Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT --" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No. ~~54039Z~~ NM 29233
6. If Indian, Alottee or Tribe Name
7. If Unit or CA, Agreement Designation

1. Type of Well: ☑ OIL WELL ☐ GAS WELL ☐ OTHER
8. Well Name and Number: NEFF 13 FEDERAL 2
2. Name of Operator: CHEVRON USA INC
3. Address and Telephone No.: 15 SMITH ROAD, MIDLAND, TX 79705 915-687-737
9. API Well No.: 30-015-26165
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter H : 1980 Feet From The NORTH Line and 660 Feet From The EAST Line Section 13 Township 22S Range 31E
10. Field and Pool, Exploaratory Area: LIVINGSTON RIDGE DELAWARE
11. County or Parish, State: EDDY , NEW MEXICO

SEP 2003
RECEIVED
OCD - ARTESIA

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION	TYPE OF ACTION	
☑ Notice of Intent	☐ Abandonment	☐ Change of Plans
☐ Subsequent Report	☐ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Atlering Casing	☐ Conversion to Injection
	☑ OTHER: ADD PAY & FRAC STIM	☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*.

CHEVRON U.S.A. INTENDS TO ADD DELAWARE PAY & FRAC STIMULATE THE SUBJECT WELL.

THE INTENDED PROCEDURE AND WELLBORE DIAGRAM IS ATTACHED FOR YOUR APPROVAL.

14. I hereby certify that the foregoing is true and correct

SIGNATURE Denise Leake TITLE Regulatory Specialist DATE 9/16/2003

TYPE OR PRINT NAME Denise Leake

(This space for Federal or State office use)

APPROVED (ORIG. SGD.) ALEXIS C. SWOBODA
CONDITIONS OF APPROVAL, IF ANY: TITLE PETROLEUM ENGINEER DATE SEP 18 2003

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DeSoto/Nichols 12-93 ver 1.0

Neff 13 Federal #2

Add Delaware Pay & Fracture Stimulate

1980' FNL & 660' FEL
Section 13, T22S, R31E
Eddy County, New Mexico

Date: May 15, 2003
WBS No:
Cost Center: BCPH71600

Elevation: 3612' GL 14' KB
TD: 8450' PBTD: 7880' (CIBP at 7900' w/ 20' cement)
Surface: 11-3/4", 42# H-40 at 838' w/ 675 sx, circ.
Intermediate: 8-5/8", 32# & 24# K-55 at 4520' w/ 1283 sx, circ.
Production: 5-1/2", 17# & 15.5# J-55 at 8450' w/ DV at 5979'
w/ 1635 sx. 1st stage circ 157 sx, 2nd stage no circ.
Open Perforations: Delaware 7126'-28', 7133'-35', 7154'-56', 7160' (2 SPF),
7726'-34' (6SPF)
Perforations Below CIBP: 7948'-68' (4 SPF)
Tubing: 2-7/8" w/ TAC at 7617', SN at 7812', SMA w/ purge valve at 7836'. Ran 10/00.
Rods/Pump: 1-1/2" Insert Pump on 86 rod string.
Comments: 1. Use 2% KCL for workover fluid.
2. Junk in hole (bit cones and bottom of CIBP) at 8126'.

PROCEDURE

1. MIRUPU. Unseat pump and TOOH w/ rods and pump.

2. ND Tree. NU 3M BOP's. Release TAC. Tag PBTD at 7880' w/ 2-7/8" production tubing.

3. TOOH w/ 2-7/8" tubing, standing back. Inspect tubulars for scale. If scale is present, have chemical rep. collect samples for analysis and recommendation. If remedial action is required, it will be performed in Step 13 of procedure.

4. Clean out fill if necessary to complete perforating job in Step 5.

5. RU Baker. Perforate Delaware w/ 4 JSPF, 120^0 phasing from 7844'-60' (64 holes), 7050'-59' (36 holes), 7032' – 7037' (20 holes) and 7022' – 7026' (16 holes) using 3-1/8" Slick Guns. RD Baker.

6. TIH treating packer on 2-7/8" production string. Set packer at approximately 7800'. NOTE: Open perfs above packer. Do not attempt to load backside.

7. RU Schlumberger. Acidize perfs 7844'-60' w/ 1600 gals 7-1/2% HCL w/ ball sealers for divert at 6-7 BPM as per attached design dated 5/16/03. Flush to top perf w/ 2% KCL. Surge balls off perfs.

8. Swab/flow back load. Monitor for hydrocarbon presence and pH level. Notify contacts w/swab results. Determine if fracture stimulation is necessary based on swab results. NOTE: If fracture stimulation is required, proceed to Step 9. If fracture stimulation is not required, proceed to Step 10.

9. Fracture stimulate Delaware perfs 7844' - 60' down 2-7/8" tubing w/ 9,540 gals 30# gel (6600 gal x-linked) and 20,200# 16/30 CR400 at 15 BPM as per attached design dated 8/21/03. Anticipated max surface treating pressure is 4000 psi. Flush to top perf w/ 1940 gals 30# linear gel. RD Schlumberger. Shut-in well overnight to allow resin coated sand to cure.

10. Kill well w/ 2% KCL if necessary. Release packer & TOOH w/ tubing.

11. TIH treating packer and RBP on 2-7/8" tubing. Set RBP at 7100' and packer at 7020'. Load backside w/ 2% KCL and test packer.

12. RU Schlumberger. Acidize perfs 7022' – 26', 7032' – 37' & 7050'-59' w/ 2000 gals 7-1/2% HCL at 6-7 BPM as per attached design dated 5/16/03. Flush to top perf w/ 2% KCL. Surge balls off perfs.

13. Swab/flow back load. Monitor for hydrocarbon presence and pH level. Notify contacts w/swab results. Determine if fracture stimulation is necessary based on swab results. If fracture stimulation is determined to be necessary proceed to step 14. If fracture stimulation is not required, proceed to step 15.

14. Fracture stimulate Delaware perfs 7022' – 26', 7032' – 37' & 7050' – 59' down 2-7/8" tubing w/ 12,462 gals 30# gel (9700 gal x-linked) and 30,400# 16/30 CR400 at 15 BPM as per attached design dated 8/21/03. Anticipated max surface treating pressure is 4000 psi. Flush to top perf w/1762 gals 30# linear gel. RD Schlumberger. Shut-in well overnight to allow resin coated sand to cure.

15. If scale was found in Step 2, re-set RBP and packer to isolate perfs 7726'-34'. Treat perfs to remove scale as per chemical rep. recommendation. Re-set RBP and packer to isolate perfs 7126'-7160'. Treat perfs to remove scale as per chemical rep. recommendation.

16. Release packer, retrieve RBP and TOOH.

17. MIRU power swivel, reverse unit and foam air unit. TIH w/ 4-3/4" bit and drill collars on 2-7/8" tubing. Clean out sand to PBTD at 7880'. Circulate wellbore clean w/ foam. TOOH & lay down bit and drillstring.

18. TIH w/2-7/8" production tubing. Scanilog tubing while TIH. Replace joints as necessary. Set SN at 7812'.

19. ND BOP's. NU tree.

20. TIH w/rods and pump as per Felix Trevino recommendation. Hang well on. RDMOPU.

21. Return well to production and place on test.

List of ChevronTexaco Contacts

OS.	Danny Lovell	Office: 505.887.5676 Cell: 505.390.0866
Lease Operator	Mike Parker	Cell: 505.631.9017
Lease Operator	Larry Rice	Cell: 505.631.9018
Engineer.	Chad Stallard	Office: 432.687.7356 Home 432.699.1636
Artificial Lift Rep.	Felix Trevino	Office: 505.394.1245 Cell: 505.390.7180

EQUIPMENT AND FLUID REQUIREMENTS

WIRELINE SERVICES

Baker Atlas. Hobbs 505.392.7593
Perf charges are HSC-4000-311T w/ 0.38" diameter, 21" penetration.

DELAWARE ACID JOB 1:(7844'-7860')

Schlumberger to Provide Hobbs 505.393.6186
- 1600 gals. 7-1/2% HCL w/ additives as per attached specifications dated 8/21/03
- 64 biodegradable ball sealers (1.15 SG, 7/8" OD)

ChevronTexaco to Provide
- 46 bbls. 2% KCL for flush

DELAWARE FRACTURE STIMULATION: (7844'-7860')

Schlumberger to Provide Hobbs 505.393.6186
- Additives for 6,600 gal YF130 fluid system for frac as per attached specs 8/21/03
- Additives for 2,940 gal WF130 fluid system for pre-pad & flush as per attached specs 8/21/03
- 20,200 lbs 16/30 CR4000 (100% Curable Resin Coated Sand)

Neff 13 Federal #2
Add Delaware Pay and Fracture Stimulate
May 15, 2003
ChevronTexaco to Provide

- One frac tank loaded w/ 267 bbls. fresh water for frac, flush and bottoms

DELAWARE ACID JOB 2: (7022'-7059')

Schlumberger to Provide Hobbs 505.393.6186

- 2000 gals. 7-1/2% HCL w/ additives as per attached specifications dated 8/21/03

ChevronTexaco to Provide

- 41 bbls.. 2% KCL for flush

DELAWARE FRACTURE STIMULATION: (7022'-7059')

Schlumberger to Provide Hobbs 505.393.6186

- Additives for 9,700 gal YF130 fluid system for frac as per attached specs 8/21/03
- Additives for 2,762 gal WF130 fluid system for pre-pad & flush as per attached specs 8/21/03
- 30,400 lbs 16/30 CR4000 (100% Curable Resin Coated Sand)

Well: Neff 13 Federal #2 Field: Livingston Ridge Reservoir: Brushy Canyon

Location:
1980' FNL & 660' FEL
Section: 13 (SE/4 NE/4)
Township: 22S
Range: 31E Unit: H
County: Eddy State: NM

Elevations:
GL: 3612'
KB: 3626'
DF: 3625'

Log Formation Tops	
Lamar	4508'
Bell Canyon	4536'
Cherry Canyon	5393'
Brushy Canyon	7076'

TUBING DETAIL - 10/17/2000
246 jts - 2-7/8" J-55 tbg (7617')
1 2 7/8" x 5 1/2" tbg ancnor (2.70')
6 jts - 2-7/8" J-55 tbg (195.74')
1 2-7/8" SN @ 7812' (1.10')
1 3 1/2" SMA w/purge valve (23.75')

EOT landed @ 7836'

Rod Detail:
1-1/2" Polish Rod (26')
Pony Rods (1-8', 1-6', 1-4' &1-2')
133 1" x 25' D-87 Rods
1 7/8" EL Rod
175 3/4" EL Rods
7/8" Pony Rods (4')
2-1/2" x 1-1/2" Insert pump (25')
w/3/4 right hand release
1-1/2" gas ancnor (10')

SN @ 7812'
EOT @ 7836'

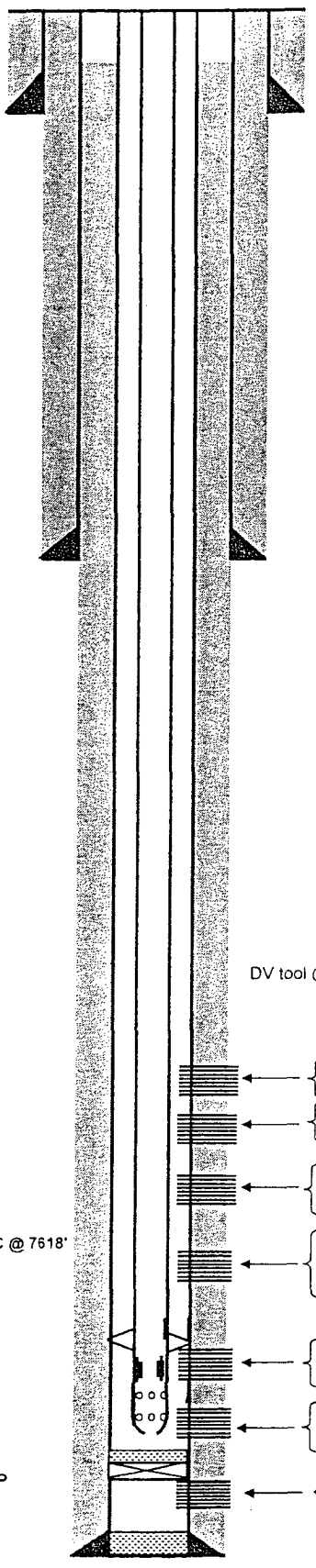
CIBP set @ 7900'
20' cmt on top

Junk & Fill @ 8126'
Bit cones & bttm half of CIBP

COTD: 8126'
PBTD: 7880'
TD: 8450'

Updated: 8-26-03 by WAYN

Proposed Wellbore Diagram



Status	Cherry Canyon - proposed
Status	Cherry Canyon - proposed
Status	Cherry Canyon - proposed
Status	Brushy Canyon - open
	Brushy Canyon - open
Status	Brushy Canyon - open
Status	Brushy Canyon - proposed
Status	Brushy Canyon - open

By: W.P. Johnson

Well ID Info:
Chevno:
API No: 30-015-26165
L5/L6:
Spud Date: 9/7/89
Rig Released: 9/29/89
Compl. Date: 10/15/89

Surface Csg: 11 3/4", 42#, H-40 STC
Set: @ 838' w/ 675 sx Class H cmt
Hole Size: 14 3/4" to 838'
Circ: Yes **TOC:** surface
TOC By: Circulation (5 sx cmt)

Initial Completion:
Perf 7126-7128', 7133-7135', 7154-7156' & 7159-7161'.
Acdz 7126-7161' w/1,500 gal 15% NEFE HCL
Frac 7126-7161' w/26,000 gal XLG &
37,500 # 20/40 SD & 12,500 # 12/20 RC SD.

Subsequent Workovers/Reconditionings/Repairs:
6/25/93 Perf 7948-7968' (80 holes, 4spf).
Frac 7948-7968' w/56,000 gal 30# XLG &
251,400 # 20/40 SD & 19,000 # 20/40 RC SD.

10/17/2000 Set CIBP @ 7900' w/20' cmt on top.
Perf 7726-7734' (48 holes).
Acdz 7726-7734' w/1,000 gal 15% NEFE HCL

8/20/2003 Proposed Perf 7844-60', 7050-59', 7032-37' & 7022-26' and stimulate.

Intermediate Csg: 8 5/8", 32# & 24#, K-55 STC
Set: @ 4520' w/ 1283 sx Class H cmt
Hole Size: 10 5/8" to 4520'
Circ: Yes **TOC:** surface
TOC By: Circulation (10 sx cmt)

Prod. Csg: 5 1/2", 17# & 15.5 #, J-55 LTC
Set: @ 8450' w/ 1635 sx cmt (DV tool @ 5979')
Hole Size: 7 7/8" to 8450'
Circ: Yes (1st stage) **TOC:**
TOC By: (157 sx cmt 1st stage) (2nd stage no cir)