

District I  
1625 N French Dr, Hobbs, NM 88240  
Phone (575) 393-6161 Fax (575) 393-0720  
District II  
811 S First St, Artesia, NM 88210  
Phone (575) 748-1283 Fax (575) 848-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6170  
District IV  
1220 S St Francis Dr, Santa Fe, NM 87505  
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-101  
Revised August 1, 2011

Permit

HOBBS OCD

AUG 05 2011

RECEIVED

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address CHEVRON U.S.A. INC 15 SMITH ROAD MIDLAND, TEXAS 79705		OGRID Number 4323
Property Code 30005		Property Name NEW MEXICO STATE "AN"
API Number 30-025-34098		Well No 12

7 Surface Location

UL - Lot 1	Section 7	Township 18-S	Range 35-E	Lot Idn	Feet from 1950	N/S Line SOUTH	Feet From 450	E/W Line EAST	County LEA
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8 Pool Information

VACUUM BLINEBRY	61850
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Additional Well Information

Work Type PLUG BACK	Well Type OIL	Cable/Rotary	Lease Type STATE	Ground Level Elevation 3926'
Multiple NO	Proposed Depth 11,600'	Formation BLINEBRY	Contractor	Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

19 Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
			NO CHANGE			
Permit Expires 2 Years from Approval Date Unless Drilling Underway Plugback						

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

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

I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒ a general permit ☐, or an (attached) alternative OCD approved plan ☐.

Printed name: DENISE PINKERTON

Title: REGULATORY SPECIALIST

E-mail Address: leakejd@chevron.com

Date:08-04-2011

Phone 432-687-7375

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date: AUG 09 2011

Expiration Date:

Conditions of Approval Attached

AUG 09 2011

16		<p><b>17 OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i></p> <p style="text-align: right;">08-04-2011</p> <p>Signature _____ Date _____</p> <p>Printed Name <u>DENISE PINKERTON REGULATORY SPECIALIST</u></p> <p>E-mail Address <u>leakcjd@chevron.com</u></p>
		<p><b>18 SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number _____</p>

New Mexico State "AN" No. 12

API No. 30-025-34098

Well History:

Well was TA'd on 1/25/2011 w/ a CIBP set @ 9198' & capped with 35' cement. Current wellbore diagrams show that no tubing is in the hole.

Workover Procedure

1. MIRU Pulling unit.
2. Check casing for pressure. Well *should* be dead as there is a CIBP above top perms. Flow well down or kill well if necessary.
3. ND WH.
4. NU 3000 psi manual BOP w/ 2-7/8" pipe rams over blind rams. PU 5-1/2" 17# packer w/ bull plug & on/off tool & TIH. Set packer @ 30'. Test pipe rams to 250/500 psi for 5 minutes. Release on/off tool & LD test joint. Test blind rams to 250/500 psi. TIH & retrieve test packer.
5. Rig up wire line truck & lubricator. Get on depth with Schlumberger's GR-CNL-LDT log dated 12/14/97. Pull GR-CET-CCL log from PBTD to 5900'. Pull log at 0 psi and with 1000 psi on the casing.
6. Perforate the 5-1/2" casing w/ 1 JSPF, 60 degree phasing, & .42" entry hole diameter as follows: 6232'-36', 6248'-52', 6308'-12', 6350'-54' (16 holes). Rig down wire line truck.
7. TIH with 5-1/2" treating packer on 2-7/8" 6.5# L-80 8RD EUE workstring hydro-testing to 6000 psi below the slips and set packer at 6150'. Load and test back side to 500 psi.
8. MIRU Acidizing equipment. Acidize Blinbry perms w/ 2,500 gallons 15% NEFE HCl. Pump acid at 8-10 BPM, or as well pressure dictates. Max treating pressure = 5800 psi. Drop 50% excess 1.18 S.G. 7/8" bio-ball sealers for diversion.
9. Shut-in for 2 hours and allow acid to spend & allow time for bio-ball breakdown and settling.
10. Open well & attempt to surge in order to knock balls off perms.
11. Flow / swab back load plus 150 bbls. Note swab operation in great detail in WellView as the swab details will dictate whether or not a frac is done on this well.

12. Release 5-1/2" 17# treating packer & TOH. LD WS & Packer.
13. PU two 5-1/2" RBP. Set 1<sup>st</sup> RBP 100' above top perf. Set 2<sup>nd</sup> RBP 500' from surface. Dump 20' of sand on both RBP's
14. ND BOP
15. NU WH
16. RDMO pulling unit.

\*\*\* NOTE TO PRODUCTION ENGINEER: Plan is to rig down & work on other wells after pulling the acidizing packer & go work on other wells. We need to look into getting a frac date for the well before we put it back on the queue to run a workstring and frac packer. Otherwise we will end up paying a lot of workstring rental for the frac. Will require a C/O run on next RU prior to running a frac packer.

NCB 6/22/2011

Workover Contacts: Remedial Engineer – Nate Brummert 713-409-6170  
Production Engineer – Paul Brown 432-687-7351 / 432-238-8755  
ALCR – Carlos Valenzuela 575-390-9615  
Petroplex Acidizing – Steve Pendleton 432-563-1299 / 432-556-4211  
Peak Packers – Sam Prieto 575-631-7704  
Schlumberger – Jacinto Delgado -

**CURRENT  
WELLBORE DIAGRAM**

**Stat AN #12**

**LOCATION**

State	New Mexico
County	Lea
Surface Location	1950 FSL & 450 FEL
Bottom Hole	2326 FSL & 885 FEL
U.L.I.	Sec 7, T18S, R35E

**CASING DETAIL**

<b>Surface Csg.</b>	
Size	11-3/4"
Wt.	42# WC-40
Set @	650
Sxs cmt	450 sx class "C"
TOC	Surface, circ 103 sxs
Hole Size	14-3/4"
<b>Intermediate Csg.</b>	
Size	8-5/8"
Wt.	32#
Set @	3504'
Sxs Cmt	1700sx class "H"
TOC	circ 540 sxs
Hole Size	11"
<b>Production Csg.</b>	
Size	5-1/2"
Wt.	17#
Set @	11,500
Sxs Cmt	2100 sxs H
TOC	est TOC 3400'
Hole Size	7-7/8"

**WELL ID INFORMATION**

Lease Name	State An #12
Field	Vacuum Devonian/Wolfcamp
Reservoir	
Ref #	
API #	3002534098

KB	3940
DF	
GL	3926
Spud Date	10/21/1997
Compl Date	3/26/1998

3/2/98  
Attempted to cut over whipstock @11,505. Milled on Whipstock but found was not milling whipstock, was between csg and whipstock, shoe showed wear on OD but not ID.

3/4/98  
Attempted to pull whipstock, pulled 10 pts over to set off jars, hook pulled out of whipstock, could rehook but would not come loose with little wt. Circ hole and tried to wash out key slot, did not work, TOH, nothing wrong with hook.

3/13/98  
Left in hole sinker bar, jar, mandrel from swabbing operations  
1/12/01-1/25/01  
Perf Wolfcamp 9258'-9316', Ac w/ 10 M gals 15%. Swabbed, wtr, set CIBP 9198' topped w/ cmt and TA'd well

1/24/01- set CIBP 9198' w/ 35' cmt TA'd well

CIBP @11,435' w/ cmt to 11365'

CIBP 11,521' (1/2/98)

DV Tool  
8005'

1/13/01- Wolfcamp perms 9258'-80, 9290-9316' 4 spt, 192 holes (ac 10 M gals 15% + BS)

TOW 11504  
BOW 11512  
TD lateral 11840'

Bullheaded Ac 2 M gals 15% , ac 15 M gals down 2 7/8" 6 BPM 7500#

Perf 11,516'-11,683'

TD 11,600'

**State 'AN' #12 Recompletion Recommendation**  
**Sect: 7-T18S-R35E**  
**30-025-34098**

The State 'AN' #12 was drilled in 1997 to the Devonian and was TA'd in 2001, renewed in 2006 and Chevron was recently granted a one year extension to that TA permit which now expires on 1/13/2012. I recommend we test the Blinebry section before plug and abandonment.

We have recently successfully recompleted three wells on the State 'AN' lease to the Blinebry pool, the AN #1, 3 and 11. As a result of these successes, a review of additional recompletion opportunities has surfaced several more opportunities including the AN #12. The AN #12 is located considerably down dip to any Blinebry producer and, therefore, holds higher risk of being wet in the Blinebry section. However, it's thorough and modern OH log suite shows very good porosity through the Blinebry section, 6230-6500', with calculate Sw's of <40% from 6230' to 6360'. This Blinebry section also has a very low count GR throughout which is a key to pay quality interval, therefore a Spectral GR is not necessary.

Therefore, I recommend we go forward and reenter the AN #12, tie into Schlumberger's GR-CNL-LDT log dated 12/4/97, run a GR-CET-CCL from PBTD to 5900, and perforate 6232-36, 6248-52', 6308-12', and 6350-54', then breakdown with acid and swab test. If acceptable oil saturations are present then we can evaluate for further stimulation. If possible, capture a water sample before acid stimulation. From log analysis and offsets the pay lithology is dolomite.

The AN #4 also has Blinebry recompletion potential and lies 200' structurally updip to the #12 and from a water risk standpoint would be more attractive; however, it is P&A'd and will require 5 cement plugs to be drilled out just to get back down to the Blinebry to test it. A Blinebry recommendation is forthcoming on it but, due to the cost exposure, I recommend we proceed with the #12 workover first.

Scott Ingram X7212  
2/15/2011

