HOBBS OCD

Form 3160-5
(March 2012)

JUL 12 2012

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UNITED STATES OCD-HOBBS
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – *Other instructions on page 2*

1 Type of Well ☑ Oil Well ☐ Gas Well ☐ Other	5 Lease Serial No 6 If Indian, Allottee or Tribe Name
2 Name of Operator CHEVRON U.S A INC	7 If Unit of CA/Agreement, Name and/or No 8 Well Name and No C.P. FALBY A FEDERAL #3
3a. Address 15 SMITH ROAD MIDLAND, TEXAS 79705 3b Phone No. *(include area code)* 432-687-7375	9 API Well No 30-025-10118 10 Field and Pool or Exploratory Area EUNICE; SAN ANDRES SOUTHWEST
4 Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)* 1980' FNL & 1980' FWL, UL F, SEC 8, T-22S, R-37E	11 County or Parish, State LEA COUNTY, NEW MEXICO

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☑ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13 Describe Proposed or Completed Operation Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA Required subsequent reports must be filed within 30 days following completion of the involved operations If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection)

CHEVRON U.S.A. INC. INTENDS TO ACIDIZE & SCALE SQUEEZE THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, WELLBORE DIAGRAM, & C-144 INFORMATION FOR THE NMOCD.

THIS INTENT IS FOR INFORMATIONAL PURPOSES ONLY, AND TO FULFILL NMOCD REQUIREMENTS.

14 I hereby certify that the foregoing is true and correct Name *(Printed/Typed)* DENISE PINKERTON	Title REGULATORY SPECIALIST
Signature Denise Pinkerton	Date 04/25/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED
JUL 10 2012
/s/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved by	Title Date
Conditions of approval, if any, are attached Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon 7-10-2012	Office

Title 18 U S C Section 1001 and Title 43 U S C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

C.P. Falby A #3 **4.6.2012**
Penrose Skelly/Eunice Southwest, Grayburg/San Andres Reservoir
T22S, R37E, Sec.8
N 32° 24' 29.124", W -103° 11' 12.12" (NAD27)
Job: Sonic Hammer, Acidize & Scale Squeeze

Procedure:

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

1 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.**

2 MI & RU workover unit.

3 Unseat pump, POOH with rods and pump Examine rods for wear/pitting/paraffin Do not hot water unless necessary. ND wellhead, unset TAC, NU BOP. POOH and LD 1 jt, PU 5" packer and set ~ @ 25', test BOP pipe rams to 250 psi/1000 psi Note testing pressures on wellview report Release and LD packer

Note: Prior to ND WH, e-mail or call Remedial Engineer to summarize what it was done to mitigate the well control hazard.

4. PU tubing and tag for fill (TAC 3,678', Bottom Perfs 4,020', EOT 4,177', PBTD 5,445'). POOH while scanning 2-3/8" prod tubing LD all non-yellow band joints. If fill is tagged:
   A Above 4,270' continue to step 5
   B. Below 4,270' continue to step 7

   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.**

5. PU and RIH with 4-1/4" MT bit, 4 (3-1/2") drill collars on 2-7/8" 6.5# L-80 WS. RU power swivel and clean out to 4,270' 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 6) or foam/air unit (continue to supplemental procedure on back).

6 PU and RIH with 4-1/4" MT and Bulldog bailer on 2-7/8" 6 5# L-80 WS Clean out to 4,270'. 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.**

7. Contact sonic tool rep to be on site during job PU and RIH with Sonic Hammer tool and work string to 4,022' 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.

8. MI & RU Petroplex. Titrate acids and verify concentration (HCl ±1.5%). Treat all intervals from 3,746' to 4,022' with 50 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.

9 Follow the brine water wash with 5,000 gals 15% NEFE HCl of total acid for all intervals. Spot 3 bbls of acid outside tubing, shut in casing, pump 1,000 gallons of acid @ 5 BPM over first treating interval from 3,746'-3,802', 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.

Table A: Perforation Intervals for acid.

Interval	Depth	Interval (Ft)	Acid Volume (gal)
1	3746' - 3802'	56	1,000
2	3818' - 3842'	24	1,000
3	3882' - 3942'	60	1,000
4	3942' - 3972'	30	1,000
5	4008' - 4022'	14	1,000
			5,000

10 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.

11. Scale squeeze will with a total of 300 bbls 8.6 ppg brine water and 4 drums (220 gallons) Baker SCW-358 Scale Inhibitor Chemical. Continue moving uphole with Sonic Hammer. Pump at max rate of 5 BPM per pump schedule. Ensure top of tubing is flushed with brine water before making a connection.

Table B: Scale Sqz Pump Schedule

Step		Interval (ft)	Max Rate (BPM)	Volume Brine (bbl)	Volume Scale Chem. (Gal)	Cum Volume (bbl)
1	Pump Chemical/brine while moving from	4022' - 4008'	5	10	44	11.0
2	Pump Brine while moving from	4022' - 4008'	5	40		51
3	Pump Chemical/brine while moving from	4022' - 4008'	5	10	44	62
4	Pump Brine while moving from	4022' - 4008'	5	12		74
5	Move pipe to next interval of	3972' - 3942'				74
6	Pump Brine while moving from	3972' - 3942'	5	28		102
7	Pump Chemical/brine while moving from	3972' - 3942'	5	10	44	113
8	Pump Brine while moving from	3972' - 3942'	5	12		125
9	Move pipe to next interval of	3942' - 3882'				125
10	Pump Brine while moving from	3942' - 3882'	5	28		153
11	Pump Chemical/brine while moving from	3942' - 3882'	5	10	44	164
12	Pump Brine while moving from	3942' - 3882'	5	12		176
13	Move pipe to next interval of	3842' - 3818'				176
14	Pump Brine while moving from	3842' - 3818'	5	28		204
15	Pump Chemical/brine while moving from	3842' - 3818'	5	10	44	215
16	Pump Brine while moving from	3842' - 3818'	5	11		226
17	Move pipe to next interval of	3802' - 3746'				226
18	Pump Brine while moving from	3802' - 3746'	5	79		305

12. Ensure Sonic Hammer is above all perforations Do not exceed 500 psi casing pressure or 5 BPM while pumping scale squeeze or casing flush. RD and release pump truck.

13. Run back in the hole and tag for fill. If fill entry was indentified @ 4,270' or above, clean-out to 4,270' following steps 5 or 6

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

15. RIH with 2-3/8" production tubing hydrotesting to 6,000 psi. Set TAC per ALCR recommendation. ND BOP. NU WH RIH with rods and pump per ALCR Hang well on RD and release workover unit.

    Note: Prior to ND BOP, e-mail or call Remedial Engineer to summarize what it was done to mitigate the well control hazard.

16. Turn well over to production.

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 4-1/4" MT bit, 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.

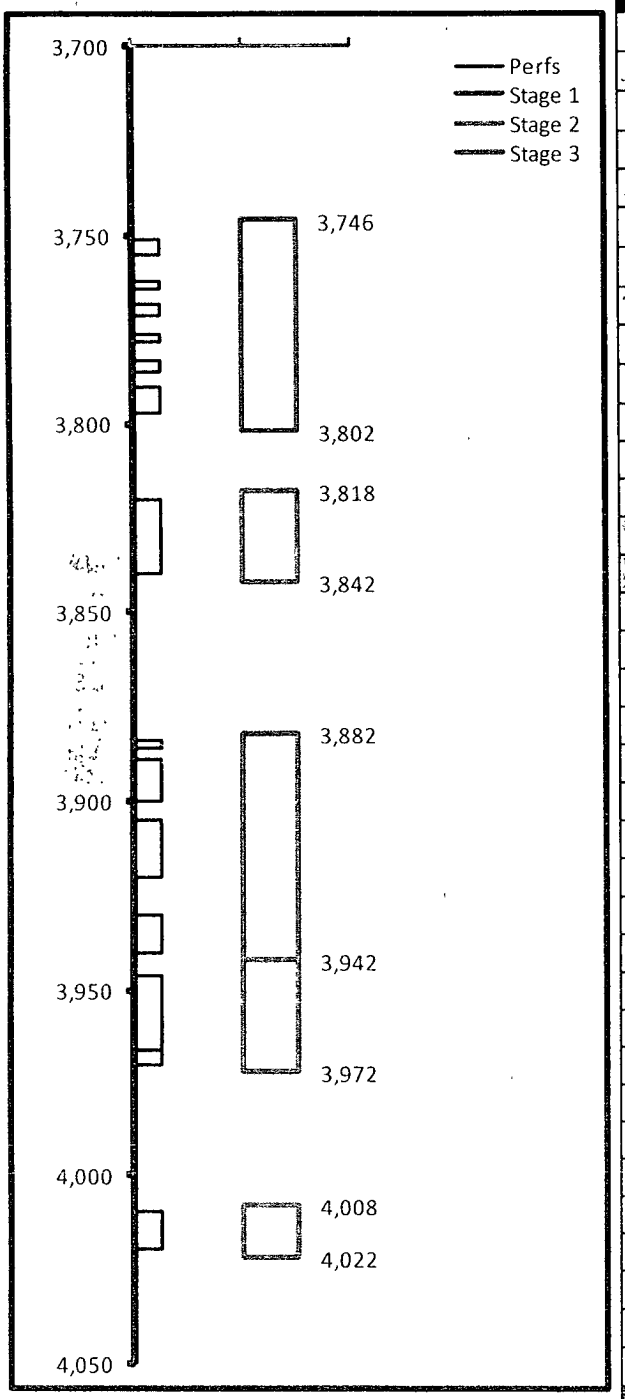
7. Clean out fill to 4,270' with low RPM's rotation and circulation, always keep pipe moving Short trips can be beneficial to hole cleaning Circulate well clean for at least 1 hour at the end of the day and pull up above the perforations before shut down for night. If the foam/air unit goes down, pull 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 on with original procedure for completion.

CP Falby A Fed #3



Perfs Detail				
Top	Bottom	Interval Length	Status	Reservoir
ft	*ft*	*ft*		
3,751	3,755	4	Open	Grayburg
3,762	3,764	2	Open	Grayburg
3,768	3,771	3	Open	Grayburg
3,776	3,778	2	Open	Grayburg
3,783	3,786	3	Open	Grayburg
3,790	3,797	7	Open	Grayburg
		0		
3,820	3,840	20	Open	San Andres
3,884	3,886	2	Open	San Andres
3,889	3,900	11	Open	San Andres
3,905	3,920	15	Open	San Andres
3,930	3,940	10	Open	San Andres
3,946	3,966	20	Open	San Andres
3,946	3,970	24	Open	San Andres
3,966	3,970	4	Open	San Andres
4,010	4,020	10	Open	San Andres
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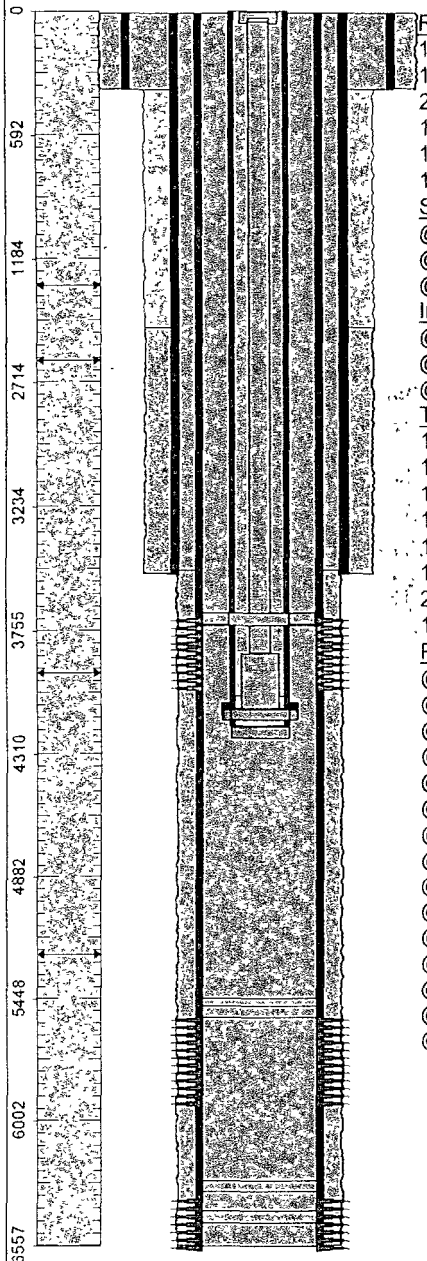
Total				
3,751	4,020	137		

Chevron U.S.A. Inc. Wellbore Diagram : CPFALBYA3SADHC

Lease: OEU EUNICE FMT	**Well No.:** FALBY, C. P. -A- FED DHC 3 3	**Field:** EUNICE, SOUTHWEST	
Location: 1980FNL1980FWL	**Sec.:** N/A	**Blk:**	**Survey:** N/A
County: Lea **St.:** New Mexico	**Refno:** FB1123	**API:** 3002510118	**Cost Center:** UCLB10300
Section: 8	**Township:** 022 S		**Range:** 037 E
Current Status: ACTIVE		**Dead Man Anchors Test Date:** 05/09/2007	
Directions:			



Rod String (Top-Bottom Depth) Desc
1 @(0-26) 1.500 (1 1/2 in) Spray Metal x 26
1 @(26-28) 0 875 (7/8 in) N-90 (D) x 2 Rod Sub
2 @(28-44) 0 875 (7/8 in) N-90 (D) x 8 Rod Sub
152 @(44-3844) 0.875 (7/8 in.) N-90 (D) x 25 Rod
10 @(3844-4094) 1 500 (1 1/2 in.) K x 25 Sinker Bar
1 @(4094-4098) Tubing Pump Plunger (NON-SERIALIZED) - Bare
Surface Casing (Top-Bottom Depth) Desc
@(10-373) Wellbore Hole OD-12.2500
@(10-373) Cement
@(10-373) Unknown 10 750 OD/ 32 75# Round Short 10 192 ID 10 036 Drift
Intermediate Casing (Top-Bottom Depth) Desc
@(10-3514) J-55 7.000 OD/ 24.00# Round Short 6 336 ID 6 151 Drift
@(2050-3514) Cement
@(373-3514) Wellbore Hole OD- 8.7500
Tubing String Quantity (Top-Bottom Depth) Desc
122 @(0-3678) J-55 2.375 OD/ 4 70# T&C External Upset 1 995 ID 1 901 Drift
1 @(3678-3681) Tubing Anchor/Catcher 2.375"
12 @(3681-4038) J-55 2.375 OD/ 4 70# T&C External Upset 1 995 ID 1 901 Drift
1 @(4038-4069) J-55 2 375 OD/ 4 70# T&C External Upset 1.995 ID 1.901 Drift -
1 @(4069-4093) Tubing Pump Barrel (NON-SERIALIZED)
1 @(4093-4118) Cavins Desander (Sand Separator) 2 3/8" x 20'
2 @(4118-4176) J-55 2.375 OD/ 4.70# T&C External Upset 1 995 ID 1 901 Drift
1 @(4176-4177) Cavins Dump Valve (for use w/Desander) 2 375"
Production Casing (Top-Bottom Depth) Desc
@(3700-3820) Perforations - Open
@(3700-3820) Producing Interval (Completion) - Grayburg
@(3820-4020) Producing Interval (Completion) - San Andres
@(3820-4020) Perforations - Open
@(5445-5480) Plug Back-Cement on Top of Bridge Plug
@(5480-5483) Bridge Plug Cast Iron 5.000"
@(5532-5939) Perforations - Squeezed
@(5532-5939) Producing Interval (Completion) - Blinebry
@(6265-6300) Plug - Cement on Top of Bridge Plug - Bare
@(6400-6403) Bridge Plug Cast Iron 5.000"
@(6343-6555) Producing Interval (Completion) - Drinkard
@(6343-6555) Perforations - Isolated
@(3514-6557) Wellbore Hole OD- 6.2500
@(3500-6557) Cement
@(10-6557) J-55 5 000 OD/ 13 00# Round Short 4.494 ID 4.369 Drift

Ground Elevation (MSL):: 3423.00	**Spud Date:** 07/20/1970	**Compl. Date:** 01/01/1970
Well Depth Datum:: CSI0000N	**Elevation (MSL)::** 0.00	**Correction Factor:** 10.00
Last Updated by: jackssl	**Date:** 01/28/2010	