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

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

OCT 10 2013
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Form C-103
Revised July 18, 2013

WELL API NO. 30-025-24603	
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 E.W. WALDEN
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 11
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: M 990 feet from the SOUTH line and 660 feet from the WEST line Section 15 Township 22S Range 37E NMPM County EDDY	
	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 ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: REPAIR CSG LEAK & ACIDIZE		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 REPAIR THE CSG LEAK & ACIDIZE THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE & WELLBORE DIAGRAM.

DURING THIS PROCEDURE WE PLAN TO 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 Denise Pinkerton TITLE REGULATORY SPECIALIST DATE 10/08/2013

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 10-15-2013

Conditions of Approval (if any):

OCT 15 2013

Chevron

EW Walden 11

Current Conditions:

5 ½" 14.0# production casing set at 4,611' with cement circulated to surface.

8 5/8" 24# surface casing set at 362' with cement circulated to surface.

Description of work:

Failed MIT test. Squeeze suspected casing leak at 233'-265', acidize well with rock salt diversion and return to production.

***Note: If the first cement squeeze is unsuccessful or if the job costs exceeds $250,000, contact Jay Stockton (432) 687- 7791 or Alyssa Davanzo (432) 687-7659.**

Pre-Work:

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 an open wellhead (EPA, etc.) ensure the hole is covered to avoid dropping anything down hole
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 (attached).
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 sandline, slickline, eline 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. Move in and rig up pulling unit and related equipment.
   Note: Obtain inspected string of tubing from 1788 yard to perform work and use as production tubing.
2. Open well, check pressures. Kill well as required.
3. Nipple down wellhead.
4. Nipple up 7 1/16" 5,000 psi BOP with 2 7/8" pipe rams over blind rams.
5. Pull out of hole and lay down the 4 joints of 2 3/8" tubing currently in well. Call Production Engineer, Alyssa Davanzo, if any paraffin is found on equipment.
6. Pick up 5 ½" test packer on 1 joint 2 7/8" tubing. Pressure test BOP to 250 psi low, 500 psi high.
7. Continue running in hole with 5 ½" tension packer to +/- 285'. (RBP set at 300' with 1 sx sand on top.)
8. Load casing and tubing. Open surface and production casing valves.
9. Set packer. Test RBP to 500 psi. Monitor casing for any leaks.
10. Release packer.
11. Pull up hole and isolate suspected casing leak at 233'-265'. Do not exceed 300 psi on casing annulus to prevent breaking down previous squeeze at 106'. Establish good leak off rate and/or injection rate. Isolate leak within 15' if possible.
12. Once top of casing leak has been identified, load and test tubing/casing annulus to 300 psi. Do not exceed 300 psi on casing annulus to prevent breaking down previous squeeze at 106'.
13. Pull out of hole with tubing and packer.
14. Run in hole with open ended tubing to 10' below bottom of casing leak as identified in step 11.
15. Move in and rig up cement company. Mix and spot a 25sx cement plug from 10' below leak. Cement to be class "C" with 3/10% Hallad 322 or equivalent.
16. Slowly pull out of hole with tubing.
17. Squeeze well with 500 psi while monitoring surface casing for any flow. Maintain 500 psi on squeeze job for a minimum of 6 hours.
18. Leave well shut in for a minimum of 48 hours.
19. Pick up 4 7/8" mill tooth bit and 3 ½" drill collars. Drill out cement.
20. Test squeeze to 300 psi maximum. If squeeze holds, obtain good test chart for regulatory.
21. Pull out of hole with bit and drill collars.
22. Run in hole with tubing and RBP retrieving head.
23. Circulate sand off of RBP set at 300'.
24. Latch, release and retrieve RBP.
25. Run in hole with tubing and RBP retrieving head to RBP at 3,460'.
26. Circulate well clean.
27. Latch, release and retrieve RBP.
28. RIH with 4 7/8" bit and drill collars.
29. Clean out to below bottom perf to ~4,000' (CIBP will be set at 3,940'). Follow foam /air clean out procedure on page 4.
30. Pull out of hole with tubing, drill collars and bit.

31. MIRU wireline company. Install lubricator and test as required.
32. RIH with a gauge ring and tag fill. POOH with gauge ring.
33. PU and GIH with 5 ½" CIBP to about 3900'. Set CIBP at 3940'.
34. Pick up and run in hole with 5 ½" treating packer.
35. Set packer at +/- 3,700'.
36. Load and test annulus to 300 psi maximum.
37. Rig up Petroplex. Acidize open perfs with 4,000 gallons 15% HCL in one stage using rock salt for diversion. Pump the following acid components at 3,500 psi maximum treating pressure:

Table 1: Acid Components

EP-3 Non Emulsion	2 gpt
DX- Iron Control Additive	5 gpt
BX- Activator ICH	2 gpt
I8- Inhibitor	2 gpt

Monitor annulus pressure throughout acid job. **Do not let annulus pressure to exceed 300 psi.**

38. Flush acid with 75 barrels fresh water.
39. Flow/Swab acid load back as necessary.
40. Release packer, pull out of hole with tubing and packer.
41. Run in hole with 4 7/8" bit on 2 7/8" tubing. Clean out salt and any remaining fill to CIBP at 3,940'.
42. Pull out of hole with tubing and bit.
43. Run in hole with 5 ½" treating packer on production tubing.
44. Pump a mixture of 30 bbls of brine and 2 drums of Baker SCW-358 scale inhibitor under the packer. Pump at maximum rate of 5 BPM.
45. Displace scale squeeze with 50 bbls of brine.
46. Release packer. Pull out of hole with packer and tubing.
47. Run production equipment as per engineer design.
48. RDMO and 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 ½") drill collars on 2 7/8" production tubing.
    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 4000' 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.

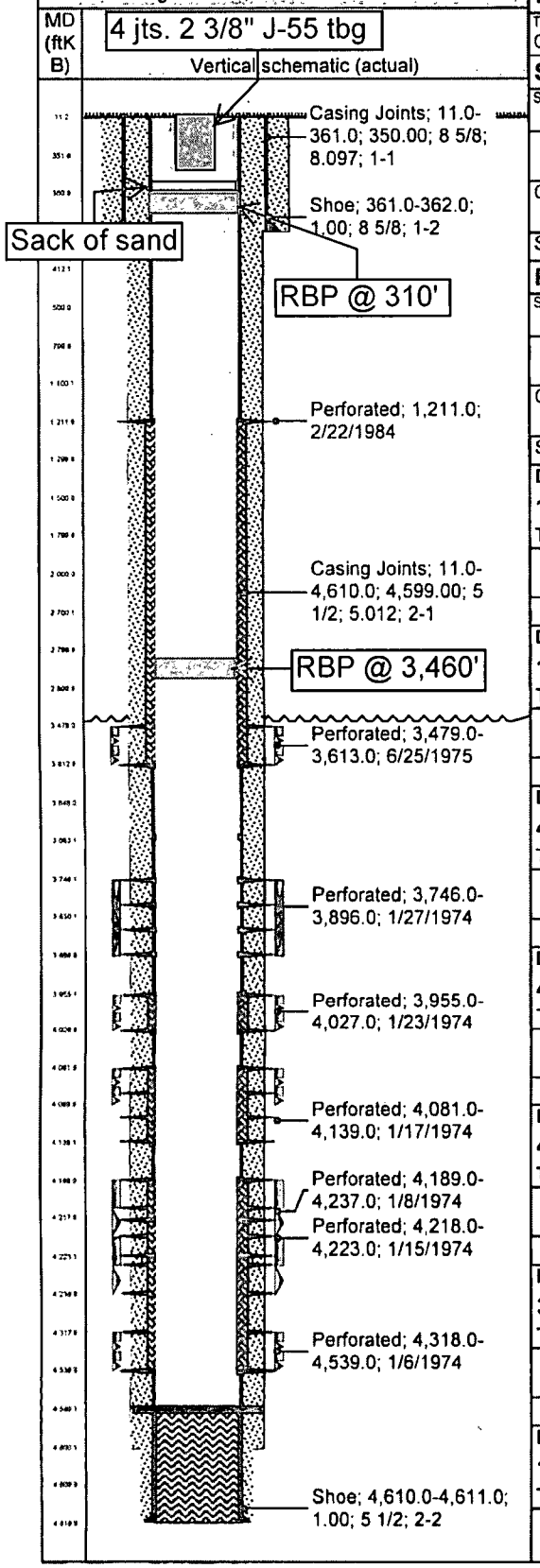
Before rigging up power swivel to rotate, carefully inspect Kelly hose to ensure that it is in good condition. Ensure that swivel packing is in good condition.

Continue on with original procedure for completion.

Current Wellbore Schematic

WELL (PN): E W WALDEN 11(CVX) (891421)
FIELD OFFICE: HOBBS
FIELD: Penrose-Skelly
STATE / COUNTY: NEW MEXICO / LEA
LOCATION: SEC 15-22S-37E, 990 FSL & 660 FWL
ROUTE: HOB-NM-ROUTE 12- RYAN DEAN
ELEVATION: GL: 3,397.0 KB: 3,408.0 KB Height: 11.0
DEPTHS: TD: 4,600.0

API #: 3002524603
Serial #:
SPUD DATE: 12/4/1973
RIG RELEASE: 12/13/1973
1ST SALES GAS:
1ST SALES OIL: 2/1/1974
Current Status: SHUTIN



Pumping Units

Type	Make	Model	SPM	SL (in)	Install Date
Conventional Crank	American			0.00	2/1/1974

Surface Casing; Set @ 362.0 ftKB ; Original Hole

Set Tension (kips)	Mud Weight	Cut Pull Date	Depth Cut Pull (ftKB)

Item Des	OD (in)	ID (in)	Drift (in)	Wt (lb/ft)	Grade	Top Thread	Top (ftKB)	Btm (ftKB)	Len (ft)
Casing Joints	8 5/8	8.097	7.972	24.00	J-55	ST&C	11.0	361.0	350.00
Shoe	8 5/8						361.0	362.0	1.00

Production Casing; Set @ 4,611.0 ftKB ; Original Hole

Set Tension (kips)	Mud Weight	Cut Pull Date	Depth Cut Pull (ftKB)

Item Des	OD (in)	ID (in)	Drift (in)	Wt (lb/ft)	Grade	Top Thread	Top (ftKB)	Btm (ftKB)	Len (ft)
Casing Joints	5 1/2	5.012	4.887	14.00	J-55	ST&C	11.0	4,610.0	4,599.00
Shoe	5 1/2						4,610.0	4,611.0	1.00

Description: Surface Casing Cement
11.0-362.0
Top of Cement (ftKB): 11.0 **Top Measurement Method:**

Fluid	Pump Start Date	Amount (sacks)	Class	Dens (lb/gal)	Vol Pumped (bbl)	Yield (ft³/sack)
		150	C			

Description: Production Casing Cement
11.0-4,611.0
Top of Cement (ftKB): 11.0 **Top Measurement Method:**

Fluid	Pump Start Date	Amount (sacks)	Class	Dens (lb/gal)	Vol Pumped (bbl)	Yield (ft³/sack)
		315	C			

Description: Cement Squeeze
4,218.0-4,237.0
Top of Cement (ftKB): 4,218.0 **Top Measurement Method:**

Fluid	Pump Start Date	Amount (sacks)	Class	Dens (lb/gal)	Vol Pumped (bbl)	Yield (ft³/sack)
	1/16/1974	275	C			

Description: Cement Squeeze
4,189.0-4,539.0
Top of Cement (ftKB): 4,189.0 **Top Measurement Method:**

Fluid	Pump Start Date	Amount (sacks)	Class	Dens (lb/gal)	Vol Pumped (bbl)	Yield (ft³/sack)
	1/11/1974	400	C			

Description: Cement Squeeze
4,081.0-4,139.0
Top of Cement (ftKB): 4,081.0 **Top Measurement Method:**

Fluid	Pump Start Date	Amount (sacks)	Class	Dens (lb/gal)	Vol Pumped (bbl)	Yield (ft³/sack)
	1/22/1974	111	C			

Description: Cement Squeeze
3,955.0-4,027.0
Top of Cement (ftKB): 3,955.0 **Top Measurement Method:**

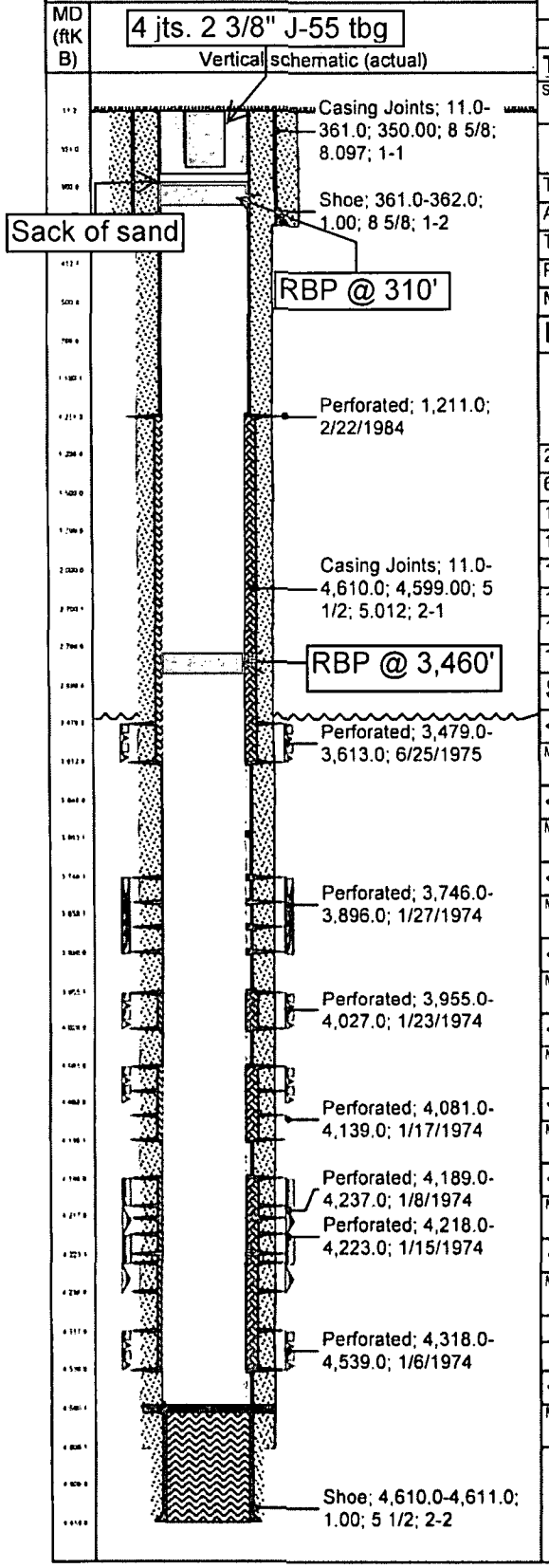
Fluid	Pump Start Date	Amount (sacks)	Class	Dens (lb/gal)	Vol Pumped (bbl)	Yield (ft³/sack)
	1/16/1974	225	C			

Description: Cement Squeeze
1,211.0-3,613.0
Top of Cement (ftKB): 1,211.0 **Top Measurement Method:**

Current Wellbore Schematic

WELL (PN): E W WALDEN 11(CVX) (891421)
FIELD OFFICE: HOBBS
FIELD: Penrose-Skelly
STATE / COUNTY: NEW MEXICO / LEA
LOCATION: SEC 15-22S-37E, 990 FSL & 660 FWL
ROUTE: HOB-NM-ROUTE 12- RYAN DEAN
ELEVATION: GL: 3,397.0 KB: 3,408.0 KB Height: 11.0
DEPTHS: TD: 4,600.0

API #: 3002524603
Serial #:
SPUD DATE: 12/4/1973
RIG RELEASE: 12/13/1973
1ST SALES GAS:
1ST SALES OIL: 2/1/1974
Current Status: SHUTIN



Fluid	Pump Start Date	Amount (sacks)	Class	Dens (lb/gal)	Vol Pumped (bbl)	Yield (ft³/sack)
	1/16/1974	250	C			

Tubing String: Tubing - Production

Set Depth (ftKB)	Wellbore	Run Date	Pull Date	Cut Pull Date	Depth Cut Pull (ft...
3,915.5	Original Hole	8/5/2008	2/12/2013		

Item Des	OD (in)	ID (in)	Drift (in)	Wt (lb/ft)	Grade	Top (ftKB)	Btm (ftKB)	Len (ft)	Jts
Tubing	2 3/8					11.0	3,660.0	3,649.00	
Anchor/catcher	2 3/8					3,660.0	3,663.0	3.00	
Tubing	2 3/8					3,663.0	3,883.5	220.50	
Pump Seating Nipple	2 3/8					3,883.5	3,884.5	1.00	
Mule Shoe	2 3/8					3,884.5	3,915.5	31.00	

Perforations

Date	Zone	Top (ftKB)	Btm (ftKB)	Shot Dens (shots/ft)	Current Status
2/22/1984		1,211.0	1,211.0	1.0	Squeezed
6/25/1975	QUEEN, Original Hole	3,479.0	3,613.0	1.0	Squeezed
1/27/1974	GRAYBURG, Original Hole	3,746.0	3,896.0	1.0	
1/23/1974	SAN ANDRES, Original Hole	3,955.0	4,027.0	1.0	Squeezed
1/17/1974	SAN ANDRES, Original Hole	4,081.0	4,139.0	1.0	Squeezed
1/8/1974	SAN ANDRES, Original Hole	4,189.0	4,237.0	1.0	Squeezed
1/15/1974	SAN ANDRES, Original Hole	4,218.0	4,223.0	1.0	Squeezed
1/6/1974	SAN ANDRES, Original Hole	4,318.0	4,539.0	1.0	Squeezed

Stimulations & Treatments

<Zone/Formation?>, <Stage Number?>, Acidizing, 6/25/1975

Min Top Dep...	Max Btm De...	Total Clean...	Avg Treat Pr...	Q Treat Avg...	Post ISIP (psi)	Comment
3,479.0	3,613.0	23.81			0.0	

<Zone/Formation?>, <Stage Number?>, Sand Frac, 6/25/1975

Min Top Dep...	Max Btm De...	Total Clean...	Avg Treat Pr...	Q Treat Avg...	Post ISIP (psi)	Comment
3,746.0	3,896.0	1428.57			1,200.0	

<Zone/Formation?>, <Stage Number?>, Sand Frac, 1/30/1974

Min Top Dep...	Max Btm De...	Total Clean...	Avg Treat Pr...	Q Treat Avg...	Post ISIP (psi)	Comment
3,746.0	3,896.0	1428.57	3,100.0		1,400.0	

<Zone/Formation?>, <Stage Number?>, Acidizing, 1/29/1974

Min Top Dep...	Max Btm De...	Total Clean...	Avg Treat Pr...	Q Treat Avg...	Post ISIP (psi)	Comment
3,850.0	3,896.0	16.67	1,700.0			

<Zone/Formation?>, <Stage Number?>, Acidizing, 1/23/1974

Min Top Dep...	Max Btm De...	Total Clean...	Avg Treat Pr...	Q Treat Avg...	Post ISIP (psi)	Comment
3,955.0	4,027.0	23.81	2,500.0		1,150.0	

<Zone/Formation?>, <Stage Number?>, Acidizing, 1/21/1974

Min Top Dep...	Max Btm De...	Total Clean...	Avg Treat Pr...	Q Treat Avg...	Post ISIP (psi)	Comment
4,081.0	4,090.0	4.00	1,500.0		0.0	

<Zone/Formation?>, <Stage Number?>, Acidizing, 1/15/1974

Min Top Dep...	Max Btm De...	Total Clean...	Avg Treat Pr...	Q Treat Avg...	Post ISIP (psi)	Comment
4,189.0	4,237.0	11.90	2,300.0		1,050.0	

<Zone/Formation?>, <Stage Number?>, Acidizing, 1/7/1974

Min Top Dep...	Max Btm De...	Total Clean...	Avg Treat Pr...	Q Treat Avg...	Post ISIP (psi)	Comment
4,318.0	4,539.0	11.90	2,100.0		1,700.0	

Sand Size	Type	Amount	Conc (lb/gal)

<Zone/Formation?>, <Stage Number?>, Acidizing, 1/7/1974

Min Top Dep...	Max Btm De...	Total Clean...	Avg Treat Pr...	Q Treat Avg...	Post ISIP (psi)	Comment
4,318.0	4,539.0	71.43	2,200.0		1,400.0	