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

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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. 30-025-33826 | |
| 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 BRUNSON ARGO |
| 1. Type of Well: Oil Well ☒ Gas Well ☐ Other | 8. Well Number 23 |
| 2. Name of Operator CHEVRON MIDCONTINENT, L.P. | 9. OGRID 241333 |
| 3. Address of Operator 15 SMITH ROAD, MIDLAND, TEXAS 79705 | 10. Pool name or Wildcat ABO/DRINKARD |
| 4. Well Location Unit Letter E: 1800 feet from the NORTH line and 560 feet from the WEST line Section 10 Township 22-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 SONIC HAMMER, ACIDIZE, SC SQZ | | 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 MIDCONTINENT L.P. INTENDS TO SONIC HAMMER, ACIDIZE, & SCALE SQUEEZE THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, WELLBORE DIAGRAM, & C-144 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: 02-21-2012

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

APPROVED BY: TITLE STAFF MGR DATE 2-23-2012
Conditions of Approval (if any):

FEB 23 2012

**Brunson Argo #23** **2.08.2012**
**Wantz – Abo/Drinkard (DHC)**
**Unit Letter E, T22S, R37E, Section 10**
**Job: Sonic Hammer, Acidize & Scale Squeeze**

**This procedure is meant to be followed. It is up to the WSM, Remedial Engineer and Production Engineer to make the decisions necessary to do SAFELY what is best for the well. In the extent that this procedure does not reflect actual operations, please contact RE, PE and Superintendent for MOC.**

Coordinate with trucking company to deliver brine and mix the Baker SCW-358 Scale Inhibitor. Spot 2 tanks on location. One tanks for brine only and the other one for the scale inhibitor solution.

1. Review rig move checklist. Check location, anchors and pad location ahead of time.

2. Verify that well does not have pressure or flow. If well has pressure, note tubing and casing pressures on wellview report. 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.

4. Unseat pump, POOH with rods and pump. Examine rods for wear/pitting/paraffin and capture any samples for analysis. Do not hot water unless necessary. ND wellhead, unset TAC, NU BOP. POOH and LD 1 jt, PU 7" packer and set ~ @ 25', test BOP pipe rams to 250 psi/500 psi. Note testing pressures on wellview report. Release and LD packer.

5. PU tubing and tag for fill (TAC 6,148', Bottom Perfs 7,195', EOT 7,232', PBTD 7,284'). POOH while scanning 2-3/8" prod tubing. LD all non-yellow band joints. If fill is tagged:
   A. Above 7,250' continue to step 6.
   B. Below 7,250' skip to step 8.

   **Note: Strap pipe out of the hole to verify depths and note them on wellview report.**
   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.**

6. PU and RIH with 6-1/8"' MT bit, 4 (3-1/2") drill collars on 2-7/8" 6.5# L-80 WS. RU power swivel and clean out to PBTD at 7,284'. POOH with 2-7/8" WS and bit. LD bit & BHA.
   **Note: If circulation is not expected, notify Remedial Engineer to discuss CO with bailer (continue to step 7) or foam/air unit (continue to supplemental procedure on back).**

7. PU and RIH with 6-1/8" MT and Bulldog bailer on 2-7/8" 6.5# L-80 WS. Clean out to PBTD at 7,284'. POOH with 2-7/8" WS and bit. LD bit & BHA.

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

8. Contact sonic tool rep to be on site during job. PU and RIH with Sonic Hammer tool and work string to 7,230' or enough to cover the bottom perforations with a whole stand. Hydrotest tubing to 6,000 psi. Stand back tubing to top perforations. Install stripper head and stand pipe with sufficient treating line to move tools vertically ~ 65'. Rig up pressure gauges to allow monitoring of tubing and casing pressures.

9. MI & RU Petroplex. Wash all intervals from 6,224' to 7,195' with 20 bbls of 8.6 ppg cut brine water per interval (refer to Table A). Pump down Sonic Hammer tool at 5 BPM while reciprocating tool across intervals. Do not exceed 5,000 psi tubing pressure. Leave annulus open in circulation mode while treating intervals with brine water.

10. Follow the brine water wash with 4,900 gals 15% NEFE HCl of total acid for all intervals.
Spot 3 bbls of acid outside tubing, shut in casing, pump 600 gallons of acid @ 5 BPM over first treating interval from 6,224' – 6,270', monitor casing pressure not exceeding 500 psi.
Flush tubing with brine water after every acidized interval, make a connection and continue with remaining interval. Refer to Table A.

| Interval | Depth | Interval Depth (Ft.) | Acid Volume (gal) |
|---|---|---|---|
| 1 | 6,224'-6,270' | 46 | 600 |
| 2 | 6,291'-6,326' | 35 | 400 |
| 3 | 6,368'-6,432' | 64 | 800 |
| 4 | 6,444'-6,500' | 56 | 700 |
| 5 | 6,510'-6,538 | 28 | 300 |
| 6 | 6,620'-6,683' | 63 | 800 |
| 7 | 6,706'-6,737' | 31 | 400 |
| 8 | 6,797'-6,799 | 2 | 100 |
| 9 | 6,904'-6,958' | 54 | 600 |
| 10 | 6,986'-6,994' | 8 | 100 |
| 11 | 7195' | 1 | 100 |
| | | | 4900 |

**Table A Perforation Intervals for Acid.**

11. Shut in well for 1 hr for the acid to spend. Monitor casing pressure to keep it below 500 psi. Bleed off excess pressure if necessary.

12. Continue moving uphole with Sonic Hammer pumping at 5 BPM with a total of 440 bbls 8.6 ppg brine water containing 7 drums (385 gallons) Baker SCW-358 Scale Inhibitor Chemical. Ensure top of tubing is flushed with water before making a connection. Refer to Table B. RD and release Petroplex pump truck.

| Interval | Depth | Interval Depth (Ft.) | Brine Water Volume (bbls) | SCW-358 Volume (gal) |
|---|---|---|---|---|
| 1 | 7195' | 1 | 10 | 10 |
| 2 | 6,986'-6,994' | 8 | 10 | 10 |
| 3 | 6,904'-6,958' | 54 | 60 | 50 |
| 4 | 6,797'-6,799 | 2 | 10 | 10 |
| 5 | 6,706'-6,737' | 31 | 30 | 30 |
| 6 | 6,620'-6,683' | 63 | 70 | 60 |
| 7 | 6,510'-6,538 | 28 | 30 | 30 |
| 8 | 6,444'-6,500' | 56 | 60 | 50 |
| 9 | 6,368'-6,432' | 64 | 70 | 60 |
| 10 | 6,291'-6,326' | 35 | 40 | 30 |
| 11 | 6,224'-6,270' | 46 | 50 | 40 |
| | | Totals | 440 | 380 |

**Table B Perforation Intervals for Scale Squeeze.**

13. Ensure Sonic Hammer is above all perforations. SI backside. Pump 100 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.

14. Run back in the hole and tag for fill. If fill entry was indentified @ 7,250' or above, clean-out to PBTD (7,284') following steps 6 or 7.

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

16. RIH with 2-3/8" production tubing hydrotesting to 6,000 psi. Set TAC per ALCR recommendation. ND BOP. NU WH.

    **Note: Prior to ND BOP, e-mail or call Remedial Engineer to discuss what we did to mitigate the well control hazard i.e. (kill well with XX fluid, monitor well personally for XX minutes, etc).**

17. RIH with rods and pump per ALCR. Hang well on. RD and release workover unit.

18. Turn well over to production (contacts below).

**FOAM / AIR CLEANOUT PROCEDURE**

- This procedure is an addition to the original procedure.

1. Install flowback manifold with two chokes. All components on flowback manifold must be rated to at least 5,000 psi. If possible, flowback manifold components should be hydrotested before delivery. Hardline pipes from 2" casing valve to manifold to half pit with gas buster.
2. Install flowback tank downwind from rig.
3. Position Air unit upwind from Rig next to water tanks. Have vacuum truck on standby to empty halfpit. (if needed)
4. RIH with 4-3/4' MT bit, bit sub (bore for float with dart-type float), 4 (3-1/2") drill collars on 2-7/8" 6.5# L-80 WS.
5. NU stripper head with **NO Outlets** (Check stripper cap for thread type - course threads preferred). **Stripper head to be stump tested to 1,000 psi before being delivered to rig**. Check chart or test at rig.
6. RU foam air unit. Make quality foam on surface before going down hole with foam/air. Install flapper float at surface before beginning to pump. Break circulation with foam/air. Evacuate fluid from well.

**Pump high quality foam at all times. Do not pump dry air at any time. Fluid injection rates will generally be above 12 gallons per minute**

**Whenever there is pressure on the stripper head, have a dedicated person continuously monitor pressure at choke manifold and have a dedicated person at accumulator ready to close annular BOP in case stripper leaks. Do not allow pressure on stripper head to exceed 500 psi. If pressure cannot be controlled below 500 psi, stop pumping, close BOP and bleed off pressure.**

7. Clean out fill to 7284' maintain circulation at optimum rate, allowing fill to clear bit before continuing to clean downhole, always keep pipe moving. Short trips can be beneficial to hole cleaning. Circulate well clean for at least 1 hour at the end of the day and pull up above the perforations before shut down for night. If the foam/air unit goes down, pull above the perforations.

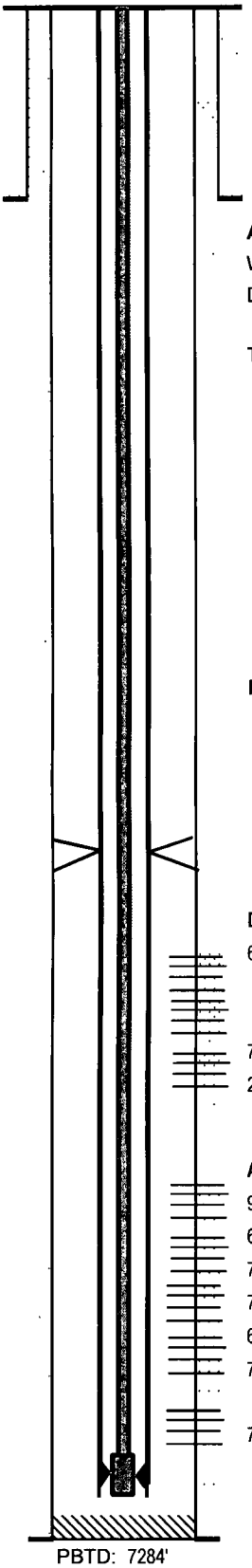
8. When tripping out of hole, have special float bleed off tool available to relieve trapped pressure below float.

**Ensure that high quality, stiff foam is pumped while circulating the fill. Stiff foam is required to prevent segregation while circulating. Monitor flow and pressures carefully when cleaning out.**

**Before rigging up power swivel to rotate, carefully inspect Kelly hose to ensure that it is in good condition. Ensure that swivel packing is in good condition.**

**Continue to step 8.**

| | | | | | |
|---|---|---|---|---|---|
| **Lease Name:** | BRUNSON ARGO | **Field:** | FLD-WANTZ | **API No. :** | 30-025-33826 |
| **Well No.** | 23 | **Reservoir:** | ABO/DRINKARD (DHC) | **REFNO:** | BQ7270 |
| **Location:** | 1800' FNL & 560' FWL | **GE:** | 3407' | **Spud Date:** | 6/3/1997 |
| **UL/Sec.:** | E / 10 | **KDB:** | | **Comp. Date:** | 8/16/1997 |
| **Twnshp/Range:** | 22S 37E | **DFE:** | | **County:** | LEA |
| **Survey:** | | **Status:** | DHC 10/2004 | **State:** | NM |
| | | **CostCenter:** | BCU524700 | | |



TAC @ 6147.82'

SN@ 7210.99'

PBTD: 7284'

TD: 7350'

| | |
|---|---|
| Hole Size: | 12 1/4" |
| Csg. Size: | 9 5/8" 36# |
| Set @: | 1140' |
| Sks. Cmt.: | 500 SKS |
| TOC @: | SURFACE |
| Circ: Y/N: | Y |

**ALLOCATION OF PRODUCTION FOR DHC**

| | | | |
|---|---|---|---|
| WANTZ ABO | 38% OIL | 26% GAS | 23% WATER |
| DRINKARD | 62% OIL | 74% GAS | 77% WATER |

**TBG SUMMARY FROM FIELD FILE 9/27/2004**

| | | |
|---|---|---|
| | KB CORRECTION | 14 |
| 186 | JTS 2 3/8" J-55 8RD | 6133.82 |
| | 7" X 2 3/8" TAC | 2.9 |
| 5 | JTS 2 3/8" J-55 8RD | 163.96 |
| 27 | JTS 2 3/8" J-55 8RD (NEW) | 874.31 |
| 1 | 2 3/8" BLAST JT | 22 |
| 1 | 2 3/8" MECH. HOLD DWN SHOE | 0.8 |
| 1 | 2 3/8" CAVINS DESANDER | 20 |
| | | 7231.79 |

**ROD SUMMARY from FIELD FILE 9/27/2004**

1 1 1/4" x 22' PR W/1 1/2" x 16' LINER
95 7/8" GR D RODS
185 3/4" D RODS
1 INSERT PUMP 20-150-RHBM-20-6, MECH
60 RING PAP PLUNGER

**DRINKARD PERFS 6/2004**

6224, 70, 91, 6326, 68,
86, 92, 6405, 14,
24, 32, 44, 51, 58, 67,
72, 79, 90, 6500, 10,
22, 38,(46 total holes)

**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.**

**ABO PERFS 1997**

9/97 - PERF ABO 6620-28', 70-83'
6706-08', 35-37', 1 SPF 44 HOLES
7/97-W/3, .78" HOLES @ 6798'
7/97-RE-PERF- ABO F/6797-99' W/18 SHOTS
6904-08', 52-58', 86-88'
7/97-W/2, 78" HOLES @ 6994'
7/97-W/2, .78" HOLES @ 7195'

| | |
|---|---|
| Hole Size: | 8 3/4" |
| Csg. Size: | 7" 26# |
| Set @: | 7350' |
| Sks. Cmt.: | 825 SKS 1ST STAGE CIRC 120 SKS |
| DV TOOL @ 4003': | 1275 SKS 2ND STAGE CIRC 90 SKS |
| Circ: Y/N: | Y |

Updated: 10/24/2011 By: SEHE