| Submit 1 Copy To Appropriate District Office - State of New Me | xico Form C-103 | | | |
|---|--|--|--|--|
| District I – (575) 393-6161 Energy, Minerals and Natur | ral Resources Revised August 1, 2011 | | | |
| 1625 N. French Dr., Hobbs, NM 88240 District II – (575) 748-1283 | WELL API NO. 30-025-25739 | | | |
| 811 S First St., Artesia, NM 88210 HOBBS OCH L CONSERVATION | 5 Indicate Type of Lease | | | |
| 1000 Rio Brazos Rd Aztec NM 87410 | STATE FEE S | | | |
| District IV – (505) 476-3460 SEP 1 7 2012 Santa Fe, NM 87 1220 S. St. Francis Dr., Santa Fe, NM 87 87505 | 6. State Oil & Gas Lease No. | | | |
| | | | | |
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROFESSION OF THE ORIGINAL OR TO DEEPEN OR PLU | 7. Lease Name or Unit Agreement Name UG BACK TO A HUGH | | | |
| DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FC | R SUCH | | | |
| PROPOSALS.) 1. Type of Well: Oil Well Gas Well Dther | 8. Well Number 12 / | | | |
| 2. Name of Operator | 9. OGRID 241333 4323 | | | |
| CHEVRON U.S.A. INC. | | | | |
| 3. Address of Operator15 SMITH ROAD, MIDLAND, TEXAS 79705 | 10. Pool name or Wildoat | | | |
| 4. Well Location | WANTZ Ubo 9 Wantz GW | | | |
| Unit Letter H: 2310 feet from the NORTH line and 330 fe | et from the FAST line | | | |
| Section 14 Township 22-S Rang | | | | |
| 11. Elevation (Show whether DR, | | | | |
| | | | | |
| | | | | |
| 12. Check Appropriate Box to Indicate N | ature 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 | COMMENCE DRILLING OPNS. P AND A | | | |
| PULL OR ALTER CASING | CASING/CEMENT JOB | | | |
| DOWNHOLE COMMINGLE | | | | |
| OTHER: INTENT TO SONIC HAMMER, ACIDIZE, SC SQZ | OTHER | | | |
| 13. Describe proposed or completed operations. (Clearly state all p | | | | |
| of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. | | | | |
| proposed completion of recompletion. | | | | |
| CHEVRON U.S.A. INC. INTENDS TO SONIC HAMMER, ACID | DIZE, & SCALE SQUEEZE THE SUBJECT WELL. | | | |
| PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, W | VELL BODE DIAGDAM & C. 144 INEO | | | |
| TELASETIND ATTACHED, THE INTENDED TROCEDURE, W | ELEBORE DIAGRAM, & C-144 INFO. | | | |
| | | | | |
| Spud Date: Rig Release Da | te: | | | |
| | | | | |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief. | | | | |
| | | | | |
| SIGNATURE TITLE: REGULATORY SPECIALIST DATE: 09-12-2012 | | | | |
| SIGNATURE VINOS NEWOODO TITLE: REGULATORY SPECIALIST DATE: 09-12-2012 | | | | |
| Type or print name: DENISE PINKERTON E-mail address: leakejd@chevron.com PHONE: 432-687-7375 | | | | |
| 1 Little - (m. alia Mr. | | | | |
| APPROVED BY: Wach White TITLE Conditions of Approval (if any): | pliance Of-18-2012 | | | |
| | | | | |

Hugh #12 – [30-025-25739]
Wantz field
T22S, R37E, Section 14
N 32° 23' 33.612", W -103° 7' 33.0594" (NAD27)
Job: Cleanout, 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 possible MOC.

It should be noted, the anticipated maximum amount of H2S that an individual could be exposed to on location is as follows for given Radius of Exposure:

100 PPM ROE = 0.001589* 3000 PPM* 90 MCF ^0.6258 = 44 FEET 500 PPM ROE = 0.0004546* 3000 PPM* 90 MCF ^0.6258 = 20 FEET

Procedure:

- 1. MI & RU Workover unit.
- 2. Verify that well does not have pressure/flow. If well has pressure, record 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/rods/tools. Note in JSA & WellView when and what items are callipered within the task step that includes that work.
- 3. Unseat pump. POOH with rods & pump. Examine rod string for paraffin/corrosion. Do not hot water, unless significant paraffin is seen. ND wellhead, unset TAC, NU BOP [Blinds on bottom, pipe rams on top].
- When NU anything over an open wellhead (EPA, etc.), ensure the hole is covered to avoid dropping anything downhole.
- 4. POOH & LD 1 joint, PU 5-1/2" packer and set @ ~ 25'. Close and test BOP pipe rams to 250psi (low)/ 500psi (high). Record testing pressures on WellView report. Release and LD packer.
- PU tubing and run back in hole to tag for fill.
 Depths: (TAC 6,490', Bottom Perfs 7,701', EOT 7,664', PBTD 7,681')
- 6. RU Scanners and POOH while scanning all 2-7/8" 6.5# J-55 production tubing. LD all non-yellow band joints. If fill is tagged:
 - a. Above 7,000' proceed to step #7.
 - b. Below 7,000' skip to step #8.

Strap pipe out of the hole to verify depths. Send scan report to lgbi@chevron.com.

- Caliper elevators and tubular EACH DAY prior to handling tubing/rods/tools. Note in JSA & WellView when and what items are callipered within the task step that includes that work.
- 7. PU and RIH with 4-3/4" Milled Tooth (MT) Bit, 4 (3-1/2') drill collars on 2-7/8" 6.5# L-80 Workstring. RU power swivel and C/O to 7,014'. POOH with 2-7/8" WS and bit. LD bit and BHA.

- *Note: If circulation is not expected/achieved, notify Remedial Engineer and proceed to C/O <u>utilizing</u> foam/air unit (continue to supplemental procedure at end).
- 8. Contact sonic tool representative to be on-site during job. PU and RIH with Sonic Hammer tool and 2-7/8" Workstring to 7,700' or enough depth to cover the bottom stimulation interval (@ 7,682') with a whole stand. Hydrotest tubing to 6,000 psi. Stand back tubing to top perforations (@ 6,614'). Install stripper head and stand pipe with sufficient treating line to move tools vertically ~ 65'. RU pressure gauges to allow monitoring of tubing and casing pressures during job.
- 9. MI and RU Petroplex equipment. Titrate acids and verify concentration (HCI ± 1.5%). Treat all intervals from 6,610' to 7,685' with ~20 bbls of 8.6 ppg cut brine water per interval (see Table 1). 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.

| Perf Intervals for Acid | | | |
|-------------------------|-----------------|----------|-------------|
| Interval | Depth | Net Feet | Acid Volume |
| (# <u>)</u> | | (ft) | (gal) |
| 11 | 6,610' - 6,660' | 50 | 500 |
| 2 | 6,730' - 6,790' | 60 | 300 |
| 3 | 6,840' - 6,905' | 65 | 350 |
| 4 | 6,935' - 6,995' | 60 | 300 |
| 5 | 7,035' - 7,070' | 35 | 200 |
| 6 | 7,100' - 7,160' | 60 | 600 |
| 7 | 7,195' - 7,215' | 20 | 300 |
| 8 | 7,270' - 7,330' | 60 | 650 |
| 9 | 7,330' - 7,395' | 65 | 1,800 |
| 10 | 7,400' - 7,450' | 50 | 600 |
| 11 | 7,620' - 7,685' | 65 | 400 |
| Total | | 590 | 6,000 |

Table 1

- 10. Follow the brine water wash with 6,000 gals 15% NEFE HCl of total acid for all intervals. Spot 3 bbls of acid outside tubing, shut in casing, pump 500 gals of acid @ 5 BPM over first treating interval from 6,610' 6,660', monitor casing pressure not exceeding 500 psi on backside. Flush tubing with brine water after every acidizing interval, make a connection and continue with remaining interval. **Refer to Table 1**.
- 11. Shut in well for 1 hr to allow time for acid to spend. Monitor and bleed off excess pressure at surface if necessary to keep casing pressure below 500 psi.
- 12. Scale squeeze well with a total of 445 bbls 8.6 ppg brine water mixed with 4 drums (220 gallons)
 Baker SCW-358 Scale Inhibitor Chemical. Pump down Sonic Hammer tool at a max rate of 5 BPM.
 Start from lowest interval of 7,685' 7,620' and continue moving uphole per pump schedule (see
 Table 2). Ensure top of tubing is flushed with brine water before making a connection.

| 15.4 | Scal | le Squeeze Pui | np Sched | ule | exemple the second | , |
|------|---------------------------------------|--------------------------------|----------|-------|--|------------|
| | Step | ∵ /Interval 🔭 | | | Volume Scale Chem. | Cum Volume |
| , , | | ં ^ક ેં. ં(ft) એ ંે, | ::(BPM) | (bbl) | (gal) | (bbi) |
| 1 | Pump Chemical/brine while moving from | 7685' - 7620' | 5 | 4 | 15 | 4 |
| 2 | Pump Brine while moving from | 7685' - 7620' | 5 | 26 | - | 30 |
| 3 | Move pipe to next interval of | 7450' - 7400' | | | | 30 |
| 4 | Pump Chemical/brine while moving from | 7450' - 7400' | 5 | 5 | 20 | 36 |
| _ 5 | Pump Brine while moving from | 7450' - 7400' | . 5 | 40 | | 76 |
| 6 | Move pipe to next interval of | 7395' - 7330' | , | | | 76 |
| 7 | Pump Chemical/brine while moving from | 7395' - 7330' | 5 | 15 | 65 | 92 |
| 8 | Pump Brine while moving from | 7395' - 7330' | 5. | 65 | in a company of the c | 157 |
| 9 | Move pipe to next interval of | 7330' - 7270' | | , | | 157 |
| 10 | Pump Chemical/brine while moving from | 7330' - 7270' | 5 | 6 | 25 | 164 |
| 11 | Pump Brine while moving from | 7330' - 7270' | 5 | 39 | | 203 |
| 12 | Move pipe to next interval of | 7215' - 7195' | | 1 | | 203 |
| 13 | Pump Chemical/brine while moving from | 7215' - 71 9 5' | 5 | 3 | 10 | 206 . |
| 14 | Pump Brine while moving from | 7215' - 7195' | 5 | 17 | | 223 |
| 15 | Move pipe to next interval of | 7160' - 7100' | | | , | 223 |
| 16 | Pump Chemical/brine while moving from | 7160' - 7100' | 5 | 5 | 20 | 229 |
| 17 | Pump Brine while moving from | 7160' - 7100' | 55 | 35 | | 264 |
| 18 | Move pipe to next interval of | 7070' - 7035' | | : | | 264 |
| 19 | Pump Chemical/brine while moving from | 7070' - 7035' | 5 | 3 | 10 . | 267 |
| 20 | Pump Brine while moving from | 7070' - 7035' | 5 | 12 | | 279 |
| 21 | Move pipe to next interval of | 6995' - 6935' | | | | 279 |
| 22 | Pump Chemical/brine.while moving from | 6995' - 6935' | 5 | 3 . | 10 | 282 |
| 23 | Pump Brine while moving from | 6995' - 6935' | 5 . | 22 | | 304 |
| 24 | Move pipe to next interval of | 6905' - 6840' | | | , | 304 |
| 25 | Pump Chemical/brine while moving from | 6905' - 6840' | 5 | 4 | -15 | 309 |
| 26 | Pump Brine while moving from | 6905' - 6840' | 5 | . 31 | | 340 |
| 27 | Move pipe to next interval of | 6790' - 6730' | | | | 340 |
| 28 | Pump Chemical/brine while moving from | 6790' - 6730' [~] | 5 | 3 | 10 | 343 |
| 29 | Pump Brine while moving from | 6790' - 6730' | 5 | 32 | | 375 |
| 30 | Move pipe to next interval of | 6660' - 6610' | | | 1 1000 | 375 |
| 31 | Pump Chemical/brine while moving from | 6660' - 6610' | 5 | 5 | , 20 | . 380 |
| 32 | Pump Brine while moving from | 6660' - 6610' | 5 | 70 | | 450 |

Table 2

- 13. PU workstring to higher than top perforations. Displace tubing volume with 8.6 ppg cut brine water. Do not exceed 500 psi casing pressure or 5 BPM while pumping scale squeeze or casing flush. Release Petroplex.
- 14. TOH and LD 2-7/8" WS and Sonic Hammer tool.
- 15. RIH with 2-7/8" J-55 production tubing and hydrotest to 6,000 psi. **Pump 8.6 ppg cut brine water containing soap and biocide per ALCR.**
- 16. ND BOP, set TAC, NU WH. RIH with rods and pump per ALCR's recommendation/Rodstar design. Hang well on.

17. RD and release Workover unit. Turn well over to production.

FOAM / AIR CLEANOUT PROCEDURE

- This procedure is an addition to the original procedure.
 - 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 <u>NO Outlets</u> (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.

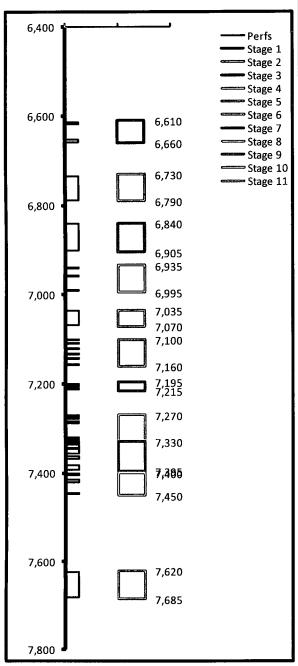
- 7. Clean out fill to 7,714' with low RPM's rotation and circulation, always keep pipe moving. Short trips can be beneficial to hole cleaning. Circulate well clean for at least 1 hour at the end of the day and pull up above the perforations before shut down for night. If the foam/air unit goes down, 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.

Hugh #12



| Тор | . Bottom | Perfs Detail Interval Length | Status | Reservoir |
|-------|----------------|---------------------------------|--------|--------------|
| ft | ft | ft | | |
| 6,614 | 6,618 | 4 | Open | Abo |
| 6,652 | 6,658 | 6 | Open | Abo |
| 6,734 | 6,788 | 6 | Open | Abo |
| 6,840 | 6,902 | 7 | Open | Abo |
| 6,939 | 6,941 | 2 | Open | Abo |
| 6,958 | 6,960 | 2 | Open | Abo |
| 6,989 | 6,991 | 2 | Open | Abo |
| 7,036 | 7,068 | 4 | Open | Abo |
| 7,099 | 7,101 | 2 | Open | Abo |
| 7,107 | 7,109 | 2 | Open | Abo |
| 7,120 | 7,122 | 2 | Open | Abo |
| 7,131 | 7,133 | 2 | Open | Abo |
| 7,142 | 7,144 | 2 | Open | Abo |
| 7,155 | 7,157 | 2 | Open | Abo |
| 7,200 | 7,202 | 2 | Open | Abo |
| 7,204 | 7,206 | 2 | Open | Abo |
| 7,209 | 7,211 | 2 | Open | Abo |
| 7,270 | 7,272 | 2 | Open | Granite Wash |
| 7,277 | 7,279 | 2 | Open | Granite Wash |
| 7,284 | 7,289 | 5 | Open | Granite Wash |
| 7,320 | 7,322 | 2 | Open | Granite Wash |
| 7,324 | 7,326 | 2 | Open | Granite Wash |
| 7,331 | 7,334 | 3 | Open | Granite Wash |
| 7,337 | 7,344 | 7 | Open | Granite Wash |
| 7,347 | 7,357 | 10 | Open | Granite Wash |
| 7,362 | 7,368 | 6 | Open | Granite Wash |
| 7,382 | 7,392 | 10 | Open | Granite Wash |
| 7,401 | 7,405 | 4 | Open | Granite Wash |
| 7,414 | 7,420 | 6 | Open | Granite Wash |
| 7,445 | 7,447 | 2 | Open | Granite Wash |
| 7,624 | 7,682 | 7 | Open | Granite Wash |
| | | 0 | | |
| | | 0 | | |
| | | 0 | ļ | |
| | | 0 | | |
| | | 0 | | |
| 6,614 | Total 7,682 | 119 | : | |
| | , , | | | |

1,068

Chevron U.S.A. Inc. Wellbore Diagram: HUGH12-P

| Lease: OEU EUI | NICE | Well No.: HUGH 12 | Field: WANTZ | |
|------------------------|-----------------|--|------------------------|------------------------|
| Location: 2310 | FNL330FEL | Sec.: N/A | Blk: | Survey: N/A |
| County: Lea | St.: New Mexico | Refno: EP8908 | API: 3002525739 | Cost Center: UCU523000 |
| Section: 14 | | Township: 022 S | | Range: 037 E |
| Current Status: ACTIVE | | Dead Man Anchors Test Date: 09/19/2007 | | |

Directions:

Rod String Quantity (Top-Bottom Depth) Desc 1 @(17-43) 1.500 (1 1/2 in.) Spray Metal x 26 - Spray Metal 1 @(43-49) 0.875 (7/8 in.) N-78 (D) x 6 Rod Sub 1 @(49-57) 0.875 (7/8 in.) N-78 (D) x 8 Rod Sub 112 @(57-2857) 0.875 (7/8 in.) N-78 (D) x 25 Rod 180 @(2857-7357) 0.750 (3/4 in.) N-78 (D) x 25 Rod 10 @(7357-7607) 1.500 (1 1/2 in.) K x 25 Sinker Bar

1 @(7607-7611) 0.875 (7/8 in.) N-90 (D) x 4 Rod Sub - Rod Guides-Molded (3 per rod) 1 @(7611-7635) Rod Pump (Insert) (NON-SERIALIZED) - 25-125-RHBC-24-4 (Bore = 1.25) 1 @(7635-7647) Gas Anchor (Rod) 1.250 OD x 12'

Surface Casing (Top-Bottom Depth) Desc @(17-1114) Cement

@(17-1114) K-55 8.625 OD/ 24.00# Round Short 8.097 ID 7.972 Drift @(17-1114) Wellbore Hole OD-12.2500

Tubing String Quantity (Top-Bottom Depth) Desc 208 @(17-6490) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347 Drift 1 @(6490-6493) Tubing Anchor/Catcher 5.500"

35 @(6493-7595) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347 Drift - Internal ... 1 @(7595-7627) Blast Joint 2.875 OD - Internal Plastic Ctg-TK-99

1 @(7627-7628) Seat Nipple - Heavy Duty (2.875") Cup Type 1 @(7628-7632) Perforated Tubing Sub 2.875"

1 @(7632-7664) Bull Plug Mud Anchor 2.875"

Production Casing (Top-Bottom Depth) Desc

@(6614-7211) Perforations - Open - Abo @(7270-7701) Perforations - Open - Granite Wash

@(6614-7701) Producing Interval (Completion) - Abo/Granite Wash

@(7681-7714) Fill in Wellbore (Produced Sand, etc) (Plug Back)

@(7714-7718) Bridge Plug Cast Iron 5.500"

@(1114-7727) Wellbore Hole OD- 7.8750

@(17-7727) K-55 5,500 OD/ 15.50# Round Long 4.950 ID 4.825 Drift

@(17-7727) Cement

| Ground Elevation (MSL):: 3331.00 | Spud Date: 02/25/1977 | Compl. Date: 06/30/2000 |
|----------------------------------|------------------------------|--------------------------|
| Well Depth Datum:: CSI0000N | Elevation (MSL):: 0.00 | Correction Factor: 16.50 |
| Last Undated by: build | Date: 08/28/2012 | |