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

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

Form C-103
Revised July 18, 2013

WELL API NO. 30-015-41047	
5. Indicate Type of Lease STATE ☒ FEE ☐	
6. State Oil & Gas Lease No.	
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	7. Lease Name or Unit Agreement Name SKEEN 2 26 27 STATE
	8. Well Number 2H
2. Name of Operator CHEVRON USA INC	9. OGRID Number 4323
3. Address of Operator 1616 W. BENDER BLVD HOBBS, NM 88240	10. Pool name or Wildcat DELAWARE RIVER;BONE SPRING
4. Well Location Unit Letter C : 175 feet from the NORTH line and 1980 feet from the WEST line Section 2 Township 26S Range 27E NMPM County EDDY	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3486' GL

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☒	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: INTENT TO RUN BRADENHEAD SQUEEZE ☒		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 REQUESTS TO RUN A BRADENHEAD SQUEEZE ON THE ABOVE WELL. PLEASE FIND PROCEDURE ATTACHED WITH A COPY OF WELLBORE DIAGRAM.

NM OIL CONSERVATION
ARTESIA DISTRICT
AUG 18 2015
RECEIVED

Spud Date: 12/31/2014 Rig Release Date:

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

SIGNATURE Cindy Herrera-Murillo TITLE PERMITTING SPECIALIST DATE 08/17//2015

Type or print name CINDY HERRERA-MURILLO E-mail address: Cherreramurillo@chevron.com PHONE: 575-263-0431

For State Use Only

APPROVED BY: K Dade TITLE Dist II Supervisor DATE 8/18/2015

Conditions of Approval (if any):

Accepted for record
NMOCD

Well Name: Skeen 2-26-27 ST 2H

API #: 30-015-41047 CHEVNO: NW4103

Operator: Chevron Midcontinent, L.P.

Location: 175' FNL & 1980' FWL Sec.2 TwnShp: 26S Range: 27E

Spud: 07/16/2008 Latest Recompletion: 02/06/2014

Last Revision: KVDN 6/2/15

Chevron USA Inc.
Mid-Continent Business Unit

WORKOVER PROCEDURE

Skeen #2H – Braden Head Sqz & Convert to Rod Pump

Lea County, New Mexico

Level 2 Well Work – Frac Job

Title	Name	Signature
Workover Engineer	Bob Hall	
Workover Team Lead	Kyle Olree	
Workover Superintendent	Victor Bajamo	
Production Engineer	John Taxiarchou	

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The purpose of this project is to do a Bradenhead Sqz for casing integrity, and convert flowing well to rod pump. 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: John Taxiarchou (PE) 432-687-7213, 432-664-7631 (C)
Danny Lovell (OS) 575-390-0866, 575-263-0401 (C)
Eli Barakat (PTL) 575-602-2995, 575-263-0446 (C)
Emanuel Jimenez (ALCR) 575-263-0411, 575-631-9139 (C)
Bob Hall (WE) 432-687-7243, 432-312-7283 (C)
Kyle Olree (TTL) 432-687-7422, 307-922-3098 (C)
Victor Bajomo (DS) 432-687-7953, 432-202-3767 (C)
Joe Garcia (FS) 575-631-9016 (C)
James Konen (FS) 575-390-8428 (C)

Background

RCBL ran on 5-1/2" 17# production casing on 01/06/2014 shows TOC @ ~3192'. The intermediate casing – 9-5/8" 40# HCK-55 with ID = 8.835" is set at 2265'. Open Hole below that is 8-3/4". The well was completed and put on production in early March, 2014.

During production, it was observed that the intermediate casing has ~150-200 psi on it. If we decide to bleed off, it continues to flow at ~ 0.2 bpm. We performed injection test on it on 08/12/14 (through the bradenhead). Here are the details (used FW for injection test):

- At 0.5 bpm, it pressured up to 1100 - 1200 psi, then broke back to 700 psi
- Continued pumping bringing rate up 1/2 bpm at a time, after reaching 3 bpm pressure was still holding @ 700.
- Continued pumping another 20 bbls with no increase in pressure
- Shut down pumps, after SI pressures were 5 min = 650 psi, 10 min = 600 psi, 15 min = 550 psi.
- Opened backside and vented pressure back to zero on truck. By the time we rigged off of the well and put the gauge in it, it was reading 500 psi. It dropped to 450 in 5 min. We saw no increase in surface or production csg psi during test. Total volume of water pumped was 50 bbls.

Plan is to pump remedial cement job (bradenhead squeeze), isolate the backside and stop the flow. **Call NMOCD District 2 Artesia office (575-748-1283) and get permission to do bradenhead squeeze before the job.** Basic Energy Services has worked on a remedial cement job proposal with us. The Basic's contact person is Erick Aranda (432-687-1994) at Midland office.

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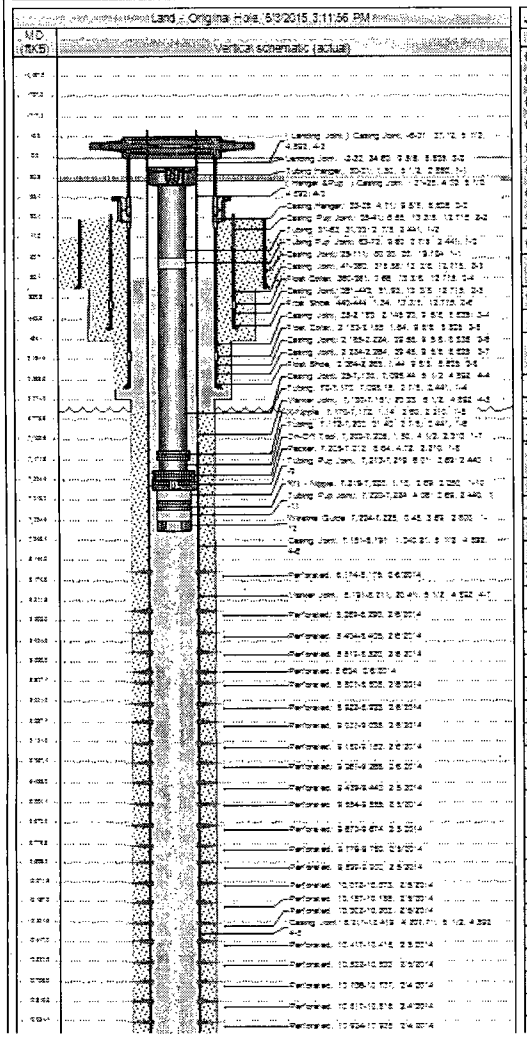
Wellbore Schematic

Well Name	Lease	Field Name	Business Unit
SKEEN 2-26-27 ST 002H	Skeen 2-26-27	Delaware River	Mid-Continent



Job Details

Job Category	Start Date	Rig Unit End Date
Completion	12/30/2013	1/7/2014
Completion	1/7/2014	1/8/2014
Completion	1/7/2014	1/8/2014
Completion	1/8/2014	2/3/2014
Completion	2/3/2014	2/7/2014
Completion	2/7/2014	2/14/2014
Completion	2/14/2014	2/24/2014
Completion	2/24/2014	2/28/2014

Casing Strings

Csg Des	OD (in)	Wt/Len (lb/ft)	Grade	Top Thread	Set Depth (MD) (ftKB)
Conductor	20	94.00	J-55		111
Surface	13 3/8	48.00	H-40		444
Intermediate Casing 1	9 5/8	40.00	HCK-55	LT&C	2,265
Production Casing	5 1/2	17.00	P-110	CDC	12,607

Tubing Strings

Tubing - Production set at 7,224.8ftKB on 2/27/2014 15:02

Tubing Description	Run Date	String Length (ft)	Set Depth (MD) (ftKB)
Tubing - Production	2/27/2014	7,194.94	7,224.8

Item Des	Jts	OD (in)	Wt (lb/ft)	Grade	Len (ft)	Btm (ftKB)
Tubing Hanger	1	5 1/2			1.50	31.4
Tubing	1	2 7/8	6.50	N-80	31.33	62.7
Tubing Pup Joint	1	2 7/8	6.50	L-80	9.60	72.3
Tubing	227	2 7/8	6.50	N-80	7,098.18	7,170.5
X-Nipple	1	3.6			1.14	7,171.6
Tubing	1	2 7/8	6.50	L-80	31.40	7,203.0
On-Off Tool	1	4 1/2			1.50	7,204.5
Packer	1	4.72			8.64	7,213.2
Tubing Pup Joint	1	3.69	6.50	L-80	6.01	7,219.2
XN - Nipple	1	3.69			1.10	7,220.3
Tubing Pup Joint	1	3.69	6.50	L-80	4.06	7,224.3
Wireline Guide	1	3.69			0.48	7,224.8

Perforations

Date	Top (ftKB)	Btm (ftKB)	Shot Dens (shots/ft)	Entered Shot Total	Zone & Completion
2/6/2014	8,174.0	8,175.0	6.0	8	Bone Spring, Original Hole
2/6/2014	8,289.0	8,290.0	6.0	8	Bone Spring, Original Hole
2/6/2014	8,404.0	8,405.0	6.0	8	Bone Spring, Original Hole
2/6/2014	8,519.0	8,520.0	6.0	8	Bone Spring, Original Hole
2/6/2014	8,634.0	8,634.0	6.0	8	Bone Spring, Original Hole
2/6/2014	8,807.0	8,808.0	6.0	8	Bone Spring, Original Hole
2/6/2014	8,922.0	8,923.0	6.0	8	Bone Spring, Original Hole
2/6/2014	9,037.0	9,038.0	6.0	8	Bone Spring, Original Hole
2/6/2014	9,152.0	9,153.0	6.0	8	Bone Spring, Original Hole

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Last Revision: KVDN 6/2/15

PRE-WORK:

1. Complete the rig move checklist. Verify power line route survey with Eunice FMT.
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 an 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. If there is any casing pressure, bleed off casing pressure to tank. If casing is flowing fluid, pump fluid with a constant known weight down casing to perforations and shut in for 30 minutes (or as required) to obtain stabile shut-in surface pressure. Calculate required KW fluid density, weight up and pump kill fluid to kill well as applicable. If kill was required, monitor casing side pressure for 30 minutes to ensure it is dead before proceeding further.
4. If hanger (with BPV profile) was landed in tubing head, install BPV through tubing and seat in tubing hanger. Strip over tubing with **Chevron Class III rated 7-1/16" 5M r**emotely-operated hydraulically-controlled BOP configured with pipe rams over blind rams and flange up to tubing head. NU environmental protection pan and rig up rig floor. Test BOP pipe rams to **250 low for 5 min / 500 psi high for 10 min**. Record test pressures in Wellview. Remove BPV, install 2-way check valve, test BOP blind rams to **250 low for 5 min / 500 psi high for 10 min**, then remove 2WC. Unset Packer, and TOH to lay down tubing hanger.
5. If hanger (with BPV profile) was not landed in tubing head, unset TAC, NU **Chevron Class III rated 7-1/16" 5M** remotely-operated hydraulically-controlled BOP configured with pipe rams over blind rams. NU environmental protection pan. RU floor and TOH w/ hanger and 1 joint tubing. PU 5-1/2" test packer for 5-1/2", 15.5# casing and TIH with test packer to approximately 25', set packer and test BOPE to **250 low for 5 min / 500 psi high for 10 min**. Record test pressures in Wellview. Release and LD test packer and make up original top joint of tubing back to tubing string.
    - Keep the charted test of the BOP supplied by the vendor for the entire job.

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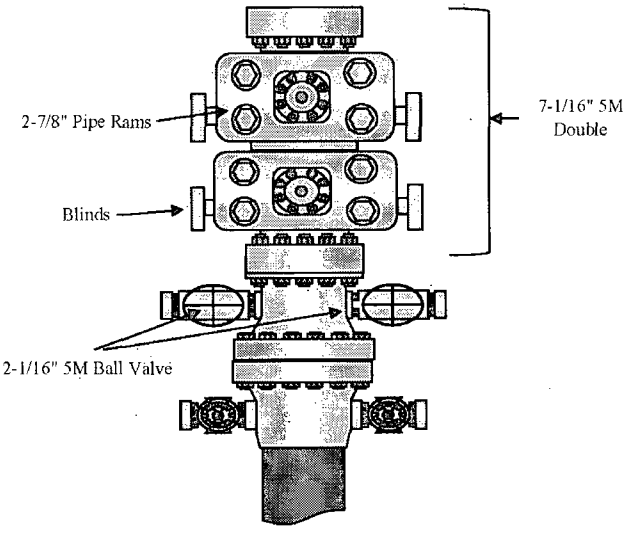
Key #340

D&L Meters



6. Mobilize tubing inspection equipment and personnel. Rig up vertical scan tool and TOH scanning 2-7/8" production tubing. Keep (stand back if able) yellow band only (25% or less wall loss). LD all non-yellow band joints. Rope off production tubing in derrick to keep it separate from workstring.

   Strap production tubing and equipment out of hole to verify depths and note footage and well equipment location in Wellview. Send tubing scan report to RHBZ@chevron.com.

   Assure that any required replacement production tubing, rods, new pump and ancillary pump equipment (i.e., SN, sand separator etc.) have been ordered and will be available for re-completion. Reconfirm rod and tubing design with ALCR prior to purchasing new equipment.

Remedial Cement Job

Notify the NMOCD (575-748-1283) Artesia office 24 Hrs before performing Bradenhead Squeeze.

7. Verify the following:
   a. Adequate water volume is available for the job – 50 bbls for spacer, ~172 bbls for 12.5 ppg cement slurry, 30 bbls of water to wash up. Please make sure you mention that the FW is for the cement job when ordering.
   b. Bring a minimum of 20lbs of Sugar, requires approximately 1 lb/bbl of cement wash up
   c. Get cement pilot test results before the job. If using 'historical values', ensure they do a field blend test.
8. MIRU BASIC cement unit, RU lines to 9-5/8" casing riser. Make sure to have return lines (wash up after the job) going to open top tank (OTT) for visual inspection. **Ensure that the casing riser and valves are rated to 2000 psi.**
9. Test surface lines to 250 psi low and 3000 psi high. Set pump kick-outs at 2000 psi.
10. Open valve on 9-5/8" casing and pump as per the following schedule:
    d. Start with the 50 bbls water ahead (Mud Flush), establish injection during the same.

e. Pump 10 bbls calcium chloride water, followed by 5 bbls fresh water spacer, followed by 15 bbls of sodium silicate, and then 5 bbls water spacer. **Ensure sodium silicate is isolated to the suction side of one pump (don't put thru mix system or centrifugal).**
f. Pump 12.5 ppg cement (65/35/6 Class C cement, 1.78 yield, 9.60 gal/sk water) and hesitate squeeze as follows:
   i. Pump volume to shoe at 3 bpm or max injection rate.
   ii. Slow rate down to 0.5 - 1 bpm and pump to estimated TOC.
   iii. Shut down for 5 minutes and monitor pressure. If well goes on vacuum then shut down for 30 minutes and allow cement to fall / start to gel up.
   iv. Pump slowly until you catch up the pressure again and for last 15 bbls, pump in steps of 5 bbls and shut down for 5 min before pumping next 5 bbls and so on, while continuing to monitor pressure.

11. Monitor pressure throughout job; do not exceed 2000 psi surface pressure.
12. If pressure reaches initial injection pressure, wash up and attempt to pump 1 bbl down riser to clear. If well is still on vacuum at end of job, do not fill up, but allow to fall and find a level.
13. Flush all the lines to OTT, add sugar to the OTT before or during flushing. RDMO cementing unit. Note: Try to haul off the flushed cement soon to avoid any issues.
14. Wait for at least 48 hrs for cement to set.

RUN RCBL/CCL/GR Log (If there's no tubing in the well)

15. MIRU Crane, Wireline Unit, 5M Lubricator & WL BOP.
16. Pressure test lubricator to 250 psi low/4000 psi high.
17. Run Radial CBL/GR/CCL log from ~3500' to 500'. Report the results to Engineer immediately to plan on future work. Document top of cement on Morning report.
18. POOH with wireline. Secure well and RDMO WL unit.
19. Discuss future plans with RE.

7. Re-mobilize and RU hydrotesters. PU production BHA and TIH on 2-7/8" 6.5# L-80 EUE-8rd tubing while hydrotesting original/replacement production tubing and ancillary equipment to 6000 psi ***(Land tubing and rods per ALCR and PE recommendation).***

8. Monitor well for 30 minutes to ensure it is dead

9. ND BOPE, NU WH.

10. Install rod BOPE and stripper. TIH with new pump and original/replacement rods ***(Per ALCR and PE rod design).***

    Contact appropriate Field Specialist to remove locks.

11. ND Rod BOP and stripper, space out, install stuffing box, polished rod, horsehead and bridle. Check pump action with pumping unit.

12. Clean location, RDMO PU. Notify ALCR and production personnel workover has been completed. Complete Workover Ownership Form, turn well back to production (contacts on first page). ***Make sure to send completed Workover Ownership Form to RHBZ@chevron.com.***

13. **Indicate ***Final Report*** on WellView time log and operations summary.**

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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 10 ppm
at the maximum anticipated escape volume (of wellbore gas) of 1000 MCF/D
100 ppm Radius of Exposure is 6 feet.
500 ppm Radius of Exposure is 3 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.

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.

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