test against the bottom of the lubricator. Pull test to recommended value based on coil connector.
 - k. Pump fresh water through coil using dye as needed to load the coil and determine capacity. Makeup bull plug with needle valve to CTU connector. Establish an exclusion zone and hydro test CT to no more than 80% of yield
 - l. Install bottom hole assembly :
 - back pressure valve
 - hydraulic disconnect
 - ~4' straight pipe
 - 2" OD Sonic Hammer
 - m. Pump through BHA to surface function test.
 - n. Rig up CT injector, lubricator, and BOP's to wellhead. Leave the crane block connected to the injector lift bail to stabilize the unit. Secure the injector frame to deadman anchors with CTU guywires on the backside of the injector head. Secure the the front side of the injector frame back to the reel trailer with chain and ratcheting

boomer. Guying back to the wellhead is not considered a secure rig up. The wellhead is not an anchor point; use ground anchors previously installed.

- o. Verify that all wellhead and pressure control components have working pressures of at least 5000 psi. Perform pressure test at 500 psi low and 5000 psi high (or 80% of lowest rated component) for 5 minutes each against frac valve to test pump iron, CT, wellhead, stripper, flow back lines, and manifold. During pressure test, bleed off the low pressure prior to attempting the high pressure test (do not step pressures up). Bleed test pressure off.
 - p. Activate CT Data Acquisition system. Zero the weight indicator and check the analogue gauge is zero. Check that speed, depth, tubing pressure, wellhead pressure, and rate/total readouts are set on zero. Ensure that emergency engine kill switch is present and working.
16. Equalize pressure across the gate valve, open well, and RIH with sonic hammer.
- **Do not proceed if any collapsed casing is encountered.**

HOBBS OCD

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