

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 87414
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-06830
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name J.N. CARSON NCT-A
8. Well Number 1
9. OGRID 4323
10. Pool name or Wildcat PENROSE; SKELLY, GRAYBURG
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 ☐

2. Name of Operator
CHEVRON U.S.A. INC.

3. Address of Operator
15 SMITH ROAD, MIDLAND, TEXAS 79705

4. Well Location
Unit Letter K: 1980 feet from the SOUTH line and 1980 feet from the WEST line
Section 28 Township 21-S Range 37-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 ☐

OTHER: INTENT TO CLEAN OUT, ACIDIZE, SC SQZ

SUBSEQUENT REPORT OF:

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

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 CLEAN OUT, ACIDIZE, & SCALE SQUEEZE 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: 09-26-2012

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

APPROVED BY: Mark Whitaker TITLE: Compliance Officer DATE: 10-02-2012
Conditions of Approval (if any):

OCT 02 2012

Carson A #1
Penrose Skelly- Grayburg
T21S, R37E, Section 28
N 32° 26' 52.836", W -103° 10' 10.236" (NAD27)
Job: Open Hole Clean Out, Acidize and Scale Squeeze

9.21.2012

PREWORK:

1. Utilize the rig move check list.
2. Check anchors and verify that pull test has been completed in the last 24 months.
3. Ensure location of & distance to power lines is in accordance with MCA SWP. Complete and electrical variance and electrical variance RUMS if necessary.
4. Ensure that location is of adequate build and construction.
5. Ensure that elevators and other lifting equipment are inspected. Caliper all lifting equipment at the beginning of each day or when sizes change.
6. When NU anything over and open wellhead (EPA, etc.) ensure the hole is covered to avoid dropping anything downhole.
7. For wells to be worked on or drilled in an H₂S field/area, include the anticipated maximum amount of H₂S that an individual could be exposed to along with the ROE calculations for 100 ppm and 500 ppm.
8. If the possibility of trapped pressure exists, check for possible obstructions by:
 - Pumping through the fish/tubular – this is not guaranteed with an old fish as the possibility of a hole above the obstruction could yield inconclusive results
 - Dummy run – make a dummy run through the fish/tubular with sandline, slickline, eline or rods to verify no obstruction. Prior to making any dummy run contact RE and discuss.

If unable to verify that there is no obstruction above the connection to be broken, or if there is an obstruction:

- Hot Tap at the connection to check for pressure and bleed off

Observe and watch for signs / indicators of pressure as connection is being broken. Use mud bucket (with seals removed) and clear all non-essential personnel from the floor.

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 possible MOC.

1. Ensure location is in appropriate conditions, anchors have been tested within the last 24 months, power line distance has been verified to determine if variance is needed and the right tools are scheduled for the energized job.
2. 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).
3. MI & RU workover unit.
4. Unseat pump, POOH with rods and pump. Examine rods for wear/pitting/paraffin and capture any samples for analysis. Do not hot water unless necessary. ND wellhead, unset TAC, NU BOP. POOH and LD 1 jt, PU 5.5" packer and set ~ @ 25', test BOP pipe rams to 250 psi/500 psi. Note testing pressures on WellView report. Release and LD packer.

5. PU tubing and tag for fill (TAC 3,471', EOT 3,885' PBDT 3,925', Csg shoe 3,608'). POOH while scanning 2-7/8" prod tubing. LD all non-yellow band joints. If fill is tagged:
 - A. Above 3,920' continue to step 6.
 - B. Below 3,920' POOH. LD bit and BHA, 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 lgbi@chevron.com.

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 3,925' PBDT with foam/air unit (**continue to supplemental procedure and in accordance with attached SOG**). POOH with 2-7/8" WS and bit. POOH, LD bit & BHA.
7. PU and RIH with 5-1/2" treating packer on 2-7/8" 6.5# L-80 WS. Set packer ~ 3,540'. Load and test backside to 300 psi. Monitor production/intermediate csg annulus for pressure. *There were cmt sqz between production csg and intermediate csg (see WBD).*
8. MI & RU Petroplex. Titrate acids and verify concentration (HCl $\pm 1.5\%$) report results in daily work summary. Treat well with 4,000 gals of 15% NEFE HCl acid at 5 BPM. Do not exceed 5,000 psi tubing pressure. Monitor casing pressure not to exceed 300 psi.
9. Displace acid to bottom (3,925') with 50 bbls 2% KCL. RDMO Petroplex.
10. MI & RU swabbing unit. Attempt to swab back load fluid from acid job ~145 bbl. The intent of swabbing is primarily to clean near wellbore. If very little fluid is recovered on swab runs contact Derek Nash, stop swabbing and move on to scale sqz. Swab for a maximum of one day. Report recovered fluid volumes, pressures, and/or swabbing fluid levels. RDMO swab unit.
11. MI & RU pump truck. Scale sqz well with 40 bbls 2% KCL mixed with 3 drums (165 gals) of Baker SWC-358 scale inhibitor chemical. Displace scale sqz with 110 bbls of 2% KCL. Pump at a max rate of 5 BPM. Do not exceed 5,000 psi.
12. Release packer, POOH and LD packer.
13. PU and RIH with 4-3/4" MT bit on 2-7/8" L-80 WS tag for fill. If fill entry was identified @ 3,920' or above, clean-out to (3,925') per step 6.
14. POOH & LD 2-7/8" WS and BHA.
15. RIH with 2-7/8" production tubing hydrotesting to 5,000 psi. **Set TAC per ALCR recommendation and record it on WellView.**
16. ND BOP. NU WH. **RIH with rods and pump per ALCR and record how much the pump was spaced-out on WellView.** Hang well on.
17. RD and release workover unit. Turn well over to production (contacts on back). Clean location.

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 w/ 4-3/4" MT bit, bit sub (with dart-type float), 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 3,925' 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.
8. When tripping out of hole, have special float bleed off tool available to relieve trapped pressure below float.

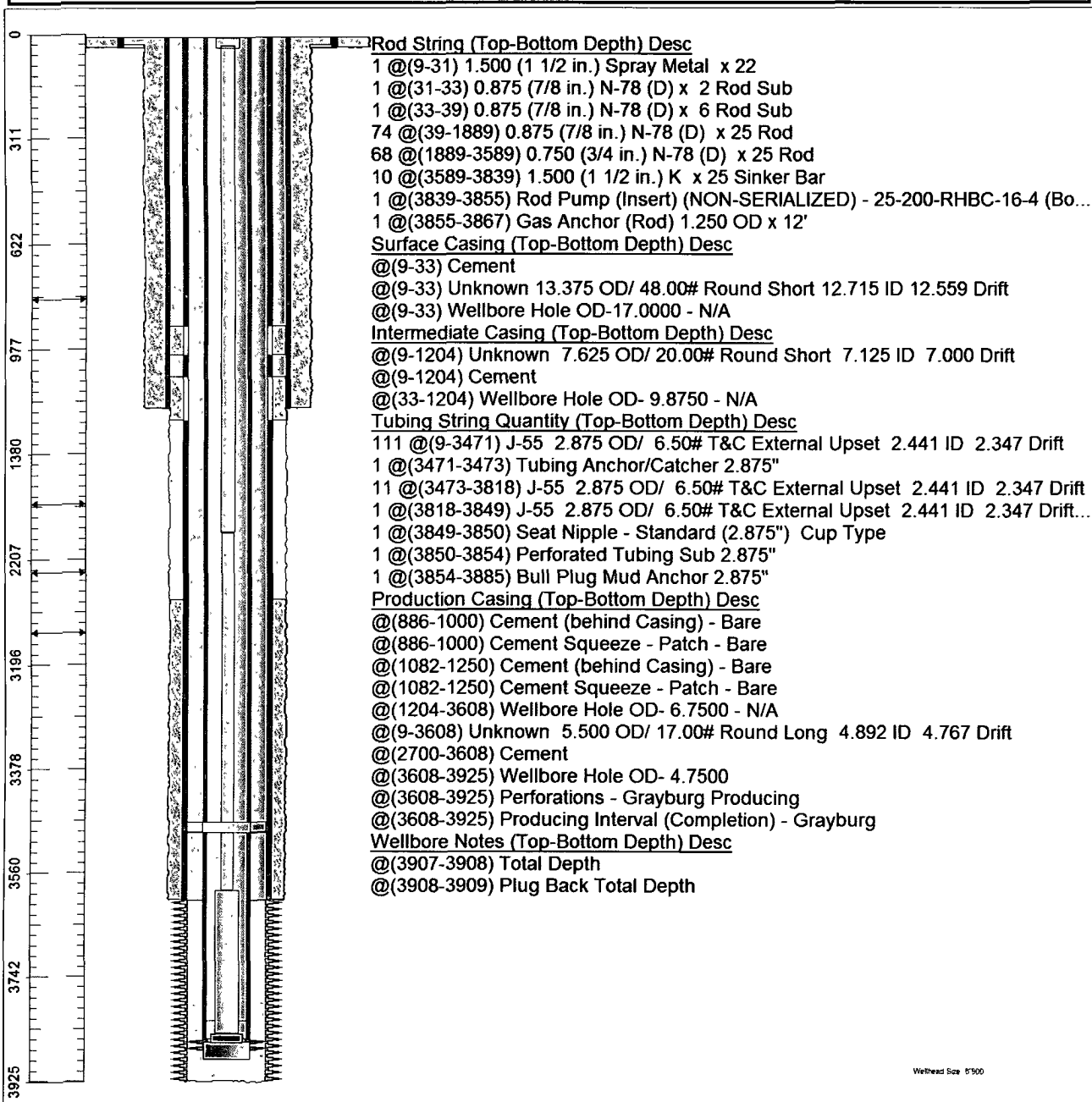
Ensure that high quality, stiff foam is pumped while circulating the fill. Stiff foam is required to prevent segregation while circulating. Monitor flow and pressures carefully when cleaning out.

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 to step 7.

Chevron U.S.A. Inc. Wellbore Diagram : CARSONJN A01

Lease: OEU EUNICE FMT		Well No.: CARSON J N /NCT-A/ 1		Field: FLD-PENROSE SKELLY	
Location: 1980FSL1980FWL		Sec.: N/A		Blk:	Survey: N/A
County: Lea	St.: New Mexico	Refno: FA7927		API: 3002506830	Cost Center: UCU491400
Section: 28		Township: 021 S			Range: 037 E
Current Status: ACTIVE				Dead Man Anchors Test Date: NONE	
Directions:					



Ground Elevation (MSL):: 3452.00	Spud Date: 03/21/1970	Compl. Date: 04/25/1970
Well Depth Datum:: CSI0000N	Elevation (MSL):: 0.00	Correction Factor: 9.00
Last Updated by: dncu	Date: 09/21/2012	

Location:

1980' FSL & 1980' FWL
 Section 28
 Township 21S
 Range 37E
 County, Lea State NM

Current
Wellbore Diagram

Well ID Info:

Refno FA7927
 API No 30-025-06830
 L5/L6. U491400
 Spud Date 3/20/37
 Compl Date 4/21/37

Elevations:

GL 3452'
 KB 3462'
 DF 3461'

Blk Sqz Perfs @ 1000'
 (Sqzd w/ 150 sks, TOC
 at 886' by TS)

Blk Sqz Perfs @ 1250'
 (Sqzd w/ 125 sks, TOC
 at 1082' by TS)

Surf. Csg: 13 3/8", 27 8# Armco SS

Set: @ 33' w/ 50 sks

Hole Size: 17"

Circ: Yes **TOC:** Surface

TOC By: Circulated

Interm. Csg: 7 5/8", 22#, SCLW

Set: @ 1204' w/ 600 sks

Hole Size: 9 7/8"

Circ: Yes **TOC:** Surface

TOC By: Circulated

Tbg Detail:

BP @ 3840'
 1 jt 2 7/8" tbg
 2 7/8" x 4' perf sub
SN @ 3806'
 1 jt 2 7/8" EUE 8R J-55 IPC tbg
 9 jts 2 7/8" EUE 8R J-55 tbg
TAC @ 3492'
 112 jts 2 7/8" EUE 8R J-55 tbg

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.

Prod. Csg: 5 1/2", 17#, SCLW

Set: @ 3608' w/ 150 sks

Hole Size: 6 3/4"

Circ: No **TOC:** 2700'

TOC By: Calculated

3608-3925' Grayburg - Open Hole

COTD: 3925'
PBTD: 3925'
TD: 3925'

Updated: 9/21/2012

By: DNCU