

Office

Energy, Minerals and Natural Resources

Revised August 1, 2011

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 87401

District IV - (505) 476-3460

1220 S St Francis Dr, Santa Fe, NM

87505

HOBBS OCD

JUN 21 2012

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-12349

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

West Dollarhide Drinkard Unit

8. Well Number 56

9. OGRID Number 4323

10. Pool name or Wildcat

Dollarhide Tubbs Drinkard

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 Water Injection ☒

2. Name of Operator

Chevron U.S.A. Inc.

3. Address of Operator

15 Smith Rd. Midland, TX 79705

4. Well Location

Unit Letter E : 2310 feet from the FNL line and 330 feet from the FWL line

Section 33 Township 24S Range 38E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3183

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 ☐

OTHER: Clean Out and Acidize

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPERATIONS ☐ PLUG AND ABANDON ☐
 CASING/CEMENT JOB ☐

Per Underground Injection Control Program Manual
 11.6 C Packer shall be set within or less than 100
 feet of the uppermost injection perfs or open hole.

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. intends to find & Sqz cag leak in subject well & C/O & acidize.

Please find attached, the intended procedure, well bore diagram, & C-144 info.

The Oil Conservation Division
MUST BE NOTIFIED 24 Hours
Prior to the beginning of operations

Condition of Approval: notify
OCD Hobbs office 24 hours
prior of running MIT Test & Chart

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 Scott Haynes TITLE Permit Specialist

DATE 06/20/2012

Type or print name Scott Haynes

E-mail address: TOXO@chevron.com

PHONE: 432-687-7198

For State Use Only

APPROVED BY: [Signature] TITLE Permit SpecialistDATE 6-25-2012

THE OIL CONSERVATION DIVISION MUST
 BE NOTIFIED 24 HOURS PRIOR TO THE
 BEGINNING OF PLUGGING OPERATIONS

JUN 26 2012

PROCEDURE:

1. 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 is needed.
2. Check and record SITP and SICP on wellview. Determine kill mud weight. RU slickline, run a gauge ring and attempt to set a 1.25" blanking plug. Pressure test tubing to 1000 psi. Hold for 15 minutes to ensure no leaks in tubing. Bleed off pressure.
3. **Notify NMOCD 48 hours prior to RU.** MIRU pulling unit and reverse unit.
- **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.**
4. ND WH. NU 5K BOP with blinds in bottom and 2-3/8" pipe rams in top.
5. Release on/off tool. LD 2 top joints. PU/RIH packer and set it ~ 25'. Test BOP pipe rams to 250 psi/1000 psi. Release and LD packer. PU/RIH 2 top joints back in the hole. POOH scanning all 2-3/8" injection tubing. Plan to replace on/off tool and injection packer. LD any bad joints (green and red). **Note: Tubing detail is questioning. Discuss mitigation plan with RE and Superintendent prior to POOH scanning.**
- **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.**
6. PU/RIH with 5" TS RBP and packer in tandem on 2-3/8" 4.6# L80 WS. *Have pup joint in between RBP and packer.* Set RBP at previous packer depth ~6440'. Set packer above RBP and test it to 500 psi. Release packer, PU and set it @ TOL (6021'). Pressure test 5" casing from RBP to TOL to 500 psi. Monitor braden head pressures. Notify results to Remedial Engineer.
7. If 5" casing test is good, continue to step 7A. Otherwise, continue to step 7B.
 - 7A: Release packer. POOH and LD 5" packer. PU/RIH with 7" packer and set it above TOL. Test TOL to 500 psi. Continue testing 7" casing from TOL to surface chasing casing leak interval(s). Monitor braden head pressures.
 - 7B: Pressure test casing above packer to 500 psi to ensure leak is only in the 5" casing. Release packer. Continue downhole testing 5" casing from TOL to RBP chasing leak interval(s). Monitor braden head pressures.
8. Isolate casing leak interval(s). Determine leak off rates and pressures – communicate results to Remedial Engineer for a squeeze design and supplemental procedure.
9. POOH and LD testing packer.
10. PU/RIH with a second RBP to set ~ 100' below leak interval(s). Dump sand on top of RBP.

Note: If casing leak interval(s) are close to the bottom RBP, discuss with Remedial Engineer to skip setting the second RBP.

11. Follow supplemental procedure. Squeeze casing leak per design.
12. After casing leak is repaired, RIH with retrieving tool, wash sand off top RBP. Release, POOH and LD RBP. RIH to retrieve bottom RBP. POOH and LD RBP.
13. PU/RIH with 4-3/8" MT bit, 3" DC's on 2-3/8" WS. RIH and tag for fill (note fill depth on report). PU power swivel and C/O to PBTD (6744') and circulate well clean.

Note: Inspect returns and turn samples to Baker Chem Rep & ALCR for analysis and treatment recommendation. If there is evidence of sulfate scale, scale converter will be spotted. Pump scale converter down bit per Baker recommendations and swab back after pumping.

14. POOH and LD bit and DC's.
15. PU 5" treating packer on 2-3/8" WS testing to 6000 psi. Set packer at 6430'. Test casing to 500 psi.
16. MIRU acid contractor. Monitor casing pressure throughout acid job. Bleed off if pressure exceeds 500 psi during acid job. RU choke manifold to flowback tank. Acidize perforations (6481-6607') with 10,000 gals NEFe 15% HCl in 4 stages dropping *graded rock salt* (GRS) between stages to divert at 1-2 PPG. Flush to bottom perf @ 6607'. Maximum pumping pressure is 5000 psi. Set pop-off in pump to less than 5500 psi.
17. Record ISIP, 5, 10, & 15 minute SIP's. Allow acid to spend 2 hours. Flow well back on a choke.
18. Flow or swab back to recover acid volume. Kill tubing with 10 ppg brine if necessary. Report acid volumes and pressures on morning wellview report. Release packer. POOH standing back and LD packer.
19. PU and RIH with notched collar to wash out salt with fresh water. POOH.

➤ **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.**

20. PU and RIH with new 5" AS-1X nickel-coated IPC as injection packer, with pump-out plug (rated 1500#), on/off tool with 1.5" 'F' stainless-steel profile nipple on 2-3/8" workstring. Set injection packer @ ~ 6430'. Test casing to 500 psi for 5 minutes. Release on/off tool.
21. POOH and LD 2-3/8" WS.
22. PU/RIH with good 2-3/8" 4.7# J-55 IPC injection tubing. RIH hydrotesting all tubing to 6000 psi. Load tubing. Disengage on/off tool, reverse circulate packer fluid. Engage back on/off tool. Perform preliminary MIT testing to 500 psi for 30 minutes.

Well. West Dollarhide Drinkard Unit #56

Field Dollarhide

Reservoir Drinkard

Location:
2310' FNL & 330' FWL
Section. 33
Township. 24S
Range: 38E Unit: E
County Lea State NM

Elevations:
GL. 3183'
KB: +12'
DF.

Log Formation Tops	
Rustler	1170
Salt	
B/Salt	2570
Yates	2730
Seven Rivers	
Queen	3580
Grayburg	
San Andres	4100
Glorieta	5240
Tubb	6160
Drinkard	6365
Abo	6662

DV Tool @ 1158'

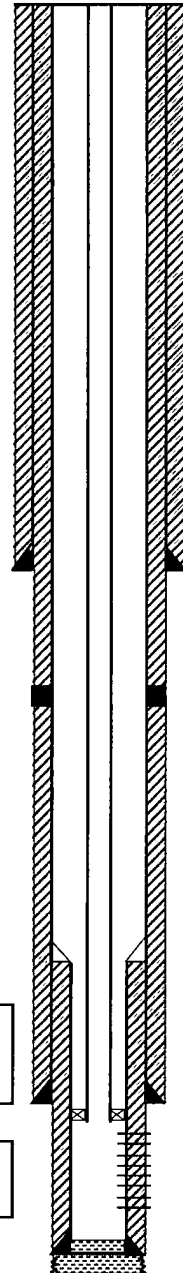
TUBING DETAIL - 8/31/1993
RKB correction 12'
2 3/8" J-55 IPC tbg (estimated 206 jts)
On/Off Tool
1 25" Profile Nipple
5" Loc Set Packer (4') @ 6440'

**Had plans to pull tbg in 2008, no record of it happening, last known tbg pull was

Prod Csg: 7" 23# N-80 & J-55 SS
Set: @ 6349' w/ 1265 sx
Hole Size: 8-3/4"
Circ: Yes TOC: Surface
TOC By: Dev Tool @ 1158', circ 10 sx

Liner: 5" 15# K-55
Set: @ 6021' - 6820' w/500 sx
Circ: Yes TOC: @ TOL (6021')
TOC By: Circulation

Current Wellbore Diagram



TD 6900' PBTD 6744'

Well ID Info:
Chevno FB3822
API No 30-025-12349
L5/L6 U88 / 1500
Spud Date 7/25/54
Compl Date 8/25/54

Surface Csg: 9-5/8" 32 3# Gr H-40 SS
Set: @ 335' w/ 275 sx
Hole Size: 13-3/4"
Circ: Yes TOC: Surface
TOC By: Circulation - 5 sx

Initial completion:
Openhole 6349-6900' Acidize w/ 9000 gal

Subsequent workovers:
5/14/76 CO 6443-6900' Acidize w/ 15k gal 15%

2/28/78 Run bit & tag @ 6509' CO to 6900' (circ & rec scale & formation) Pump scale converter Acidize w/ 2k gal 15% Pump scale inhibitor

5/16/80 Stuck tbg, worked free Run bit & tag @ 6446' CO to 6900' Acidize w/ 2k gal 15%

7/15/81 Run Liner Tagged fill @ 6321' CO to TD @ 6900' Run 788' of 5" 15# csg, set @ 6830' w/ TOL @ 6021' Cmt w/ 200 sx, circulated DO cmt to PBTD @ 6779' Perforate csg 6481-6607' Acidize w/ 7k gal 28% acid

10/01/93 Convert to injection Clean liner to 6744' Acidize w/ 1500 gal 15% Put on inj

05/31/04 Well shut in due to an inj line leak

09/05/2008 Resumed Injection - No record of any rigwork being done

03/12/12 TD Check tagged @ 4211' (likely a blockage in the tbg)

TOL @ 6021'

PKR set @ 6440'

Perfs: Drinkard (07/81) 6481-91, 6566-74', 19-33', 51-53' 79-88', 95-97', 6602-07' w/ 2 SPF (105 holes)