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

HOBBS OCD
OCT 0 2 2011
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State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised August 1, 2011

WELL API NO. 30-025-38780

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 25

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 H : 2310 feet from the NORTH line and 1310 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 INTENT TO 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 U.S.A. INC. INTENDS TO ACIDIZE & SCALE SQUEEZE THE GRAYBURG FORMATION IN THE SUBJECT WELL, USING THE SONIC HAMMER TOOL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, WELLBORE DIAGRAMS, & 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: 11-30-2011

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

For State Use Only

APPROVED BY: Mark Whitaker TITLE Compliance Officer DATE 12-5-2011
Conditions of Approval (if any):

DEC 0 5 2011

VM Henderson # 25 **11.22.2011**
Penrose Skelly - Grayburg
T21S, R37E, Section 30
Job: Sonic Hammer, Acidize & Scale Squeeze

Procedure:

1. 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.**

2. MI & RU workover unit. POOH with rods & pump. ND wellhead, unset TAC, NU BOP. POOH and LD 1 jt, PU 5-1/2" packer and set ~ @ 25', test BOP pipe rams to 250 psi/1000 psi. Note testing pressures on wellview report.

3. PU 2 jts & TAG for fill (TAC 3,540', Top Perf 3,649', EOT 4,209', PBTD 4,222'). Release and LD packer. POOH while scanning 2-7/8" prod tbg. LD all non-yellow band joints. If fill is tagged above PBTD (4222') continue to step 4; otherwise, skip to step 6. **Strap pipe out of the hole to verify depths**. Send scan log 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, 3-1/2" drill collars on 2-7/8" 6.5# L-80 WS. RU power swivel and clean out to 4237' (original PBTD). POOH. LD bit & BHA.

   Note: if circulation is not expected, notify Remedial Engineer to discuss CO with air/foam unit or bailer (skip to step 5).

5. PU and RIH 4-3/4" MT bit and bailer on 2-7/8" 6.5# L-80 WS to CO to 4237' or as deep as possible. POOH and LD bit and bailer.

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

6. 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 3,923' or below the perforations. Hydro test tbg to 6,000 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.

7. MI & RU Petroplex. Treat 4 intervals from 3,649' to 3,923' with 50 bbls of 8.6 ppg cut brine water per interval (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 5,000 psi tubing pressure. 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 per interval. 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, pump acid @ 5 BPM over first treatment interval from 3,649' to 3,707', 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 intervals. See the table below for intervals.

Interval	Depth	Volume
1	3,649' - 3,707'	1,500 gal
2	3,715' - 3,765'	1,500 gal
3	3,783' - 3,846'	1,500 gal
4	3,836' - 3,923'	1,500 gal

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.

8. Pump down 2-7/8" tbg and through Sonic Hammer tool at **5 BPM** from 3,923' to 3,649' with 200 bbls Prepare Brine water (8.6) 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	Volume
1	3,923' - 3,836'	50 bbl
2	3,846' - 3,783'	50 bbl
3	3,765' - 3,715'	50 bbl
4	3,707' - 3,649'	50 bbl

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.

10. 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.

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

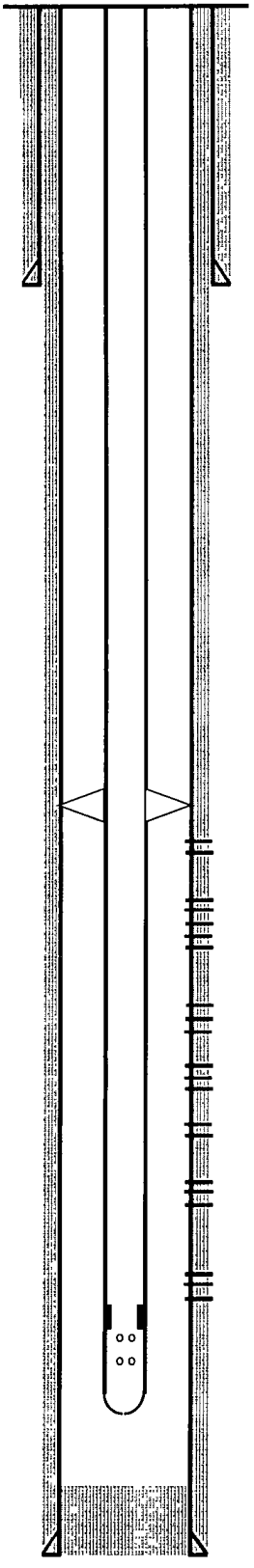
Well **V.M. Henderson #25** Field: **Penrose Skelly** Reservoir: **Grayburg**

Location:
2310' FNL & 1310' FEL
Section: 30 Unit Letter H
Township 21S
Range 37E
County Lea State. NM

Elevations:
KB: 11'
GL: 3482'

Current Wellbore Diagram

Well ID Info:
Chevno: LD8351
API No: 30-025-38780
L5/L6 UCU493800
WBS UWDPS-D8509
Spud Date 5/12/2008
Compl Date.



Surf. Csg: 8 5/8", 24#, J-55
Set: @ 460' w/ 475 sks
Hole Size: 12 1/4"
Circ: Yes **TOC:** Surface
TOC By: Circulated

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.

Tubing Detail:

#Jts:	Size:	Footage
	KB Correction	11 00
111	Jts 2 7/8" EUE 8R J-55 Tbg	3526 50
	TAC	2 70
16	Jts 2 7/8" EUE 8R J-55 Tbg	507 10
2	Jt 2 7/8" EUE 8R J-55 IPC Tbg	44 00
	SN	1 10
1	Cavins Sand Seperator	20 20
3	Jts 2 7/8" EUE 8R J-55 Tbg	95 40
	Dump Valve	1 00
133	**Bottom Of String >>**	**4209.00**

Rod Detail:

#Jts:	Size:	Footage
1	1 5" Polished Rod	26 00
2	1" N-90 Rod sub	10 00
60	1" N-90 x 25' Rod	1500 00
87	7/8" N-90 x 25' Rod	2175 00
14	1 5" K x 25' Sinker	350 00
1	7/8" N-90 Rod sub	4 00
1	25-175-RHBC-14-4-4-3	21 00
1	1 5" Centralized Rod sub	2 25
1	Strainer Nipple	0 50
168	**Length Of String >>**	**4088.75**

Perfs: 4JSPF, 120 PHASING - 472 holes - 118'
Status: Active

3649-51'	Grayburg - Open
3666-69'	Grayburg - Open
3673-78'	Grayburg - Open
3690-98'	Grayburg - Open
3701-07'	Grayburg - Open
3715-20'	Grayburg - Open
3728-35'	Grayburg - Open
3745-50'	Grayburg - Open
3756-65'	Grayburg - Open
3783-93'	Grayburg - Open
3796-3803'	Grayburg - Open
3824-31'	Grayburg - Open
3836-46'	Grayburg - Open
3858-68'	Grayburg - Open
3880-85'	Grayburg - Open
3894-3904'	Grayburg - Open
3909-14'	Grayburg - Open
3919-23'	Grayburg - Open

Prod. Csg: 5 1/2", 15.50#, J-55
Set: @ 4282' w/ 1075 sks
Hole Size: 7 7/8"
Circ: Yes **TOC:** Surface
TOC By: Circulated

COTD: 4237'
PBTD: 4222' (fill)
TD: 4282'

Updated: 10/13/2008 **By:** DNCU