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

HOBBS OCD
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State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised August 1, 2011

WELL API NO. 30-025-06658

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: H.T. MATTERN NCT-C

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number 2

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

9. OGRID Number 4323

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

10. Pool name or Wildcat: PENROSE; SKELLY, GRAYBURG

4. Well Location
Unit Letter: K 1980 feet from the SOUTH line and 1980 feet from the WEST line
Section 18 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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER CLEAN OUT, ACIDIZE, & SCALE SQUEEZE		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 11-28-2012

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

For State Use Only

APPROVED BY: Mark Whitaker TITLE Compliance Officer DATE 11-30-2012

Conditions of Approval (if any):

DEC 03 2012

11.15.2012

H.T. Mattern C #2 – [30-025-06658]
Penrose Skelly field
T21S, R37E, Section 18
N 32° 28' 37.416", W -103° 12' 13.428" (NAD27)
Job: Cleanout Open Hole, 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* 21,000 PPM* 49 MCF ^0.6258 = 103 FEET
500 PPM ROE = 0.0004546* 21,000 PPM* 49 MCF ^0.6258 = 47 FEET

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 are in accordance with MCA SWP. Complete an 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 an 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' and 500'.
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, e-line 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:

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 3,601', EOT 3,852' PBTD 3,913', Csg shoe 3,674'). POOH while scanning 2-7/8" prod tubing. LD all non-yellow band joints. If fill is tagged:
   A. Above 3,910' continue to step 6.
   B. Below 3,910' 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 3,913' 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 5-1/2" treating packer on 2-7/8" 6.5# L-80 WS. Set packer ~ 3,600'. Load and test backside to 300 psi. Monitor production/intermediate csg annulus for pressure.

8. MI & RU Petroplex. Titrate acids and verify concentration (HCl ±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 (3,913') 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 Alex Smalls, 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 indentified @ 3,900' or above, clean-out to (3,913') 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 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 **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 3,913' 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.

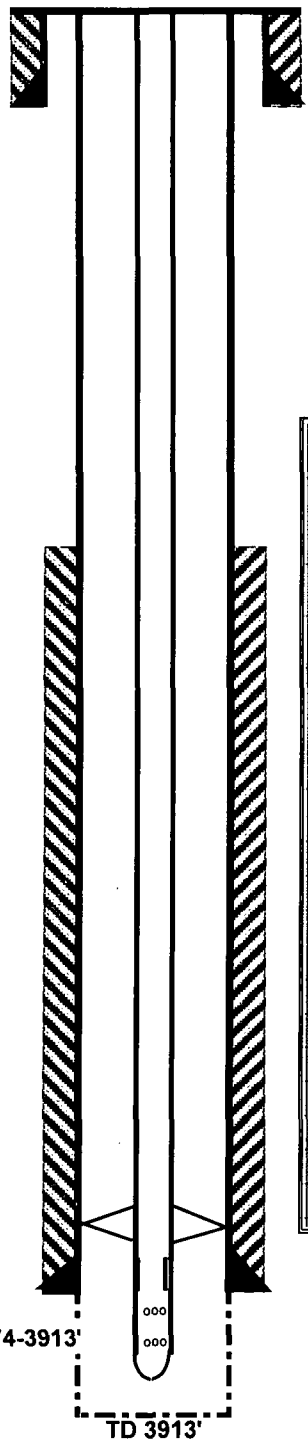
WELL DATA SHEET

Field: Penrose Skelly **Well Name:** H. T. Mattern (NCT-C) #2 **Lease Type:** Fee
Location: 1980' FSL & 1980' FWL **Sec:** 18-K **Township:** 21S **Range:** 37E
County: Lea **State:** New Mexico **Refno:** FA7762 **API:** 30-025-06658 **Cost Center:** UCU491800
Current Status: OIPR
Current Producing Formation(s): Grayburg
N 32° 28' 37.416", W -103° 12' 13.428" (NAD27)

KB:
DF: 3519'
GL:
Spud Date: 6/21/1944
Compl. Date: 7/16/1944

Well was TA'd on 12/30/59
Well was P&A'd on 9/22/61
ReEnter Well OH 3674-3913' 6/2004

Surface Csg.
Size: 9 5/8"
Wt.: 24#
Set @: 293'
Sxs cmt: 200
Circ: unknown
TOC: surface by calc



QTY	TBG DETAIL:	Length	Top Depth	Bottom Depth
114	Unknown 2.875 OD/ 6.50#T&C External Upset 2.441 ID 2.347 Drift	3593.71	7	3600.71
1	Tubing Anchor/Catcher 2.875"	2.8	3600.71	3603.51
4	Unknown 2.875 OD/ 6.50#T&C External Upset 2.441 ID 2.347 Drift	126.77	3603.51	3730.28
1	Unknown 2.875 OD/ 6.50#T&C External Upset 2.441 ID 2.347 Drift - Internal Plastic Ctg	32.3	3730.28	3762.58
1	Seat Nipple/Shoe - (2.875")	1.1	3762.58	3763.68
1	Unknown 2.875 OD/ 6.50#T&C External Upset 2.441 ID 2.347 Drift	4	3763.68	3767.68
1	Cavins Desander (Sand Separator) 2 7/8"x 20'	20.18	3767.68	3787.86
2	Unknown 2.875 OD/ 6.50#T&C External Upset 2.441 ID 2.347 Drift	63.51	3787.86	3851.37
1	Dump Valve (for use w/ Sand Separator)	0.8	3851.37	3852.17
	ROD DETAIL:			
1	1.500 (1 1/2 in.) C x 26	26	0	26
1	0.875 (7/8 in.) C x 8 Rod Sub	8	26	34
1	0.875 (7/8 in.) x 4 Rod Sub	4	34	38
1	0.875 (7/8 in.) x 6 Rod Sub	6	38	44
71	0.875 (7/8 in.) D x 25 Rod	1775	44	1819
65	0.750 (3/4 in.) D x 25 Rod	1625	1819	3444
12	1.500 (1 1/2 in.) x 25 Sinker Bar	300	3444	3744
1	0.875 (7/8 in.) D x 4 Rod Sub	4	3744	3748
1	Rod Pump (Insert)	20	3748	3768

Production Csg.
Size: 5 1/2"
Wt.: 14#
Set @: 3674'
Sxs Cmt: 200
Circ: No
TOC: 1575' by calc

epared by: S. Heidelberg
Date: 10/30/2012