

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

State of New Mexico

Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

HOBBS OGD

SEP 27 2012

RECEIVED

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

WELL API NO. 30-025-06990
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 HUGH CORRIGAN #3
8. Well Number 12 3
9. OGRID 241333
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 ☒ Other

2. Name of Operator
CHEVRON MIDCONTINENT, L.P.

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

4. Well Location

Unit Letter J: 1980 feet from the SOUTH line and 1980 feet from the EAST line

Section 33 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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: INTENT TO CLEAN OUT, 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 CLEAN OUT, ACIDIZE, & SCALE SQUEEZE THE SUBJECT WELL.

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

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@chevron.com PHONE: 432-687-7375

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

OCT 4 2 2012

Hugh Corrigan #3
Penrose Skelly- Grayburg
T21S, R37E, Section 33
N 32° 26' 1.068", W -103° 9' 56.124" (NAD27)
Job: Open Hole Clean Out, Acidize and Scale Squeeze

9.24.2012

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 7" 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 2 jts tubing and tag for fill (TAC 3,437', EOT 3,822' PBTD 3,932', Csg shoe 3,652'). POOH while scanning 2-7/8" prod tubing. Do not push TAC into sqz'd perfs at 3,510'-3,540'. LD all non-yellow band joints. If fill is tagged:
 - A. Above 3,882' continue to step 6.
 - B. Below 3,882' 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 6-1/4" MT bit, 4 (3-1/2") drill collars on 2-7/8" 6.5# L-80 WS. RU power swivel and clean out to 3,932' PBTD 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 7" treating packer on 2-7/8" 6.5# L-80 WS. Set packer ~ 3,612'. Load and test backside to 300 psi. Monitor production/intermediate csg annulus for pressure. *There was a cmt sqz between production csg and intermediate csg and sqzd perfs (see WBD).*
8. MI & RU Petroplex. Titrate acids and verify concentration (HCl $\pm 1.5\%$) report results in daily work summary. Treat well with 5,000 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 (3,932') with 50 bbls 2% KCL. RDMO Petroplex.
10. MI & RU swabbing unit. Attempt to swab back load fluid from acid job ~170 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 6-1/4" MT bit on 2-7/8" L-80 WS tag for fill. If fill entry was identified @ 3,922' or above, clean-out to (3,932') 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/ 6-1/4" 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 3,932' 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.

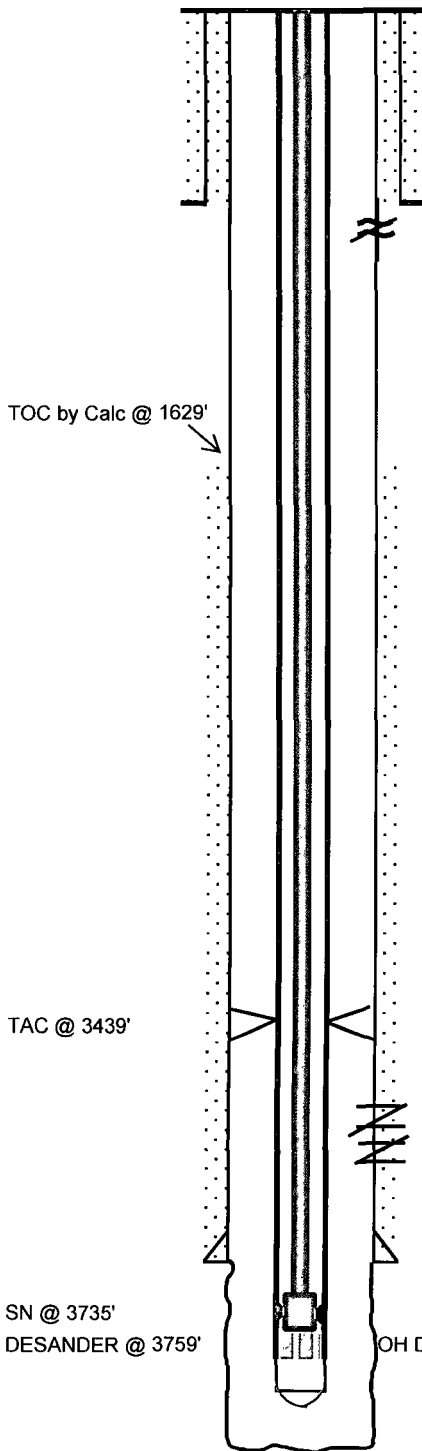
Before rigging up power swivel to rotate, carefully inspect Kelly hose to ensure that it is in good condition. Ensure that swivel packing is in good condition.

Continue to step 7.

Lease Name: HUGH CORRIGAN
 Well No. #3
 Location: 1980' FSL & 1980' FEL
 Sec.: 33
 UNIT/TWNSHIP J / T21-S / 37E
 RANGE

Field: PENROSE SKELLY
 Reservoir: GRAYBURG
 GE: 3448'
 KDB:
 DFE:
 Status: PR

API No. : 30-025-06090
 REFNO: FA8087
 Spud Date: 6/3/1939
 Comp. Date:
 County: LEA
 State: NM



Hole Size: 12 1/4"
 Csg. Size: 9 5/8" 36#
 Set @: 1236'
 Sks. Cmt.: 325 SKS
 TOC @: SURFACE
 Circ: Y/N: Y

1236-40' CSG LEAK CMT SQZ 200 SKS.

Rod Detail (LOWIS)

KB CORRECTION	11
1 1.5" SPRAY METAL X 26' PR	26
1 1" N90 D X 2' ROD SUB	2
1 1" N90 D X 4' ROD SUB	4
57 1" N90 D RODS	1425
76 7/8" N90 D RODS	1900
14 1.5" K X 25 SINKER BARS	350
1 .875" ROD GUIDE PONY W/34" PINS	4
1 ROD PUMP 25-200-RHBC-30-5	30
1 1 25" X 1' STRAINER NIPPLE	1
	<u>3753</u>

Tbg Detail (LOWIS)

KB CORRECTION	10.00
110 JTS 2 7/8" 6 5# T&C EUE	3426.76
1 7" TAC	2.25
8 JTS 2 7/8" 6.5# T&C EUE	252.04
1 BLAST JT 2 7/8" OD, TK99 IPC	31.71
1 JTS 2 7/8" 6.5# T&C EUE TBG SUB	12.00
1 S 7/8" SN HEAVY DUTY CUP TYPE	1.10
1 JTS 2 7/8" 6.5# T&C EUE TBG SUB	4.12
CAVINS DESANDER 2 7/8 X 20'	19.52
2 JTS 2 7/8" 6 5# T&C EUE	61.27
1 CAVINS DUMP VALVE 2.375"	0.78
EOT	<u>3821.55</u>

Queen Perf's SQZ'D

3510-3540'

Check cut out depth in Wellview

SN @ 3735'
 DESANDER @ 3759'

OH DRILLED W/6 1/8"
 BIT

Hole Size: 8 3/4"
 Csg. Size: 7" 24#
 Set @: 3641'
 Sks Cmt.: 275 SKS
 TOC @: 1629'
 Circ: Y/N: CALCULATION

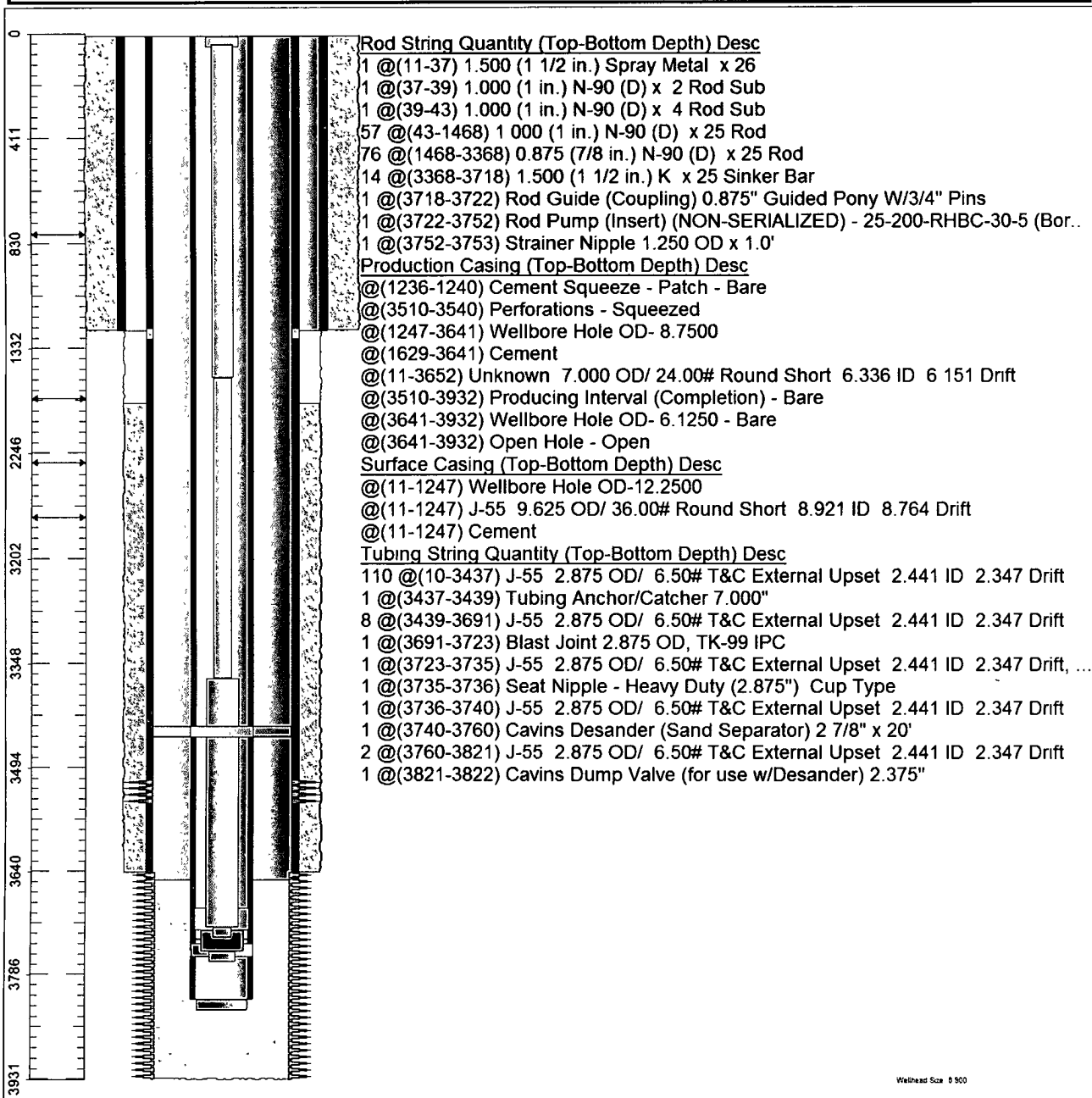
PBTD. 3930'
 TD. 3932'

Updated: 10/13/2011

By. SEHE

Chevron U.S.A. Inc. Wellbore Diagram : CORRH 3G

Lease: OEU EUNICE FMT		Well No.: H. CORRIGAN #3G 3G		Field: FLD-PENROSE SKELLY	
Location: 1980FSL1980FEL		Sec.: N/A		Blk:	Survey: N/A
County: Lea	St.: New Mexico	Refno: FA8087		API: 3002506990	Cost Center: BCU496900
Section:		Township: N/A			Range: N/A
Current Status: ACTIVE				Dead Man Anchors Test Date: NONE	
Directions:					



Ground Elevation (MSL):: 3448.00	Spud Date: 06/03/1970	Compl. Date: 01/01/1970
Well Depth Datum:: CSI0000N	Elevation (MSL):: 0.00	Correction Factor: 11.00
Last Updated by: bqvh	Date: 09/17/2012	