

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

nm-HOBB8 OCD

MAR 27 2012

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No
USA LC-033706B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well

☐ Gas Well

☐ Other

2. Name of Operator
CHEVRON U.S.A. INC.

3a. Address
15 SMITH ROAD
MIDLAND, TEXAS 79705

3b. Phone No. (include area code)

432-687-7375

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL, & 560' FWL, UL M, SEC 8, T-22S, R-37E

7. If Unit of CA/Agreement, Name and/or No

8. Well Name and No
C.P. FALBY 'B' FEDERAL #7

9. API Well No
30-025-39982

10. Field and Pool or Exploratory Area
BLINEBRY/DRINKARD

11. Country or Parish, State
LEA COUNTY, NEW MEXICO

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other SONIC HAMMER
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	ACIDIZE, & SCALE
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	SQUEEZE

13. Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

CHEVRON U.S.A. INC. INTENDS TO SONIC HAMMER, ACIDIZE, & SCALE SQUEEZE THE BLINEBRY & DRINKARD FORMATIONS IN THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, WELLBORE DIAGRAM, & C-144 INFORMATION FOR THE NMOC.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
DENISE PINKERTON

Title REGULATORY SPECIALIST

Signature

Date 03/06/2012

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

MAR 23 2012

Title

Office

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

C.P. Falby #7

2.26.2012

Blinebry Oil & Gas (DHC) – Blinebry/Drinkard

T22S, R37E, Section 8

Job: Sonic Hammer, Acidize & Scale Squeeze

Procedure:

This procedure is meant to be followed. It is up to the WSM, Remedial Engineer and Production Engineer to make the decisions necessary to do SAFELY what is best for the well. In the extent that this procedure does not reflect actual operations, please contact RE, PE and Superintendent for MOC

1. Verify that well does not have pressure or flow. If well has pressure, note tubing and casing pressures on wellview report. Bleed down well; if necessary, kill with cut brine fluid (8.6 ppg).

➤ **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.**

2. MI & RU workover unit.

3. Unseat pump, POOH with rods and pump. Examine rods for wear/pitting/paraffin. Do not hot water unless necessary. ND wellhead, unset TAC, NU BOP. POOH and LD 1 jt, PU 5-1/2" packer and set ~ @ 25', test BOP pipe rams to 250 psi/1000 psi. Note testing pressures on wellview report. Release and LD packer.

Note: Prior to ND WH, e-mail or call Remedial Engineer to summarize what it was done to mitigate the well control hazard.

4. PU tubing and tag for fill (TAC 5,445', Bottom Perfs 6,599', EOT 6,760', PBTD 6,780'). POOH while scanning 2-7/8" prod tubing. LD all non-yellow band joints. If fill is tagged:
 - A. Above 6,780' continue to step 5
 - B. Below 6,780' continue to step 7.

Note: Strap pipe out of the hole to verify depths and note them on Wellview report
Send scan log report to hccf@chevron.com

➤ **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.**

5. PU and RIH with 4-3/4" MT bit, 4 (3-1/2") drill collars on 2-7/8" 6.5# L-80 WS. RU power swivel and clean out to PBTD at 6,780'. POOH with 2-7/8" WS and bit. LD bit & BHA.

Note: If circulation is not expected, notify Remedial Engineer to discuss CO with bailer (continue to step 6) or foam/air unit (continue to supplemental procedure on back).

6. PU and RIH with 4-3/4" MT and Bulldog bailer on 2-7/8" 6.5# L-80 WS. Clean out to PBTD at 6,780'. POOH with 2-7/8" WS and bit. LD bit & BHA.

➤ **Expect trapped pressure inside tubing while breaking connections during bailing operations, discuss on JSA and mitigate hazard. Use mudbucket (remove bottom seals if applicable) while breaking connections.**

7. Contact sonic tool rep to be on site during job. PU and RIH with Sonic Hammer tool and work string to 6,605' or enough to cover the bottom perforations with a whole stand. Hydrotest tubing to 6,000 psi. Stand back tubing to top perforations. Install stripper head and stand pipe with sufficient treating line to move tools vertically ~ 65'. Rig up pressure gauges to allow monitoring of tubing and casing pressures.

8. MI & RU Petroplex. Treat all intervals from 5,570' to 6,605' with 50 bbls of 8.6 ppg cut brine water per interval (refer to Table A). Pump down Sonic Hammer tool at 5 BPM while reciprocating tool across intervals. Do not exceed 5,000 psi tubing pressure. Leave annulus open in circulation mode while treating intervals with brine water.
9. Follow the brine water wash with 6,000 gals 15% NEFE HCl of total acid for all intervals. Spot 3 bbls of acid outside tubing, shut in casing, pump 1,000 gallons of acid @ 5 BPM over first treating interval from 5,565' – 5,618', monitor casing pressure not exceeding 500 psi. Flush tubing with brine water after every acidized interval, make a connection and continue with remaining interval. Refer to Table A.

Interval	Depth	Interval (Ft.)	Acid Volume (gal)
1	5565' - 5618'	53	1,000
2	5657' - 5705'	48	650
3	5722' - 5737'	15	200
4	5792' - 5809'	17	300
5	5905' - 5955'	50	700
6	5955' - 6000'	45	600
7	6447' - 6507'	60	1,050
8	6525' - 6565'	40	750
9	6565' - 6605'	40	750
			6000

Table A Perforation Intervals for Acid.

10. Shut in well for 1 hr for the acid to spend. Monitor casing pressure to keep it below 500 psi. Bleed off excess pressure if necessary.
11. Scale squeeze will with a total of 250 bbls 8.6 ppg brine water and 4 drums (220 gallons) Baker SCW-358 Scale Inhibitor Chemical. Continue moving uphole with Sonic Hammer. For the first interval of 6,605' – 6,565' pump pill made up of 25 gal SCW-358 mixed with 16 bbls brine (1.5 gals/bbl concentration) followed by a displacement of 14 bbls of brine. Pump at 5 BPM. Ensure top of tubing is flushed with brine water before making a connection. Continue to next interval referring to Table B.

Interval	Depth	Interval (Ft.)	Brine Pill Volume (bbls)	SCW-358 Pill Vol. (gal)	Brine Flush Vol. (bbl)
1	6605' - 6565'	40	16	25	14
2	6565' - 6525'	40	16	25	14
3	6507' - 6447'	60	26	40	14
4	6000' - 5955'	45	13	20	17
5	5955' - 5905'	50	16	25	14
6	5809' - 5792'	17	6	10	4
7	5737' - 5722'	15	6	10	4
8	5705' - 5657'	48	16	25	14
9	5618' - 5565'	53	26	40	14
Totals			141	220	109

Table B Perforation Intervals for Scale Squeeze.

12. Ensure Sonic Hammer is above all perforations Pump 50 bbls 8.6 PPG cut brine water to scale squeeze well. Do not exceed 500 psi casing pressure or 5 BPM while pumping scale squeeze or casing flush. RD and release pump truck.
13. Run back in the hole and tag for fill. If fill entry was indentified @ 6,780' or above, clean-out to PBTD (6,780') following steps 5 or 6
14. POOH & LD 2-7/8" WS and Sonic Hammer tool
15. RIH with 2-7/8" production tubing hydrotesting to 6,000 psi. Set TAC per ALCR recommendation. ND BOP. NU WH. RIH with rods and pump per ALCR. Hang well on. RD and release workover unit.

Note: Prior to ND BOP, e-mail or call Remedial Engineer to summarize what it was done to mitigate the well control hazard.

16. Turn well over to production

FOAM / AIR CLEANOUT PROCEDURE

- This procedure is an addition to the original procedure.
 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. Hardline pipes from 2" casing valve to manifold to half pit with gas buster
 2. Install flowback tank downwind from rig.
 3. Position Air unit upwind from Rig next to water tanks. Have vacuum truck on standby to empty halfpit. (if needed)
 4. RIH with 4-3/4' MT bit, 4 (3-1/2") drill collars on 2-7/8" 6.5# L-80 WS.
 5. 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 being delivered to rig** Check chart or test at rig
 6. RU foam air unit. Make quality foam on surface before going down hole with foam/air. Install flapper float at surface before beginning to pump. Break circulation with foam/air. Evacuate fluid from well.

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

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. 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.

7. Clean out fill to PBTD (6780') with low RPM's rotation and circulation, always keep pipe moving. Short trips can be beneficial to hole cleaning. Circulate well clean for at least 1 hour at the end of the day and pull up above the perforations before shut down for night. If the foam/air unit goes down, pull above the perforations.
8. When tripping out of hole, have special float bleed off tool available to relieve trapped pressure below float.

Ensure that high quality, stiff foam is pumped while circulating the fill. Stiff foam is required to prevent segregation while circulating. Monitor flow and pressures carefully when cleaning out.

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.

Continue on with original procedure for completion.

Well **C.P.Falby B Federal #7**Field **Blinebry Oil & Gas
Drinkard**Reservoir **Blinebry & Drinkard****Location:**

660' FSL & 560' FWL
Section 8
Township 22S
Range 37E
County Lea State NM

Elevations:

GL 3484'
KB 3500'
DF

This wellbore diagram is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of the update date below. Verify what is in the hole with the well file in the Eunice Field Office. Discuss w/ WEO Engineer, WO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.

**Current
Wellbore Diagram****Well ID Info:**

Chevno MV9298
API No 30-025-39982
L5/L6
Spud Date 3/25/2011
Compl Date
GPS (NAD27)
N 32 4007800, W -103 1914272

Surf. Csg: 8 5/8", 24#, J-55
Set: @ 1145' w/ 640 sks
Hole Size: 12 1/4"
Circ: Yes TOC: Surface
TOC By: Circulated

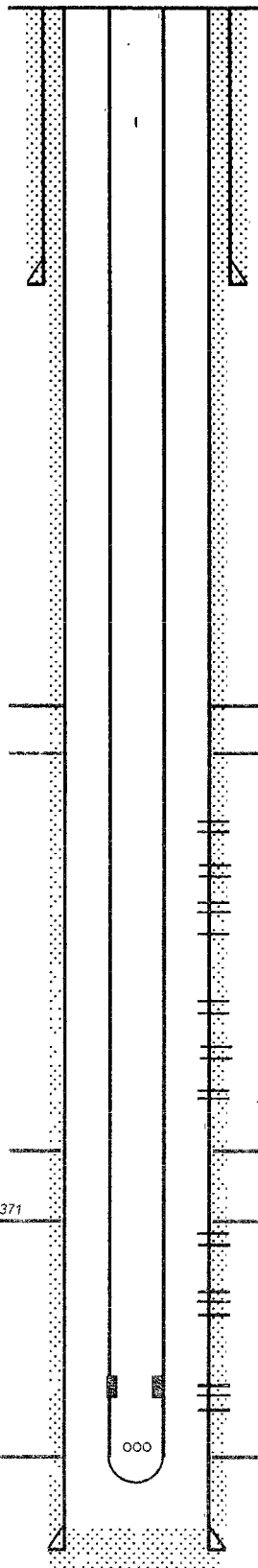
Tubing Detail:

#Jts.	Size.	Footage
	KB Correction	16 00
160	Jts 2 7/8" EUE 8R J-55 Tbg 6 5#	5098.99
1	Jts 2 7/8" J-55 Tbg 6 5# Sub	4 00
10	Jts 2 7/8" EUE 8R J-55 Tbg 6 5#	323 50
1	2-7/8" TAC	2 73
36	Jts 2 7/8" EUE 8R J-55 Tbg 6 5#	1161 63
2	Jts 2 7/8" J-55 Tbg 6 5# TK 99 IPC	63 28
1	2-7/8" SN	1 10
1	Jts 2 7/8" J-55 Tbg 6 5# Sub	4 00
1	2-7/8" Cavins Desander	19 20
2	Jts 2 7/8" EUE 8R J-55 Tbg 6 5#	64 65
1	Cavins Dump Valve	0 80
216	Bottom Of String >>	6759 88

Rod Detail:

#Jts.	Size.	Footage
1	1 5" Polished Rod	26 00
1	7/8" N-97 Rod sub	2 00
127	7/8" N-97 Rod sub	3175 00
124	3/4" N-97 x 25' Rod	3100 00
14	1 5" K x 25' Sinker	350 00
1	7/8" N-97 Guided Rod sup	4 00
1	Rod Pump 25-200-RHBC-24-5	24 00
269	Length Of String >>	6681 00

COTD: 6780'
PBSD: 6780'
TD: 6805'



Top Glonetta 5,071'

Top Blinebry 5,403'

Perfs: **Status:**
5570-79' Blinebry - Open
5583-90' Blinebry - Open
5604-13' Blinebry - Open
5662-71' Blinebry - Open
5693-5700 Blinebry - Open
5727-32' Blinebry - Open
5797-5804' Blinebry - Open

5910-17' Blinebry - Open
5945-50' Blinebry - Open
5962-67' Blinebry - Open
5971-77' Blinebry - Open
5986-95' Blinebry - Open

Top Triab 6,091'

Top Drinkard 6,371'

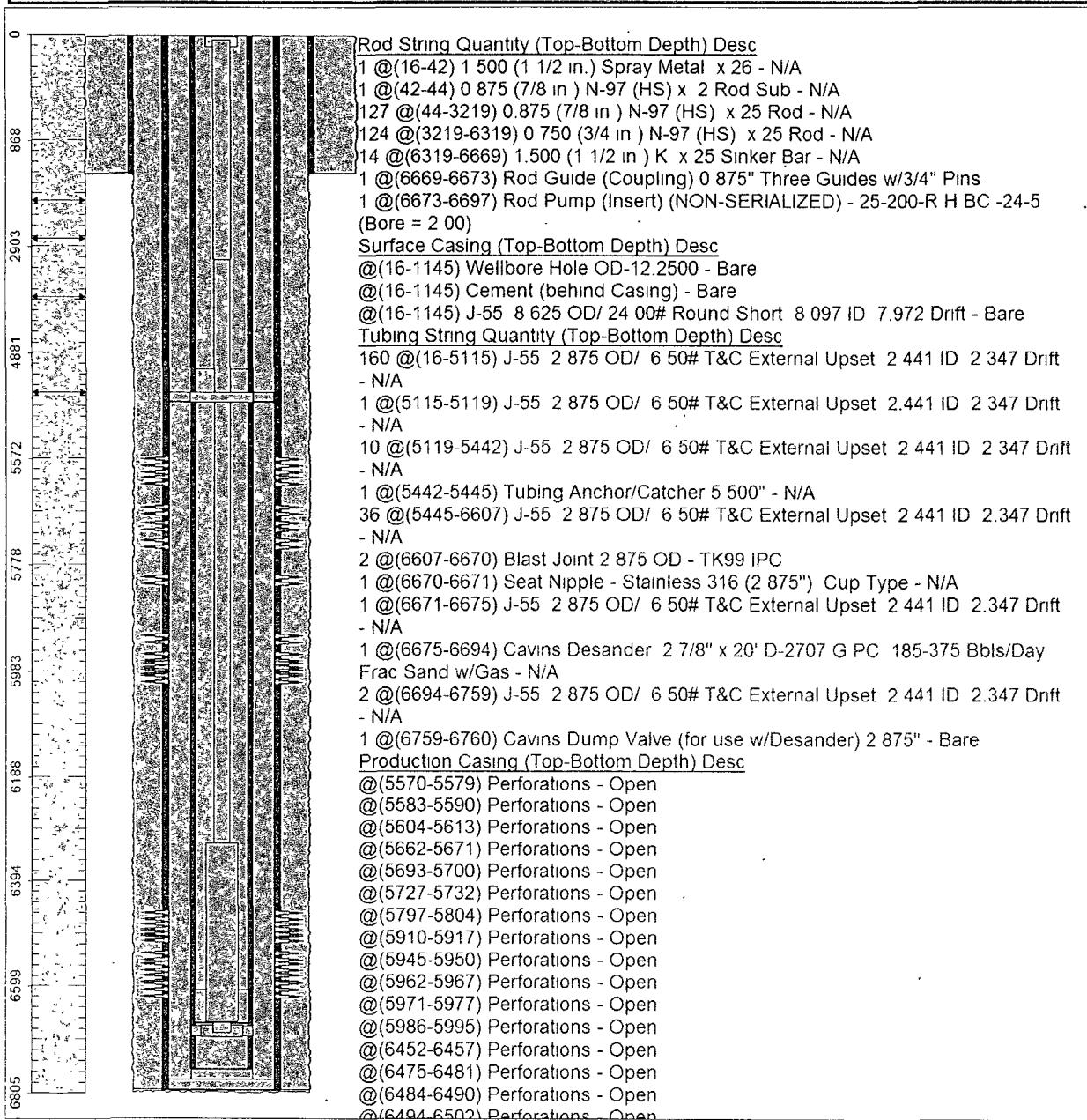
Top Abo 6,656'

Perfs: **Status:**
6452-57' Drinkard - Open
6475-81' Drinkard - Open
6484-90' Drinkard - Open
6494-6502' Drinkard - Open
6530-39' Drinkard - Open
6552-61' Drinkard - Open
6574-83' Drinkard - Open
6590-99' Drinkard - Open

Prod Csg: 5 1/2", 17#, L-80 & P-110
Set: @ 6800' w/ 1495 sks
Hole Size: 7 7/8"
Circ: Yes TOC: Surface

Chevron U.S.A. Inc. Wellbore Diagram : CPFALBYB7DHC

Lease: OEU EUNICE FMT		Well No.: FALBY, C. P. -B- FED PARENT D 7		Field: BLINEBRY OIL & GAS	
Location: 660FSL560FWL		Sec.: N/A		Blk:	Survey: N/A
County: Lea	St.: New Mexico	Refno: MV9298		API: 3002539982	Cost Center: UCU467900
Section:		Township: N/A			Range: N/A
Current Status: ACTIVE				Dead Man Anchors Test Date: NONE	
Directions:					



Ground Elevation (MSL):: 3484.00	Spud Date: 03/21/2011	Compl. Date: 12/31/1969
Well Depth Datum:: CSI0000N	Elevation (MSL):: 0.00	Correction Factor: 16.00
Last Updated by: fitecl	Date: 11/26/2011	