Form 3160-5
(March 2012)

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.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other	5. Lease Serial No.: NMLC029392B
	6. If Indian, Allottee or Tribe Name:
	7. If Unit of CA/Agreement, Name and/or No.:
	8. Well Name and No.: HINKLE FEDERAL #1
2. Name of Operator: CHEVRON U.S.A. INC.	9. API Well No.: 30-015-10111
3a. Address: 15 SMITH ROAD, MIDLAND, TEXAS 79705	3b. Phone No. *(include area code)*: 432-687-7375
	10. Field and Pool or Exploratory Area: SHUGART; DELAWARE
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*: 1650 FNL, & 660 FWL, SEC 27, UL: E, T-18S, R-31E	11. County or Parish, State: EDDY, NEW MEXICO

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other FISH EQPT, CLEANOUT, ACIDIZE, RTP
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 FISH EQUIPMENT, CLEANOUT, ACIDIZE & RETURN TO PRODUCTION THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE,

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 19.15.17.9

Accepted for record
NMOCD
12/26/2013

RECEIVED
DEC 26 2013
NMOCD ARTESIA

ACCEPTED FOR RECORD
DEC 19 2013
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: 11/27/2013

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.

(Instructions on page 2)

Hinkle Federal #1 – [30-015-10111]
Shugart field
T18S, R31E, Section 27
N 32° 43' 15.8514", W -103° 51' 47.3754" (NAD27)
Job: Fish equipment, Cleanout, Acidize & RTP

***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 possible MOC.**

It should be noted, the anticipated maximum amount of H2S that an individual could be exposed to on location is as follows for given Radius of Exposure:
100 PPM ROE = 0.001589* 100 PPM* 23 MCF ^0.6258 = 2 FEET
500 PPM ROE = 0.0004546* 100 PPM* 23 MCF ^0.6258 = 1 FEET

PREWORK:

1. Utilize the rig move check list.
2. Check anchors and verify that pull test has been completed in the last 24 months.
3. Ensure location and distance to power lines are in accordance with MCA SWP. Complete an electrical variance and electrical variance RUMS if necessary.
4. Ensure that location is of adequate build and construction.
5. Ensure that elevators and other lifting equipment are inspected.
6. For wells to be worked on or drilled in an H2S field/area, include the anticipated maximum amount of H2S that an individual could be exposed to along with the ROE calculations for 100' and 500'.
7. Review JSA and hazards with rig crew. Visually inspect wellhead, casing and tubing valves. Decide whether tubing and casing valves can be used; replace as needed.
8. Scout location and mark off anything that might be hazardous to daily operations.

Reminders:

1. Caliper all lifting equipment at the beginning of each day or when sizes change. **Note in JSA and record on Elevator Change-out Log when and what items are callipered.**
2. When NU anything over an open wellhead (BOP, EPA, etc.) ensure the hole is covered to avoid dropping anything downhole.
3. Ensure well is secure/shut in with blind rams between job stages (nothing in well).
4. If pumping any cement, plugging back a well or changing producing intervals, contact OCD.
5. If 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. Prior to making any dummy run contact RE and discuss.

    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.
6. Hold safety meetings with all personnel on location prior to any major or abnormal operation.

Procedure:

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

2. MI & RU Workover unit.

3. **No rod string or pump in the wellbore. Rods were taken out at time of last pull and rigwork.** ND wellhead, unset TAC, NU BOP [*Blinds on bottom, 2-3/8" pipe rams on top*]. NU EPA equipment and RU rig floor.

4. POOH & LD 1 joint 2-3/8" tbg, PU 4-1/2" packer and set @ ~ 25'. Close and test BOP pipe rams to 250psi (low)/ 1000psi (high). Record testing pressures on WellView report (Time log and safety/inspections). Release and LD packer.

5. Depths: (TAC 4,556', EOT 4,711', **TOF 4,773'**, Bottom Perfs 5,056', PBTD 5,090')
   ***There is a piece of equipment found at 4,773' that we will want to fish out in order to cleanout perforation interval and bottom of wellbore to a PBTD of 5,090'.**

6. RU Scanners and POOH while scanning all 2-3/8" 4.7# J-55 production tubing. LD all non-yellow band joints.

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

➢ **Caliper elevators and tubular EACH DAY prior to handling tubing/rods/tools. Note in JSA & WellView when and what items are callipered within the task step that includes that work.**

7. PU and RIH with the following BHA:

   a. 3 1/8" OD Lubricated Bumper Sub with 2 3/8" API Regular Connections.
   b. 3 1/8" OD Hydraulic Jars with 2 3/8" API Regular Connections.
   c. 2 3/8" Regular Pin X 2 7/8" PAC Box Crossover Sub.
   d. 2 ea. 3 1/8" OD Drill Collars with 2 7/8" PAC Connections.
   e. 2 7/8" PAC Pin X 2 3/8" API Regular Box Crossover Sub.
   f. 2 each 3 1/8" OD Accelerators with 2 3/8" API Regular Connections.
   g. 2 3/8" API Regular Pin X 2 3/8" PH-6 Box Crossover Sub.

8. Run in hole and tag fish at +/- 4,773'. Wash down to top of fish if necessary. Check and record string up and down weights.

   Note: Ensure full opening TIW valve is installed and tightened in top of tubing prior to engaging and screwing into fish.

9. Lightly tag up on fish with +/- 1,000 lbs or less. Screw into fish. Torque up connection tight.

10. Jar on fish with +/- 55,000 lbs maximum over pull above string weight as recorded in step 8 above until fish either comes loose or parts, thereby enabling the overshot to be pulled from the well.

    3 1/8" Jar has maximum jarring load of 59,000 lbs and a maximum tensile after firing of 239,000 lbs.

Note: Clear rig floor and surrounding area of all personnel prior to commencing jarring operations. Perform all necessary rig inspections prior to commencing jarring operations.

11. Pull out of hole with workstring, fishing tools and fish.

    Note: Exercise extreme caution when pulling and laying down fish. Be aware of the potential for trapped pressure.

12. Pick up and run in hole with the following BHA:

    a. 3 15/16" X 3 ¾" Smooth OD, Mesh ID shoe.
    b. 4 joints 3 ¾" washpipe
    c. 3 ¾" X 2 3/8" API Regular WP Top Bushing
    d. 3 1/8" OD Hydraulic Jars with 2 3/8" API Regular Connections.
    e. 2 3/8" Regular Pin X 2 7/8" PAC Box Crossover Sub.
    f. 6 ea. 3 1/8" OD Drill Collars with 2 7/8" PAC Connections.
    g. 2 7/8" PAC Pin X 2 3/8" API Regular Box Crossover Sub.
    h. 2 3/8" API Regular Pin X 2 3/8" PH-6 Box Crossover Sub.

13. Run hole with BHA on 2 3/8" PH-6 workstring. Wash over fish from +/- 4,773' to TAC at +/- 4,866'

14. Pull out of hole with workstring and fishing tool assembly.

15. Pick up and run in hole with the following BHA:

    a. 3 ¾" Overshot with 2 3/8" API Regular Box
    b. 3 1/8" OD Lubricated Bumper Sub with 2 3/8" API Regular Connections.
    c. 3 1/8" OD Hydraulic Jars with 2 3/8" API Regular Connections.
    d. 2 3/8" Regular Pin X 2 7/8" PAC Box Crossover Sub.
    e. 2 ea. 3 1/8" OD Drill Collars with 2 7/8" PAC Connections.
    f. 2 7/8" PAC Pin X 2 3/8" API Regular Box Crossover Sub.
    g. 2 each 3 1/8" OD Accelerators with 2 3/8" API Regular Connections.
    h. 2 3/8" API Regular Pin X 2 3/8" PH-6 Box Crossover Sub.

16. Run in hole with workstring and BHA, latch on to fish.

17. Attempt to jar fish free.

18. Pull out of hole with workstring, fishing tool assembly and fish.

    Note: Contact remedial engineer if entire fish is not recovered.

19. PU and RIH with 3-3/4" Milled Tooth (MT) Bit, 4 (3-1/2') drill collars on 2-3/8" workstring. RU power swivel and C/O to 5,090' with foam/air unit (**continue to supplemental procedure and in accordance with attached SOG**). POOH with 2-3/8" WS and bit. LD bit and BHA. Secure well.

20. PU and RIH with 4-1/2" treating packer on 2-3/8" workstring. Hydrotest tubing to 5000 psi while RIH. Set packer ~4,900'. Load and test backside to 300 psi. Monitor production/intermediate csg annulus for pressure.

21. MI and RU Petroplex equipment. **Set up exclusion zone around stim unit & treating iron.** Titrate acids and verify concentration (15% NEFE HCl ± 1.5%) report results in daily work summary. Pressure test lines to 6000 psi. Treat perf interval (4,926' – 5,056') with 4,000 gals of 15% NEFE HCl

acid at 5 BPM. Do not exceed 5,000 psi tubing pressure. Monitor casing pressure not to exceed 300 psi. Acid Components are listed below (**see Table A**). (Have a functioning shower trailer on location).

Acid Components	
1 gpt	EP-3 Non-Emulsion
5 gpt	DX - Iron Control Additive
2 gpt	BX - Activator ICH
2 gpt	I8 - Inhibitor

Table A

22. Displace acid to bottom (PBTD = 5,090') with 60 bbls 2% KCL. RDMO Petroplex.

23. MI & RU swabbing unit. Attempt to swab back load fluid from acid job. The intent of swabbing is primarily to clean near wellbore. If very little fluid is recovered on swab runs contact Alex Smalls, stop swabbing and move on to scale sqz. Swab for a maximum of one day. Report recovered fluid volumes, pressures, and/or swabbing fluid levels. RDMO swab unit.

24. MI & RU pump truck. Scale sqz lower perf interval with 40 bbls 2% KCL mixed with 2 drums (110 gals) of Baker SWC-358 scale inhibitor chemical. Displace scale sqz with 80 bbls of 2% KCL. Pump at a max rate of 5 BPM. Do not exceed 5,000 psi.

25. Release packer, POOH and LD packer. POOH and LD 2-3/8" Workstring and BHA.

26. RIH with 2-3/8" J-55 production tubing and hydrotest to 5,000 psi. **Pump 8.6 ppg cut brine water containing soap and biocide per ALCR recommendation.**

27. ND BOP, set TAC, NU WH. RIH with rods and pump per attached rod detail. **Record how much the pump was spaced-out in WellView.** Hang well on.

28. RD and release Workover unit. Turn well over to production. Clean location.

Hinkle Federal #1		KB = 11 ft			
		Tubing Detail			
			Top	Bottom	
	+/- 155 jts	2 3/8" 4.7# J-55 tubing jts	11	4700	
	3 ft	**2 3/8" x 5 1/2" TAC**	**4700**	4703	**(set above top perf of 4,926')**
	+/- 7 jts	2 3/8" 4.7# J-55 tubing jts	4703	4925	
	31 ft	**1** jt 2 3/8" TK-99 IPC tubing	4925	4956	
	1 ft	**2 3/8" SN**	**4956**	4957	
	4 ft	2 3/8" Perf Tubing Sub	4957	4961	
	31 ft	2 3/8" Bull Plug Mud Anchor	4961	4992	
		EOT @ +/- 4992'			
		Rod Detail			
			Top	Bottom	
	16 ft	**1 1/4"** SM Polished Rod	11	27	
	68 jts	7/8" Norris D-78 Rods	27	1727	**(use 7/8" rods subs at top of string to space out)**
	128 jts	3/4" Norris D-78 Rods	1727	4927	
	16 ft	**2.0"x1.25"x16' RHBC Insert Pump**	4927	4943	**(2 stage HVR insert)**
	10 ft	**1 1/4"** Gas Anchor	4943	4953	

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. **Set up an exclusion zone around flowback line.**
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 5,090' 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.

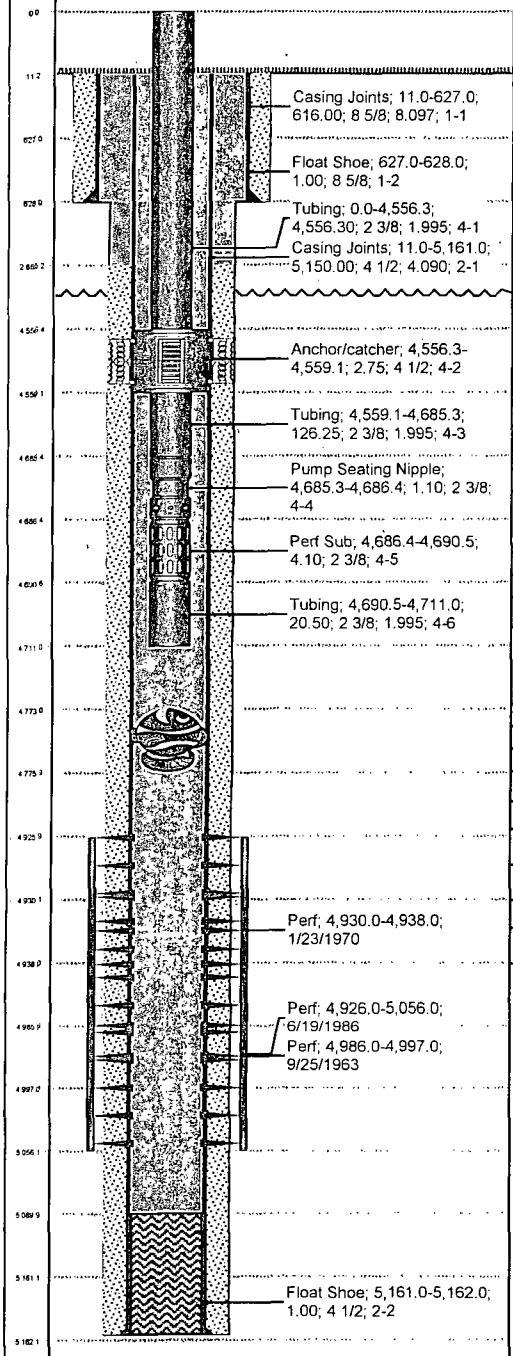
Continue on with original procedure for completion.

Current Wellbore Schematic

WELL (PN): HINKLE FEDERAL 1(CVX) (890456)
FIELD OFFICE: HOBBS
FIELD: SHUGART DELAWARE
STATE / COUNTY: NEW MEXICO / EDDY
LOCATION: SEC 27-18S-31E, 1650 FNL & 660 FWL
ROUTE: HOB-NM-ROUTE 13- MATTHEW LUNA
ELEVATION: GL: 3,631.0 KB: 3,642.0 KB Height: 11.0
DEPTHS: TD: 5,162.0

API #: 3001510111
Serial #:
SPUD DATE: 8/31/1963
RIG RELEASE: 8/31/1963
1ST SALES GAS:
1ST SALES OIL: 9/1/1963
CURRENT STATUS: SHUTIN

VERTICAL - Original Hole, 8/12/2013 10:14:21 AM



Deepest TVD

Wellbore Name	Max TVD (ftKB)
Original Hole	

Casing String: Surface

Set Depth (ftKB): 628.0 | Wellbore: Original Hole

Item Des	OD (in)	ID (in)	Drift (in)	Wt (lb/ft)	Grade	Top (ftKB)	Btm (ftKB)
Casing Joints	8 5/8	8.097	7.972	24.00	J-55	11.0	627.0
Float Shoe	8 5/8					627.0	628.0

Casing String: Production

Set Depth (ftKB): 5,162.0 | Wellbore: Original Hole

Item Des	OD (in)	ID (in)	Drift (in)	Wt (lb/ft)	Grade	Top (ftKB)	Btm (ftKB)
Casing Joints	4 1/2	4.090	3.965	9.50	J-55	11.0	5,161.0
Float Shoe	4 1/2					5,161.0	5,162.0

Cement

Description: Surface Casing Cement — **Top of Cement (ftKB):** 11.0
Description: Production Casing Cement — **Top of Cement (ftKB):** 2,865.0

Tubing String: Tubing - Production Run Date: 9/21/2011

Set Depth (ftKB): 4,711.0 | Wellbore: Original Hole | Proposed Run?

Item Des	OD (in)	ID (in)	Drift (in)	Wt (lb/ft)	Grade	Top Thread	Top (ftKB)	Btm (ftKB)
Tubing	2 3/8	1.995	1.901	4.70	J-55		0.0	4,556.3
Anchor/catcher	4 1/2						4,556.3	4,559.1
Tubing	2 3/8	1.995	1.901	4.70	J-55		4,559.1	4,685.3
Pump Seating Nipple	2 3/8						4,685.3	4,686.4
Perf Sub	2 3/8						4,686.4	4,690.5
Tubing	2 3/8	1.995	1.901	4.70	J-55		4,690.5	4,711.0

Perforations

Date	Zone	Top (ftKB)	Btm (ftKB)	Shot Dens (shots/ft)	Phasin g (°)
6/19/1986		4,926.0	5,056.0	4.0	
1/23/1970		4,930.0	4,938.0	2.0	
9/25/1963		4,986.0	4,997.0	2.0	

Stimulations & Treatments

<Zone/Formation?>, <Stage Number?>

Type	Date	Min Top Depth (ftKB)	Max Btm Depth (ftKB)	Total Clean Volum...
Acidizing	9/5/1983	4,930.0	4,997.0	

Additive	Sand Size	Amount	Conc (lb/gal)

<Zone/Formation?>, <Stage Number?>

Type	Date	Min Top Depth (ftKB)	Max Btm Depth (ftKB)	Total Clean Volum...
Sand Frac	6/19/1986	4,926.0	5,056.0	

Well History

Date	Event
9/25/1963	PERF @ 4986-97 w/ 2 jspf. ACDZ w/ 500 gal. FRAC w/ 6000 gal oil w/ 3/4-2# /gal sd and tail w/ 1000# glass beads.
9/20/1969	FRAC 4986-4997 w/ 15000 gal lease crude w/ 17500# sd.
1/23/1970	PERF @ 4930-38 w/ 2 jspf. ACDZ w/ 500 gal MCA.
9/5/1983	ACDZ w/ 1000 gal 15% HCl.
6/19/1986	PERF @ 4926-38, 4975-5002, 5022-30, 5042-48,5052-56 w/ 4 jspf. FRAC w/ 10000 gal 40# HPG gel crosslinked 2% KCl w/ 24000# 12/20 Ottawa sd. CO to 5090'.
3/8/2011	HELD PRE-JOB SAFETY MEETING. RU TYLER WELL SERVICE RIG # 106. UNABLE TO UNSEAT STUCK PUMP. BACKED OFF RODS. POOH W/ 81 - 3/4 RODS AND 65 - 7/8 RODS. RU SWAB. SWAB TUBING TO FLOWLINE..ND WELLHEAD. NU BOP. SDFN.