

Office

Energy, Minerals and Natural Resources

October 13, 2009

District I

1625 N French Dr., Hobbs, NM 88240

District II

1301 W Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S St. Francis Dr., Santa Fe, NM 87505

HOBBS OGD

AUG 17 2012

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-26765

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

L.E. GRIZZELL

8. Well Number 4

9. OGRID Number 4323

10. Pool name or Wildcat

PENROSE SKELLY GRAYBURG

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.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator

CHEVRON U.S.A. INC.

3. Address of Operator

15 SMITH ROAD, MIDLAND, TEXAS 79705

4. Well Location

Unit Letter A: 810 feet from the NORTH line and 410 feet from the EAST line

Section 8 Township 22S Range 37E 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 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 U.S.A. INC. INTENDS TO SONIC HAMMER, ACIDIZE, SCALE SQUEEZE & CONVERT PCP TO ROD PUMP IN THE SUBJECT WELL.

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

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 08-16-2012

Type or print name DENISE PINKERTON

E-mail address: leakejd@chevron.com

PHONE: 432-687-7375

For State Use Only

APPROVED BY:

Mark J. Brown

TITLE

Compliance Officer

DATE

8/20/2012

Conditions of Approval (if any)

AUG 20 2012

L.E. Grizzell #4

8.9.2012

Penrose Skelly, Grayburg Reservoir

T22S, R37E, Sec.8

N 32° 24' 40.428", W -103° 10' 38.892" (NAD27)

Job: Sonic Hammer, Acidize, Scale Squeeze and Convert PCP to Rod Pump

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. Hang off rods and ND PCP drives.
3. MI & RU workover unit.
4. Unseat PCP rotor, POOH and LD rods and pump rotor. Examine rods for wear/pitting/paraffin. Do not hot water unless necessary. ND wellhead, unset TAC, NU BOP. POOH and LD 1 jt, PU 5-1/2" 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.

5. POOH while scanning 2-7/8" prod tubing. LD all non-yellow band joints. LD PCP.
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. Tag for fill (Bottom Perfs 3878', PBTD 6221'). If fill is tagged:
 - A. Above 4,150' continue to step 7.
 - B. Below 4,150' continue to step 9.

Note: Strap pipe out of the hole to verify depths and note them on Wellview report.
Send scan log report to LGBI@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.**
7. RU power swivel and clean out to 4,150'. 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).
8. PU and RIH with 4-3/4" MT and Bulldog bailer on 2-7/8" 6.5# L-80 WS. Clean out to 4,150'. 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.**

9. Contact sonic tool rep to be on site during job. PU and RIH with Sonic Hammer tool and work string to 3900' 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.
10. MI & RU Petroplex. Titrate acids and verify concentration (HCl $\pm 1.5\%$) report results in daily work summary. Treat all intervals from 3625' to 3881' with 30 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.
11. Follow the brine water wash with 4,000 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 3,625'-3,690', 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	3625' - 3690'	65	1,000
2	3690' - 3755'	65	1,000
3	3755' - 3818'	63	1,000
4	3818' - 3881'	63	1,000
			4,000

12. 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.
13. Scale squeeze will with a total of 210 bbls 8.6 ppg brine water and 3 drums (165 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	3881' - 3818'	5	10	41	11.0
2	Pump Brine while moving from	3881' - 3818'	5	30		41
3	Pump Chemical/brine while moving from	3881' - 3818'	5	10	41	52
4	Pump Brine while moving from	3881' - 3818'	5	11		63
5	Move pipe to next interval of	3818' - 3755'				63
6	Pump Brine while moving from	3818' - 3755'	5	19		82
7	Pump Chemical/brine while moving from	3818' - 3755'	5	10	41	93
8	Pump Brine while moving from	3818' - 3755'	5	11		104
9	Move pipe to next interval of	3755' - 3690'				104
10	Pump Brine while moving from	3755' - 3690'	5	19		123
11	Pump Chemical/brine while moving from	3755' - 3690'	5	10	41	134
12	Pump Brine while moving from	3755' - 3690'	5	11		145
13	Move pipe to next interval of	3690' - 3625'				145
14	Pump Brine while moving from	3690' - 3625'	5	69		214

14. 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.
15. Run back in the hole and tag for fill. If fill entry was identified @ 4,150' or above, clean-out to 4,150' following steps 7 or 8.
16. POOH & LD 2-7/8" WS and Sonic Hammer tool.
17. RIH with 2-7/8" production tubing hydrotesting to 6,000 psi. Set TAC per ALCR recommendation. ND BOP. NU WH. RIH with new rods and rod 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.

18. 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 4-3/4" 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 4,150' 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.

3,600

3,650

3,700

3,750

3,800

3,850

3,900

3,625

3,690

3,755

3,818

3,881

Perfs

Stage 1

Stage 2

Stage 3

Stage 4

Stage 5

[illegible]

Well: **L. E. Grizzell # 4**Field: **Penrose Skelly**Reservoir: **Grayburg****Location:**

810' FNL & 410' FEL
 Section. 8 Unit Letter A
 Township 22S
 Range 37E
 County Lea State NM

Elevations:

GL 3423'
 KB 3438'
 DF 3437'

Current
Wellbore Diagram

Well ID Info:

Chevno F17993
 API No: 30-025-26765
 L5/L6. U497400
 Spud Date: 5/11/80
 Compl Date 6/10/1980

Surf. Csg: 13 3/8", 48# H-40
 Set: @ 423' w/ 400 sks
 Hole Size: 17 1/2"
 Circ: Yes TOC: Surface
 TOC By: Circulated

Tubing Detail

#Jts:	Size:	Footage
	KB Correction	15.00
115	Jts 2 7/8" J-55 Cl 'B'	3565.00
	2 7/8" x 4" Tbg Sub	4.00
	PC Stator	29.02
	TAC	2.70
115	Bottom Of String >>	3615.72

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.

Perfs:	Status:
3630-35'	Grayburg - Open
3640-44'	Grayburg - Open
3647-54'	Grayburg - Open
3665-70'	Grayburg - Open
3675-85'	Grayburg - Open
3694-3702'	Grayburg - Open
3710-18'	Grayburg - Open
3728-33'	Grayburg - Open
3738-43'	Grayburg - Open
3748-52'	Grayburg - Open
3760-63'	Grayburg - Open
3770-74'	Grayburg - Open
3786-92'	Grayburg - Open
3798-3806'	Grayburg - Open
3810-15'	Grayburg - Open
3828-35'	Grayburg - Open
3854-60'	Grayburg - Open
3868-78'	Grayburg - Open

Interm. Csg: 8 5/8", 24# & 32# K-55
 Set: @ 3865' w/ 1475 sks
 Hole Size: 12 1/4"
 Circ: Yes TOC: Surface
 TOC By: Circulated

Frac Sand @ 6221'

Perfs:	Status:
6448-50'	Drinkard - Below CIBP
6459'	Drinkard - Below CIBP
6480'	Drinkard - Below CIBP
6489'	Drinkard - Below CIBP
6496'	Drinkard - Below CIBP
6501'	Drinkard - Below CIBP
6508'	Drinkard - Below CIBP
6524'	Drinkard - Below CIBP
6532-37'	Drinkard - Below CIBP
6572-74'	Drinkard - Below CIBP
6580'	Drinkard - Below CIBP
6661-64'	Drinkard - Below CIBP

7174-86' Fusselman - Below CIBP

Prod. Csg: 5 1/2", 14#, 15 5/8" & 17# K-55 & N-80
 Set: @ 7290' w/ 700 sks
 Hole Size: 7 7/8"
 Circ: No TOC: 2550'
 TOC By: Temperature Survey

CIBP @ 6410'
 (35' cmt on top)

CIBP @ 7000'
 (35' cmt on top)

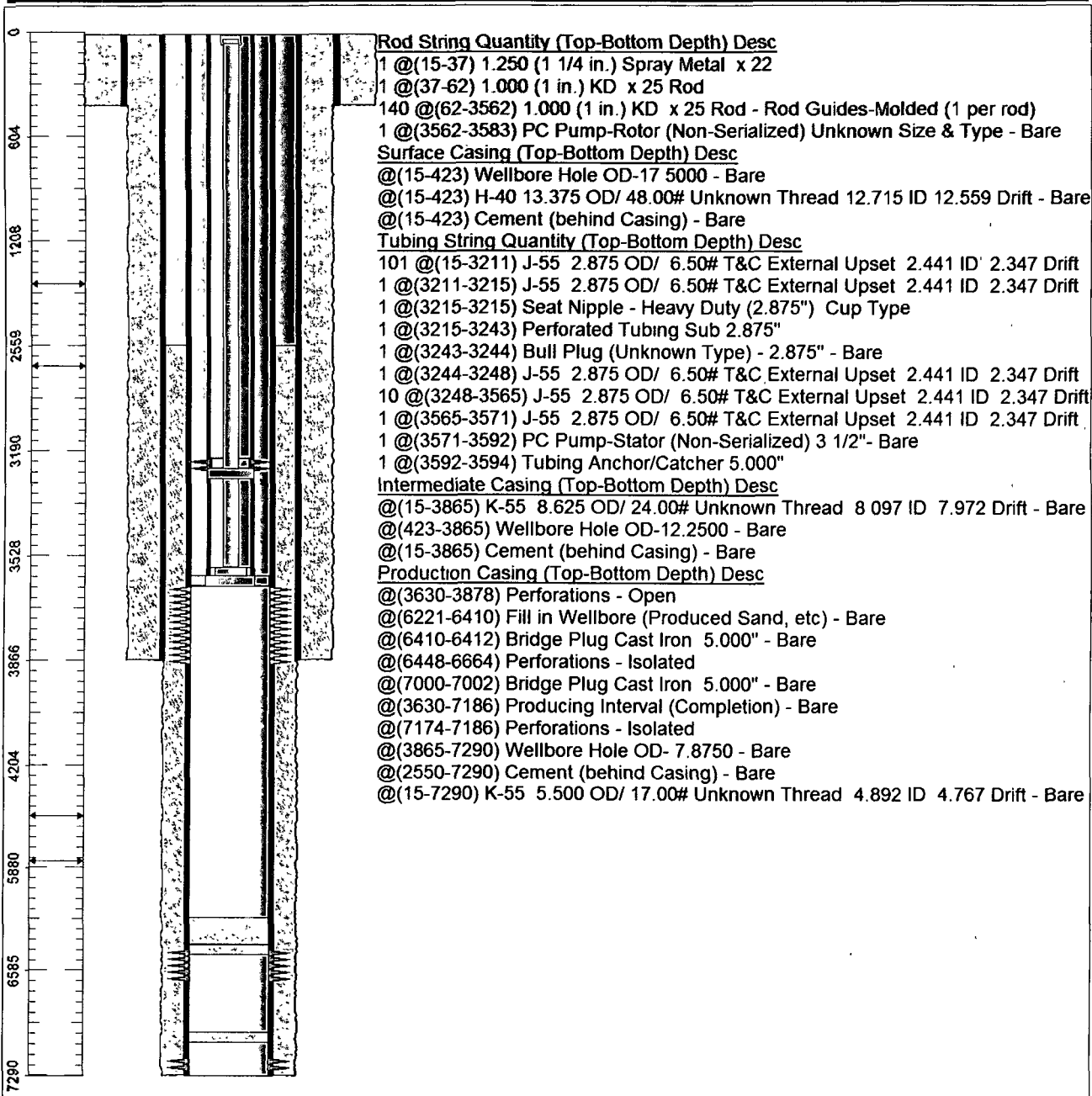
COTD: 6365'
 PBDT: 6365'
 TD: 7290'

Updated: 5/12/2011

By: A M Howell

Chevron U.S.A. Inc. Wellbore Diagram : LEGRIZ-4G

Lease: OEU EUNICE FMT		Well No.: L E Grizzell #4G 4	Field: FLD-PENROSE SKELLY	
Location: 810FNL410FEL		Sec.: N/A	Blk:	Survey: N/A
County: Lea	St.: New Mexico	Refno: FI7993	API: 3002526765	Cost Center: UCU497400
Section:		Township: N/A		Range: N/A
Current Status: ACTIVE			Dead Man Anchors Test Date: NONE	
Directions:				



Ground Elevation (MSL):: 0.00	Spud Date: 05/11/1980	Compl. Date: 09/19/2011
Well Depth Datum:: CSI00004	Elevation (MSL):: 0.00	Correction Factor: 15.00
Last Updated by: dncu	Date: 08/09/2012	