

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
OMB No. 1004-0137  
Expires: October 31, 2014

**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.  
NMNM78122

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** – Other instructions on page 2.

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

1. Type of Well

- Oil Well     Gas Well     Other

8. Well Name and No.  
SKELLY UNIT #937

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

9. API Well No.  
30-015-32596

3a. Address  
15 SMITH ROAD  
MIDLAND, TEXAS 79705

3b. Phone No. (include area code)  
432-687-7375

10. Field and Pool or Exploratory Area  
FREN; 6L

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
UL: C, SECTION 21, T-17S, R-31E, 480 FNL, & 2185 FWL

11. County or Parish, State  
EDDY 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 checked="" 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 type="checkbox"/> Other _____	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

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 FRACTURE STIMULATE THE SUBJECT WELL.

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

Accepted for record  
NMOCD TCS  
12/5/2012

**RECEIVED**  
DEC 05 2012  
NMOCD ARTESIA

**APPROVED**  
NOV 30 2012  
Denise Pinkerton  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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

Title REGULATORY SPECIALIST

Signature: *Denise Pinkerton*

Date 09/18/2012

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
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.	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.

## Skelly Unit 937

Job: Sand Frac

API No. 30-015-32596

Eddy County, NM

### Workover Procedure:

\*\*\* Ensure well has been bled down prior to MIRU. Use the Rig Move check list. Ensure power lines are at an adequate distance from the WH. Make sure anchors have been tested in the last 2 years. Ensure elevators are callipered and visually inspected at the beginning of each work day and note in WellView anytime sizes change.

1. MIRU PU.
2. Check tubing and casing pressures & ensure that both are dead. Open bradenhead valves, bleed pressure, & monitor throughout job.
3. Kill well as necessary.
4. Pull rods and pump.
5. Ensure well is dead. ND wellhead. NU BOP. Pipe rams on top, blinds on bottom.
6. Unset TAC. TOH scanning 2 7/8" 6.5 # tubing (yellow joints OK to rerun). Pull one joint. Install packer. RIH to 25' and test BOP to 250 low 500 high.
7. TIH with 4 3/4" MT bit and 6 x 3 1/2" DCs on 2 7/8" EUE, L-80, 6.5# WS. Cleanout to 5296' (PBSD). If circulation is not obtained, RU Foam Air Unit (See attached procedure).
8. TOH stand back WS, LD DC's and bit.
9. Ensure wellhead is rated for 5000 psi.
10. RIH w/ RBP and set @ 4800'.
11. Pressure test casing to 4200 psi.
12. POOH w/ tbg and RBP.
13. Install frac valve.
14. Close BOP on 6-8', 3 1/2" L-80 sub and test frac valve to 4200 psi.
15. RDMO PU and return after the Halliburton frac is completed.

16. MI 7 frac tanks and set on location.
17. RU Halliburton and frac per the Halliburton recommendation. Max pressure is 4200 psi. Set pop-off @ 4200 psi. Establish an exclusion zone.
18. RDMO Halliburton.
19. Shut in overnight.
20. Flowback to recover load.
21. MIRU PU. Remove frac valve. NU BOP. RIH w/ packer on 1 joint WS. Test BOP to 250 low and 500 high. POH. LD pakcer.
22. TIH with 4 3/4" MT bit and 6 x 3 1/2" DCs on 2 7/8" EUE, L-80, 6.5# WS. Cleanout to 5296' (PBSD). If circulation is not obtained, RU Foam Air Unit (See attached procedure).
23. POH, LD WS, DCs, and bit.
24. RIH w/ existing 2 7/8" production tubing (Reference the attached tubing assembly).
25. ND BOP.
26. NU wellhead.
27. RIH w/ pump and rods (Reference the attached pump and rod details).
28. RDMO PU.
29. Turn well over to production.

Contacts:

Larry Birkelbach – Remedial Engineer (432-208-4772)

Danny Acosta – ALCR (575-631-9033)

Edgar Acero – Production Engineer (432-687-7343 / Cell: 432-230-0704)

Heath Lynch – Drilling Supt. (432-687-7402 / Cell: 432-238-3667)

Nick Moschetti – OS (432-631-0646)

**Skelly Unit #937**  
**API # 30-015-32596**

**Proposed Rod Design :**

1 1/2" x 26' SM Polish Rod (7/8" pin) – As pulled  
1 set 7/8" FG rod subs – Need to order new  
7/8" FG rods – 54 rods (2025') – Need to order new  
3/4" N-97 Rods – 108 Rods (2700') – Plenty in well now  
1 1/2" K-Bars – 16 sinker bars (400') – Need to order new  
1 – 4' Guided Sub (3-guides), 7/8" body, 3/4" pin  
1 – 1.75" Insert Pump - (Garner Pump – (575) 397-4788)

**Tubing Detail :**

Same as pulled, add 4' marker sub if not already in well and BHA  
Make sure bottom joint is Enduroalloy (Blast joint)  
2 7/8" x 5 1/2" TAC @ 4689'  
SS Mechanical SN @ 5123' w/ 1 1/4" x 8' Mule Shoed Dip Tube  
2 7/8" x 24' .012 slot Sand Screen  
2 7/8" x 31' MAJ w/BP

End of Tubing @ 5183'

Load Cell – Danny Acosta (If needed)

**Insert Pump :** 25-175-RHBM-16-5 w/extreme seats

## 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 and 6 x 3 1/2" CDs on 2 7/8" EUE, L-80, 6.5# 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 to 5296' (PBTD).maintain circulation at optimum rate, allowing fill to clear bit before continuing to clean downhole, 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.

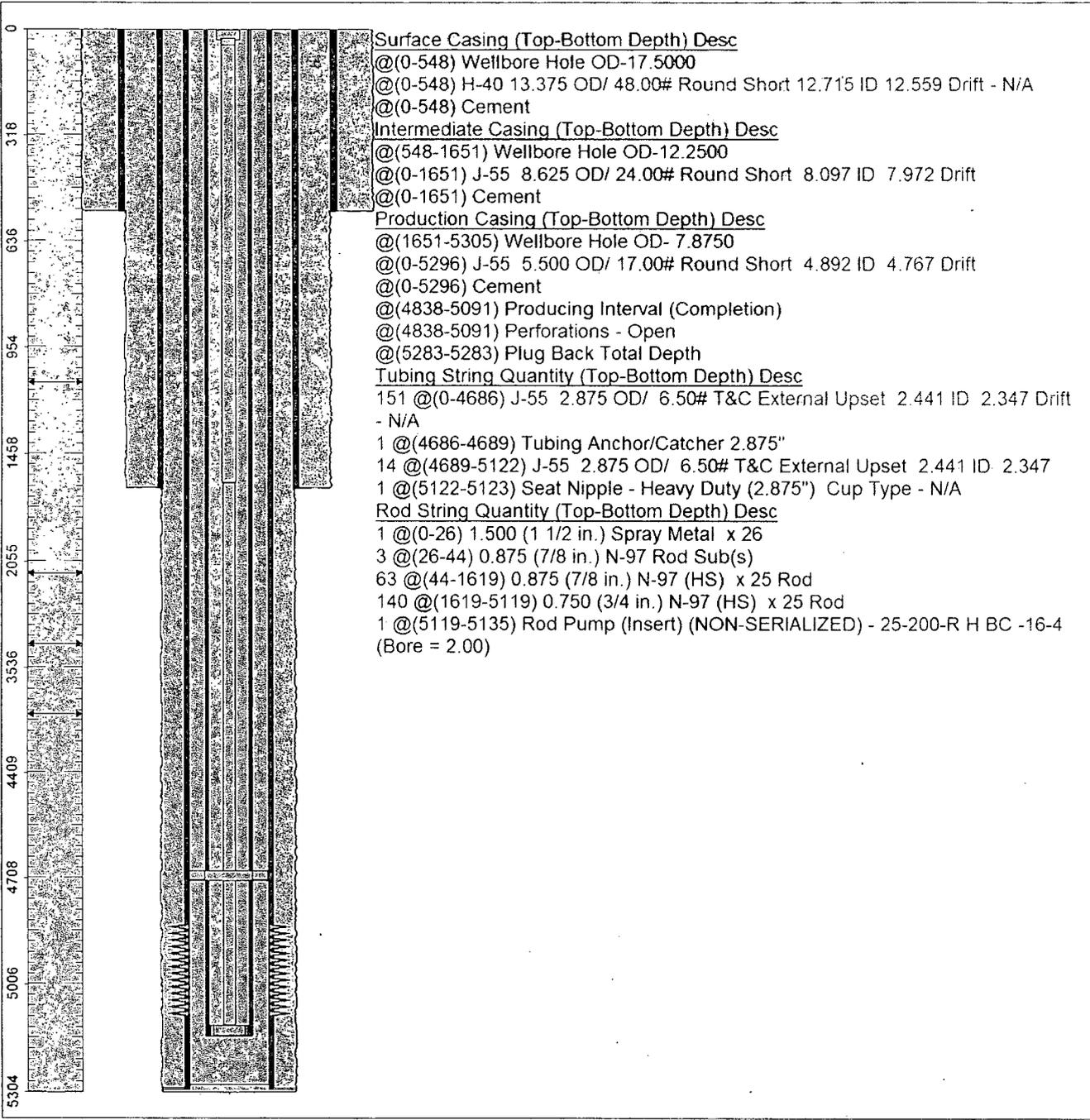
Ensure that high quality, stiff foam is pumped while circulating the fill. Stiff foam is required to prevent segregation while circulating. Monitor flow and pressures carefully when cleaning out.

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.

## Chevron U.S.A. Inc. Wellbore Diagram : SU 937

<b>Lease:</b> OVC VACUUM		<b>Well No.:</b> SKELLY UNIT 937		<b>Field:</b> FREN	
<b>Location:</b> 480FNL2185FWL		<b>Sec.:</b> N/A		<b>Blk:</b>	
<b>County:</b> Eddy	<b>St.:</b> New Mexico	<b>Refno:</b> HK0723		<b>API:</b> 3001532596	<b>Cost Center:</b> UCPH61200
<b>Section:</b> 21		<b>Township:</b> 017 S		<b>Range:</b> 031 E	
<b>Current Status:</b> ACTIVE				<b>Dead Man Anchors Test Date:</b> NONE	

**Directions:**



<b>Ground Elevation (MSL)::</b> 3776.00		<b>Spud Date:</b> 03/21/2003		<b>Compl. Date:</b> 01/01/1970	
<b>Well Depth Datum::</b> CSI0000A		<b>Elevation (MSL)::</b> 3776.00		<b>Correction Factor:</b> 0.00	
<b>Last Updated by:</b> trij			<b>Date:</b> 09/13/2012		