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

HOBBS OCD
OCT 26 2011
RECEIVED

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

Form C-103
Revised August 1, 2011

WELL API NO. 30-025-36742

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: V.M. HENDERSON

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number 17

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: 1308 feet from the NORTH line and 1120 feet from the EAST line
Section 30 Township 21-S Range 37-E NMPM County LEA

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*

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, SCALE SQUEEZE		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 ACIDIZE AND SCALE SQUEEZE THE GRAYBURG FORMATION USING THE SONIC HAMMER TOOL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, WELLBORE DIAGRAM, & C144CLEZ 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 STAFF MGR DATE 11-9-2011
Conditions of Approval (if any):

NOV 09 2011

V.M. Henderson # 17 **10.12.2011**
Penrose Skelly - Grayburg
T21S, R37E, Section 30
Job: Sonic Hammer, Acidize & Scale Squeeze

Procedure:

1. ***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 10/12/2011. 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.***

2. Verify that well does not have pressure or flow. If well has pressure, record tubing and casing pressures. Bleed down well; if necessary, kill with cut brine fluid (8.6 ppg).

   - **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.**

3. MI & RU workover unit. POOH w/ rods & pump. ND wellhead, unset TAC, NU BOP, PU 1 jt & TAG for fill (TAC 3,574', Top Perf 3,635', EOT 4,074', PBTD 4,298'). POOH while scanning 2-7/8" prod tbg. LD all non-yellow band joints. If no fill is tagged skip to step 5. Strap pipe out of the hole to verify depths. Send scan report to hccf@chevron.com.

   - **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.**

4. PU and RIH with 4-3/4' MT bit & bailer on 2-7/8" 6.5# L-80 WS and clean out to 4,298'. POOH w/ 2-7/8" tbg string and bit. LD bit & bailer.

   - **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.**

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#, work string to 3,935'. Hydro test tbg to 5,500 psi while GIH. Stand back tbg to top perfs. 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. MI & RU Petroplex. Treat interval 3,635'-3,931' with 50 bbls of 8.6 ppg cut brine water per stand. Pump down 2-7/8" WS and through Sonic Hammer tool at **5 BPM** while reciprocating tool across the perforating interval. Do not exceed 500 psi. Leave annulus open in circulation mode while treating the perforated interval with water.

   Follow the 8.6 ppg cut brine water w/ 1,500 gals 15% NEFE HCl acid. Ensure that enough tbg is made up to cover each ~65' treating interval. Spot 3 bbls of acid outside tbg, shut in and close

csg flowback line, pump acid @ 5 BPM over first treatment interval from 3,635' – 3,682', monitor csg pressure and do not exceed 500 psi on backside. Ensure that 1,500 gal of acid is pumped across each ~65' perfs treatment interval. Flush tbg w/ 8.6 cut brine, make a connection and continue w/ next interval. See the below example of intervals.

Interval	Depth
1	3,635' - 3,682'
2	3,695' - 3,747'
3	3,769' - 3,818'
4	3,824' - 3,880'
5	3,888' - 3,931'

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

7. Pump down 2-7/8" tbg and through Sonic Hammer tool at **5 BPM** from 3,931'-3,888' with 200 bbls 2% KCl water containing 3 drums (165 gallons) Baker SCW-358 Scale Inhibitor. Ensure top of tbg is flushed with water before making a connection. Continue with next interval.

Interval	Depth
1	3,931' - 3,888'
2	3,880' - 3,824'
3	3,818' - 3,769'
4	3,747' - 3,695'
5	3,682' - 3,635'

PU to top of perfs. Pump 10 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.

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

9. RIH w/ 2-7/8" production tubing and hang off per ALS recommendation. NDBOP. NUWH. RIH w/ rods and pump per ALS. RD and release workover unit.

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

Perfs Detail				
Top *ft*	Bottom *ft*	Interval Length *ft*	Status	Reservoir
3,635	3,641	6	Open	Grayburg
3,649	3,657	8	Open	Grayburg
3,675	3,682	7	Open	Grayburg
3,695	3,699	4	Open	Grayburg
3,704	3,710	6	Open	Grayburg
3,718	3,725	7	Open	Grayburg
3,741	3,747	6	Open	Grayburg
3,769	3,776	7	Open	Grayburg
3,782	3,788	6	Open	Grayburg
3,794	3,802	8	Open	Grayburg
3,810	3,818	8	Open	Grayburg
3,824	3,832	8	Open	Grayburg
3,846	3,854	8	Open	Grayburg
3,861	3,867	6	Open	Grayburg
3,875	3,880	5	Open	Grayburg
3,888	3,894	6	Open	Grayburg
3,904	3,910	6	Open	Grayburg
3,916	3,921	5	Open	Grayburg
3,928	3,931	3	Open	Grayburg
		0		
		0		
		0		
		0		
		0		
Total				
3,635	**3,931**	**120**		

WELL DATA SHEET

FIELD: Penrose Skelly

WELL NAME: V. M. Henderson # 17

LOC: 1308' FNL & 1120' FEL
TOWNSHIP: 21S
RANGE: 37E
LOT:

SEC: 30
COUNTY: Lea
STATE: NM

GL: 3492'
DF:

CURRENT STATUS:
API NO: 30-025-36742
REFNO: HP6002
SAP: UCU493800

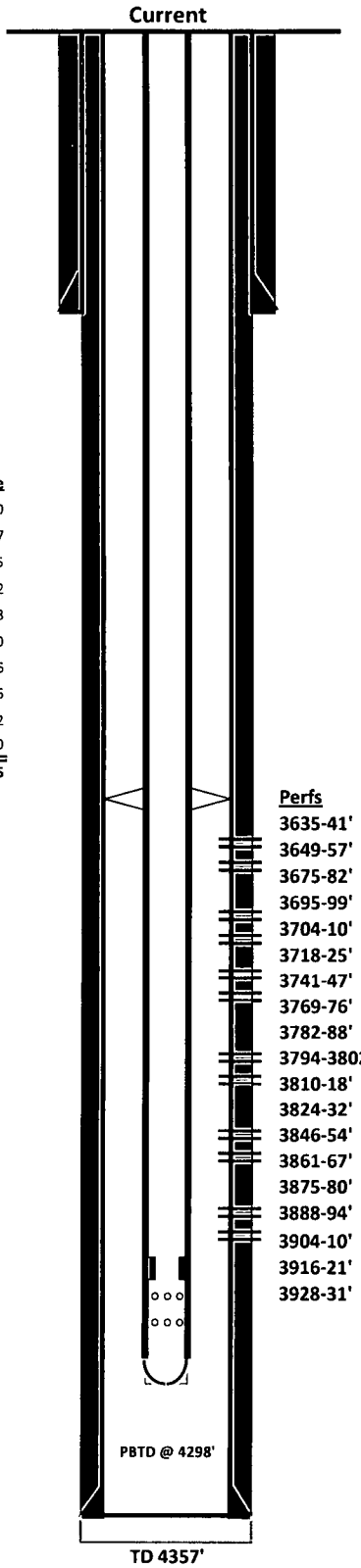
Surface Casing
8-5/8" 24# K-55
11" hole to 408'
Set @ 408' w/250 sx cmt
Circ cmt to surface

FORMATION: Grayburg

Spud Date: 9/14/2004
Date of Completion: 10/8/2004
Initial Completion: Grayburg

Tubing Detail:

#Jts:	Size:	Footage
	KB Correction	6.00
114	Jts. 2 7/8" EUE 8R J-55 Tbg	3571.17
	TAC	2.75
13	Jts 2 7/8" EUE 8R J-55 Tbg	404 82
2	Jt 2 7/8" EUE 8R J-55 IPC Tbg	31 38
	SN	1 10
	2 7/8" x 4' Perf tbg Sub	4 06
1	Desander	20.25
1	Jt. 2 7/8" EUE 8R J-55 Tbg	31 82
	Dump Valve	0.80
131	Bottom Of String >>	4074.15



Perfs	Status
3635-41'	Grayburg - Open
3649-57'	Grayburg - Open
3675-82'	Grayburg - Open
3695-99'	Grayburg - Open
3704-10'	Grayburg - Open
3718-25'	Grayburg - Open
3741-47'	Grayburg - Open
3769-76'	Grayburg - Open
3782-88'	Grayburg - Open
3794-3802'	Grayburg - Open
3810-18'	Grayburg - Open
3824-32'	Grayburg - Open
3846-54'	Grayburg - Open
3861-67'	Grayburg - Open
3875-80'	Grayburg - Open
3888-94'	Grayburg - Open
3904-10'	Grayburg - Open
3916-21'	Grayburg - Open
3928-31'	Grayburg - Open

Production Casing
5-1/2", 15.5# K-55
7-7/8" hole to 4357'
Set @ 4348' w/1000 sx cmt
Circ cmt to surface

AMH 10/12/2011

Updated: 10/12/2011

By: Derek Nash

henderson17 wb diagram.xlsx