HOBBS OCD

MAR 14 2014

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OCD Hobbs

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

5. Lease Serial No.
NMNM85957

6. If Indian, Allottee or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
FEDERAL 24 #1

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

9. API Well No.
30-025-33182

3a. Address
15 SMITH ROAD
MIDLAND, TEXAS 79705

3b. Phone No. *(include area code)*
432-687-7375

10. Field and Pool or Exploratory Area
WARREN EAST

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
660 FSL, & 660 FWL, SEC 24, U.M, T-20S, R-38E

11. County or Parish, State
LEA, NEW MEXICO

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other ACIDIZE SCALE SQUEEZE
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

CHEVRON U.S.A. INC. INTENDS TO ACIDIZE & SCALE SQUEEZE DHC UNDER PKR IN THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE,

DURING THIS PROCESS, WE PLAN TO USE THE CLOSED LOOP SYSTEM WITH A STEEL TANK AND HAUL TO THE REQUIRED DISPOSAL, PER THE OCD RULE 19.15.17.

DHC-2588

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
DENISE PINKERTON

Title REGULATORY SPECIALIST

Signature Denise Pinkerton

Date 11/27/2013

APPROVED
MAR 11 2014
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

MAR 18 2014

9.16.2013

Federal 24 #1 – [30-025-33182]
Warren East field
T20S, R38E, Section 24
N 32° 33' 10.4034", W -103° 6' 29.1594" (NAD27)
Job: Acidize & Scale Squeeze DHC under packer

***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* 1000 PPM* 109 MCF ^0.6258 = 25 FEET
500 PPM ROE = 0.0004546* 1000 PPM* 109 MCF ^0.6258 = 12 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 and 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.
6. 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'.
7. Review JSA and hazards with rig crew. Visually inspect wellhead, casing and tubing valves. Decide whether tubing and casing valves can be used; replace as needed.
8. Scout location and mark off anything that might be hazardous to daily operations.

Reminders:

1. Caliper all lifting equipment at the beginning of each day or when sizes change. **Note in JSA and record on Elevator Change-out Log when and what items are callipered.**
2. When NU anything over an open wellhead (BOP, EPA, etc.) ensure the hole is covered to avoid dropping anything downhole.
3. Ensure well is secure/shut in with blind rams between job stages (nothing in well).
4. If pumping any cement, plugging back a well or changing producing intervals, contact OCD.
5. 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.
6. Hold safety meetings with all personnel on location prior to any major or abnormal operation.

Procedure:

1. Verify that well does not have pressure/flow. If well has pressure, record tubing and casing pressures on WellView report. Bleed down well; if necessary, kill with cut brine fluid (8.6 ppg).

2. MI & RU Workover unit.

3. 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 [*Blinds on bottom, 2-7/8" pipe rams on top*]. NU EPA equipment and RU rig floor.

4. POOH & LD 1 joint 2-7/8" tbg, PU 5-1/2" packer and set @ ~ 25'. Close and test BOP pipe rams to 250psi (low)/ 1000psi (high). Record testing pressures on WellView report (Time log and safety/inspections). Release and LD packer.

5. PU tubing and run back in hole to tag for fill.
   Depths: (TAC 5,980', Bottom Perfs 6,777', EOT 6,833', PBTD 7,905')

6. RU Scanners and POOH while scanning all 2-7/8" 6.5# J-55 production tubing. LD all non-yellow band joints. If fill is tagged:
   a. Above 6,850', contact production engineer and verify if the cleanout is necessary. If so, proceed to step #7.
   b. Below 6,850', skip to step #8.

   Note: Strap pipe out of the hole to verify depths and note them on WellView report. Send scan report to KXHO@chevron.com.

- **Caliper elevators and tubular EACH DAY prior to handling tubing/rods/tools. Note in JSA & WellView when and what items are callipered within the task step that includes that work.**

7. PU and RIH with 4-3/4" Milled Tooth (MT) Bit, 4 (3-1/2') drill collars on 2-7/8" 6.5# L-80 tubing (Prodn tbg pulled or rental 6.5# L-80 WS). RU power swivel and C/O to 6,850' with foam/air unit (**continue to supplemental procedure and in accordance with attached SOG**). POOH with 2-7/8" WS and bit. LD bit and BHA. Secure well.

8. PU and RIH with 5-1/2" RBP and 5-1/2" treating packer on 2-7/8" 6.5# L-80 WS. Hydrotest tubing to 5000 psi while RIH. Set RBP at 6,850'. Load and test RBP and casing to 500 psi. PUH and set packer at 6,400'. Load and test backside to 300 psi. Monitor production/intermediate csg annulus for pressure.

9. MI and RU Petroplex equipment. **Set up exclusion zone around stim unit & treating iron.** Titrate acids and verify concentration (15% NEFE HCl ± 1.5%) report results in daily work summary. Pressure test lines to 6000 psi. Treat perf interval (6,520' – 6,777') with 3,000 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. Acid Components are listed below (**see Table A**). (Have a functioning shower trailer on location).

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

Table A

10. Displace acid to bottom (PBTD = 7,905') with 60 bbls 2% KCL. RDMO Petroplex.

11. Attempt to swab back load fluid from acid job ~131 bbl. The intent of swabbing is primarily to clean near wellbore. If very little fluid is recovered on swab runs contact Alex Smalls or Jay Stockton, 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.

12. MI & RU pump truck. Scale sqz lower perf interval with 20 bbls 2% KCL mixed with 2 drums (110 gals) of Baker SWC-358 scale inhibitor chemical. Displace scale sqz with 140 bbls of 2% KCL. Pump at a max rate of 5 BPM. Do not exceed 5,000 psi.

13. Release packer, RIH to 6,850' and latch onto RBP. PUH to 6,400' and set RBP. Load and test RBP and casing to 500 psi.

14. PUH and set 5-1/2" treating packer at 5,950'.

15. MI & RU Petroplex. **Set up exclusion zone around stim unit & treating iron.** Titrate acids and verify concentration (15% NEFE HCl ± 1.5%) report results in daily work summary. Pressure test lines to 6000 psi. Treat perf interval (6,032' – 6,292') with 3,000 gals of 15% NEFE HCl acid at 5 BPM. Bull head acid to formation. Do not exceed 5,000 psi tubing pressure. Monitor casing pressure not to exceed 300 psi. (Have a functioning shower trailer on location). RDMO Petroplex.

16. MI & RU swabbing unit. Swab well and open to tank to flowback. If very little fluid is recovered on swab runs contact Alex Smalls or Jay Stockton, 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.

17. MI & RU Petroplex pump truck. Pump 20 bbls 2% KCL mixed with 2 drums (110 gals) of Baker SWC-358 scale inhibitor chemical. Displace scale sqz with 140 bbls of 2% KCL. Pump at a max rate of 5 BPM. Do not exceed 5,000 psi.

18. Release packer. RIH to RBP and release & recover RBP. POOH and LD 2-7/8" Workstring and BHA.

19. RIH with 2-7/8" J-55 production tubing and hydrotest to 5,000 psi. **Pump 8.6 ppg cut brine water containing soap and biocide per ALCR recommendation.**

20. ND BOP, set TAC, NU WH. RIH with rods and pump per ALCR's recommendation/Rodstar design. **Record how much the pump was spaced-out in WellView.** Hang well on.

21. RD and release Workover unit. Turn well over to production. 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 6,850' 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.

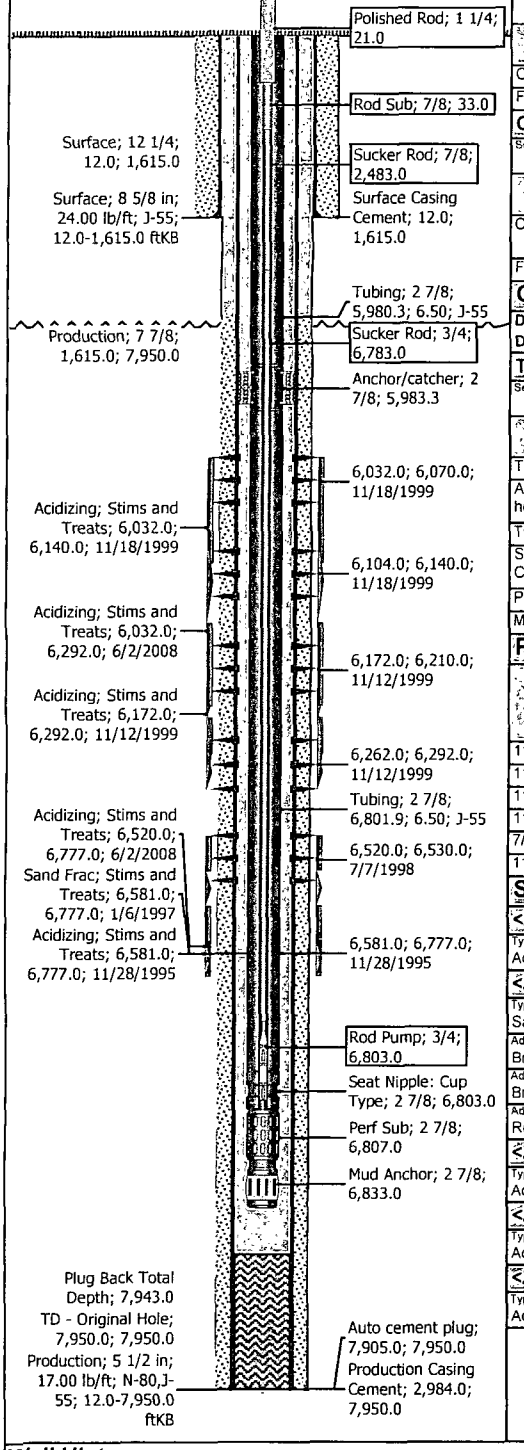
Before rigging up power swivel to rotate, carefully inspect Kelly hose to ensure that it is in good condition. Ensure that swivel packing is in good condition.

Continue on with original procedure for completion.

Current Wellbore Schematic

WELL (PN): FEDERAL 1-24(CVX) (890126)
FIELD OFFICE: HOBBS
FIELD: WARREN
STATE / COUNTY: NEW MEXICO / LEA
LOCATION: SEC 24-20S-38E, 660 FSL & 660 FWL
ROUTE: HOB-NM-ROUTE 09- JUSTIN HOBBS
ELEVATION: GL: 3,569.0 KB: 3,581.0 KB Height: 12.0
DEPTHS: TD: 7,950.0

API #: 3002533182
Serial #:
SPUD DATE: 11/28/1995
RIG RELEASE: 12/18/1995
1ST SALES GAS:
1ST SALES OIL: 1/5/1996
CURRENT STATUS: PRODUCING



Deepest TVD

Wellbore Name	Max TVD (ftKB)
Original Hole	

Casing String: Surface

Set Depth (ftKB): 1,615.0 | Wellbore: Original Hole

Item Des	OD (in)	ID (in)	Drift (in)	Wt (lb/ft)	Grade	Top (ftKB)	Btm (ftKB)
Casing Joints	8 5/8	8.097	7.972	24.00	J-55	12.0	1,614.0
Float Shoe	8 5/8					1,614.0	1,615.0

Casing String: Production

Set Depth (ftKB): 7,950.0 | Wellbore: Original Hole

Item Des	OD (in)	ID (in)	Drift (in)	Wt (lb/ft)	Grade	Top (ftKB)	Btm (ftKB)
Casing Joints	5 1/2	4.892	4.767	17.00	N-80,J-55	12.0	7,949.0
Float Shoe	5 1/2					7,949.0	7,950.0

Cement

Description: Surface Casing Cement — **Top of Cement (ftKB):** 12.0
Description: Production Casing Cement — **Top of Cement (ftKB):** 2,984.0

Tubing String: Tubing - Production Run Date: 6/2/2008

Set Depth (ftKB): 6,833.0 | Wellbore: Original Hole | Proposed Run?:

Item Des	OD (in)	ID (in)	Drift (in)	Wt (lb/ft)	Grade	Top Thread	Top (ftKB)	Btm (ftKB)
Tubing	2 7/8	2.441	2.347	6.50	J-55	EUE	12.0	5,980.3
Anchor/catcher	2 7/8					EUE	5,980.3	5,983.3
Tubing	2 7/8	2.441	2.347	6.50	J-55	EUE	5,983.3	6,801.9
Seat Nipple: Cup Type	2 7/8					EUE	6,801.9	6,803.0
Perf Sub	2 7/8					EUE	6,803.0	6,807.0
Mud Anchor	2 7/8					EUE	6,807.0	6,833.0

Perforations

Date	Zone	Top (ftKB)	Btm (ftKB)	Shot Dens (shots/ft)	Phasing (°)
11/18/1999	BLINEBRY, Original Hole	6,032.0	6,070.0	2.0	
11/18/1999	BLINEBRY, Original Hole	6,104.0	6,140.0	2.0	
11/12/1999	BLINEBRY, Original Hole	6,172.0	6,210.0	2.0	
11/12/1999	BLINEBRY, Original Hole	6,262.0	6,292.0	2.0	
7/7/1998	TUBB, Original Hole	6,520.0	6,530.0	4.0	
11/28/1995	TUBB, Original Hole	6,581.0	6,777.0	1.0	

Stimulations & Treatments

<Zone/Formation?>, <Stage Number?>

Type	Date	Min Top Depth (ftKB)	Max Btm Depth (ftKB)	Total Clean Volum...
Acidizing	11/28/1995	6,581.0	6,777.0	71.43

<Zone/Formation?>, <Stage Number?>

Type	Date	Min Top Depth (ftKB)	Max Btm Depth (ftKB)	Total Clean Volum...
Sand Frac	1/6/1997	6,581.0	6,777.0	

Additive	Sand Size	Amount	Conc (lb/gal)
Brown Sand	100 Mesh	30,000.0	
Brown Sand	16/30	114,000.0	
Resin Coated Sand	16/30	40,000.0	

<Zone/Formation?>, <Stage Number?>

Type	Date	Min Top Depth (ftKB)	Max Btm Depth (ftKB)	Total Clean Volum...
Acidizing	11/12/1999	6,172.0	6,292.0	80.95

<Zone/Formation?>, <Stage Number?>

Type	Date	Min Top Depth (ftKB)	Max Btm Depth (ftKB)	Total Clean Volum...
Acidizing	11/18/1999	6,032.0	6,140.0	38.10

<Zone/Formation?>, <Stage Number?>

Type	Date	Min Top Depth (ftKB)	Max Btm Depth (ftKB)	Total Clean Volum...
Acidizing	6/2/2008	6,032.0	6,777.0	142.86

Well History

Date	Event
11/28/1995	PERF @ 6581', 83', 85', 88', 6594', 99', 6605', 07', 10', 14', 16', 18', 30', 32', 34', 44', 47', 50', 52', 54', 56', 64', 69', 76', 80', 86', 96', 6703', 07', 18', 24', 32', 43', 50', 52', 59', 60', 62', 67', 72', 77' w/ 1 jspf, 40 holes. ACDZ w/ 3000 gal 15% NeFe.
1/6/1997	FRAC w/ 30000# 100 Mesh sd, 114000# 16/30 Ottawa sd & 40000# 16/30 Resin coated sd.
7/7/1998	PERF @ 6520'-6530' w/ 4 jspf. Install plunger lift.
11/12/1999	PERF Blinebry (B4) @ 6262'-6270', 6276'-6292', (B-3) 6172'-6181', 6184'-6194', 6202'-6212' w/ 2 jspf. ACDZ w/ 1400 gal 15% HCl & 5600 gal 28% SXE. Pmp 2000 gal acid & mutual solvent, flush w/ 88 bbls KCl.
11/18/1999	PERF Blinebry (B-2) 6130'-40', 6104'-117', (B-1 lwr) 6032'-6070' w/ 2 jspf. ACDZ w/ 1600 gal 15% & 9600 gal SXE.
6/2/2008	ACDZ 6520-6777 w/ 3000 gal 15% NeFe. ACDZ 6032-6292 w/ 3000 gal 15% NeFe.

Report Printed: 6/20/2013