

Submit 1 Copy To Appropriate District
Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88340
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 OCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

SEP 03 2013

RECEIVED

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 ☐	7. Lease Name or Unit Agreement Name HUGH
2. Name of Operator CHEVRON U.S.A. INC.	8. Well Number 17
3. Address of Operator 15 SMITH ROAD, MIDLAND, TEXAS 79705	9. OGRID Number 4323
4. Well Location Unit Letter: D 1129 feet from the NORTH line and 782 feet from the WEST line Section 14 Township 22S Range 37E NMPM County LEA	10. Pool name or Wildcat PENROSE; SKELLY, GRAYBURG SA
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: ACIDIZE, SCALE 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 INTENDS TO SCALE SQZ, AND ACIDIZE THE GRAYBURG & SAN ANDRES FORMATION.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE & WELLBORE DIAGRAM.

CHEVRON WILL USE THE CLOSED-LOOP SYSTEM WITH A STEEL TANK & HAUL TO THE REQUIRED DISPOSAL, PER THE OCD RULE 19.15.17.

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

TITLE: REGULATORY SPECIALIST

DATE: 08/29/2013

Type or print name: DENISE PINKERTON

E-mail address: leakejd@chevron.com

PHONE: 432-687-7375

For State Use Only

APPROVED BY:

TITLE

Dist. Mgr

DATE

9-25-2013

Conditions of Approval (if any):

SEP 25 2013

Current Wellbore Schematic

WELL (PN): HUGH 17(CVX) (611246)
 FIELD OFFICE: HOBBS
 FIELD: PENROSE/SKELLY/GRAYBURG
 STATE / COUNTY: NEW MEXICO / LEA
 LOCATION: SEC 14-22S-37E, 1129 FNL & 782 FWL
 ROUTE: HOB-NM-ROUTE 15- BARBARA LYDICK
 ELEVATION: GL: 3,375.0 KB: 3,387.0 KB Height: 12.0
 DEPTHS: TD: 4,200.0

API #: 3002537855

Serial #:

SPUD DATE: 8/2/2006

RIG RELEASE: 8/14/2006

1ST SALES GAS:

1ST SALES OIL: 9/21/2006

CURRENT STATUS: PRODUCING

Original Hole, 8/12/2013 6:15:30 AM		Deepest TVD																																																																									
MD (ftK B)	Vertical schematic (actual)	Wellbore Name Original Hole	Max TVD (ftKB) 4,175.89																																																																								
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Well History

Date	Event
9/23/2006	First oil and gas sales to CEMI.



Acid Job and Scale Squeeze Program

Date: 08/12/2013

Well: Hugh #17
Reservoir/Field: Reservoirs: Grayburg/ San Andres
Field: Penrose/ Skelly/ Grayburg
Surface Location: Sec 14-22S-37E 1129 FNL 782 FWL
GPS (NAD27) – (Long, Lat): N32° 23' 46.36", W-103° 8' 28.21"
API No: 30-025-37855
Cost Center:
Chevron Ref. No.:
WBS #:

Job: Acidizing and Scale Squeezing existing perforations (Grayburg & San Andres).

BRIEF BACKGROUND OF THE JOB:

The Hugh #17 well has been completed to produce hydrocarbons from the San Andres and Grayburg formations within the intervals 3632'-3829'; 3873'-4030'. The bottom set of perforations (4090'-4100') was abandoned (isolated by a CIBP with 10ft of cement on top). The current plug back TD is at 4070'.

This well continues to produce with current rates at 31 MCF/d and 1 BOPD. With the proposed acid job, it is anticipated that production will be lifted up to an average of 90 mcf/d and 5.0 BOPD. Based on paraffin & scale history in the San Andres, it is believed that this could be among the reasons why the production rate has dropped.

Current proposal is to acidize the existing formation in order to restore gas and oil production. I also anticipate adding at a later date more intervals in the Queen & Seven Rivers formation, should water handling be of no serious concern.

CURRENT HOLE CONDITION:

Total Depth: 4,200' PB: (4,199'-4,200') PB - Fill (sand) TAC: 3,375' KB: +12'
PBTD: (4,070'-4,080') PBTD-(CIBP & Cement)

Casing Record:

8 ⁵/₈" 24# J-55, set w/450 sks Class C cement. TOC-Surface (Circ 125 sks)

5 ¹/₂" 15.5# J-55, set w/525 sks Class C cement. TOC - Surface, Circ 275 sks at 4,200'

Existing Perforations:

Grayburg: 3,632'-3,829'

San Andres: 3,873'-4,030'

REGULATORY REQUIREMENTS:

Submit C-103 Notice of Intent & Subsequent Reports (to be completed by engineering staff)

PREWORK:

1. Utilize the rig move check list.
2. Check anchors and verify that a pull test has been completed in the last 24 months.
3. Ensure location of & distance to power lines is in accordance with MCBU SWP. Complete an electrical variance and RUMS if necessary.
4. Ensure that location is of adequate build and construction.
5. Ensure that elevators and other lifting equipment are inspected. Calliper 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 obstruction 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 sand line, 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:

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. Should this procedure not reflect actual operations, please contact RE, PE and Superintendent for MOC.

NOTE: Schedule Petroplex Representative to be present prior to job commencement.

RIG UP WO UNIT/ PULL WELL EQUIPMENT OUT OF HOLE

1. MI & RU workover unit.
2. Verify that well does not have pressure or flow. If the well has pressure, note tubing and casing pressures on WellView report. Bleed down well and kill with cut brine, if necessary.
3. Un-hang well. Pull out of hole laying down pump and rods. Note condition of rods and couplings while pulling out of hole.
4. Nipple down wellhead, Release TAC at 3,374'.
5. Nipple up 7 1/16" 5,000 psi BOP with 2 7/8" pipe rams over blind rams.
6. Lay down 1 joint of 2 7/8" tubing. Pick up 5 1/2" test packer on 1 joint 2 7/8" tubing. Pressure test BOP to 500 psi low, 1,000 psi high.
7. Release packer, pull out and lay down packer.
8. Carefully run in hole and tag. Note tag depth in reports.
9. Scan out of hole with tubing. (Yellow band OK to run back.)
Note: If tag above 4,030', proceed with cleanout as per next step. If tag below 4,030', skip to step 13.
10. Make up and run in hole with the following BHA:
 - A. 4 3/4" mill tooth bit.
 - B. 6 ea. 3 1/2" OD Drill Collars
 - C. 2 3/8" IF Pin X 2 7/8" EUE Box
 - D. 2 7/8" 6.5# J-55 production tubing.
11. Run in hole and tag for fill. Cleanout to PBTD at 4,070'.
12. Pull out of hole with tubing, drill collars and bit.
13. Hydrotest in hole to 6,000 psi with tubing and treating packer to +/- 3,575'.
14. Set packer at +/- 3,575'.
15. Load and test the 5 1/2" X 2 7/8" annulus to 500 psi.
16. Move in and rig up treating company. Acidize perfs with 6,000 gallons 15% HCL at +/- 5 bbls/min in 3 stages with salt block as diverter. Flush acid with 75 barrels fresh water
17. Shut well in 4 hours for acid to spend as per Petroplex recommendation.
18. Flow and/or swab load back. If flow back is needed, see separate procedure below.
19. Pump scale squeeze as per chemical company's recommendation.
20. Release packer, pull out of hole laying down 2 7/8" tubing.
21. RIH with 2 7/8" production tubing, hydrotest to 5000 psi. Set TAC as per attached tubing detail.
22. Have the kill truck load 5 gallons biocide and 20 gallons of soap with their water on the last day of the job. After the tubing is loaded, pump the remaining down the backside.
23. ND BOP, NU WH, RIH with rods and rod pump per attached rod detail.
24. R/D and release Workover unit.

25. Turn well over to production.

Hugh #17		KB = 12 ft						
		Tubing Detail						
			Top	Bottom				
10 ft	2 7/8" Tubing Sub		12	22				
+/- 106 jts	2 7/8" 6.5# J-55 tubing jts		22	3381				
3 ft	2 7/8" x 5 1/2" TAC		3381	3384				
+/- 20 jts	2 7/8" 6.5# J-55 tubing jts		3384	4015				
1 ft	2 7/8" SN		4015	4016				
4 ft	2 7/8" Perf Tubing Sub		4016	4020				
31 ft	2 7/8" Bull Plug Mud Anchor		4020	4051				
	EOT @ +/- 4051'							
		Rod Detail						
			Top	Bottom				
26 ft	1 1/2" SM Polished Rod		12	38				
2 ft	7/8" Rod Sub		38	40	(use 7/8" rod subs at top of string			
47 jts	7/8" KD Rods*		40	1215	to space out 1 ft off bottom)			
101 jts	3/4" KD Rods*		1215	3740				
10 jts	1 1/4" K Sinker Bars		3740	3990				
24 ft	2-1/2"x2"x24' RHBC Insert Pump		3990	4014				
10 ft	1 1/4" Gas Anchor		4014	4024				
	*use same grade rods in the wellbore							

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. **Set up an exclusion zone around flowback line.**
 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 $\frac{3}{4}$ " MT bit, four (3 $\frac{1}{2}$ ") drill collars on 2 $\frac{7}{8}$ " 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 4,070' 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.