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
AUG 09 2012
RECEIVED

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. 30-025-39097	
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 CENTRAL DRINKARD UNIT
1. Type of Well: Oil Well ☐ Gas Well ☐ Other INJECTOR	8. Well Number 438
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 DRINKARD
4. Well Location Unit Letter A: 1235 feet from the NORTH line and 790 feet from the EAST line Section 29 Township 21-S Range 37-E NMPM County LEA	
[redacted]	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* [redacted]

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 RE-PERF, C/O, & ACIDIZE		OTHER:	

Per Underground Injection Control Program Manual 11.6 C Packer shall be set within or less than 100 feet of the uppermost injection perfs or open hole.

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 REPERF, CLEAN OUT & ACIDIZE THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, WELLBORE DIAGRAMS, AND C-144 INFORMATION.

The Oil Conservation Division MUST BE NOTIFIED 24 Hours Prior to the beginning of operations

Condition of Approval: notify OCD Hobbs office 24 hours prior of running MIT Test & Chart

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: 08-08-2012

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

APPROVED BY: TITLE Dist Mgr DATE 8-13-2012

Conditions of Approval (if any):

AUG 14 2012

Central Drinkard Unit #438 WI **7.10.2012**
Drinkard
T21S, R37E, Section 29
N 32° 27' 13.032", W -103° 10' 43.464" (NAD27)
Job: Clean Out, Stim Gun Re-Perf and CO2 Acid job

Procedure:

1. Displace injection line with fresh water. Have field specialist close valve at header. Pressure test injection line to 2000 psi. If a leak is found, contact Donnie Ives for repair/replacement. If test is good, bleed off pressure and **open valve** at header. Document this process in the morning report. **Note: Prior to performing this step of the procedure, ensure that all valves, pipe, and fittings that will be exposed to test pressure are rated higher than the planned test pressure.**

2. Verify that braden head does not have pressure or flow. If braden head has pressure or flow contact remedial engineer.

3. MI & RU workover unit. Bleed pressure from well, if any. Test BOP to 500 psi before unset pkr. Pump down tbg with 8.6 PPG cut brine water, if necessary to kill well. ND WH. NU BOP's w/ 2-3/8" pipe rams and blinds on bottom. Test BOP pipe rams to 250 psi/1000 psi. Note testing pressures on Wellview report.

   - **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. Release pkr at 6,516'. POH and stand back 2 3/8" IPC TK-99 J-55 injection tbg string. LD on-off tool and packer. Talley tbg out of the hole.

5. Close blind rams on BOP, switch BOP's pipe rams and elevators to 2-7/8". Caliper elevators. PU and go in hole with 5.5" pkr on 2-7/8" 6.5# L-80 WS. Set pkr at ~25', test BOP pipe rams to 250 psi/1000 psi. Note testing pressures on Wellview report. Release and LD packer.

6. PU and RIH with 4-3/4" MT bit, 4 (3-1/2") drill collars on 2-7/8" 6.5# L-80 WS. RU power swivel and clean out to 6,672'. 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 or foam/air unit (continue to supplemental procedure).

7. MI & RU Baker Atlas electric line unit. Install lubricator and test to 2,000 psi. GIH with 3 3/8" EHC Predator XP guns w/ Stim Gun Sleeves (23.5 Gm. 40" EHD 48" TTP) and perforate 6,572'-6,582', 6,622'-6,631', 6,638'-6,642' and 6,646'-6,656' in separate runs, per Baker Atlas recommendation. **Ensure that FL in wellbore is > 100' from surface prior to perforating**. POH. RD & release electric line unit. **Note: Correlate logs and use csg collars from Gray Wireline, CBL/GR/CCL dated 1.8.2009 for depth correction.**

8. PU and RIH with 5-1/2" Arrow set 1-X packer on 2-7/8" 6.5# L-80 WS. Set packer at +/- 6,540'. Load backside with 8.6 ppg cut brine and test to 300 psi.

9. Prep location for CO2 Acid Treatment. RU 2 open tanks (equipped with gas buster) and set them on opposite sides of location if possible. This is to ensure the flow is directed downwind at all times. Steel lines are to be secured with safety restraints as shown on **Image A**. If CO2 team lacks safety restrains contact Guardian for rental. NU TIW valve rated for 10,000 psi (newly-tested and functioned). Have flowback crew and choke manifold ready for flowback stage. Ensure all flowback equipment has current inspection and is properly secure.

10. Pressure up and maintain 300 psi on backside throughout acid job, monitor it and bleed down as necessary.

11. MI & RU Team CO2. **Test lines to 6,000 psi**. Treat all perforations from 6,572'-6,656' per schedule on Table A. Set pop off at 5,000 psi, **Maximum treating pressure at surface is 5,000 psi.**

12. Pump 3 bbls of Brine water ahead @ 2 BPM.
    Acidize following Table A below.

Table A: Pump Schedule (See attached Team CO2 schedule)

Team CO2

CO2 Foamed Acid Patent #[illegible]

CO2 Foamed Acid Pumping Schedule

Total HHP Required	CO2 HHP Required	fluid HHP Required
0.0	0.0	0.0

Operator	Chevron
Date	[illegible]
Well Name & Number	[illegible]
Job Description	20,000 gal. of 75 quality foam
County, State	Lea County, New Mexico
Formation	Drinkard
Total Pump Rate bpm	2
Company Rep.	Mr. Derek [illegible]
Phone #	(432) [illegible]

Well Data

Perforations-ft.			
Nr. ft. of pay			
Foamed gal/ft. of pay	#DIV/0!		
PBTD or BP @			
Est. treating press.		Tubular Cap.-bbl/ft.	bbls.
Tubing:			0.0
Casing/Annular Vol.			0.0
Hole Volume-bbls.:			0.0

Stage #	Foam Vol.-gal.	Foam Quality	CO2 Vol.-gal. tons	Acid Vol.-gal.	H2O Volume-gal.	CO2 rate	HCl/H2O rate	cum. CO2-gal (tons/bbls)	cum HCl-gal	cum H2O gal.
1	20000	75	15000	5000	0	0.0	2.0	15000.0	5000.0	0.0
tons			66.08					66.1		
bbls.			357.48	119.05				357.5	119.0	0.0
Flush	1200.0	75	900.0	0	300	0.0	2.0	15900.0	5000.0	300.0
tons	[illegible]		3.96					70.0		
bbls.			21.45	0.00	7			378.9	119.0	7.1
Totals-gal.	21,200		15,900	5,000.0	300					
Totals-tons			70.04							
Totals-bbls.	505		378.94	119.05	7					

Shut-in for 4 hrs. and commence flowback

13. Shut in well for 4 hrs for the acid to spend. Monitor casing pressure to keep it below 300 psi. Bleed off excess pressure if necessary.

    Note: Acid job MUST start in the morning. If acid job is deferred, contact Remedial Engineering to discuss postponing job until the following day.

14. Flow well back to open tank. Choke down the flow slowly opening choke to maintain liquid phase while preventing any ice plugs from forming in the surface lines. **It is intended to flow 24 hours a day as long as all the safety precautions are in place. Ensure light towers are in place.**

15. Flowback well up to 48 hrs or until well is dead ensuring CO2 is removed from the wellbore. Ensure flowback crew/trained personnel has test-tubes to determine CO2 concentration.

    - **Ensure all personnel on location are aware of CO2/H2S release and proper hazard mitigation and discussion is in place. Gas is to be vented downwind to either open tank at all times during flowback.**

    - **Consider a safety trailer and 4-way monitor system to monitor well flowback.**

16. POOH and LD packer..PU and RIH with 4-3/4" MT bit to wash down rock salt with fresh water to PBTD (6,672"). POOH and LD bit and WS.

17. Close blind rams on BOP, switch BOP's pipe rams and elevators to 2-3/8". Caliper elevators. PU and go in hole with 5.5" pkr w/ wireline re-entry guide on 2-3/8" 4.7# production tbg. Set pkr at ~25', test BOP pipe rams to 250 psi/1000 psi. Note testing pressures on Wellview report. Release and LD packer.

18. PU and GIH with new 5.5" x 2 3/8" NP lock-set pkr, pump out plug, and on-off tool w/ 1.78" F profile 2 3/8" IPC Inj tbg string testing to 5000 psi. Set pkr at ~6,532'. Release on-off tool and circ well w/ corrosion inhibited pkr fluid. Re-engage on-off tool. Pressure test csg and pkr to 500 psi.

19. ND BOP's and NU WH. Conduct MIT test. Pressure test 5.5" csg to 500 psi and record chart for 30 minutes. Send scanned copy of chart to Denise Pinkerton (JLBM) for filing with NMOCD. Rig down and release workover unit. **Note: Notify NMOCD to witness MIT Test with 48 hours advance notice.**

20. RDMO

21. Turn well over to production. Report injection rates and tubing pressures.

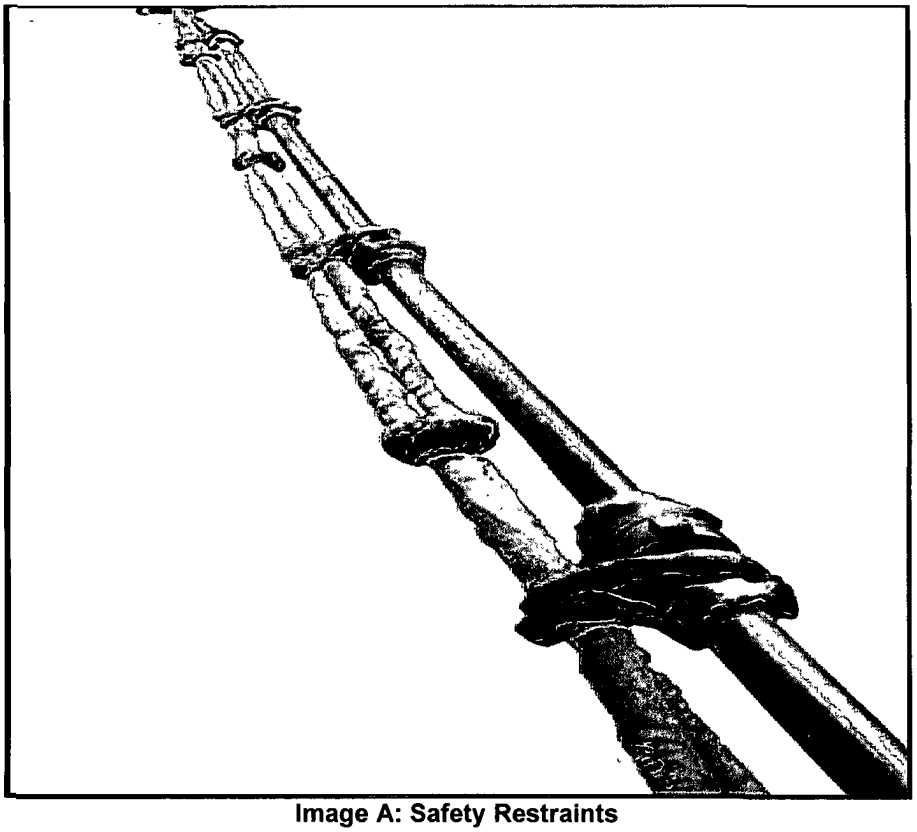


Image A: Safety Restraints

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, 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 6,672' 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.

Central Drinkard Unit #438

Location:

1235' FNL & 790' FEL, Sec-29 T-21S, R-37E	
Unit Letter:	A
Field:	Drinkard
County:	Lea
State:	New Mexico
Area:	Eunice

Well Info:

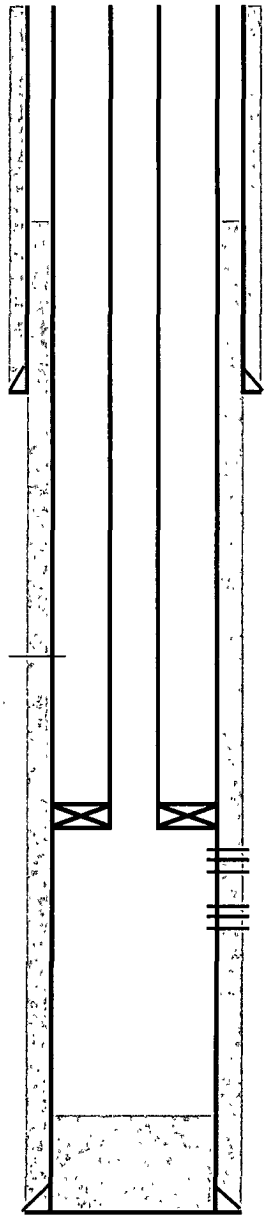
Spud Date:	10/30/2008
API:	30-025-39097
Cost Center:	UCU410400
WBS#:	UWDPS-F8009
RefNO:	LB5046
Lease:	Fee

Current
Wellbore Diagram

Elevations:

DF:	
KB: (22')	3497'
GL:	3475'

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.



DV tool @ 3801

5-1/2" Nickel Coated Inj. Pkr @ 6516'

Surface Casing
- **Size:** 8 5/8", 24#, J-55 STC
- **Set @:** 1231'
- **With:** 644 sx
- **Hole Size:** 12 1/4"
- **TOC:** Surface
- **By:** Circulation

Perfs	**Status**
6572-6582'	Drinakrd - Open
6622-6631'	Drinakrd - Open
6638-6642'	Drinakrd - Open
6646-6656'	Drinakrd - Open

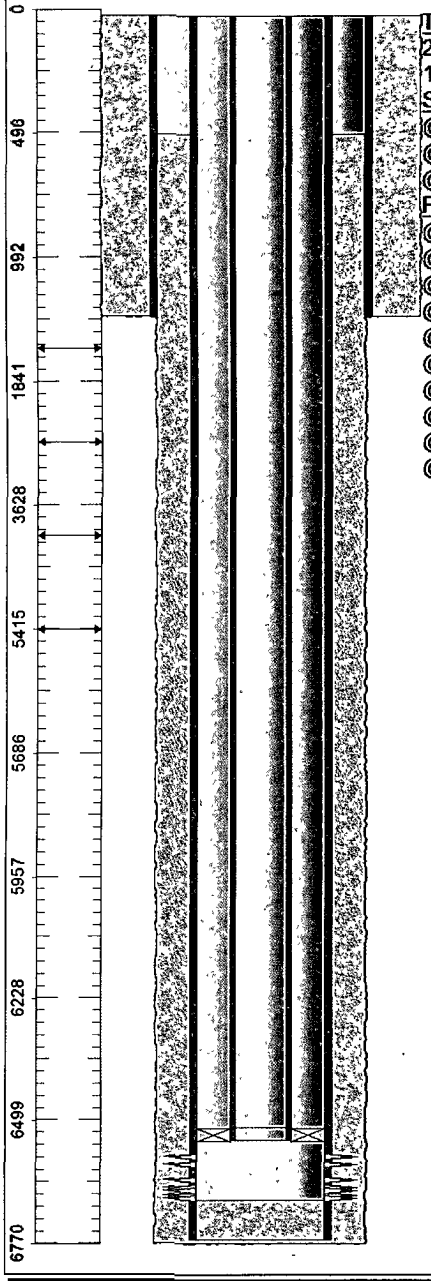
Production Casing
- **Size:** 5 1/2", 15 5# J-55 LTC
- **Set @:** 6758'
- **With:** 1130 sx
- **Hole Size:** 7 7/8"
- **TOC:** ?
- **By:** *Did not circulate to surface*

Updated: 25-Mar-10
By: rhbz

PBTD: 6672' (float collar)
TD: 6758'

Chevron U.S.A. Inc. Wellbore Diagram : CDU438WI

Lease: OEU EUNICE	**Well No.:** CENTRAL DRINKARD UNIT 438	**Field:** FLD-DRINKARD	
Location: 1235FNL790FEL	**Sec.:** N/A	**Blk:**	**Survey:** N/A
County: Lea **St.:** New Mexico	**Refno:** LB5046	**API:** 3002539097	**Cost Center:** UCU410400
Section:	**Township:** N/A		**Range:** N/A
Current Status: ACTIVE		**Dead Man Anchors Test Date:** NONE	
Directions:			



Tubing String Quantity (Top-Bottom Depth) Desc
206 @(22-6515) J-55 2.375 OD/ 4.70# T&C External Upset 1.995 ID 1.901 Drift - ...
1 @(6515-6516) On-Off Tool (Tubing) 2.375" OD - Bare
Surface Casing (Top-Bottom Depth) Desc
@(22-1231) Cement (behind Casing) - Bare
@(22-1231) Wellbore Hole OD-12.1250 - Bare
@(22-1231) J-55 8.625 OD/ 24.00# Round Short 8.097 ID 7.972 Drift - Bare
Production Casing (Top-Bottom Depth) Desc
@(6516-6524) Packer Arrowset 1-X Nickel Plated - 5.500" - Bare
@(6572-6582) Perforations - Open Drinkard
@(6622-6631) Perforations - Open Drinkard
@(6638-6642) Perforations - Open Drinkard
@(6572-6656) Producing Interval (Completion) - Drinkard Injection
@(6646-6656) Perforations - Open Drinkard
@(22-6758) J-55 5.500 OD/ 15.00# Round Long 4.974 ID 4.849 Drift - Bare
@(500-6770) Cement (behind Casing) - Bare
@(1231-6770) Wellbore Hole OD- 7.8750 - Bare
@(6672-6770) Plug - Cement - Bare

Ground Elevation (MSL):: 0.00	**Spud Date:** 10/30/2008	**Compl. Date:** 01/12/2009
Well Depth Datum:: CSI0000N	**Elevation (MSL)::** 0.00	**Correction Factor:** 22.00
Last Updated by: dncu	**Date:** 03/29/2011	