

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

Form C-103
 Revised August 1, 2011

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

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.)		WELL API NO. 30-015-41744
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other SWD		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator CHEVRON U.S.A. INC.		6. State Oil & Gas Lease No.
3. Address of Operator 15 SMITH ROAD, MIDLAND, TEXAS 79705		7. Lease Name or Unit Agreement Name SKEEN 2 26 27 STATE SWD
4. Well Location Unit Letter: M 400 feet from the SOUTH line and 1200 feet from the WEST line Section 2 Township 26S Range 27E NMPM County EDDY		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 4323
10. Pool name or Wildcat SWD; BRUSHY CANYON		

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input checked="" type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>
OTHER: ACID STIMULATION	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 U.S.A. INC. INTENDS TO ACID STIMULATE THE PERFS IN 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:

NM OIL CONSERVATION
 ARTESIA DISTRICT

AUG 21 2015

Spud Date:

Rig Release Date:

RECEIVED

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

SIGNATURE *Denise Pinkerton*

TITLE: REGULATORY SPECIALIST DATE: 08/19/2015

Type or print name: DENISE PINKERTON

E-mail address: leakejd@chevron.com

PHONE: 432-687-7375

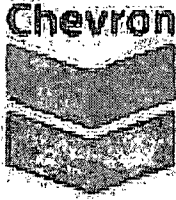
For State Use Only

APPROVED BY: *D Wade*

TITLE: *Dist P Spewick*

DATE: *9/2/15*

Conditions of Approval (if any):



**Skeen 2-26-27 State SWD #1
Acid Job**

ChevNo: NX4338 API #: 30-015-41744

Operator: Chevron Midcontinent, L.P.

Location: Hobbs County: Eddy

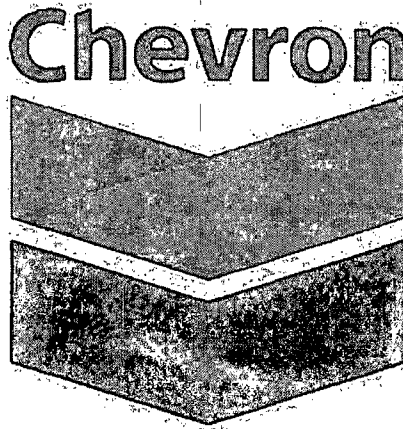
Spud: 12/31/2013 Completion: 3/17/2014

**NM OIL CONSERVATION
ARTESIA DISTRICT**

AUG 21 2015

**Chevron USA Inc.
Mid-Continent Business Unit**

RECEIVED

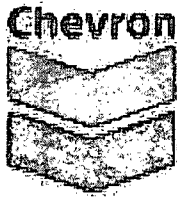


Skeen 2-26-27 State #1 SWD - Acid Job

Workover Procedure

Level 1 Well Work - Acid Stimulation

Title	Name	Signature	Date
Workover Engineer	Bob Hall / Evan Asire	<i>Bob Hall</i>	8/18/2015
Workover Team Lead	Kyle Olree	<i>Kyle Olree</i>	8/17/2015
Production Engineer	John Taxiarchou		



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Spud: 12/31/2013 Completion: 3/17/2014

The purpose of this project is to simulate the injection intervals in the Skeen SWD with acid.

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 safely do what is best for the well.

Contacts:

Remedial Engineer	Bob Hall	432-687-7471 / 832-763-1161
Production Engineer	John Taxiarchou	432-687-7452 / 281-460-9143
D&C Supt.	Victor Bajomo	432-687-7953 / 432-202-3767
D&C Team Lead	Kyle Olree	432-687-7422 / 307-922-3098
ALCR	Emanuel Jimenez	575-631-9139
Operations Supervisor	Danny Lovell	575-390-0866
Petroplex	Dustin Anderson	432-631-5183

Well Status: Active injector

Casing Information:

Conductor Casing: 20" 94# J-55 set at 80'
Surface Casing: 9-5/8" 40# HCK-55 set at 1508' with TOC at surface
Production Casing: 7" 26# C-110 set at 5206' with TOC at surface

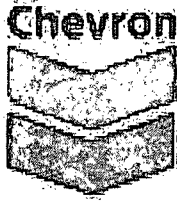
Tubing and Rod Information:

Tubing String: 7" tubing hanger
4-1/2" SSTubing Pup Joint (1.46')
77 jt 4-1/2" 11.6# L-80 tubing
1 5.07" crossover
5 1/2 On-Off tool ID 2.812"
5-1/2" Packer ID 3"
1 3-1/2" Pup Joint 6.12"
4" XN - Nipple ID 2.812
Wireline Guide ID 3"
EOT = 2498.2'

Wellbore Information:

2/2009: 2550-2580, 2632-2688, 2696-2712, 2730-2760, 2856-2890, 3082-3106, 3420-3432, 3584-3600, 3622-3628, 3896 -3920, 4030-4042, 4084-4104, 4136-4152, 4284-4306, 4706-4716, & 4932-4936
PBD: 5120'
TD: 5601'

Recent Well History: Blue Spark Stimulation completed 8/17/2015.



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Pre-work:

1. Utilize the rig move check list and complete electric line route survey with FMT.
2. Check anchors and verify that a pull test has been completed in the last 24 months.
3. Ensure location of & distance to power lines is in accordance with MCBU SWP. Complete an electrical variance and RUMS if necessary.
4. Ensure that location is of adequate build and construction.
5. **Ensure that elevators and other lifting equipment are inspected. Calliper all lifting equipment at the beginning of each day or when sizes change.**
6. When NU anything over and open wellhead (EPA, etc.) ensure the hole is covered to avoid dropping anything downhole.
7. Review H2S calculation radius of exposure.
8. Review JSA and identify hazards with crew. Visually inspect wellhead, casing, and tubing valves. Decide whether tubing and casing valves can be used or replaced as needed. Isolate hazardous energy. Bleed down well as necessary.
9. Any equipment installed at the wellhead (ID) is to be visually inspected by the WSM to insure that no foreign debris or other restrictions are present.
10. If wireline is to be used (i.e. perforating guns, collar locator, or logging tools) tools need to be callipered and reported on the daily WellView report.
11. Capture image of wellhead and tree rig up. Send to workover engineer prior to workover operations.

Expense Delegation: All expenses for this operation will be charged to the lease cost center number.

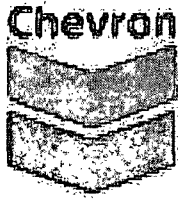
Cost Center: UC000LYCX

Procedure:

1. Mobilize Petroplex to well site.
2. RU Petroplex to tubing. Test lines to 2,000 psi. Monitor pressure on annulus during job.

MAXIMUM TREATING PRESSURE IS 1,000 psi.

3. Establish pumping rate and pressure with fresh water.
4. Pump 5,000 gallons gelled 20% acid with additives as per Petroplex quote dated 8/18/2015.
5. Pump 110 BBL fresh water.
6. Shut down and record ISIP and SIP at 5, 10, and 15 minute intervals.



Skeen 2-26-27 State SWD #1

Acid Job

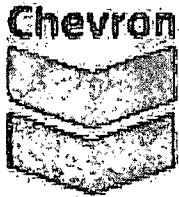
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7. Shut in well.
8. RD Petroplex.
9. Leave well shut in until CVX Field Specialist can restart pump and resume water disposal down well.
10. Notify ALCR and Production Engineer when acid job is complete. Complete Wellwork Transfer of Ownership form and send to ALCR, Operations Manager, and Workover Engineer.
11. Leave job end date open (Workover Engineer will close out job in WellView), but note in WellView on time log *****Final Report*****
12. Ensure all costs for services and equipment related to the job are documented in WellView on the appropriate day.



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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 0 ppm at the maximum anticipated escape volume (of wellbore gas) of 0 MCF/D

100 ppm Radius of Exposure is 0 feet.

500 ppm Radius of Exposure is 0 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

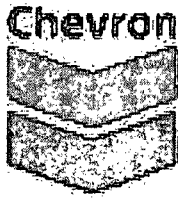
When removing rods and/or tubing from a well, collect samples of any paraffin and/or scale.

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.



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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 psi 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.



Dustin Anderson
Petroplex Acidizing
 Cell: (432) 631-5183 Personal: (432) 631-9374
 Email: dustin@petroplex.com
 Web: www.petroplex.com

Customer: **Chevron** Date: **18-Aug-15**
 Lease: **Skeen** Well: **2_26_27**
 Formation: **0** County: **Lea**
 Company Rep: **John and Bob** State: **New Mexico**

Directions:

Price Ref.	Quantity	Description	Per Unit	Amount
20-A	5000 gals.	15.1 to 20% Hydrochloric Acid	\$3.02	\$15,100.00
BC-200	10 gals.	I-3, Acid Corrosion Inhibitor	\$70.00	\$700.00
BC-350	25 gals.	LCA, Liquid Citric Acid	\$23.25	\$581.25
BC-543	125 gals.	FDAS, Acid Diverting - Retarding Agent (Nonionic)	\$70.00	\$8,750.00
BC-364	15 gals.	FeGreen, Iron sulfide dispersant	\$37.00	\$555.00
P-110	1 unit	P-450, Pumping Unit	1st 4 hours \$1,125.00	\$1,125.00
P-905	1 day	Treating Van With Data Recording, Per Day	\$475.00	\$475.00
P-903	1 unit	Safety Shower Trailer	\$600.00	\$600.00
P-804	1 unit	3 inch Nitrogen Relief Pressure Control Valve	\$700.00	\$700.00
P-800	1 unit	V-2, 2 Inch Treating Valve	\$350.00	\$350.00
P-300	120 miles	Mileage Charge - Heavy unit (Round trip) (Transport) per mile	\$4.00	\$480.00
P-301	120 miles	Mileage Charge - Heavy unit (Round trip) (Pump Truck) per mile	\$4.00	\$480.00
P-302	120 miles	Mileage Charge - Treating Van (Round Trip) per mile	\$1.75	\$210.00
P-303	120 miles	Mileage Charge - Pickup or Delivery (Round trip) per mile	\$1.75	\$210.00
		Sub Total		\$30,316.25
		Less Discount 35%		\$10,610.69
		Discounted Subtotal		\$19,705.56
		Price Quote (Excluding Tax)		\$19,705.56

Information: