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

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

HOBBS OCD
OCT 26 2011
RECEIVED

Form C-103
Revised August 1, 2011

WELL API NO. 30-025-36021	
5. Indicate Type of Lease STATE ☒ FEE ☐	
6. State Oil & Gas Lease No.	
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)	7. Lease Name or Unit Agreement Name STATE "S"
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 11
2. Name of Operator CHEVRON U.S.A. INC.	9. OGRID Number 4323
3. Address of Operator 15 SMITH ROAD, MIDLAND, TEXAS 79705	10. Pool name or Wildcat PENROSE SKELLY; GRAYBURG
4. Well Location Unit Letter A: 990 feet from the NORTH line and 330 feet from the EAST line Section 15 Township 21-S Range 37-E NMPM County LEA	
[redacted]	11. Elevation *(Show whether DR, RKB, RT, GR, etc)* [redacted]

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER: ACIDIZE, REPLACE PUMP, TBG, RODS		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 INTENDS TO DO A SONIC HAMMER ACID JOB, REPLACE THE PUMP, TBG, & RODS.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, WELLBORE DIAGRAM, AND C-144CLEZ INFO.

Spud Date: _____ Rig Release Date: _____

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: 10-25-2011

Type or print name: DENISE PINKERTON E-mail address: leakejd@chevron.com PHONE: 432-687-7375

APPROVED BY: _____ TITLE _____ DATE 11-9-2011

Conditions of Approval (if any):

NOV 09 2011

Sep 29, 2011

State S 11
Penrose-Skelly Field
T21S, R37E, Sec.15, 990' FNL & 330' FEL
Job: Sonic Hammer Acidize & Scale Squeeze

Procedure:

Procedure:

This procedure is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of September 20, 2011. Verify what is in the hole with the well file in the Eunice Field office. Discuss w/ WEO Engineer, Workover Rep, OS, ALS, and FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.

- ***If encounter SI pressures over 500# on surface casing strings, contact Engineer and OS for discussion on casing integrity, etc.***
- **Caliper elevators and tubular EACH DAY prior to handling tubing/tools. Note in JSA when and what items are callipered within the task step that includes that work.**

1. MI & RU workover unit.
2. Check pressures, If well has pressure, bleed down well, continue with POOH w/ rods & pump. ND wellhead, unset TAC, NU BOP, PU 5 ½ X 2-7/8" Packer and set @ 25', test BOP pipe rams to 1500psi/250psi.
3. Next, TAG for fill (TOP PERF 3708', Bottom PERF 3961', EOT 3934', PBTD 3990'). POOH while scanning 2 7/8 6.5# J-55 prod tbg. Strap pipe out of the hole to confirm depths. LD all non-yellow band joints. If no fill is tagged, skip to step 5. If fill is tagged, record tag depth and proceed to step 4.
4. PU and RIH with 4-3/4' Rock bit & bailer on 2-7/8" 6.5# L-80 WS, if no fluid level found, feed well w/ Fresh Water. Cleanout to PBTD. POOH w/ 2 7/8" tbg string and bit. LD bit & bailer.

   - **Expect trapped pressure inside tubing while breaking connections, discuss on JSA and mitigate the hazard. Use mudbucket (remove bottom seals) while breaking connections.**

5. Contact Sonic tool rep to be on site during job. PU and GIH with Sonic Hammer tool and 2 7/8" L-80 6.5# workstring to 3975'. Hydro test tbg to 6000 psi while GIH. Stand back tbg to bottom

of perfs (3961'). Install stripper head and stand pipe with sufficient treating line to move tools vertically 65'. Rig up pressure gauges to allow monitoring of tbg and csg pressure.

6. Treat interval 3708-3961' (Please see Table A) with 50 bbls of water per stand 8.6 PPG cut brine water. Pump down 2 7/8" tbg and through Sonic Hammer tool at **5 BPM** while reciprocating tool across the perforated interval. Do not exceed 5000 psi. Leave annulus open in circulation mode while treating the perforated interval with water.

   Treat the same 65' internals w/ 1,500 gals 15% NEFE HCl acid. Spot 3 bbls acid outside tbg, shut in and close csg valve, pump acid @ 5BPM at first perf interval from 3913-3961', monitor csg pressure and do not exceed 500 psi on backside. Ensure that 1500 gal of acid is pumped across each 48-51' section of perfs (4500 gals acid total). Flush tbg w/ tbg volume 8.6 cut brine, make a connection and continue w/ next interval. Please see below example of intervals.

Acid Summary			
Stand	**Perforation Depth**	**Perfed Interval**	**Recommended Acid(gallons)**
1	3913-3961'	48'	1500
2	3853-3907'	54'	1500
3	3708-3770'	51'	1500
		Total=	4500

Table A

Shut in for 1 hr for the acid to spend. Bleed excess pressure off at surface if necessary to keep casing pressure below 500 psi.

7. Pump down 2 7/8" tbg and through Sonic Hammer tool at **5 BPM** from 3708-3961' with 200 bbls 2% KCl water containing 3 drums Baker SCW-358 Scale Inhibitor.

Stand	Perforation Depth
1	3913-3961'
2	3853-3907'
3	3708-3770'

8. Ensure top of tbg is flushed with water before making a connection. Release acid crew. PU to top of perfs. Pump 50 bbls 8.6 PPG cut brine water to scale squeeze well. Do not exceed **500 psi** casing pressure or **5 BPM** while pumping scale squeeze or casing flush. RD and release pump truck.

9. POH & LD 2 7/8" WS and Sonic Hammer tool.

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

10. RIH w/ 2-7/8" 6.5# J-55 production tubing and hang off per ALCR recommendation. NDBOP. NUWH. RIH w/ rods and pump per ALCR. RD and release workover unit.

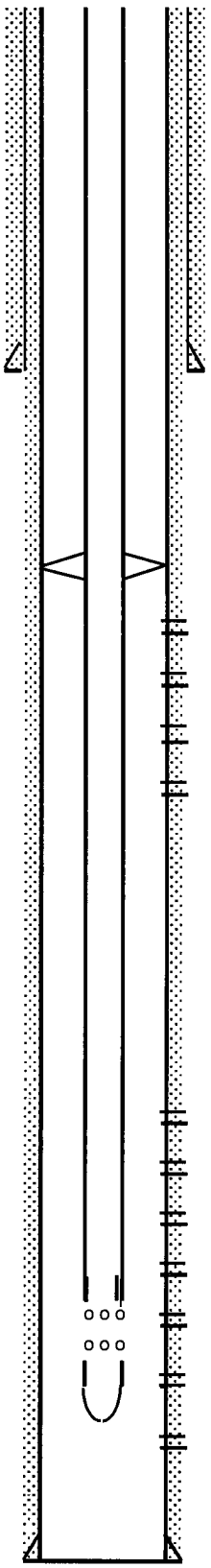
11. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels. Notify field specialist when complete. Keith Martinkewiz 575-390-7186 or Tyson Johnson 575-390-7195.

Well **State S # 11** Field **Penrose Skelly** Reservoir **Grayburg**

Location:
990' FNL & 330' FWL
Section 15
Township 21S
Range 37E
County Lea State NM

Elevations:
GL
KB
DF 3444'

Proposed
Wellbore Diagram



Well ID Info:
Chevno HI5593
API No 30-025-36021
L5/L6 U494100
Spud Date 12/28/2002
Compl Date 1/17/2003

Surf. Csg: 8 5/8", 24# J-55
Set: @ 410' w/ 200 sks
Hole Size: 11"
Circ: Yes **TOC:** Surface

Prod. Csg: 5 1/2", 15 5# J-55
Set: @ 4010' w/ 850 sks
Hole Size: 7 7/8"
Circ: Yes **TOC:** Surface

TAC= 3620'MD

3708-3713'	Grayburg - Open (Added in 2009, then acidised & SS
3716-3722'	Grayburg - Open (Added in 2009, then acidised & SS
3725-3729'	Grayburg - Open (Added in 2009, then acidised & SS
3734-3738'	Grayburg - Open (Added in 2009, then acidised & SS
3742-3748'	Grayburg - Open (Added in 2009, then acidised & SS
3754-3760'	Grayburg - Open (Added in 2009, then acidised & SS
3764-3770'	Grayburg - Open (Added in 2009, then acidised & SS

This wellbore diagram is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of the update date below. Verify what is in the hole with the well file in the Eunice Field Office. Discuss w/ WEO Engineer, WO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.

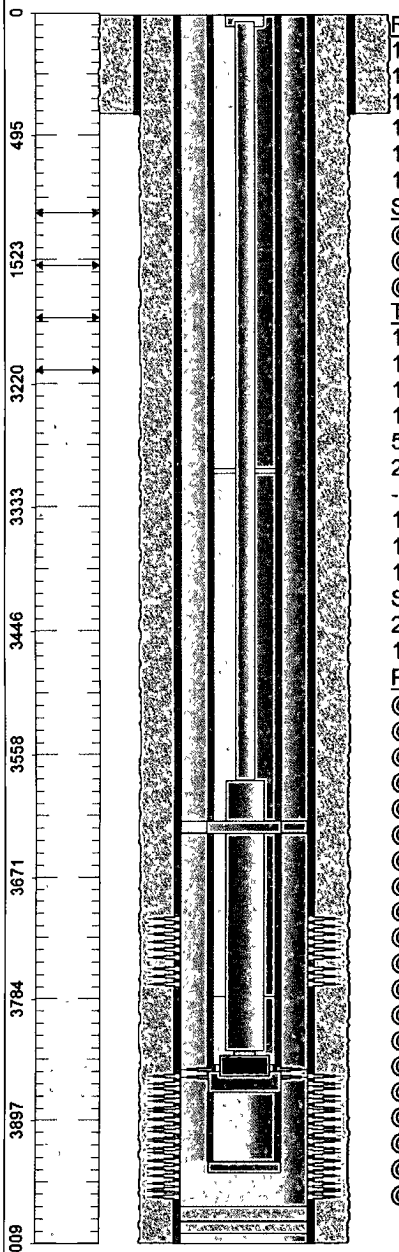
3853-3858'	Grayburg - Open (Added in 2002,then acidised & SS
3865-3870'	Grayburg - Open (Added in 2002,then acidised & SS
3876-3880'	Grayburg - Open (Added in 2002,then acidised & SS
3886-3889'	Grayburg - Open (Added in 2002,then acidised & SS
3894-3898'	Grayburg - Open (Added in 2002,then acidised & SS
3904-3907'	Grayburg - Open (Added in 2002,then acidised & SS
3913-3915'	Grayburg - Open (Added in 2002,then acidised & SS
3924-3928'	Grayburg - Open (Added in 2002,then acidised & SS
3932-3933'	Grayburg - Open (Added in 2002,then acidised & SS
3938-3942'	Grayburg - Open (Added in 2002,then acidised & SS
3952-3954'	Grayburg - Open (Added in 2002,then acidised & SS
3957-3961'	Grayburg - Open (Added in 2002,then acidised & SS

PBTD: 3990'
TD: 4010'

Updated: 9/20/2011
By: M Siddiqui

Chevron U.S.A. Inc. Wellbore Diagram : STATES11G

Lease: OEU EUNICE	**Well No.:** STATE -S- 11G	**Field:** FLD-PENROSE SKELLY	
Location: 990FNL330FEL	**Sec.:** N/A	**Blk:**	**Survey:** N/A
County: Lea **St.:** New Mexico	**Refno:** HI5593	**API:** 3002536021	**Cost Center:** UCU494100
Section: 15	**Township:** 021 S		**Range:** 037 E
Current Status: ACTIVE		**Dead Man Anchors Test Date:** 09/07/2011	
Directions:			



Rod String Quantity (Top-Bottom Depth) Desc
1 @(6-32) 1.500 (1 1/2 in.) Spray Metal x 26 - Spray Metal
142 @(32-3582) 0.750 (3/4 in.) N-90 (D) x 25 Rod - N/A
10 @(3582-3832) 1.500 (1 1/2 in.) K x 25 Sinker Bar - N/A
1 @(3832-3836) 0.875 (7/8 in.) D x 4 Rod Sub - Rod Guides-Molded (3 per rod)
1 @(3836-3856) Rod Pump (Insert) (NON-SERIALIZED) - 25-125-R H BC -20-5 (Bore = 1.25)

Surface Casing (Top-Bottom Depth) Desc
@(6-410) Cement
@(6-410) Unknown 8.625 OD/ 24.00# Round Short 8.097 ID 7.972 Drift
@(6-410) Wellbore Hole OD-11.0000

Tubing String Quantity (Top-Bottom Depth) Desc
105 @(6-3298) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347 Drift -
1 @(3298-3302) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347 Drift -
10 @(3302-3620) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347 Drift -
1 @(3620-3622) Tubing Anchor/Catcher 2.875" - N/A
5 @(3622-3782) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347 Drift -
2 @(3782-3846) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347 Drift - Internal Plastic Ctg-TK-99
1 @(3846-3847) Seat Nipple - Heavy Duty (2.875") Cup Type - N/A
1 @(3847-3851) Perforated Tubing Sub 2.875" - N/A
1 @(3851-3871) Cavins Desander 2 7/8" x 20' D-2702 G PC 50-100 Bbls/Day Frac Sand w/Gas - N/A
2 @(3871-3934) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347 Drift -
1 @(3934-3935) Bull Plug (Unknown Type) - 2.875" - Bare

Production Casing (Top-Bottom Depth) Desc
@(3708-3748) Perforations - Open-Grayburg
@(3754-3770) Perforations - Open-Grayburg
@(3853-3858) Perforations - Open -Grayburg
@(3865-3870) Perforations - Open-Grayburg
@(3876-3880) Perforations - Open-Grayburg
@(3886-3889) Perforations - Open-Grayburg
@(3894-3898) Perforations - Open-Grayburg
@(3904-3907) Perforations - Open-Grayburg
@(3913-3915) Perforations - Open-Grayburg
@(3924-3928) Perforations - Open-Grayburg
@(3932-3933) Perforations - Open-Grayburg
@(3938-3942) Perforations - Open-Grayburg
@(3952-3954) Perforations - Open-Grayburg
@(3957-3961) Perforations - Open-Grayburg
@(3708-3961) Producing Interval (Completion) - Grayburg
@(3990-3990) Plug Back Total Depth
@(3976-3990) Fill in Wellbore (Produced Sand, etc) - Bare
@(6-4010) Cement
@(6-4010) Unknown 5.500 OD/ 15.50# Round Short 4.950 ID 4.825 Drift
@(410-4010) Wellbore Hole OD- 7.8750

Ground Elevation (MSL):: 3444.00	**Spud Date:** 12/28/2002	**Compl. Date:** 01/17/2003
Well Depth Datum:: CSI0000N	**Elevation (MSL)::** 3450.00	**Correction Factor:** 6.00
Last Updated by: fitecl	**Date:** 06/04/2011	