

Submit 1 Copy To Appropriate District Office  
 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

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised July 18, 2013

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

WELL API NO. 30-025-03108
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 HOBBS N STATE
8. Well Number 1
9. OGRID Number 4323
10. Pool name or Wildcat VACUUM; BLINEBRY
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

**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: D 330 feet from NORTH line and 358 feet from the WEST line  
 Section 8 Township 18S Range 35E NMPM County LEA

DEC 19 2014

RECEIVED

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: INTENT TO ADD BLINEBRY PAY		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 ADD BLINEBRY PERFS AND ACIDIZE.

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 12/15/2014

Type or print name DENISE PINKERTON E-mail address: leakejd@chevron.com PHONE: 432-687-7375

For State Use Only

APPROVED BY: *[Signature]* TITLE Petroleum Engineer DATE 12/19/14

Conditions of Approval (if any):

DEC 22 2014 *PM*



**Hobbs N State No. 1**

**Add Pay & Stimulate**

ChevNo: FA4260 API #: 30-025-03108

Operator: Chevron U.S.A. Inc.

Location: Vacuum County: Lea

Spud: 10/12/1961 Completion: 12/12/1961

Updated: TFIZ 11/12/14 EAUI 11/25/14

The purpose of this project is to perforate new Blinebry Pay and then acid stimulate. 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 safely do what is best for the well.

**Contacts:**

Remedial Engineer	Evan Asire	432-687-7784 / 432-301-2067
Production Engineer	Sean Heaster	432-687-7366 / 432-640-9031
D&C Supt.	Victor Bajomo	432-687-7953 / 432-202-3767
D&C Team Lead	Kyle Olree	432-687-7422 / 307-922-3098
ALCR	Danny Acosta	575-631-9033
Peak Packers	Nathan	432-631-4431
Petroplex Acidizing	Dustin Anderson	432-631-5183
Baker Petrolite	Tim Gray	575-910-9390
GE	Jarron Marshall	903-245-6715

**Casing Information:**

**Surface Casing:** 13-3/8" 44.5# set at 294' with TOC at surface  
**Intermediate Casing:** 8-5/8" 32# set at 3241' with TOC at 380' (by calculation)  
**Production Casing:** 5-1/2" 17# L-80 surface to 9049' with TOC at 1,293' (Temp Survey)

**Tubing and Rod Information:**

**Tubing:** 1 Tubing Sub 2-7/8" 6.5# L-80  
176 jts 2-7/8" 6.5# L-80  
2-7/8" SN at 5765'  
Drain Valve at 5766'  
**ESP:** 1 Tubing Sub 2-7/8" 6.5# L-80  
1 ESP Pump  
1 ESP Gas Separator @ 5790.5'  
1 ESP Seal  
1 ESP Motor  
1 ESP Downhole Sensor

**Current Perforations:**

**Blinebry:** 5948'-52', 5980-84', 6018-22', 6070-6074'

**Well Work History:**

**10/12/1961:** Spud well  
**12/12/1961:** Initial dual completion in Abo & Drinkard. Acidized 8824-74' with 1,000 gals mud acid & lease crude. Follow w/ 3000 gal 15% HCl. Acidize 8450-76' w/ 1000 gal mud acid & 8000 gal 15% HCl.  
**07/1964:** Sqz Drinkard perms 8450-76 with 180 sks.  
**02/1965:** Perf 8726-8800'. Acidize w/ 2000 gal.  
**08/2001:** Recompletion in Drinkard. Perf 7920-50 & 8404-8470'. Acidized 8404-70' with 2,400 gals 20% HCl & 7920-50 w/ 3000 gal 15%. IP 34 BO, 33 MCF, 6 BW.  
**04/28/09:** TA Well  
**06/06/11 – 07/07/11:** RTP in Blinebry. Perf 5844-48', 5908-12', 5948-52', 5980-84', 6018-22', 6070-74'. Acidize w/ 3500 gal 15%. Frac Blinebry & C/O to 6500'.

**Chevron****Hobbs N State No. 1****Add Pay & Stimulate**ChevNo: FA4260 API #: 30-025-03108Operator: Chevron U.S.A. Inc.Location: Vacuum County: LeaSpud: 10/12/1961 Completion: 12/12/1961Updated: TFIZ 11/12/14 EAUI 11/25/14

**03/16/12 – 04/10/12:** WO to shut off water. Cmt perms 5844-48', 5908-12' w/ 250 sks. Perf 5948-52', 5980-84', 6018-22', 6070-74'. Acidize & RTP on Rod Pump.

**02/06/13 – 02/11/13:** Convert to ESP

**Pre-work:**

1. Utilize the rig move check list and complete electric line route survey with FMT.
2. Check anchors and verify that a pull test has been completed in the last 24 months.
3. Ensure location of & distance to power lines is in accordance with MCBU SWP. Complete an electrical variance and RUMS if necessary.
4. Ensure that location is of adequate build and construction.
5. **Ensure that elevators and other lifting equipment are inspected. Calliper 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. Review H2S calculation radius of exposure.
8. Review JSA and identify hazards with crew. Visually inspect wellhead, casing, and tubing valves. Decide whether tubing and casing valves can be used or replaced as needed. Isolate hazardous energy. Bleed down well as necessary.
9. Any equipment installed at the wellhead (ID) is to be visually inspected by the WSM to insure that no foreign debris or other restrictions are present.
10. If wireline is to be used (i.e. perforating guns, collar locator, or logging tools) tools need to be callipered and reported on the daily WellView report.

**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 brine.
2. MIRU pulling unit and associated surface equipment.
3. Bleed off casing pressure to tank; if casing is flowing liquid, pump known weight fluid down casing, shut in for 30 mins, calculate KWM and pump to kill well.
4. Kill tubing if needed and ESP pump will allow flow through.
5. Monitor well for 30 minutes to ensure the well is dead.
6. ND wellhead.
7. **NU Chevron Class III configured 7-1/16" 5M** remotely-operated hydraulically-controlled BOP with 2-7/8" pipe rams over blind rams. NU hydraulic 7-1/16" 5M annular BOP above ram stack.
  - Keep the charted test of the BOP supplied by the vendor for the entire job.



**Hobbs N State No. 1**

**Add Pay & Stimulate**

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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.**

8. Pull 2 joints of 2-7/8" L-80 6.5# tubing. Cut cable and band cable to tbg. Install 5-1/2" PKR rated for 17# casing. TIH and set PKR at +/- 25'; test BOPE to 250 psi low for 5 minutes / 500 psi for 10 minutes. Note testing pressures in Wellview. Release and LD packer.
9. RU spooler. TOH standing back 2-7/8" L-80 6.5# tubing and LD ESP equipment. Strap tubing while TOH to verify depths; record any discrepancies in WellView. RD spooler.
10. PU 4-3/4" milltooth bit and TIH on 2-7/8" 6.5# L-80 production tubing. Tag bottom and record tag depth in WellView. RU power swivel, establish circulation, and clean out fill to PBTB 6500'. Circulate clean.
11. RU tubing scanners and TOH w/ 2-7/8" 6.5# L-80 production tubing, standing back tubing in derrick. Keep yellow band tubing only (25% wall loss or less). Send tubing scan report to [esaire@chevron.com](mailto:esaire@chevron.com) and [Sheaster@chevron.com](mailto:Sheaster@chevron.com).
12. PU 5-1/2" RBP and 5-1/2" test packer rated for 5-1/2" 17# casing and TIH. Set RBP at 5860'. Release from RBP, set packer above and test RBP to 500 psi low / 3000 psi high, using pump truck if needed to achieve pressures. Release packer and displace 2 sacks of sand to settle onto RBP at 5860'.
13. TOH and LD packer.
14. MIRU wireline unit. RU and test lubricator to 1000 psi on catwalk. Establish exclusion zone around WL unit and radio silence on location. Post signs to notify personnel arriving on location to turn off radio signal transmitting devices.
15. RIH with 3-1/8" HP Slick Guns with 2 SPF and perforate new Blinbry perforations 5,730-60'. Tie into Schlumberger's GR-CNL Log dated 02/15/2011 (tie in strip included).
16. POOH with perforating guns and ensure all charges fired properly. RDMO wireline unit.
17. MIRU hydrotesters.
18. TIH with 5-1/2" Arrow-Set 1-X 10K packer and on/off tool with frac-hardened 2.25" "F" profile nipple on 2-7/8" 6.5# L-80 production tubing. Hydrotest tubing to 5500 psi below slips while TIH (Must test to 5500 psi due to de-rating of production tubing).
19. Set packer at ~5650'. Pressure 2-7/8" x 5-1/2" annulus to 500 psi to test casing integrity and packer seal. Bleed down backside after pressure test.
20. MIRU Petroplex acidizers. Establish exclusion zone around pumping equipment and treatment iron. Install Petroplex plug valve to tubing. Pressure test surface lines and plug valve to 6500 psi and set mechanical pop-offs to 5450 psi. Load backside and hold 250 psi to monitor for communication around treating packer.
21. Acidize new perms from 5,730'-60' with 3,500 gal 15% HCL using Petroplex recommendations. Divert using 3-4,000# rock salt. Pump acid at 4-5 BPM. Max pump pressure = 5500 psi. Displace acid with FW to bottom perf at 5,760'. Monitor casing pressure for communication around packer.



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Updated: TFIZ 11/12/14 EAUI 11/25/14

22. Shut in and record ISIP. Record SIP's at 5, 10, and 15 minutes. RD and release Petroplex.
23. Leave well shut in and allow acid to spend for two (2) hours.
24. Swab back spent acid to an open tank. Recover 100% of load until returns indicate formation fluid. Report number of runs, oil cut recovered, fluid volumes, and fluid levels. Note: test reactivity of recovered acid load while swabbing. If acid is not spent, leave well SI additional time as required.
  - > **NOTE:** If 100% water cut is detected, contact production engineer & geologist. Plan forward will most likely be to TA the wellbore with CIBP & 35' of CMT.
  - > **NOTE:** If oil cut is detected, continue on with procedure step #25.

**Before/During swabbing operations: Inspect sandline to be sure it's free of excessive rust, bird's nests, frays, kinks, knots, etc.**

25. Release PKR and allow time for well to stabilize.
26. TOH with 2-7/8" tubing, O/O tool, & PKR.
27. TIH with retrieving head, wash off sand, and retrieve RBP at 5860'. TOH and LD RBP.
28. RU ESP cable spooler. TIH with ESP. PU and TIH with 2-7/8" production tubing & band cable while TIH. Replace any production tubing as needed.
29. Nipple up QCI tubing hanger and land in wellhead through BOP stack.
30. Monitor well for 30 minutes' for flow prior to ND BOPE.
31. ND BOPE. NU and install WH adapter flange. Install wellhead connections.

**Contact appropriate field specialist to remove LOTO locks.**

32. Clean location of materials, equipment, trash, and all other miscellaneous items.
33. Notify ALCR and production engineer when workover is complete. Complete Wellwork Transfer of Ownership form and send to ALCR, Operations Manager, and Workover Engineer.
34. Rig down and move off pulling unit & equipment & associated equipment.
35. Note in Wellview on time log \*\*\*\*Final Report\*\*\*\*
36. Turn well over to production.

**References:**

**SOP-W003 – Workover and Completion Barrier Standards**

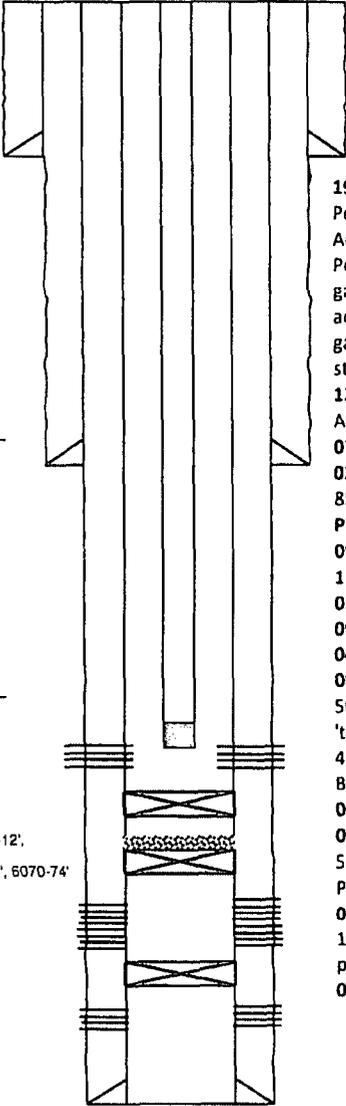
### Hobbs "N" State No. 1

Created:	02/11/11	By:	PTB	Well #:	1	St. Lse:	
Updated:		By:		API	30-025-03108		
Updated:		By:		Unit Ltr.:	D	Section:	8
Lease:	Hobbs 'N' State			TSHR/Rng:	18S 35E		
Field:	Vacuum (Drinkard)			Unit Ltr.:			
Surf. Loc.:	330' FNL & 358' FWL			TSHR/Rng:			
Bot. Loc.:				Chevno:	FA4260		
County:	Lea	St.:	NM				
Status:	TA Producer 4-13-09						
	TA Expires 4-28-14						

<b>Surface Casing</b>	KB: 3,973
Size: 13 3/8"	DF: 3972'
Wt., Grd.: 44.5#	GL: 3,962
Depth: 294'	Ini. Spud: 10/12/61
Sxs Cmt: 305	Ini. Comp.: 12/12/61
Circulate: yes	
TOC: Surface	
Hole Size: 17 1/2"	

<b>Intermediate Casing</b>	
Size: 8-5/8"	
Wt., Grd.: 32#	
Depth: 3241'	
Sxs Cmt: 1100'	
Circulate: No	
TOC: 380' Calc @ 50% Effy.	
Hole Size: 11"	

<b>Production Casing</b>	
Size: 5-1/2"	
Wt., Grd.: 17#	
Depth: 9049'	
Sxs Cmt: 925	
Circulate: No	
TOC: 1,293' Temp Survey	
Hole Size: 7-7/8"	



1961- Perf 8940-41', 4 sqz holes, sq 65 sks into formation, Perf 8824'-74' 4 spf, 200 holes, Ac 1000 gals mud acid and lease crude, Ac w/ 3000 glas 15%, max P 4400#, flowing  
 Perf 8450-76 4 spf, 104 holes, Set Model D 8810', Ac 8450-76w/ 1000 gals mud acid, Max P 5000#, ac 3000 gals 15%, Max P 4600#, swabbed, ac 8450-76 w/ 5000 gals 15%, max P 5500#, , Ac 8450-76 w/ 10,000 gals Halliburton TruJel acid. Max P 5000#, 4.9 BPM, Ran dual tbg strings.

**12/12/1961 Well completed dual Abo/Drinkard**  
 Abo 8HP 3094#, BHT 1'88 degrees @8800', TP 900# Drinkard pumping  
**07/1964-** Sqz Drk perfs 8450-76 w/ 180 sks ; Abo producer 8824-74'  
**02/1965-** perf 8726'-29, 30-32, 35-38, 46-53, 58-63, 66-73, 74-76, 77-85, 87-88, 90-94, 96-8800, 92 holes, ac 2000 gals Max P 4000#,  
**PHILLIPS PETROLEUM Vacuum Abo Unit**  
**09/1976-** Ac 4000 gals 28%, Max P 1300#,  
**11/1985-** Ac 1000 gals 20% crosslinked  
**02/1988-** SI  
**09/1992-** Set CIBP 8662'  
**04/2001-** Returned to Texaco  
**08/2001-** Recompleted to Drinkard. Perf 7920-50, 8404-12, 18, 20-30, 50-70, 2 SPF, 144 holes, attempted to straddle packer treat perfs 8404 'thru 8470', communicated. Ac 8404'-8470' w/ 2400 gals 20%, Max P 4200#, 3.5 BPM. Ac Drk 7920-50 w/ 3000 gals 15%, Max P 4150#, 2.5 BPM. IP 34 BO, 6 BW, 33 MCFPD  
**04/28/09:** TA status approved, TA expires 04/28/14.  
**06/06/11-07/07/11:** WO to RTP in Blinebry. Perf 5844-48', 5908-12', 5948-52', 5980-84', 6018-22', 6070-74'. Acidize w/ 3500 gal 15%. Proceed to Frac Blinebry.C/O to 6500'. RIH w/ Tbg & Rods.  
**03/16/12-04/10/12:** WO to shut off water. Cmt perfs 5844-48', 5908-12' w/ 250 sks. Perf 5948-52', 5980-84', 6018-22', 6070-74'. Acidize perfs. Swab perfs all runs show 100% water. RTP on Rod Pump  
**02/06/13-02/11/13:** Conversion to ESP

Squeezed Blinebry Perfs: 5844-48', 5908-12',  
 Open Blinebry Perfs 5948-52', 5980-84', 6018-22', 6070-74'  
 (Re-shot after squeeze job on 3/31/12)

CIBP @ 6500'  
 CIBP & 7870' capped w/ 50' cmt  
 Perfs: 7920- 8470'  
 Perfs: 8460' - 76' (Squeezed)  
 CIBP @ 8662'  
 Perfs: 8726' - 8874'  
 Original PBTD @ 8900'

PBTD: 7870'  
 TD: 9050'