

OIL CONSERVATION DIVISION

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.	30-025-36740
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	C.L. HARDY
8. Well No.	6
9. Pool Name or Wildcat	PENROSE SKELLY GRAYBURG

<p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMI (FORM C-101) FOR SUCH PROPOSALS.</p>	
1. Type of Well:	OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator	CHEVRON USA INC
3. Address of Operator	15 SMITH RD, MIDLAND, TX 79705
4. Well Location	Unit Letter <u>K</u> : <u>1345'</u> Feet From The <u>SOUTH</u> Line and <u>1385'</u> Feet From The <u>WEST</u> Line Section <u>20</u> Township <u>21-S</u> Range <u>37-E</u> NMPM <u>LEA</u> COUNTY
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3492'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPERATION <input type="checkbox"/>
OTHER: <u>ADD PERFS, ACIDIZE & SCALE SQUEEZE</u> <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <u></u> <input type="checkbox"/>

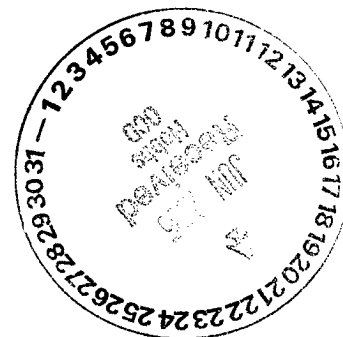
12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

CHEVRON U.S.A. INC. INTENDS TO ADD PERFS IN THE GRAYBURG FORMATION, ACIDIZE, & SCALE SQUEEZE.

THE CURRENT AND PROPOSED WELLBORE DIAGRAMS ARE ATTACHED FOR YOUR APPROVAL.

THE INTENDED PROCEDURE IS ALSO ATTACHED.

A PIT WILL NOT BE USED FOR THIS WORKOVER. (JUST ADDING PERFS) (STEEL FRAC TANK)



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 6/20/2005

TYPE OR PRINT NAME Denise Pinkerton Telephone No. 432-687-7375

(This space for State Use)

APPROVED Gay W. White TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE JUN 22 2005

CONDITIONS OF APPROVAL, IF ANY:

WELL DATA SHEET

FIELD: Penrose Skelly

WELL NAME: C. L. Hardy # 6

FORMATION: Grayburg

LOC: 1345' FSL & 1385' FWL
TOWNSHIP: 21S
RANGE: 37E
LOT:

SEC: 20
COUNTY: Lea
STATE: NM

GL: 3492'
DF:

CURRENT STATUS:
API NO: 30-025-36740
REFNO: HP6001
SAP: UCU493600

Surface Casing

8-5/8" 24# K-55

11" hole to 405'

Set @ 405' w/250 sx cmt

Circ cmt to surface

Spud Date: 8/17/2004

Date of Completion:

Initial Completion: Grayburg

CURRENT

Tbg Detail:

2 7/8" Dump Valve @ 3872'
2 jts. 2 7/8" tbg
Cavins Desander @ 3788'
2 7/8" x 4' tbg sub
SN @ 3783'
1 jt. 2 7/8" EUE 8R J-55 IPC tbg
6 jts. 2 7/8" EUE 8R J-55 tbg
TAC @ 3561'
114 jts. 2 7/8" EUE 8R J-55 tbg

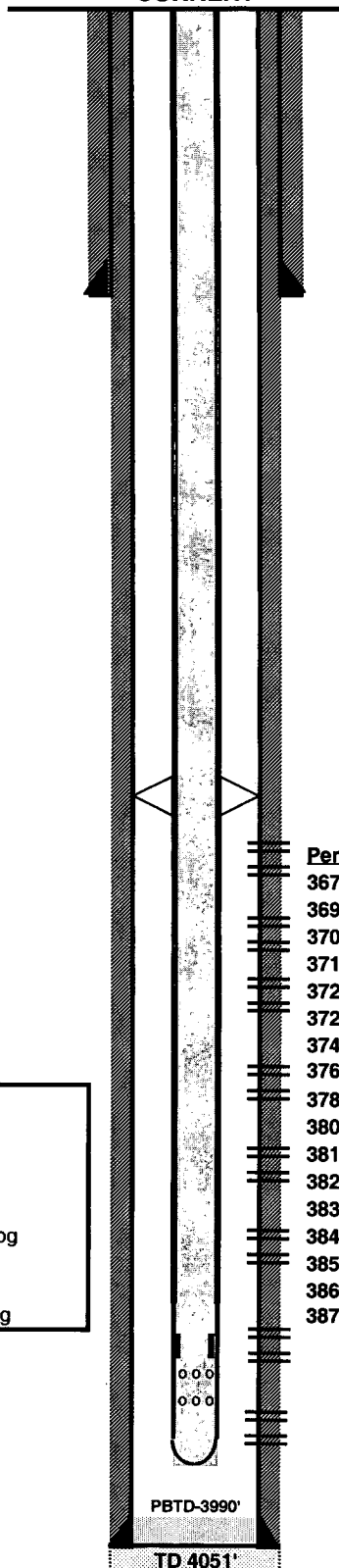
Production Casing

5-1/2", 15.5# K-55

7-7/8" hole to 4051'

Set @ 4005' w/1000 sx cmt

TOC: 1800' by CBL



Perfs

3673-77'
3690-92'
3702-05'
3712-16'
3720-23'
3728-34'
3742-46'
3764-72'
3782-88'
3800-06'
3812-16'
3820-28'
3834-36'
3840-46'
3854-58'
3863-67'
3879-91'

Status

Grayburg - Open
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Set @ 405' w/250 sx cmt

Circ cmt to surface

Spud Date: 8/17/2004

Date of Completion:

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PROPOSED

Tbg Detail:

BP @ 3900'
1 jt. 2 7/8" tbg
2 7/8" x 4' perf tbg sub
SN @ 3865'
1 jt. 2 7/8" EUE 8R J-55 IPC tbg
7 jts. 2 7/8" EUE 8R J-55 tbg
TAC @ 3615'
117 jts. 2 7/8" EUE 8R J-55 tbg

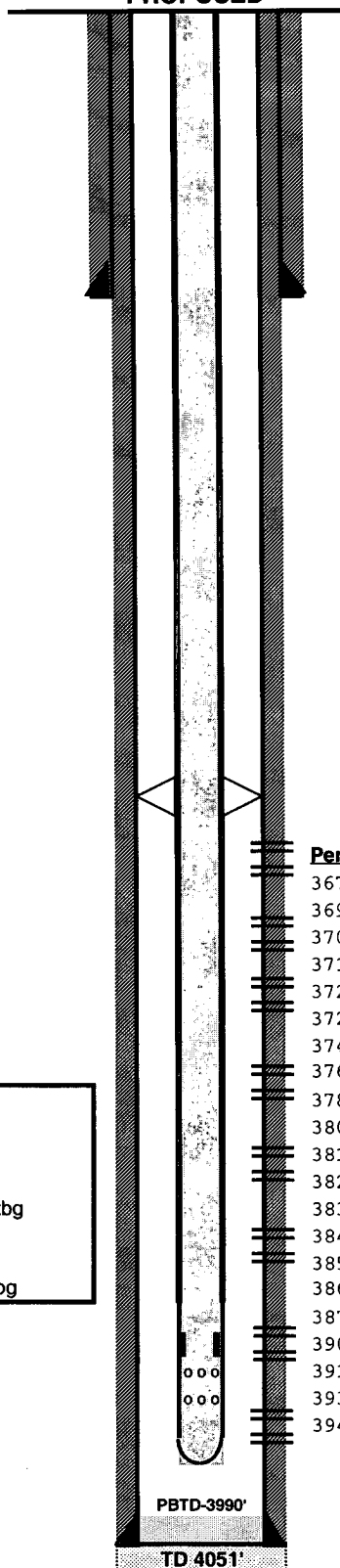
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3820-28'
3834-36'
3840-46'
3854-58'
3863-67'
3879-91'
3908-12'
3917-25'
3930-34'
3942-46'

Status

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PBTD-3990'

TD 4051'

C. L. Hardy # 6

Penrose Skelly Field

T21S, R37E, Section 20

WBS # UWDOL-R5188

Job: Add Perfs In Grayburg Formation, Acidize, And Scale Inhibitor Squeeze

Procedure:

1. Install flowline. Displace flowline with fresh water. Have field specialist close valve at header. Pressure line according to the type of line. AGU, EMSU, and EMSUB buried fiberglass lines will be tested with 300 psi. All polypipe (SDR7 and SDR11) will be tested w/100 psi. All steel lines will be tested w/500 psi. If a leak is found, contact Donnie Ives for repair/replacement. If test is good, bleed off pressure and **open valve** at header. Document this process in the morning report.
2. MI & RU workover unit. Bleed pressure from well, if any. Pump down csg with 8.6 PPG cut brine water, if necessary to kill well. POH with rods and pump. Remove WH. Install BOP's and test csg and BOP's to 3000 psi. POH with 2 7/8" tbg string. LD Cavins Desander equipment.
3. PU and GIH with 4 3/4" MT bit and 2 7/8" work string to 3990'. Establish reverse circulation using 8.6 PPG cut brine water. Reverse circulate well clean from 3990' using 8.6 PPG cut brine water. POH with work string and bit. LD bit. **Note: If well will not circulate, use air unit and clean out using foam.**
4. MI & RU Baker Atlas electric line unit. Install lubricator and test to 2000 psi. GIH with 3 1/8" slick casing guns and perforate from 3908-12', 3917-25', 3930-34', and 3942-46' with 4 JSPF at 120 degree phasing, using 23 gram premium charges. POH. RD & release electric line unit. **Note: Use casing collars from Baker Atlas GR/Compensated Neutron/CCL Log conducted 9/1/2004 for depth correction.**
5. PU and GIH w/ 5 1/2" PPI pkr (with 14' element spacing) and SCV on 2 7/8" work string to approximately 3650'. Test tbg to 5500 psi while GIH.
6. MI & RU DS Services. Acidize perfs 3673-3946' with 5,200 gals anti-sludge 15% HCl acid * at a maximum rate **as shown below** and a maximum surface pressure of **3500 psi**. Spot acid to bottom of tbg at beginning of each stage. Pump job as follows:

Interval	Amt. Acid	Max Rate	PPI Setting
3942-46'	200 gals	1 BPM	3937-51'
3930-34'	200 gals	1 BPM	3926-40'
3917-25'	400 gals	1 BPM	3914-28'
3908-12'	200 gals	1 BPM	3900-14'
3879-91'	400 gals	1 BPM	3878-92'

3854-67'	400 gals	1 BPM	3853.5-67.5'
3834-46'	400 gals	1 BPM	3833-47'
3820-28'	400 gals	1 BPM	3818-32'
3812-16'	200 gals	1 BPM	3806-20'
3800-06'	300 gals	1 BPM	3796-3810'
3782-88'	300 gals	1 BPM	3780-94'
3764-72'	400 gals	1 BPM	3760-74'
3742-46'	200 gals	1 BPM	3740-54'
3728-34'	300 gals	1 BPM	3726-40'
3712-23'	300 gals	1 BPM	3710-24'
3702-05'	200 gals	1 BPM	3696-3710'
3690-92'	200 gals	1 BPM	3684-98'
3673-77'	200 gals	1 BPM	3670-84'

Displace acid with 8.6 PPG cut brine water -- do not overdisplace. Use a SCV to control displacement fluid. Record ISIP, 5 & 10 minute SIP's. RD and release DS services. **Note: Pickle tubing in 1 run of 500 gals acid, prior to acidizing perfs. Pickle acid is to contain only 1/2 gal A264 and 1 gal W53. Also, if communication occurs during treatment of any interval, monitor casing pressure and attempt to complete stage w/o exceeding 1000 psi csg pressure. If cannot, then move PPI to next setting depth and combine treatment volumes of the intervals.**

* Acid system is to contain:	1 GPT A264	Corrosion Inhibitor
	8 GPT L63	Iron Control Agent
	2 PPT A179	Iron Control Aid
	20 GPT U66	Mutual Solvent
	2 GPT W53	Non-Emulsifier

- Release PPI pkr and PUH to approximately 3650'. Swab back all intervals together. Recover 100% of treatment and load volumes before shutting well in for night, if possible. Report recovered fluid volumes, pressures, and/or swabbing fluid levels. **Note: Selectively swab perfs as directed by Engineering if excessive water is produced.**
- Open well. MI & RU pump truck. Pump down tbg with 50 bbls 8.6 PPG cut brine water containing 110 gals Baker RE-4777 Scale Inhibitor followed by 200 bbls 8.6 PPG cut brine water at **5 BPM and 2500 psi maximum pressure**. RD and release pump truck. Release PPI pkr. POH LD 2 7/8" work string and PPI packer.
- PU and GIH w/ BP mud anchor jt of 2 7/8" tbg, 2 7/8" x 4' perforated sub, SN, 1 jt. 2 7/8" EUE 8R J-55 IPC tbg, 7 jts 2 7/8" EUE 8R J-55 tbg, TAC, and 117 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 3615', with EOT at 3900' and SN at 3865'.

10. Remove BOP's and install WH. GIH with rods, weight bars, and pump per ALS recommended design. RD & release workover unit.
11. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

AMH
6/15/2005