

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

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

WELL API NO. 30-025-40122
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name NEW MEXICO 'R' NCT-4
8. Well Number 7
9. OGRID Number 4323
10. Pool name or Wildcat VACUUM; BLINEBRY

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 D: 990 feet from the NORTH line and 490 feet from the WEST line
Section 7 Township 18-S Range 35-E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3981'

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 FRAC STIMULATE

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 FRAC STIMULATE 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 10-16-2012

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

APPROVED BY: [Signature] TITLE DIST. MGR DATE 10-19-2012

Conditions of Approval (if any):

New Mexico State R NCT-4 No. 7
API No. 30-025-40122
Vacuum (Blinebry) Field
Lea County, NM

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. 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 offObserve 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.

Workover Procedure

1. Rig up pulling unit. Kill well. Bleed down as necessary.
2. Unhang horse's head. POH laying down rods and pump.
3. ND wellhead. NU 5,000 psi hydraulic BOP with 2-7/8" pipe rams over blinds and annular.
4. Release tubing anchor. Pick up 5-1/2" packer and set at 25'. Test pipe rams to 250/500 psi. Test annular to 250/500 psi. Bleed off pressure.
5. TOH laying down 2-7/8" production tubing and packer.
6. Rig up wireline truck. RIH and set CIBP at 5785'.
7. TIH w/ 5-1/2" cement retainer on 2-7/8" 6.5#/ft L-80 workstring and set at 5,700'.
8. Rig up pump truck and establish rate into perfs 5739'-5762'.
9. Squeeze perfs 5739'-5762'. Cement squeeze design will be based on the pump in rates. Squeeze pressure should be +/- 2500 psi.
10. Sting out of retainer and reverse tubing clean. TOH. WOC.
11. TIH w/ 4-3/4" mill tooth bit and 6 3-1/8" drill collars on 2-7/8" workstring.
12. Rig up reverse unit. Drill out cement retainer and cement. Circulate hole clean. Pressure test casing to 1000 psi to determine if an adequate squeeze was obtained.
13. Drill out CIBP set at 5785'. Circulate hole clean. Spot 100 gallons 10% acetic acid from 6064'-6173'. TOH laying down all 2-7/8" workstring.
14. Rig up wireline truck. Get on depth with Halliburton's GR-RAL log dated 8/29/11.
15. Perforate as follows: 6169'-73', 6134'-38', 6096'-6100', and 6064'-68'. Perforate at 1 JSPF, 60 degree phasing, 0.42" EHD, and 24.5" penetration. Rig down wireline truck.
16. Close blind rams and change pipe rams from 2-7/8" to 3-1/2". Test rams to 250/1000 psi.

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Vacuum (Blinebry) Field

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17. TIH w/ 5-1/2" treating packer on 3-1/2" L-80 workstring and set at 5,975'. Hydrotest workstring to 8,000 psi below the slips.
18. NU 10K frac valve. Test frac valve to 8,000 psi.
19. Rig down pulling unit.
20. Load backside set pop-off to 1000 psi and monitor. Acidize perfs 6064'-6173' with 3,500 gallons 15% NEFE HCl. Pump acid at 8-10 BPM and Max Press 7500psi. Drop ball sealers in 3 groups of 20 during acid job for diversion.
21. Note: If Communication is observed during acid job the frac treatment will have to be modified.
22. Frac perfs 6064'-6173' with 37,000 gallons 30# gel, 71,000 lb 16-30 sand and 18,000 lb 16-30 resin coated sand as follows:
 - a. Pump 15,000 gallon pad
 - b. Pump 2,000 gallons gel w/ 1 ppg 16-30 sand
 - c. Pump 3,000 gallons gel w/ 2 ppg 16-30 sand
 - d. Pump 3,000 gallons gel w/ 3 ppg 16-30 sand
 - e. Pump 4,000 gallons gel w/ 4 ppg 16-30 sand
 - f. Pump 4,000 gallons gel w/ 5 ppg 16-30 sand
 - g. Pump 3,000 gallons gel w/ 6 ppg 16-30 sand
 - h. Pump 3,000 gallons gel w/ 6 ppg 16-30 resin coated sand
 - i. Displace with gel to top perf with gel.

Rate = 40 BPM. Anticipated pressure = 6,000 psi. Max pressure = 7,500 psi. Monitor annulus pressure during job since there are open perfs above the packer.

If during frac job communication is observed, cut sand and go to flush at reduced rate.

SD if backside pressure reaches 1000 psi, attempt to bleed off tubing pressure
23. Rig down frac equipment. Shut well in over night to allow the gel to break and to allow the resin coated sand to set in place.
24. Open up well the next morning and flow back load until well dies.
25. Perform scale squeeze as follows:
 - a. Pump 30 bbls fresh water pre-pad
 - b. Mix 220 gallons SCW-358 scale inhibitor in 20 gallons XC-302 with 120 bbls fresh water
 - c. Pump the chemical mixture down the tubing.
 - d. Overflush with 300 bbls fresh water.
26. Rig up pulling unit.
27. Kill well if necessary. ND-frac valve. Test pipe rams to 250 psi low/1000 psi high.
28. Release packer and TOH laying down 3-1/2" workstring.
29. Close blind rams and change out 3-1/2" pipe rams for 2-7/8" pipe rams.
30. RIH w/ 5-1/2" packer on 1 joint 2-7/8" production tubing, set packer and test Test pipe rams to 250/1000 psi. Test annular to 250/1000 psi. Bleed off pressure. POOH and LD test packer.
31. RIH w/ 2-7/8" production tubing and set SN @ 6200' and tubing anchor at 5700'.

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32. ND BOP. NU wellhead.
33. RIH w/ pump and rods.
34. Rig down pulling unit.
35. Place well on production and test.

PTB 9/19/12

Contacts:

Drilling Supt – Heath Lynch – 281 685 6188

Remedial Engineer – Larry Birkelbach 432-687-7650 / 432-208-4772

Production Engineer – Paul Brown 432-687-7351 / 432-238-8755

ALCR – Danny Acosta 575-631-9033

Peak Packers – Sam Prieto 575-631-7704

Schlumberger – Evgeny Klimov 432-312-0947

Baker Atlas – Doug Lunsford 432-559-0396

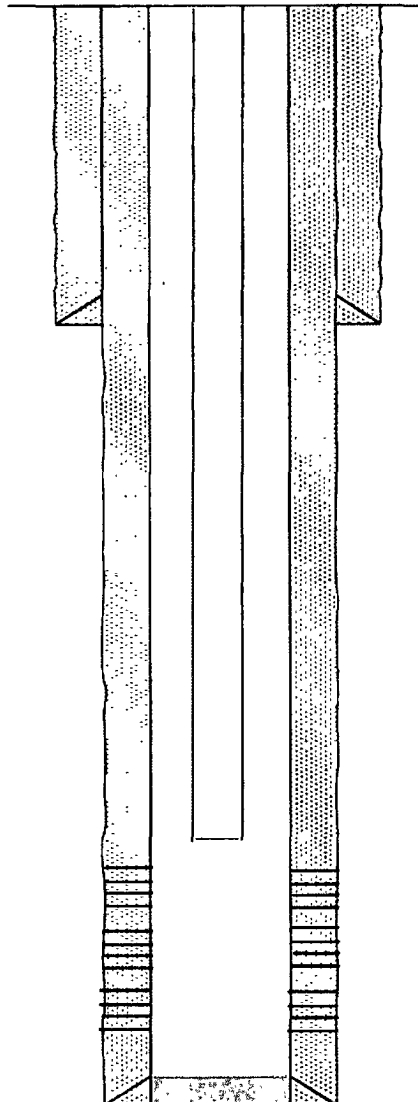
New Mexico "R" NCT-4 No.7 Wellbore Diagram

Created:	08/08/11	By:	PTB	Well #:	7	St. Lse:	-
Updated:	11/11/11	By:	BBMK	API	30-025-40122		
Updated:		By:					
Lease:	New Mexico State "R" NCT-4			Unit Ltr.:	D	Section:	7
Field:	Vacuum Blinebry			TSHR/Rng:	18S 35E		
Surf. Loc.:	990' FNL & 490' FWL			Unit Ltr.:		Section:	
Bot. Loc.:				TSHR/Rng:			
County:	Lea	St.:	NM	Directions:	Buckeye, NM		
Status:	Producing Well			CHEVNO:	NA5580		
				OGRID:	4323		

Surface Casing

Size: 8 5/8"
Wt., Grd.: 24#, K-55
Depth: 1515'
Sxs Cmt: 870
Circulate: Yes; 212 Sx
TOC: Surface
Hole Size: 11"

KB: 3995.5'
DF:
GL: 3981'
Ini. Spud: 08/06/11
Ini. Comp.: 10/13/11



Production Casing

Size: 5 1/2"
Wt., Grd.: 17#, L-80
Depth: 6464'
Sxs Cmt: 1150 sx
Circulate: Yes; 167sx
TOC: Surface
Hole Size: 7 7/8"

Blinebry Perfs: 5739' - 5927'

PBTD:
TD: 6,500