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State of New Mexico

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBS OCD

AUG 08 2018

☐ AMENDED REPORT

Am P
Surf P

RECEIVED

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address CHEVRON MIDCONTINENT LP 6301 DEAUVILLE BLVD MIDLAND, TX 79706		² OGRID Number 241333
⁴ Property Code 302745		³ API Number 30-025-10142
⁵ Property Name BRUNSON ARGO		⁶ Well No. 10

7. Surface Location

UL - Lot G	Section 09	Township 22S	Range 37E	Lot Idn	Feet from 1880	N/S Line N	Feet From 1971	E/W Line E	County LEA
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8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
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9. Pool Information

GRAYBURG	Pool Name <i>PENROSE SKELLY GRAYBURG</i>	Pool Code <i>50350</i>
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Additional Well Information

¹¹ Work Type <i>PLUG BACK</i> Re-Enter	¹² Well Type <i>GO</i>	¹³ Cable/Rotary	¹⁴ Lease Type PRIVATE	¹⁵ Ground Level Elevation 3448'
¹⁶ Multiple NO	¹⁷ Proposed Depth 3901'	¹⁸ Formation Grayburg	¹⁹ Contractor	²⁰ Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
			NO CHANGE			

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☐, if applicable.

Signature: *Cindy Herrera-Murillo*

Printed name: CINDY HERRERA-MURILLO

Title: PERMITTING SPECIALIST

E-mail Address: CHERRERAMURILLO@CHEVRON.COM

Date: 08/06/2018

Phone: 575-263-0431

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date:

Expiration Date:

Conditions of Approval Attached

Short Procedure: Brunson Argo 10 - Perforate and Frac New Perforations

Background: Plugback and frac in the Grayburg

It is up to the WSM, Workover Engineer, Superintendent, and Production Engineer to make the decisions necessary to safely do what is best for the well.

Contacts:	Matt Defriend	Workover Engineer	432-687-7174
	Scott Miller	Workover Superintendent	432-687-7990
	Chris Hodge	Production Engineer	432-687-7765

WellSafe Procedure Required: No, well is on a vacuum

Short Procedure: Refer to standard procedure for requirements and general procedure for

1. Scope location and ensure it is ready for rig up
2. Meet with Lease Operator. Complete Ownership Transfer Document from Operations to D&C. Ensure all LO/TO is completed on well.
3. MIRU workover rig and equipment. Conduct safety meetings with all personal on location.
4. Uncover casing valves. Check pressure on all casing strings (including bradenhead) . **Record tubing and casing pressures every day on the WellView report.**
5. Bleed off pressure. Kill well with 10 ppg or less KMW if necessary.
6. N/U Rod BOP (**WSEA 8A**). POOH with rods and pump. Visually inspect rods for wear, scale, and paraffin while pulling out of the hole with rods. Replace any failed equipment. Report condition to ALCR and workover engineer.
7. Set BPV in hanger (**WSEA 10A**), if possible. N/D tree. N/U BOP with annular and 2-3/8" pipe rams on top of blind rams (**WSEA 8B**). Pull BPV. Install TWC or screw in landing sub with FOSV. Close pipe rams and test break to 250 psi low/500 psi high.

NOTE: If BPV cannot be set, flow check well for 15 minutes. If no BPV profile, document in Wellview time log.

8. R/U rig floor and tubing handling equipment. Caliper elevators and document in WellView.
9. Attempt to unset TAC with right-hand rotation; if unsuccessful, communicate with workover engineer. Once TAC released, P/U and TIH w/ 3 jts of 2-3/8" tubing or WS to get TAC at or below 5400'. As long as we don't tag shallower than 5400', R/U scanners and prepare to TOH.
10. Scan out with production tubing, L/D all non-yellow band. See WBD-current tab for details.
11. RU E-Line. Test lubricator to 500 psi f/ 15 min. RIH w/ CIBP and set @ 5400', dump bail 35' on top as per NMOCD. Test CIBP and casing to 500 psi for 30 min (**WSEA 10B**)

Note: If casing does not test, pick up packer to hunt leak.

12. Run CBL log from 4000' to surface to verify cement integrity (No CBL or cement reports from 1945).

Note: If CBL shows no cement f/ 3600-3900' we will plan to perf and squeeze cement. Discuss forward plan w/ office.

13. Perforate the following intervals with 4 spf, 120-degree phasing, 23 gram charges with 0.50" entry hole diameter:

3720-3730',
3742-3750',
3760-3770',
3775-3778',
3786-3790',
3799-3809',
3813-3818',
3828-3832',
3840'-3845',
3856-3862',
3871-3876',
3885-3888',
3896-3901', RD EL.

14. Swap 2-3/8" pipe rams with 3-1/2" pipe rams and test same to 250 psi low and 500 psi high. **(WSEA 8C)**

15. P/U 5-1/2" 10K Big Bore AS-1X packer with 1.5" frac hardened profile on 3-1/2" 9.3# L80 frac string. TIH hydro testing to 8000 psi. Set packer at $\pm 50'$ above perf interval and land 3-1/2" frac string on top of BOP with 7-1/16" 5M x 4-1/16" 10M BOP adapter. N/U dual 4-1/16" 10M frac valves with 4-1/16" 10M Frac Y with 3 4" 1002 outlets on top. Test backside to 500 psi for 15 minutes. RDMO rig until production engineer gives okay to put on production.

Note: Preliminary casing test to ensure packer integrity.

16. MIRU frac equipment. Frac well per Cudd frac design (See tab below for details). RDMO with frac equipment. **Utilize section 16.2.4 of the MMWW standard procedure for specific hydraulic fracturing requirements.** Hand over well to operations to produce by natural flow to satellite for 7-14 days. Confirm with operations when the rig should return to run production equipment or convert to flow.
17. MIRU workover rig. R/U tubing handling equipment. Caliper elevators and document in WellView. Release 5-1/2" packer and TOH and L/D 3-1/2" frac string and packer.
18. Swap 3-1/2" pipe rams with 2-3/8" pipe rams and test same to 250 psi low and 500 psi high. **(WSEA 8A)**
19. P/U notch collar on 2-3/8" J55 production tubing. Cleanout sand to TOC @ $\pm 5365'$. Circulate clean. TOH and L/D bit.

20. P/U production BHA and TIH. Consult with ALCR on BHA wanted. Setting depth will be based on conditions of the well. See attachments tab for details.

NOTE: Determine TAC setting rotation direction (normally sets with left-hand rotation), and while TIH turn the tubing string the OPPOSITE direction 3 times every 1000' to prevent premature setting and wear to the drag slips. Determine tension setting value with ALCR. Shear value should NOT exceed 80% of the tubing tensile string weight.

21. Set BPV (**WSEA 10C**). N/D BOP. N/U Tree and test void to 500 psi for 15 minutes (**WSEA 10D**). Pull BPV.

NOTE: If BPV cannot be set, the well must be monitored for flow for 15 minutes or longer before installing production tree.

22. N/U Rod BOP (**WSEA 8C**). P/U and RIH with rods per ALCR's design. Test stuffing box to 500 psi for 15 minutes (**WSEA 10E**).

23. Notify production personal in field office and contact pumper that well is ready for pumping. Complete Ownership Transfer Document from D&C to Operations. RDMO workover rig and equipment. **ENSURE LOCATION IS CLEAN.**