N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT --" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.

6. If Indian, Alottee or Tribe Name

7. If Unit or CA, Agreement Designation

1. Type of Well: ☑ OIL WELL ☐ GAS WELL ☐ OTHER

8. Well Name and Number
SPEAR FEDERAL
1

2. Name of Operator
CHEVRON USA INC

3. Address and Telephone No.
15 SMITH ROAD, MIDLAND, TX 79705 915-687-737

9. API Well No.
30-025-33645

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter F : 2310' Feet From The NORTH Line and 2308' Feet From The WEST Line Section 33 Township 18-S Range 32-E

10. Field and Pool, Exploaratory Area
LUSK N BN SPR, STRAWN, WOLFCAMP

11. County or Parish, State
LEA , NM

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION	TYPE OF ACTION	
☑ Notice of Intent	☐ Abandonment	☐ Change of Plans
☐ Subsequent Report	☐ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Conversion to Injection
	☑ OTHER: PLUGBACK	☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*.

CHEVRON U.S.A. INC. INTENDS TO TEST THE SUBJECT WELL IN THE BONE SPRING & WOLFCAMP & STRAWN RESERVOIRS. THE WELL HAS BEEN SHUT IN IN THE STRAWN SINCE 07-2001. THE INTENDED PROCEDURE AND CURRENT WELLBORE DIAGRAM IS ATTACHED FOR YOUR APPROVAL.

PLATS FOR THE 3 ZONES ARE ALSO ATTACHED.

APPROVED
APR 19 2004
GARY GOURLEY
PETROLEUM ENGINEER
RECEIVED
Hobbs OCD

APPROVED FOR 3 MONTH PERIOD
ENDING 7-19-04

14. I hereby certify that the foregoing is true and correct

SIGNATURE Denise Leake TITLE Regulatory Specialist DATE 4/12/2004

TYPE OR PRINT NAME Denise Leake

(This space for Federal or State office use)

APPROVED
CONDITIONS OF APPROVAL, IF ANY: TITLE DATE

Title 18 U.S.C. Section 1001, makes 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.

DeSoto/Nichols 12-93 ver 1.0

Spear Federal No. 1
Recompletion Procedure
Lea County, New Mexico

API NO: 30-025-33645

Well: Spear Federal No. 1

WBS Number: UWPNM-R4036-EXP (Strawn Only) $40,700

Well Location:

Section: 33 **Township:** 18S **Range:** 32E
Surface Location: 2,310' FNL & 2,308' FWL
Lea County, New Mexico

Current Status:

Status: SI
Production:
Formation: Strawn

Objectives

1. Perforate Lower Strawn, stimulate and test.
2. Perforate Wolfcamp, stimulate and test.
3. Perforate Bone Spring, stimulate and test.
4. Run production equipment on first productive zone and turn well over to operations.

Procedure

1. MIRU PU. NDWH. NU BOP and EPA. Pressure test BOP to 5,000 psi.

2. POH with tubing and packer. PU and RIH with 3-7/8" bit on a 2-3/8" tubing and drill and clean out to 11,900'. POH.

3. MIRU Baker Atlas. Install lubricator and test to 2,000 psi. Tie into Schlumberger TLD/CNL/HNGT dated 12/18/96. Perforate the following intervals using Baker's 3-1/8" XPS Expendable Guns loaded with 2 SPF, using 120° phasing:

   11,797' – 11,841'

4. PU and RIH with 4-1/2" treating packer 2-3/8" tubing to approximately 11,750'and set. MI & RU DS Services. Acidize perfs 11,797'- 11,841' with 2,500 gals 20% HCl and 130 RBS.

5. Displace acid with 4% KCl water -- do not overdisplace. Record ISIP, 5 & 10 minute SIP's. RD and release DS services.

6. Flow back, test and report results.

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Recompletion Procedure
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API NO: 30-025-33645

7. If well is productive turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

8. If Strawn is non-productive, set CIBP at 11,350' and dump 35' of cement on top.

9. RIH and set 7" RBP at 10,630'. Pressure test casing and RBP.

10. MIRU Baker Atlas. Install lubricator and test to 2,000 psi. Perforate casing at 10,550' with 4 squeeze perfs.

11. Attempt to load casing and break down squeeze perfs. If unable to pump into perfs, RIH with tubing and packer and breakdown with acid. POH with tubing and packer.

12. RIH with 2-3/8" tubing and cement retainer. Set retainer at 10,450'. Open annulus valve between 7" and 8-5/8" casing.

13. MI & RU DS Services. Establish injection rate into squeeze perfs with fresh water. Pump 100 sx of lead cement followed by 50 sx of tail cement. If any flow is detected on 7" – 8-5/8" annulus, close valve in an attempt to force cement down. Displace with fresh water leaving 1 bbl of cement on top of cement retainer.

14. Shut in over night. RIH with bit and tubing and drill out retainer and cement. Test squeeze to 500 psi. POH.

15. RIH and latch onto RBP. POH.

16. RIH to 10,800' and pickle casing with 500 gal 7-1/2% down tubing and up casing. Spot 500 gal 10% Acetic acid across proposed Wolfcamp interval.

17. MIRU Baker Atlas. Install lubricator and test to 2,000 psi. Tie into Schlumberger TLD/CNL/HNGT dated 12/18/96. Perforate the following intervals using Baker's 3-3/8" EHC Predator guns loaded with 2 SPF, using 120° phasing:

    10,699' – 10,740'
    10,638' - 10,658'

18. Perforate the following intervals using Baker's 3-1/8" XPS Expendable Guns loaded with 2 SPF, using 120° phasing:

    10,575' – 10,638'

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19. MI & RU DS Services. Pump 8000 gal 20% HCl at 8-10 BPM down casing. Limit pressure to below well head working pressure. Drop 350 RBS through out job. Flush with 2% KCl to bottom perfs. Surge balls off.

20. Flow back, test and report results.

21. If needed to test, RIH with tubing. If well is productive turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

22. If Wolfcamp is non-productive, set CIBP at 10,550' and dump 35' of cement on top. Pressure test casing to 1000 psi.

23. MIRU Baker Atlas. Install lubricator and test to 2,000 psi. Perforate casing at 8,650' with 4 squeeze perfs.

24. Attempt to load casing and break down squeeze perfs. If unable to pump into perfs, RIH with tubing and packer and breakdown with acid. POH with tubing and packer.

25. RIH with 2-3/8" tubing and cement retainer. Set retainer at 8,600'. Open annulus valve between 7" and 8-5/8" casing.

26. MI & RU DS Services. Establish injection rate into squeeze perfs with fresh water. Pump 100 sx of cement. If any flow is detected on 7" – 8-5/8" annulus, leave open and monitor. Displace with fresh water leaving 1 bbl of cement on top of cement retainer.

27. Shut in over night. RIH with bit and tubing and drill out retainer and cement. Test squeeze to 500 psi. POH.

28. MIRU Baker Atlas. Install lubricator and test to 2,000 psi. Tie into Schlumberger TLD/CNL/HNGT dated 12/18/96. Perforate the following intervals using Baker's 3-1/8" XPS Expendable Guns loaded with 2 SPF, using 120° phasing:

    8,545' – 8,551'
    8,421' - 8,440'

29. RIH with PPI tool and spot control valve to isolate lower perforated interval.

30. MI & RU DS Services. Pump 500 gal 15% HCl into bottom interval at 3-5 BPM. Pull up hole and pump 1000 gal HCl at 5 BPM. Flush with 2% KCl. Pull up hole with PPI tool above top perf.

31. Flow back, test and report results.

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32. POH with PPI and tubing.

33. MI & RU DS Services. Frac well down casing with 35,000 gal gel and 73,000 lb 16/30 sand as per attached FracCADE procedure. Shut well in over night.

34. Flow well back until dead. RIH with tubing, rods and pump as per ALS recommendation.

35. Turn well over to production and report producing rates, choke sizes, flowing pressures and/or fluid levels.

Mark S. Wakefield
April 7, 2004

WELL DATA SHEET

FIELD: North Lusk **WELL NAME: Spear Federal #1** **FORMATION: Strawn**

LOC: 2310' FNL & 2308' FWL, Unit F
TOWNSHIP: 18S
RANGE: 32E

SEC: 33
COUNTY: Lea
STATE: NM

GL: 3701'
KB to GL: 17'
DF to GL:

CURRENT STATUS: FLOWING
API NO: 30-025-33645
REFNO: BJ8718

Date Completed: 1/10/97
Initial Formation: Strawn

Perf 11558'-64', 11,572'-79', 11,583'-95', & 11,599'-11,609' w/2 JHPF. Acdz w/500 gals 15% HCL.

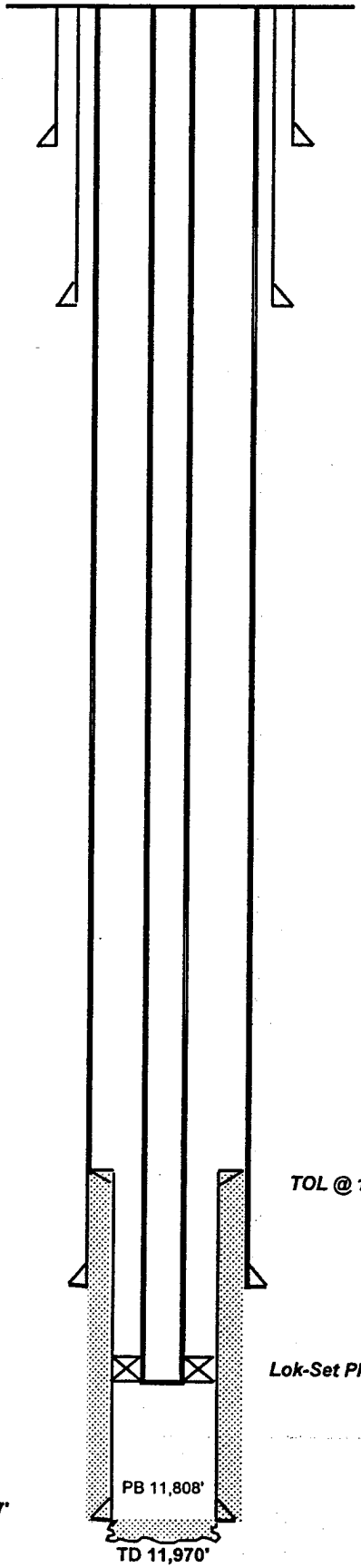
Perf 11470'-77',11489'-97',11520'-28',11622'-32',11652'-59',&11689'-98' w/2 JHPF. Acdz w/13,300 gals 20% HCL.

Tbg. Detail-
365 jts. 2.375"4.7#L-80 8rd. EUE tbg.,3.062 OD, 1.995 ID, 11447.7' depth, 11430.68' length
3.75"x2.375" 'FL' on-off tool w. 1.81" 'f' nipple, 3.75 OD, 1.810 ID, 1.31' length
4.5"x2.375" 11.6# LOK-set pkr. 3.77" OD, 1.900" ID, 3.46' length
pkr. set w/ 10 pts. compression

Deviation-
last reported deviation is 1.5 degrees at 11,267 ft.
maximum of 4.25 degrees at 11,123 ft.
less than 2 degrees between 2,900 and 9,000 ft.
less than 1 degree between 0 and 2,200 ft.
2 to 3 degrees between 2,300 and 2,800 ft., and 9,300 and 10,700 ft.

13-3/8", 54.5#, J-55 Csg
Set @ 455 w/500 sx cmt.
Circulated.

8-5/8", 24/32#, K-55 Csg
Set @ 3200 w/1500 sx cmt.
TOC @ 3134'



TOL @ 10,648'

7", 29#, P-110 Csg
Set @ 11152' w/150 sx cmt.
Did not circulate.

Lok-Set Pkr @ 11,450'

4-1/2", 11.6#, L-80 Liner
Set @ 11,969' w/240 sx cmt.
TOL @ 10,648', TOC @ 10,647'