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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

HOBBS

State of New Mexico

Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

APR 02 2014

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

WELL API NO. 30-025-10145
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 BRUNSON ARGO
8. Well Number 13
9. OGRID Number 241333
10. Pool name or Wildcat PADDOCK

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator CHEVRON MIDCONTINENT, L.P.	
3. Address of Operator 15 SMITH ROAD, MIDLAND, TEXAS 79705	
4. Well Location Unit Letter: A 731 feet from NORTH line and 739 feet from the EAST line Section 9 Township 22S Range 37E 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 ☐
CLOSED-LOOP SYSTEM ☐
OTHER: INTENT TO ADD PERFS & ACID FRAC

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 MIDCONTINENT, L.P. INTENDS TO ADD PERFS & ACID FRAC THE PADDOCK PERFS IN THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE AND WELLBORE DIAGRAM.

DURING THIS PROCESS 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

Denise Pinkerton

TITLE REGULATORY SPECIALIST

DATE 04/01/2014

Type or print name DENISE PINKERTON
For State Use Only

E-mail address: leakejd@chevron.com

PHONE: 432-687-7375

APPROVED BY:

[Signature]

TITLE

Petroleum Engineer

DATE

APR 03 2014

Conditions of Approval (if any):

APR 03 2014



WELL NAME: Brunson Argo 13

API #: 30-025-10145 CHEVNO: FB1148

OPERATOR: Chevron Midcontinent, L.P.

LOCATION: 731' FNL & 739' FEL Sec.9 TwnShp: 22S Range: 37E

COMPLETION: 05/29/1947

The purpose of this project is to restimulate with an acid frac the Blinebry/Paddock formations. This procedure is meant to be a guide only. It is up to the WSM, Workover Engineer and Production Engineer to make the decisions necessary to do safely what is best for the well. PLEASE REFER TO THE H2S SHEET AND TAKE ALL NECESSARY PRECAUTIONS TO MITIGATE THAT AND ANY OTHER RISKS.

Contacts: Abdul Sule (PE) 432-687-7213, 832-971-2061 (C)
Danny Hunt (OS) 575-394-1242, 817-526-2322 (C)
Bobby Hill (PTTL) 575-394-1245, 575-631-9108 (C)
Clarence Fite (ALCR) 575-394-4001, 575-390-9084 (C)
Kevin Jones(WE) 432-687-7388, 575-631-4407 (C)
Victor Bajomo (DS) 432-687-7953, 432-202-3767 (C)
Gabriel Garcia (LWSM) 575-390-7220 (C)
Darryl Ruthardt (LWSM) 575-390-8418 (C)

Wellbore Information:

Surface Casing – 13 3/8" 48# H-40 set @ 306' TOC Surf.

Intermediate Casing – 8 5/8" 32# J-55 set @ 3817' TOC Surf.

Production Casing – 5 1/2" 17# J-55 set @ 6580' TOC 3100'.

PBTD – 5865'

PERFS – 5058' to 5302' (Paddock)

PERFS – 5480' to 5752' (Blinebry)

Tubing Detail:

148 Jnts -2 3/8" J-55 4.6#

1 Jnts -2 3/8" J-55 4.6# (Marker Joint)

10 Jnts -2 3/8" J-55 4.6#

TAC

23 Jnts -2 3/8" J-55 4.6#

1 Jnts -2 3/8" IPC Blast Joint

SN (CUP)

1 Jnts -2 3/8" J-55 4.6#

1 Notched Collar

Other:



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PRE-WORK:

1. Complete the rig move checklist.
2. Ensure location is in appropriate condition, anchors have been tested within the last 24 months, and power line distance has been verified to determine if a variance and RUMS are necessary.
3. When NU anything over and open wellhead (EPA, etc.) ensure the hole is covered to avoid dropping anything downhole.
4. Review H2S calculations in H2S tab included.
5. Any equipment installed at the wellbore, including wellhead (Inside Diameter), is to be visually inspected by the WSM to insure no foreign debris or other restrictions are present.
6. DO NOT! Flow back CO2 to non CO2 rated vessels.

PROCEDURE:

1. Verify that well does not have pressure or flow. If the 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. MIRU pulling unit and surface equipment.
3. Unhang well from pumping Unit.
4. Bleed off casing pressure to tank, if casing flowing fluid pump known weight fluid down casing, shut in for 30 mins, Calculate KWM and pump to kill well. If applicable.
5. Remove stuffing box and lay down polish rod.
6. Unseat pump and POOH standing back rods inspecting for pitting and shoulder damage.
7. Kill tubing if needed.
8. Monitor well for 30 minutes to ensure it is dead. ND WH. Release TAC.
9. **NU Chevron Class II-A configured 7-1/16" 5M** remotely-operated hydraulically-controlled BOP, **2-7/8"** pipe rams over blind rams. NU EPA pan.
 - Keep the charted test of the BOP supplied by the vendor for the entire job.
10. RU Floor and POOH w/1 Jnt. 2 3/8" tubing, PU 5 1/2" PKR rated for 17# casing, RIH w/ PKR +/- 25' and test BOPE to 250/1000 psi. Note testing pressures in Wellview. Release and LD packer.



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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.

11. PU Jnts. 2 3/8" tubing and RIH to **5840'** to tag for fill (**TAC 4987', Perfs 5058'-5752', EOT 5774' PBD 5865'**), DO NOT PUSH TAC INTO PERFS.

- If fill is tagged above **5840'** contact WOE and verify if the clean out is necessary. If so, continue to clean out fill with foam/air unit per step 14.
- If fill is tagged below **5840'** clean out will not be needed! Continue to step 18.

12. POOH scanning 2-3/8" production tubing, Keep Yellow only, lay down production BHA.

Strap production pipe out of hole to verify depths and note them in Wellview. Send Tubing scan report to KJCY@chevron.com.

13. MIUL 2 7/8" L-80 Workstring, Strap workstring.

14. PU and RIH with following BHA:

Component	Amount
4 3/4" Mill Tooth Bit	1
3 1/2" Drill Collars	4
2 7/8" L-80 WS	~ 4900'
Inline Tubing Check	1
2 7/8" L-80 WS	~844'

15. MIRU Foam/ Air Unit, Flowback Manifold, and Blowdown Tank w/Gas Buster.

16. Clean out fill to **5865'**. (**See Supplemental SOG for Foam Air operations**)

17. POOH w/ tubing standing back, LD BHA.

18. MIRU Gray Wireline. Test Lubricator to **500 psi. Note Test in Wellview.**

19. PU & RIH w/Gage Ring to ensure casing is clean.

20. PU & RIH w/ Gage Ring + perforating guns. Correlate to Gamma Ray on Neutron-Density log dated **5/13/2004**. Perforate csg w/ 2 spf and 120 degree phasing as per table below.



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Top (md)	Base (md)	Net (ft)
5058	5063	5
5082	5094	12
5113	5124	11
5136	5138	2
5142	5147	5
5168	5177	9
5194	5202	8
5210	5212	2
5220	5222	2
5300	5304	4
5318	5320	2
5472	5485	13
5502	5506	4
5524	5528	4
5570	5572	2
5586	5593	7
5642	5646	4
5667	5669	2
5678	5690	12

21. POOH/LD guns (check to make sure all shots fired, if not document in Wellview). ND Lubricator.
RD Gray

22. MIRU Hydrotesters.

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.

23. PU RIH w/ 5 ½" 17# Arrow Set 10K pkr, ON-OFF tool w/2.25" frac hardened profile on 2 7/8" 6.5 L-80 WS.
Hydrotest tubing in hole to 7,000 psi. Set PKR @ ~5030'.

24. Load backside and test 5 ½" casing to 500#. Notify WOE is casing does not test.

25. If casing tests, unset PKR and RIH and reset @ 5420'.

26. MIRU Petroplex Acidizing. Install Petroplex plug valve to tubing instead of Frac Valve. Pressure test surface lines and plug valve to 7000 psi and set mechanical pop offs to 6000 psi. Acid Frac the Blinebry



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@ 13BPM w/Max Surface Psi of 6000# from 5472'-5690' with 5000 gals 15% HCl slurry and 6,000# of rock salt as follows:

Additive	Amount
Petrol-5	1000 gal.
I-3	5 gal.
FENX	200 lbs
10% Acetic Acid	25 gal
EP-3	5 gal.

27. Keep 300# on backside thru out Acid job to monitor for communication. (See Petroplex Procedure)
28. Record ISIP, 5-Min, 10-Min, 15-min.
29. Release PKR, POOH w/2 7/8" WS standing back, LD PKR.
30. PU RIH w/ 5 1/2" 17# Arrow Set 10K pkr, 5 1/2" RBP, ON-OFF tool w/2.25" frac hardened profile on 2 7/8" 6.5 L-80 WS. Hydrotest tubing in hole to 7,000 psi. Set RBP @ **5350'**, Set PKR @ **~5335** pressure test RBP, Unset PKR PUH set @ **5000'**.
31. MIRU Petroplex Acidizing. Install Petroplex plug valve to tubing instead of Frac Valve. Pressure test surface lines and plug valve to 7000 psi and set mechanical pop offs to 6000 psi. Acid Frac the Blinebry **@ 13BPM w/Max Surface Psi of 6000#** from 5058'-5320' with 5000 gals 15% HCl slurry and 6000# of rock salt as follows:

Additive	Amount
Petrol-5	1000 gal.
I-3	5 gal.
FENX	200 lbs
10% Acetic Acid	25 gal
EP-3	5 gal.

32. Keep 300# on backside thru out Acid job to monitor for communication. (See Petroplex Procedure)
33. Record ISIP, 5-Min, 10-Min, 15-min. RD & release Petroplex.
34. Release PKR, Wash down w/fresh water & latch RBP
35. Leave well SI for 1hr to allow acid to spend. Open well and flow back/swab back spent treatment fluids to open top tank. Test reactivity of recovered acid load of fluid, If acid is not spent shut well in 1 additional hour to allow acid to spend. Recover 100% of load if possible or swab until return indicate formation fluid and not spent acid. **Record oil cut recovered, fluid volumes, and swabbing depths in Wellview.**



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36. Pick up Notch collar, RIH to PBTD @ **5865'** to ensure salt is gone, wash to bottom with fresh water.
37. POOH laying down WS.
38. PU Production BHA and RIH hydrotesting production tubing to 5000 psi. (***Space out per ALCR Recommendations***)
39. NDBOPE, NUWH.
40. RIH w/Pump and Rods (***Per ALCR Rod design***)

Contact appropriate Field Specialist to remove locks.
41. Check pump action with pumping unit.
42. Clean location, RDMO, Notify ALCR and production, Turn well back to Production. (contacts on first page)



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STANDARD GUIDELINES

Maximum Anticipated H2S Exposures (RRC H9 / NM Rule 36)

All personnel on location must be made aware of each of the following values (values vary by field):

Maximum anticipated amount of H2S that an individual could be exposed to is 2,400 ppm

at the maximum anticipated escape volume (of wellbore gas) of 220 MCF/D

100 ppm Radius of Exposure is 68 feet.

500 ppm Radius of Exposure is 31 feet.

Elevators

At every tubing size change, the elevators must be calipered and all lifting equipment must be visually inspected for the correct sizing, and rechecked daily. The elevators must also be checked for proper sizing by placing a pony sub in the elevators. Prior to picking up power swivel, caliper and visually inspect elevators and bail on swivel. Checks are to be documented in the JSA and elevator log.

ND/NU

Prior to N/D, N/U operations, if only one mechanical barrier to flow will be in place, visual monitoring of well condition by the WSM is necessary for 30 minutes or more to ensure that the well is static **before** removing or replacing well control equipment. For all deviations to 2B policy, check that MOC for exemption from 2B policy is in place and applicable. During ND/NU operations with only one barrier to flow in-place, constant visual monitoring of well condition **during ND/NU** by the WSM is necessary.

Installed Equipment

Any and all equipment installed at the surface on the wellbore is to be visually inspected (internally) by the WSM prior to N/U to the wellhead by the service provider to ensure no debris or other potential restrictions are present. During any NU ops over an open wellhead (BOP, EPA, etc.), ensure the hole is covered to avoid dropping anything downhole.

Hazard ID

Identify hazards with the crew as they come up during the job. Stop and review and discuss JSAs.

Scale and Paraffin Samples

When removing rods and/or tubing from a well, collect samples of any paraffin and/or scale.

When drilling, note, report and sample significant returns of scale or paraffin, or anything other significant returns. Assume that samples that come from different areas/environments in the well are different and require a different sample; e.g. top/bottom of well, inside outside of tubing. Always collect enough sets of samples for both Production and D&C Chemical Reps. Send any samples to Chemical Reps., both for

1) Production (many times Baker), as well as for

2) D&C (many times PetroPlex).

Discuss D&C's Chemical Rep's recommendations with Engineering, or simply implement as practical.

Trapped Pressure

Recognize whether 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, e-line or rods to verify no obstruction. 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.



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Wireline

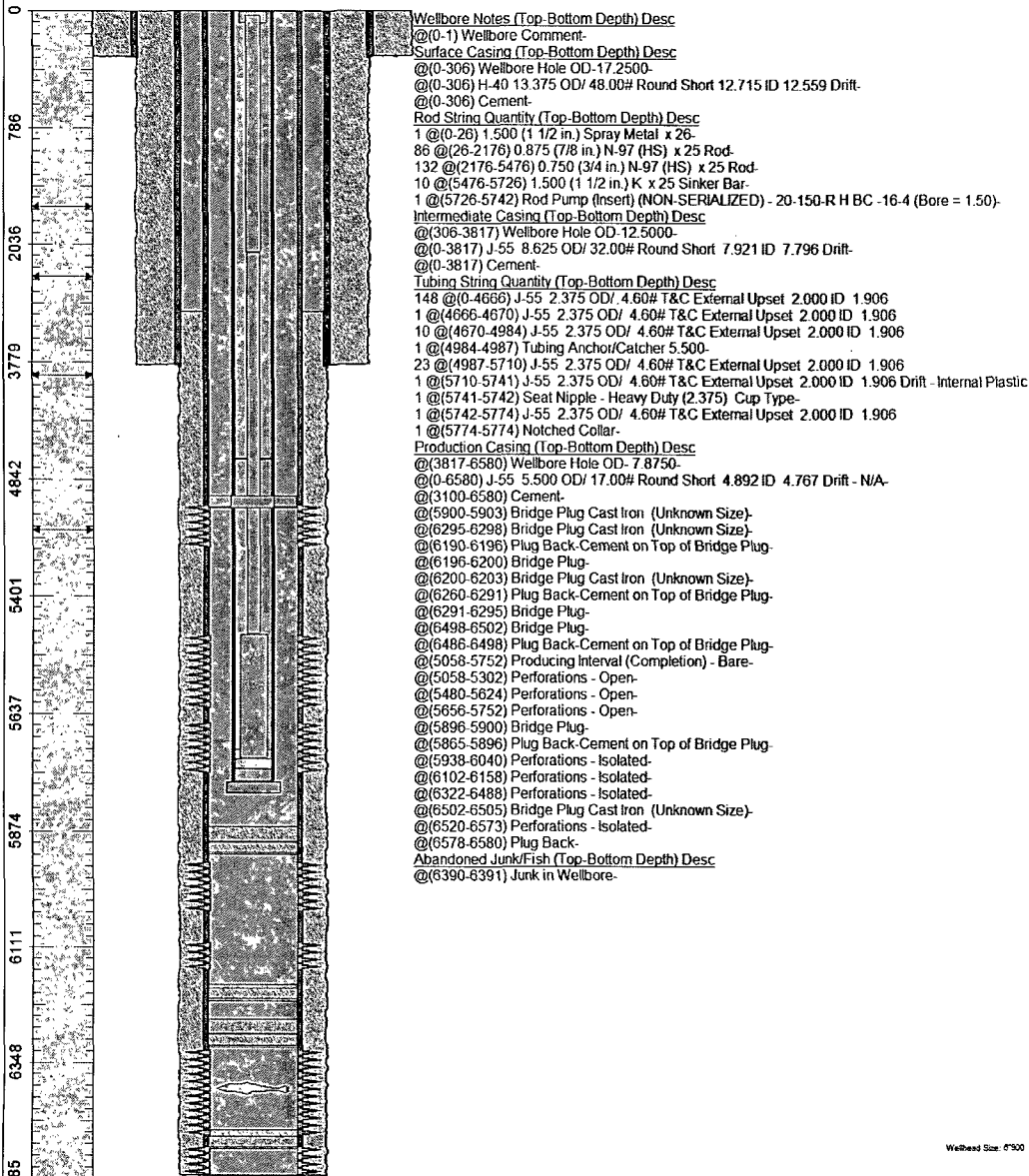
For all wireline and slickline jobs (except in new, cemented, tested and unperforated casing) install wireline packoff and lubricator. Follow Standard Guideline for installing equipment over wellhead. Test to 250 on the low end, and test on the high end based on SITP or max. anticipated pressure. Establish exclusion zone around wellhead area. Observe and enforce radio silence as needed for explosives. All wireline tools are to be calipered and documented on a diagram prior to PU and RIH. This is critical information in the event of fishing operations.

Foam clean out hazard mitigation

- 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.
- 2 Run dart type float in bit sub bored for a float. Install open top flowback tank downwind from rig.
- 3 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 use for foam operations.
- 4 Clear floor of all personnel while breaking circulation and anytime they are not required.
- 5 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
- 6 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.
- 7 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.
- 8 Ensure that high quality, stiff foam is pumped while circulating in lateral. Stiff foam is required to prevent segregation while circulating along lateral. Monitor flow and pressures carefully when cleaning out the lateral as well will begin to unload very rapidly when foam "turns the corner".
- 9 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. Visually inspect and caliper elevators and bail on swivel.
- 10 POOH LD workstring & bit. Pump kill fluid down tubing to put tubing on vacuum to help eliminate trapped pressure before breaking out string floats. Have foam-air hand on location during this process. He should employ a special tool to check for pressure under floats.

Chevron U.S.A. Inc. Wellbore Diagram : BRUNAR 13 BLNDHC

Lease: OEU EUNICE FMT		Well No.: BRUNSON ARGO #13 BLN PARENT 13		Field: FLD-PADDOCK	
Location: 731FNL739FEL		Sec.: N/A		Blk:	Survey: N/A
County: Lea	St.: New Mexico	Refno: FB1148		API: 3002510145	Cost Center: BCU482500
Section:		Township: N/A			Range: N/A
Current Status: ACTIVE				Dead Man Anchors Test Date: 10/01/2011	
Directions:					



Wellhead Size: 6"300