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
OCT 17 2013
RECEIVED

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. 30-025-03109

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: HOBBS "N" STATE

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: VACUUM; BLINEBRY

4. Well Location
Unit Letter C 330 feet from the NORTH line and 1650 feet from the WEST line
Section 8 Township 18S Range 35E 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: INTENT TO FRAC STIMULATE THE BLINEBRY | | 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 FRAC STIMULATE THE SUBJECT WELL.
PLEASE FIND ATTACHED, THE INTENDED PROCEDURE & WELLBORE DIAGRAM.

DURING THIS PROCEDURE WE PLAN TO USE THE CLOSED LOOP SYSTEM WITH AT STEEL TANK AND 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: 10/15/2013

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

**For State Use Only**

APPROVED BY: TITLE Petroleum Engineer DATE OCT 22 2013

Conditions of Approval (if any):

OCT 22 2013

**Well:** Hobbs "N" No. 2
**Field:** Vacuum (Blinebry)
**API No.:** 30-025-03109
**Eddy County, New Mexico**

**Description of work:** Sand frac the Blinebry.

**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 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 (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. Rig up pulling unit. Check wellhead pressure, and kill well as necessary.
2. Pull rods and pump. Inspect rods for signs of wear, corrosion, scale, etc. Note any rod damage in WellView.
3. ND wellhead. NU 5,000 psi BOP with 2-7/8" pipe rams over blinds. Unset TAC set at 5926. RIH with 1 joint of 2-7/8"tubing and 5-1/2" packer. Set packer. Test BOP to 250 psi low / 500 psi high.
4. POOH with packer & continue to TOH with 2-7/8" tubing while scanning. Lay down bad joints (yellow band joints OK to rerun).
5. Change out rams in BOP from 2-7/8" to 3-1/2". RIH w/ test packer and test 3-1/2" rams to 250 psi low/500 psi high.

**Well:** Hobbs "N" No. 2
**Field:** Vacuum (Blinebry)
**API No.:** 30-025-03109
**Eddy County, New Mexico**

6. TIH w/ 5-1/2" packer on 3-1/2" L-80 workstring. Test tubing to 8,000 psi going in the hole.
7. Set packer at 5,975'. Test backside to 500 psi.
8. NU frac valve.
9. MI 6 frac tanks and set on location. Fill with fresh water.
10. RU Baker and frac Blinebry formation with 85,500 gallons gelled water, 8,000 lbs Lite Prop, 73,500 lbs 16-30 sand and 15,000 lbs 16-30 resin coated sand as per schedule. Pump frac at 50 BPM. Max pressure = 8,000 psi.
11. RDMO Baker frac equipment.
12. Shut in well over night to allow the gel to break and to allow the resin coated sand to set in place.
13. Kill well if necessary. ND frac valve.
14. POOH & laydown packer.
15. Change out BOP pipe rams from 3-1/2" to 2-7/8". Test to 250 psi low/500 psi high.
16. TIH with 4-3/4" MTB on 2-7/8" production tubing and clean out to 6625' (PBTD).
17. TOH and lay down bit.
18. RIH with production tubing from the bottom up as follows: 2-7/8" bull plug, 2-7/8" X 20' 0.012" mesh sand screen, 2-7/8" 316SS mechanical set SN, 2 2-7/8" enduroalloy joints and 2-7/8" tubing to surface. The SN will be set @ 6600' and the tubing anchor will be set @ 5,900'. Hydrotest production tubing to 6,000 psi below the slips.
19. ND BOP. NU wellhead.
20. RIH with pump and rods.
21. Rig down pulling unit.
22. Place well on production and test.

PTB 9/12/13

Contacts:

| | |
|---|---|
| Remedial Engineer – Evan Asire | (432-687-7784 / Cell: 432-301-2067) |
| Production Engineer – Paul Brown | (432-687-7351 / Cell: 432-238-8755) |
| ALCR – Danny Acosta | (Cell: 575-631-9033) |
| D&C Ops Manager – Boyd Schaneman | (432-687-7402 / Cell: 432-238-3667) |
| D&C Supt. – Heath Lynch | (432-687-7857 / Cell: 281-685-6188) |
| OS – Nick Moschetti | (Cell: 432-631-0646) |
| Baker Frac Rep – Kellyn Gavin | (Cell: 432-202-1336) |

# Hobbs "N" State No. 2

| | | | | | |
|---|---|---|---|---|---|
| Created: | 12/12/11 | By: CHAY | Well #: | 2 | St. Lse: |
| Updated: | | By: | API | 30-025-03109 | |
| Updated: | | By: | | | |
| Lease: | Hobbs 'N' State | | Unit Ltr.: | C | Section: 8 |
| Field: | Vacuum (Drinkard) | | TSHP/Rng: | T18S; R35E | |
| Surf. Loc.: | 330' FNL & 1650' FWL | | Unit Ltr.: | | Section: |
| Bot. Loc.: | | | TSHP/Rng: | | |
| County: | Lea | St.: NM | Directions: | | |
| Status: | P&A'd 10/19/2004 | | Chevno: | | |

## Proposed Wellbore

*Surface Casing*

| | |
|---|---|
| Size: | 13 3/8" |
| Wt., Grd.: | 35.6# |
| Depth: | 314' |
| Sxs Cmt: | 310 |
| Circulate: | yes |
| TOC: | Surface |
| Hole Size: | 17 1/2" |

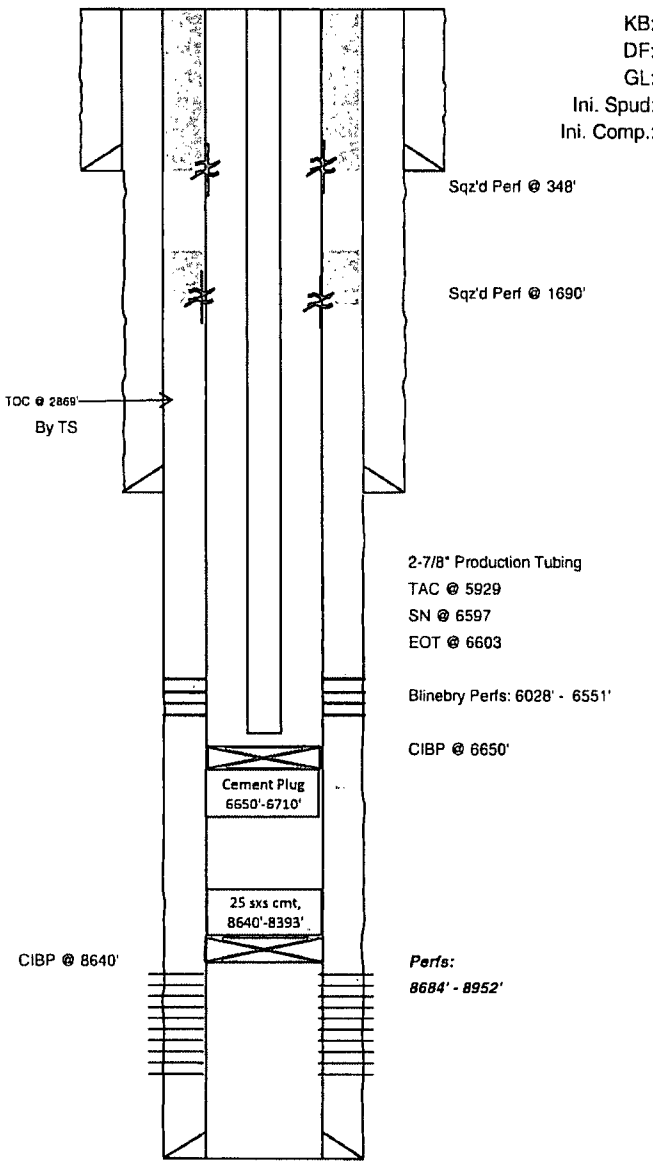
*Intermediate Casing*

| | |
|---|---|
| Size: | 8-5/8" |
| Wt., Grd.: | 32#, J-55 |
| Depth: | 3275' |
| Sxs Cmt: | 1100' |
| Circulate: | yes |
| TOC: | Surf-by Calc |
| Hole Size: | 11" |

| Formation Tops | |
|---|---|
| T/Salt | 1690' |
| B/Salt | 2916' |
| T/Yates | 3037' |
| T/7Rvs | 3393' |
| T/Queen | 4053' |
| T/Grayburg | 4495' |
| T/Penrose | 4246' |
| T/San Andres | 4864' |
| T/Clearfork | 7540' |
| T/Drk | 8194' |

*Production Casing*

| | |
|---|---|
| Size: | 5-1/2" |
| Wt., Grd.: | 17# |
| Depth: | 8969' |
| Sxs Cmt: | 779 |
| Circulate: | No |
| TOC: | 2869' TS |
| Hole Size: | 7-7/8" |




KB: 3969'
DF: 3967'
GL: 3953'
Ini. Spud: 01/21/62
Ini. Comp.: 02/25/62

Sqz'd Perf @ 348'

Sqz'd Perf @ 1690'

2-7/8" Production Tubing
TAC @ 5929
SN @ 6597
EOT @ 6603

Blinebry Perfs: 6028' - 6551'

CIBP @ 6650'

***Perfs:***
***8684' - 8952'***

PBTD: 8961'
TD: 8970'