OCD-ARTESIA

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

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

5. Lease Serial No.
NM-98120

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☐ Gas Well ☑ Other SWD

8. Well Name and No.
SKELLY UNIT #905

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

9. API Well No.
30-015-31371

3a. Address
15 SMITH ROAD
MIDLAND, TEXAS 79705

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

10. Field and Pool or Exploratory Area
SWD: CISCO

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1100' FNL & 660' FEL, SEC 14, T-17S, R-31E, UL: A

11. Country 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
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☑ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ 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.)

THE SUBJECT WELL HAS DEVELOPED PRESSURE ON THE TUBING CASING ANNULUS. THE CASING WILL BE TESTED TO VERIFY INTEGRITY. IF A CASING LEAK HAS DEVELOPED, THE CASING WILL BE REPAIRED AND THEN THE WELL WILL BE STIMULATED WITH ACID. THIS WELL IS A CRITICAL WELL, WHICH IS UTILIZED TO DISPOSE THE MAJORITY OF THE SKELLY UNIT'S PRODUCED WATER.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE AND WELLBORE DIAGRAM.

COPY IS BEING SENT TO THE OCD OFFICE IN ARTESIA.

RECEIVED
OCT 07 2010
NMOCD ARTESIA

* Notify NMOCD 24/hrs. Prior to running MIT. - David Gray

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

Title REGULATORY SPECIALIST

Signature Denise Pinkerton

Date 08/26/2010

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

ACCEPTED FOR RECORD
OCT 5 2010
/s/ Dustin Winkler
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.

(Instructions on page 2)

8/26/2010

Skelly 905

Mechanical Integrity Failure

API-30-025-31371

RECOMMENDATION:

Skelly 905 has recently experienced a failed MIT. The well needs to be repaired and put back on injection. It is therefore recommended that the following procedure be used to correct the problem and return the well to injection.

Pre-work: Re-confirm failed MIT.

PROCEDURE:

1 MIRU Rig, check well for pressure and kill well as necessary, NDWH, NUBOP.

2 RU wireline, set CIBP @ 10,090', dump bail 30' cmt on top of CIBP, RDWL.

3 PU 5 1/2" RBP, 5 1/2" pkr, tbg to surface. RIH to 9794', set RBP, un-latch from RBP, PU 5', set pkr and test tools to 1000 psi.

4 Un-set pkr and test csg to 500psi for 30min, if casing fails MIT, proceed to isolate CSG leak. Once csg leak interval is isolated, alert Remedial Engineer for squeeze procedure. If no leak is found, then POOH and move to step 11.

5 Latch on/un-set RBP and POOH to 200' below leak interval, set RBP/unlatch, dump 20' sand on top of RBP. Squeeze leak per recommended procedure.

6 TOOH w/squeeze equipment, PU 4 3/4" MT bit, 6 - 3 1/2" DC's, and C/O cement. Stop 50' above leak interval if cmt is green, apply 600 psi, and WOC overnight. Once cement is cleaned out, test squeeze to 600 psi. POOH w/cleanout assembly.

7 PU retrieving tool and TIH to top of RBP, wash sand off RBP, latch on/un-set RBP and RIH to 9794', set RBP/unlatch and perform MIT to 500 psi for 30 min.

8 Upon sucessful test, POOH w/RBP. LD WS.

9 Perform Chart MIT test to 500 psi for 30min.

10 Notify BLM 4hrs prior to final chart testing of csg. Chart test casing to 500 psi for 30 min. Pressure up tbg and blow profile nipple out, establish injection rate/pressure. Attempt to allow well to flow back, if it will not flowback under its own power, do not swab.

11 RU WL. RIH w/ perf gun (include gamma ray gun) and perforate the 5 ½" casing using full lubricator w/ 3-3/8" guns, 0.42" hole, 48.24" penetration, w/ 2 JSPF @ 120 degrees phasing as follows: 9422'-9228', 9490'-9496', 9572'-9578', 9770'-9778'. Correlate depths w/ Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron / NGT dated 7-AUG-2001.

12 PU new 5 1/2" injection packer w/on/off tool and profile nipple in profile, on 3 1/2" TK-15 IPC tbg. Set packer @ 9380', un-latch, circ 2% KCL w/corrosion inhibitor (packer fluid) to surface, latch on to packer.

13 MIRU acidizers. Pump 10,000 gal 20% HCL. Do not exceed 4000 psi, displace tbg w/ FW and allow acid to spend overnight. Load and test backside to 500#. Monitor casing pressure throughout job. Shut in for 1 hour.

14 Attempt to allow well to flow back, if it will not flowback under its own power, do not swab. If well will flow back, allow acid load volume back.

15 Alert production team that well is completed and ready to return to injection.

Contact Information:		
Remedial Engineer	Ty Gill	(432) 853-3652
Production Engineer	Edgar Acero	(432) 230-0704
OS	Tejay Simpson	(575) 390-5892
ALCR	Carlos Valenzuela	(575) 390-9615
Drlg. Supt.	Boyd Schaneman	(432) 238-3667
NMOCD	Artesia - District 2	(575) 748-1283

Skelly Unit #905 Wellbore Diagram

Created:	01/10/07	By: C. A. Irle	Well #:	905	Fd./St. #: NM-98120
Updated:		By:	API	30-015-31371	
Lease:	Skelly Unit		Surface	Tshp/Rng:	S-17 & E-31
Field:	Fren		Unit Ltr.:	A	Section: 14
Surf. Loc.:	1,100' FNL & 660' FEL		Bottom hole	Tshp/Rng:	
Bot. Loc.:			Unit Ltr.:		Section:
County:	Eddy	St.: NM	Directions:	Carlsbad, NM	
Status:	Salt Water Disposal		Chevno:	HD0879	

Surface Casing

Size:	11 3/4
Wt., Grd.:	42# H-40
Depth:	750
Sxs Cmt:	440
Circulate:	Yes, 131
TOC:	Surface
Hole Size:	14 3/4

Intermediate Casing

Size:	8 5/8
Wt., Grd.:	32# K-55
Depth:	4,200
Sxs Cmt:	1,830
Circulate:	No
TOC:	620 TS*
Hole Size:	11"

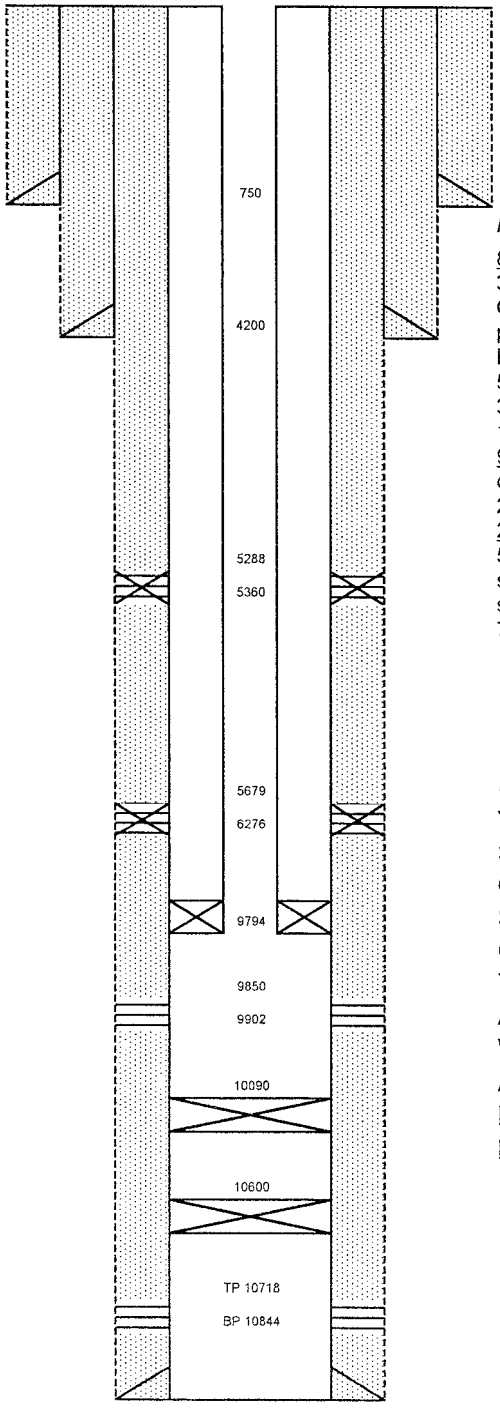
*Sqz 251 sx @ 980#

Production Casing

Size:	5 1/2
Wt., Grd.:	17#
Depth:	12,388
Sxs Cmt:	3,170
Circulate:	Yes, 416
TOC:	Surface
Hole Size:	7 7/8

Perforations

~~5288-5360, 5679-6276~~, 9850-9902, ~~10718-844~~



PBTD: 10,090
TD: 12,474

KB:
DF:
GL: 3,940
Ini. Spud: 06/23/01
Ini. Comp.:

History

8/29/01 Ini Comp: Perf 10718-844, acid 3374 gls 20% HCl, CIBP 10600, cmt 35', CIBP 8600, cmt 35', CIBP 6600, cmt 35', perf 5679-6276 (69 hls), acid 2000 gls 15% HCl, swab, CIBP 5600', cmt 35', perf 5288-5360 (34 hls), acid 1500 gls 15%, frac 32000 gls 20% 54000 gls 40# gel 5000 gls 15%, 2 7/8 tbg 5389.
9/12/02 P & A: CIBP 5188, cmt, tag 5141, cmt 4252, tag 4110, cmt 25 sx 850, tag 620, 2 jts tbg, circ cmt.
2/9/06 Conv to SWD: Drl 5588, cmt ret 5062, sqz 400 sx, drl 6576, cmt ret 5624, sqz 400 sx, drl 10600, CIBP 10090, perf 4 spf 9850-9902, acid 5000 gls 15% HCl, 2 7/8 tbg pkr 9794.

Geology - Tops

Yates	1,950
Seven Rivers	2,265
Queen	2,905
San Andres	3,685
Glorietta	5,201
Tubb	6,672
Abo	7,328
Wolfcamp	8,670
Atoka	11,560
Morrow	11,982
Mississippian	12,414