

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 848-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised August 1, 2011

HOBBS OCD

Permit

MAY 20 2013

RECEIVED

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address CHEVRON U.S.A. INC. 15 SMITH ROAD MIDLAND, TEXAS 79705		² OGRID Number 4323
		³ API Number 39-025-29117
⁴ Property Code	⁵ Property Name ALICE PADDOCK	⁶ Well No. 10

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
1	1	22-S	37-E		1980	SOUTH	660	EAST	LEA

⁸ Pool Information

BRUNSON; DRINKARD-ABO SOUTH 7900

Additional Well Information

⁹ Work Type RECOMPLETE	¹⁰ Well Type OIL	¹¹ Cable/Rotary	¹² Lease Type P	¹³ Ground Level Elevation
¹⁴ Multiple NO	¹⁵ Proposed Depth 7800'	¹⁶ Formation ABO	¹⁷ Contractor	¹⁸ Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weigh/ft	Setting Depth	Sacks of Cement	Estimated TOC
			NO CHANGE			

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that the drilling pit will be constructed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

Printed name: DENISE PINKERTON
Title: REGULATORY SPECIALIST
E-mail Address: leakejd@chevron.com
Date: 05/15/2013
Phone: 432-687-7375

OIL CONSERVATION DIVISION
Approved By:
Title: Petroleum Engineer
Approved Date: 05/21/13
Expiration Date: 05/21/15
Conditions of Approval Attached

MAY 23 2013

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Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

HOBBS OCD

MAY 20 2013

RECEIVED

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-29117		² Pool Code 7900		³ Pool Name BRUNSON; DRINKARD-ABO, SOUTH	
⁴ Property Code 2703		⁵ Property Name ALICE PADDOCK			⁶ Well Number 10
⁷ OGRID No. 4323		⁸ Operator Name CHEVRON U.S.A. INC.			⁹ Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	1	22-S	37-E		1980	SOUTH	660	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16				<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Denise Pinkerton</i> 05/15/2013 Signature Date</p> <p>DENISE PINKERTON REGULATORY SPECIALIST Printed Name</p> <p>leakejd@chevron.com E-mail Address</p>	
				<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>	

Alice Paddock #10
Brunson South, Drinkard/Abo Reservoir
T22S, R37E, Sec. 1
N 32° 25' 8.58", W -103° 6' 35.1" (NAD27)
Job: Add Drinkard/Abo Perfs and Acidize & DHC

4.2.2013

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.

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 MOC

1. MI & RU workover unit.
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 brine fluid (8.6 ppg).
3. Unseat pump, POOH with rods and pump. Examine rods for wear/pitting/paraffin. Do not hot water unless necessary. ND wellhead, unset TAC, NU BOP. POOH and LD 1 jt, PU 5-1/2" packer and set ~ @ 25', test BOP pipe rams to 250 psi/1000 psi. Note testing pressures on Wellview report. Release and LD packer.
4. POOH while scanning 2-3/8" 4.7# J-55 prod tubing (TAC 5,628', PBTD 7,745', EOT 5,790'). LD 2-3/8" tbg, send all non-yellow band joints to 1788. Lay down if the rig is planning on moving off for the acid job.

Note: Strap pipe out of the hole to verify depths and note them on Wellview report.

Send scan log report to drillin@chevron.com (Jonathan Paschel).

5. Change to 2-7/8" elevators and caliper. Close blind rams and change BOP pipe rams to 2-7/8" and test against tension set pkr. PU and RIH with 4-3/4" MT bit, on 2-7/8" 6.5# L-80 WS. Tag for fill, record top of fill and contact remedial/production engineer to determine if clean out is required. If clean out is required, RU power swivel and clean out to depth discussed w/ engineer with foam/air unit (**continue to supplemental procedure and in accordance with attached SOG**). Circulate well clean using foam. POOH with 2-7/8" WS and bit. LD bit & BHA. Stand back work string
- 6.
7. MI & RU Baker electric line unit. Install lubricator and test to 1000 psi. GIH and conduct GR-CNL-CCL log from 7,500' up to 6,750'. **Use Dresser Atlas Compensated Densilog/Compensated Neutron/Gamma Ray log dated 9/12/1985 for depth correlation.** POOH. Send log to Malcolm Rowland, MRowland@chevron.com, for picking new perfs. Verify w/ perforating contractor that the guns can be built overnight.
8. **Note: The following perfs are approximate and will be adjusted after receiving new GR-CNL-CCL log.** GIH with 3 3/8" RHSC Gunslinger casing gun (0.42" EH & 47" penetration) and perforate from

6816-6818', 6832-6834', 6846-6850', 6865-6868', 7014-7016', 7034-7043', 7064-7066', 7084-7086', 7114-7120', 7144-7148', 7186-7190', 7232-7236', 7293-7296', 7308-7311', 7330-7332', 7360-7371', 7409-7412' with 6 JSPF at 120 degree phasing, using 32 gram premium charges. POH. RD & release electric line unit.

9. RIH with 5 1/2" 17# Arrow-Set 10K pkr, On-Off tool and SN on 2-7/8" 6.5# L-80 WS. Test packer w/ plug to 6000'. Hydro test the reaming tubing in the hole to 6,000 psi. Set pkr @ -6,790'. If the rig is moving off for the frac, hang the tubing off on a B1 flange along w/ a 2-7/8" 8RD to 2" 1502 swedge and 2 Low Torque valves. If the rig will stay on the job, set the tubing in the slips and N/U a swedge and Low Torque valve.
10. RD & MO workover rig (depending on frac schedule, may stay rigged up during frac).
11. MI & RU Baker Services. Acid-frac Drinkard-Abo from 6,816' to 7,412' with 20,000 gals antisludge 15% HCl acid * and 8,000 gal slick water** at a maximum rate of 20 BPM and a maximum surface pressure of 5,500 psi. Start pumping slick water into formation at 1/2 BPM and increase rate up to the maximum of 20 BPM as the treating pressure drops off. Divert with 525 7/8" 1.3 SG RCN ball sealers.

Pump job as follows (refer to attached Baker Procedure):

* Acid system is to contain:

19,500 Gal	15% HCL	
3 GPT	Ferrotrol 280L	Iron Control
2 GPT	CI-14	Corrosion Inhibitor
1 GPT	MaxPerm 20A	Friction Reducer
1 GPT	NE-23	Non-Emulsifier

** Slick water system is to contain:

1 GPT	ClayCare, Clay Treat-2C, 260	
1 GPT	MaxPerm 20A	Friction Reducer
0.5 GPT	Flo-Back 40	Tension Reducer
0.5 GPT	NE-35	Non-Emulsifier

Stage	Fluid		Diverting Agents				
	Type	Volume (gal)	Conc. (pda)	Type	Stage (volume)	Cum (lbs)	Cum (b.s.)
1	Slick Water	1000		Load Hole			
2	15% HCl	6500					
3	Slick Water	1000		BS, 7/8 in, 1.3 sg,	175		175
4	15% HCl	6500					175
5	Slick Water	1000		BS, 7/8 in, 1.3 sg,	175		350
6	15% HCl	6500					350
7	Slick Water	2377		BS, 7/8 in, 1.3 sg,	175		525
Total		24877					525

Stage	Surface Treating Pressure (psi)	Rates			Volume				Stage Pump Time hh:mm:ss
		Slurry (bpm)	Clean Fluid (bpm)	Divertor Rate (lb/min)	Slurry		Fluid		
					Stage (bbls)	Cum. (bbls)	Stage (bbls)	Cum. (bbls)	
1	4412	20.0	20.0		23.8	23.8	23.8	23.8	00:01:11
2	4247	20.0	20.0		154.8	178.6	154.8	178.6	00:07:44
3	4412	20.0	20.0		23.8	202.4	23.8	202.4	00:01:11
4	4247	20.0	20.0		154.8	357.1	154.8	357.1	00:07:44
5	4412	20.0	20.0		23.8	381.0	23.8	381.0	00:01:11
6	4247	20.0	20.0		154.8	535.7	154.8	535.7	00:07:44
7	4412	20.0	20.0		56.6	592.3	56.6	592.3	00:02:49
Total Pump Time:									00:29:36

Displace acid with brine to bottom perms pumping no more than necessary. Record ISIP, 5, 10, & 15 minute SIP's. RD & release Baker Services.

12. **Leave well SI 3 hrs for the acid to spend.** Open well and flow/swab back spent treatment fluids to an open top tank. Utilize a swab unit if the workover rig is not on location. Recover 100% of spent acid and load if possible. Report oil cut, recovered fluid volumes, pressures, and/or swabbing fluid levels. **Note: Test reactivity of recovered acid load while swabbing. If acid is not spent, leave well SI additional time as required.** Continue Swabbing to establish oil cut and approximate rate for DHC allocation and pump sizing.
13. Ensure that location is prepped. MIRU workover rig if not already on location. Open well. Bleed pressure from well and kill if necessary.
14. Release pkr. TIH to bottom hole w/ packer to knock off any remaining balls. POOH laying down 2-7/8" work string, on-off tool, and pkr.
15. Change to 2-3/8" elevators and caliper. Switch BOP to pipe rams to 2-3/8" and test against a tension set packer or tubing hanger. RIH with 2-3/8" production tubing hydrotesting to 6,000 psi. Set TAC per ALCR recommendation. ND BOP. NU WH. RIH with rods and pump per ALCR. Hang well on. RD and release workover unit.
16. Turn well over to production.

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 7,754' 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.

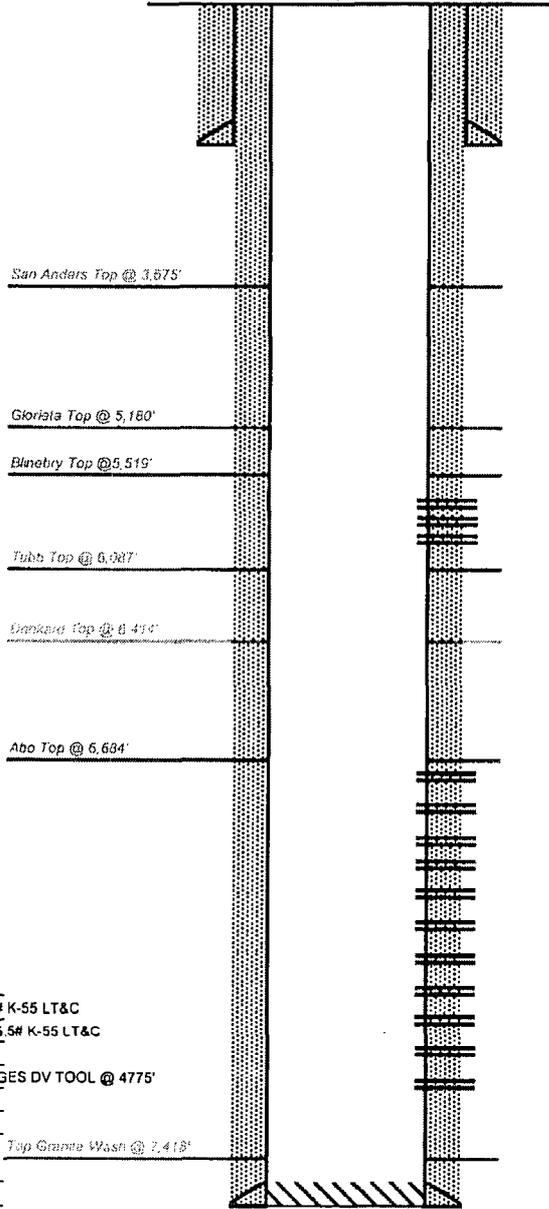
Continue on with original procedure for completion.

Lease Name: Alice Paddock
Well No.: 10
Location: 1980' FSL & 660' FEL
Sec.: 1
TWNSHIP/RNG T: T22S \ R37E
COSTCENTER: UCU463400
NAD27: N 32° 25' 8.58" W - 103° 6' 35.1" (NAD27)

Field: Blinebry Oil & Gas
Reservoir: Blinebry
GE: 3352'
KB: 3366'
DFE:
Status: OIPR

API No.: 30-025-29117
REFNO: FO6552
Spud Date: 8/21/1985
Comp. Date: 10/17/1985
County: LEA
State: NM

Proposed



Hole Size: 12 1/4"
Csg. Size: 8 5/8" 24# K-55
Set @: 1247'
Sks. Cmt.: 450 SKS
TOC @: SURF
Circ: Y/N: Y 72 SKS

This wellbore design is a plan view only. It does not show the wellbore profile or the location of the wellbore in the field. The wellbore design is based on the information provided in the well log and the wellbore design is subject to change without notice. The wellbore design is not a guarantee of performance and is not a warranty of any kind. The wellbore design is provided for informational purposes only.

BLINEBRY (existing)
 5566-5762' W/ 13.45" HOLES

Proposed Perforations		Interval
Top	Bottom	
6,816	6,818	2
6,832	6,834	2
6,846	6,850	4
6,865	6,868	3
7,014	7,016	2
7,034	7,043	9
7,064	7,066	2
7,084	7,086	2
7,114	7,120	6
7,144	7,148	4
7,186	7,190	4
7,232	7,238	4
7,293	7,296	3
7,308	7,311	3
7,330	7,332	2
7,360	7,371	11
7,409	7,412	3
Total		66

Hole Size: 7 7/8"
Csg. Size: 40 JTS 5 1/2" 17# K-55 LT&C
 150 JTS 5 1/2" 15.5# K-55 LT&C
Set @: 7800'
Sks. Cmt.: 2045 SKS 2 STAGES DV TOOL @ 4775'
TOC @: SURFACE
Circ: Y/N: Y 165 SKS

Top Granite Wash @ 7,413'

Updated:
By:

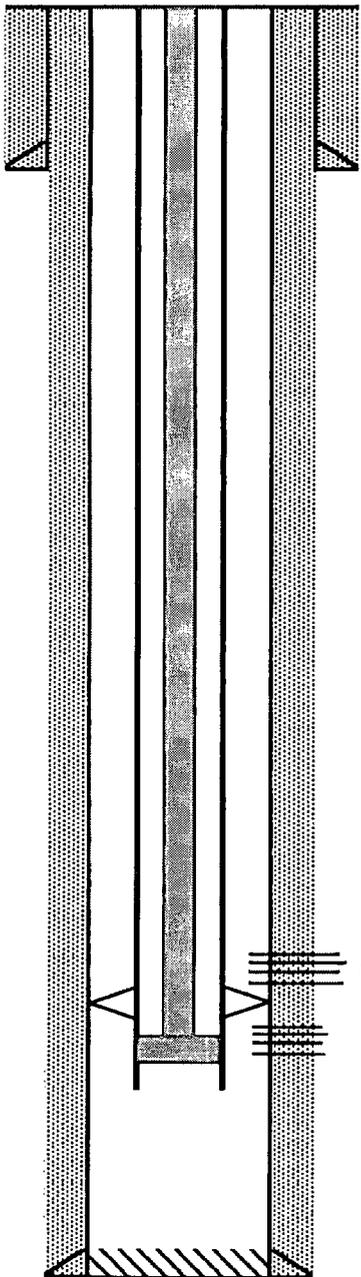
PBTD: 7754'
TD: 7800'

Lease Name: Alice Paddock
 Well No. 10
 Location: 1980' FSL & 660' FEL
 Sec.: 1
 TOWNSHIP/RNGT T22S \ R37E
 COSTCENTER: UCU463400

Field: Blinebry Oil & Gas
 Reservoir: Blinebry
 GE: 3352'
 KB: 3366'
 DFE: _____
 Status: OIPR

API No. : 30-025-29117
 REFNO: FO6552
 Spud Date: 8/21/1985
 Comp. Date: 10/17/1985
 County: LEA
 State: NM

N 32° 25' 8.58", W -103° 6' 35.1" (NAD27)



Hole Size: 12 1/4"
 Csg. Size: 8 5/8" 24# K-55
 Set @: 1247'
 Sks. Cmt.: 450 SKS
 TOC @: SURF
 Circ: Y/N: Y 72 SKS

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.

177 JTS 2 3/8" 4.7# J-55T&C EUE	5627.8	5627.8
1 5 1/2" X 2 3/8" TAC @ 5628'	3	5630.8
4 JTS 2 3/8" 4.7# J-55T&C EUE	127.16	5757.96
1 2 3/8" SN @ 5758'	1.1	5759.06
1 2 3/8" BPMJ	31	5790.06
1 1.25" SM - PR	22	22
65 7/8" N-78 D SUCKER RODS	1625	1647
164 3/4" N-78 D SUCKER RODS	4100	5747
1 3/4" N-78 D ROD SUB	4	5751
1 ROD PUMP - 20-150-TWBC-20-4	20	5771

TAC @ 5628'

SN @ 5758'

BLINEBRY
 5566-5762' W/ 13.45" HOLES

Hole Size: 7 7/8"
 Csg. Size: 40 JTS 5 1/2" 17# K-55 LT&C
150 JTS 5 1/2" 15.5# K-55 LT&C
 Set @: 7800'
 Sks. Cmt.: 2045 SKS 2 STAGES DV TOOL @ 4775'
 TOC @: SURFACE
 Circ: Y/N: Y 165 SKS

PBD: 7754'
 TD: 7800'

Updated: _____
 By: _____