

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

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBS OGD
MAR 15 2012
RECEIVED

| |
|---|
| WELL API NO. 30-025-25814 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name CENTRAL VACUUM UNIT |
| 8. Well Number 26 |
| 9. OGRID Number 4323 |
| 10. Pool name or Wildcat VACUUM GRAYBURG SAN ANDRES |

| | |
|--|--|
| <p>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)</p> | |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> INJECTION | |
| 2. Name of Operator CHEVRON U.S.A. INC. | |
| 3. Address of Operator 15 SMITH ROAD, MIDLAND, TEXAS 79705 | |
| 4. Well Location Unit Letter J: 1330 feet from the SOUTH line and 2577 feet from the EAST line Section 25 Township 17-S Range 34-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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: INTENT TO PREP FOR CO2 INJECTION

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 PREPARE THE SUBJECT WELL FOR CO2 INJECTION.

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: 03-14-2012

Type or print name: DENISE PINKERTON

E-mail address: leakejd@chevron.com

PHONE: 432-687-7375

APPROVED BY:

Mark Whitman

TITLE:

Compliance Officer

DATE

03-16-2012

Condition of Approval: The operator shall give 24 hour notice to the appropriate District office before work begins

Condition of Approval: Notify OCD Hobbs office 24 hours prior to running MIT Test & Chart.

MAR 19 2012

CVU 26
API No. 30-025-25814
Vacuum (Grayburg-San Andres) Field
Lea County, NM

Workover Procedure

RIGLESS

1. Ensure field specialist has shut well in at least 2 weeks prior to beginning workover (ensure LOTO @ header). Monitor pressure & RU to back flow if pressure does not fall below 500 psi in the 1st week. Certify last anchor pull test date w/in 24 months. Confirm placement of electrical lines and determine if electrical variance is needed. Confirm that location is in adequate condition for RU. Ensure that elevators and lifting equipment is callipered / inspected prior to handling tubing each morning and each time tubing / rod sizes are changed.
2. Notify OCD with 24 hr intent to repair @ 575 361 2822
3. Record tubing and casing pressures for kill weight fluid calculations. Check / bleed pressure from surface valves if necessary & monitor throughout well work.
4. MIRU slick line unit and set blanking plug in 1.43" profile nipple (records do not indicate if this is a Type 'F' or Type 'R' blanking plug). Pressure up on tubing to 2000 psi to ensure that plug is holding. Monitor casing & tubing pressure - attempt to determine if there is a tubing, casing, on/off tool, or packer leak.

PREP FOR WH REPAIR (WITH RIG)

5. MIRU pulling unit.
6. Check pressure on tubing and casing – well should be dead due to packer set @ 4323' & blanking plug in tubing. Open surface riser valves & bleed pressure if necessary. Leave riser valves open & monitor throughout workover.
7. Confirm well is dead & ND WH.
8. NU 5M hydraulic BOP w/ 2-3/8" pipe rams over blind rams & 3M annular.
9. Release on/off tool & pump kill weight fluid. Re-engage on/off tool.
10. RIH w/ slickline and retrieve blanking plug. Rig down slickline unit.

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11. Caliper and inspect elevators. Release packer & LD 1 joint 2-3/8" 4.7# J55 Duoline tubing. PU 4-1/2" packer & 1 jt of 2-3/8" production tubing. Set packer @ 30' & test pipe rams to 250 / 550 psi for 5 minutes. Test annular to same. LD test joint and packer.
 12. Con't TOH – lay down all 2-3/8" Duoline tubing & packer (records indicate there are 136 jts of 2-3/8" duoline tubing in well). Tally injection tubing while laying down to confirm packer set depth. Send 2-3/8" Duoline tubing to 1788 yard. Visually inspect the tubing while lying down and note its condition in Wellview.
 13. PU 4-1/2" 10.5# RBP & packer & TIH on 2-3/8" 4.7# L80 workstring. Set RBP @ +/- 4315' (barrier #1 for WH repair). Set packer @ +/- 4300' & test RBP to 750 psi.
 14. Release packer & circulate hole with FW. Add con-det to circulating system to help remove hydrocarbons from wellbore. Circulate until clean FW is all the way around.
 15. Shut pipe rams and pressure test casing against RBP to 550 psi for 30 minutes (Ensure that bradenhead valves are open & monitored for communication. If communication exists, circulate fresh water with con-det through the bradenhead until all hydrocarbons are removed). Notify remedial engineer if pressure losses are greater than or equal to 10% of applied pressure & be prepared to hunt a casing leak & squeeze (Note: a leak was squeezed in 1990 from 1053'-1242' – potential leak interval).
 16. If casing tested to 550 psi OK, circulate wellbore with packer fluid.
 17. PU second 4-1/2" 10.5# RBP & TIH. Set second RBP @ +/- 950' (2nd barrier for WH repair). Test RBP to 750 psi. Dump 20' sand on RBP for WH change.
- ***Note: a leak was squeezed in 1990 from 1053'-1242'
18. TOH LD WS.
 19. Confirm well is dead & ND BOP.
 20. NU B-1 adapter with needle valve.
 21. RDMO pulling unit.

RIGLESS WH REPAIR

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Vacuum (Grayburg-San Andres) Field

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22. Ensure that a one call has been made and that an excavation permit is in place prior to digging out WH.
23. Open needle valve on B-1 adapter & check for trapped pressure. Bleed off if necessary.
24. Unscrew tubing head from 4-1/2" casing.
25. Dig out casing head. Have a gang with air compressor on location to jackhammer cement & sandblast casing if necessary.
26. Inspect 8-5/8" casing. If good, cut windows in surface casing to relieve tension in the 4-1/2" production casing.
27. Once tension has been relieved in the production string, cut the 8-5/8" casing to desired height & remove by stripping over the 4-1/2" casing.
28. Inspect the 4-1/2" casing, repair if needed (same way as 8-5/8" casing). Stub up 4-1/2" casing to desired height first.
29. Weld 8-5/8" slip x slip collar & strip 8-5/8" casing joint over the 4-1/2" casing & weld.
30. Cut 8-5/8" casing joint to desired height & install 8-5/8" x 11" 3M SOW (slip on wellhead).
31. Install 4-1/2" casing slip type casing hanger (C-21's, no weight to activate) to centralize casing. Measure and make final cut off to prep for next section of WH. Install primary packoff to seal annulus.
32. Nipple up next section of wellhead: 11" 3M x 7-1/16" 5M tubing head to packoff 4-1/2". Test void per Vetco instructions. Ensure that this section of the WH has outlets with valves.
33. Wrap casing & WH in wax tape.
34. Fill in dig out & water to pack down.
35. Install dry hole B-1 flange with 5M low torque.

WORKOVER

36. MIRU pulling unit.
37. Check casing for trapped pressure. ND dry hole cap.
38. NU 5M hydraulic BOP with 2-3/8" pipe rams over blind rams & 3M annular. PU 1 joint 2-3/8" 4.7# L80 WS & Set 4-1/2" 10.5# packer @ 30' & test pipe rams to 250 / 550 psi for 5 minutes. Test annular to same. LD test joint and packer.
39. TIH & retrieve RBP's that were set for WH repair. Stand back WS on each trip.

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40. TIH w/ 3-7/8" bit and 6 x 2-7/8" drill collars on 2-3/8" 4.7# L80 workstring until fill is tagged (note that fill was tagged with slickline 2009 @ 4482'.

41. Cleanout fill to 4782' (PBDT). Capture a sample of cuttings and have Baker Petrolite analyze.

- a. If calcium sulfate scale is identified, spot 110 gals SRW196 scale converter mixed with 5 bbls FW out bit. TOH & LD C/O assembly. Shut in well overnight & allow treatment to soak overnight. TIH w/ packer hydrotesting to 8000 psi below slips & set @ +/- 4300'. Load @ test backside to 500 psi. Acidize as below.
- b. If calcium carbonate is identified TOH LD C/O Assembly. TIH w/ packer hydrotesting to 8000 psi below slips & set @ +/- 4300'. Load @ test backside to 500 psi. Acidize as below without spotting scale converter.

Acidize perms 4384' – 4718' w/ 6,000 gallons 15% HCl in 3 stages. Pump 1000 lbs rock salt mixed in gelled BW for diversion between stages (adjust salt drops based on well pressure response).

42. Shut-in for one hour and flow back load. Swab back if necessary.

43. Release packer and TOH. Stand back WS & LD packer.

44. RIH 3-7/8" MT bit on 2-3/8" workstring and wash salt to PBDT.

45. Circulate hole clean and TOH.

46. TIH hydrotesting below slips to 5K w/ new nickel plated / IPC 4-1/2" injection packer w/ 1.50" 'R' SS profile nipple, SS on/off tool, & pump out plug on new 2-3/8" J-55 Fiberlined injection tubing. Set packer at +/- 4315'. (Note old packer set depth of 4323' – do not set new packer lower than 4323'). Ensure that PN & on/off tool details are captured in Wellview. Ensure that Fiberline technician is on location to assist with tubing makeup.

47. Release on / off tool & displace annulus with packer fluid. Re-engage on/off tool.

48. Perform pre-MIT → Pressure up on backside to 550 psi and hold for 30 minutes (pre-MIT). Isolate pump during MIT test and use chart recorder to record pressure response.

Notify OCD/BLM w/ 24 hr intent to perform official MIT.

49. Bleed off pressure. ND BOP.

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50. NU wellhead.

51. Blow pump out plug.

52. Rig down pulling unit.

53. Perform official MIT → Apply 550 psi to casing for 30 minutes. Isolate pump during MIT test and use chart recorder to record pressure response. Submit C-103 report with original MIT chart attached to ALCR Danny Acosta.

54. Turn well over to production.

NCB 8/9/2011

PTB 11/22/11

Contacts:

Petroleum Engineer – Paul Brown 432-687-7351 / 432-238-8755

Remedial Engineer – Nate Brummert 713-409-6170

Peak Packers – Sam Prieto 575-531-7704

Petroplex Acidizing – Steve Pendelton 432-556-4211

Baker Petrolite – Tim Gray 575-910-9390

ALCR – Danny Acosta – 575-631-9033 (Cell)

Drilling Supt – Heath Lynch – 281 685 6188

Vetco Gray – Jesse – 432 580 6602

Wellbore Diagram

CVU 26

| | | | |
|----------|------------------------------|----|-------|
| Created | 7/3/2008 | By | JSS |
| Updated | 5/4/2009 | By | Cayce |
| Lease | Central Vacuum Unit | | |
| Field | Vacuum (Grayburg-San Andres) | | |
| Surf Loc | 1330' FSL, 2577' FEL | | |
| Bot Loc | | | |
| County | Lea | St | NM |
| Status | Injector | | |

| | | | |
|------------|--------------|---------|--------|
| Well # | 26 | St Lse | B-1056 |
| API | 30-025-25814 | | |
| Unit Ltr | J | Section | 25 |
| TSHP/Rng | S-17 E-34 | | |
| Unit Ltr | Section | | |
| TSHP/Rng | | | |
| CHEVNO | EQ0047 | | |
| Directions | Buckeye, NM | | |

Surface Casing

| | |
|-----------|------------|
| Size | 8 5/8" |
| Wt , Grd | 24#, K-55 |
| Depth | 402' |
| Sxs Cmt | 425 |
| Circulate | Yes, 45 sx |
| TOC | Surface |
| Hole Size | 12 1/4 |

| | |
|----------|-----------|
| KB | 4009' |
| DF | NA |
| GL | 3997' |
| Ini Spud | 3/3/1978 |
| Ini Comp | 3/17/1978 |

Production Casing

| | |
|-----------|-------------|
| Size | 4 1/2" |
| Wt , Grd | 10 5#, K-55 |
| Depth | 4800' |
| Sxs Cmt | 2100 |
| Circulate | Yes, 250 sx |
| TOC | Surface |
| Hole Size | 7 7/8 |

