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

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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 July 18, 2013

WELL API NO. 30-025-35890	
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 PORFIDIO STATE
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 1
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 DRNK/ABO/BLINEBRY
4. Well Location Unit Letter: M 660 feet from SOUTH line and 660 feet from the WEST line Section 17 Township 20S Range 39E 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 ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: INTENT TO ACIDIZE & SCALE SQUEEZE		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 ACIDIZE AND SCALE SQUEEZE THE PERFS IN THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE AND WELLBORE DIAGRAM.

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.

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 04/01/2014

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 APR 03 2014

Conditions of Approval (if any):

APR 03 2014

Chevron	WELL NAME: Porfidio State #1 API #: 30-025-35890 CHEVNO: HG7175 OPERATOR: Chevron Midcontinent, L.P. LOCATION: 660' FSL & 660' FWL Sec.17 TwnShp: 20S Range: 39E COMPLETION: 7/2/2002

The purpose of this project is to clean out to PBTD and restimulate with Sonic Hammer Acid Job the Delaware formation. This procedure is meant to be a guide only. It is up to the WSM, Workover Engineer and Production Engineer to make the decisions necessary to do safely what is best for the well. PLEASE REFER TO THE H2S SHEET AND TAKE ALL NECESSARY PRECAUTIONS TO MITIGATE THAT AND ANY OTHER RISKS.

Contacts: Alyssa Davanzo (PE) 432-687-7659,
Danny Lovell (OS) 575-263-0401, 575-390-0866 (C)
Ralph Skinner (PTTL) 575-263-0416, 575-441-4921 (C)
Emanuel Jimenez (ALCR) 575-263-0411, 575-631-9139 (C)
Kevin Jones(WE) 432-687-7388, 575-631-4407 (C)
Victor Bajomo (DS) 432-687-7953, 432-202-3767 (C)
Gabriel Garcia (LWSM) 575-390-7220 (C)
Darryl Ruthardt (LWSM) 575-390-8418 (C)
John Ridge (Sonic Hammer) 575-631-9381
Dustin Anderson (Petroplex) 432-631-5183
Ryan Young (Baker Petrolite) 806-778-9944

Wellbore Information:
Surface Casing –8 5/8" 24# K-55 set @ 1613' TOC Surf.
Intermediate Casing – N/A
Production Casing – 5 ½" 17# set @ 7687' TOC Surf.
PBTD – 7600'
PERFS – 7010' to 7066' (Drinkard)
PERFS – 7300' to7513' (Abo)

Tubing Detail:
218 Jnts -2 7/8" J-55 6.4#
TAC
20 Jnts -2 7/8" J-55 6.4#
SN (Cup)
1 Jnts -2 3/8" Muleshoe

Other:
Possible CIBP @ 7466'
CIBP @ 7600'

Chevron	WELL NAME: Porfidio State #1 API #: 30-025-35890 CHEVNO: HG7175 OPERATOR: Chevron Midcontinent, L.P. LOCATION: 660' FSL & 660' FWL Sec.17 TwnShp: 20S Range: 39E COMPLETION: 7/2/2002

PRE-WORK:

1. Complete the rig move checklist.
2. Ensure location is in appropriate condition, anchors have been tested within the last 24 months, and power line distance has been verified to determine if a variance and RUMS are necessary.
3. When NU anything over and open wellhead (EPA, etc.) ensure the hole is covered to avoid dropping anything downhole.
4. Review H2S calculations in H2S tab included.
5. Any equipment installed at the wellbore, including wellhead (Inside Diameter), is to be visually inspected by the WSM to insure no foreign debris or other restrictions are present.
6. DO NOT! Flow back CO2 to non CO2 rated vessels.

PROCEDURE:

1. 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; if necessary, kill with cut brine fluid (8.6 ppg).
2. MIRU pulling unit and surface equipment.
3. Unhang well from pumping Unit.
4. Bleed off casing pressure to tank, if casing flowing fluid pump known weight fluid down casing, shut in for 30 mins, Calculate KWM and pump to kill well. If applicable.
5. Remove stuffing box and lay down polish rod.
6. Unseat pump and POOH hanging rods inspecting for pitting and shoulder damage.
7. Kill tubing if needed.
8. Monitor well for 30 minutes to ensure it is dead. ND WH. Release TAC.
9. NU **Chevron Class II-A configured 7-1/16" 5M** remotely-operated hydraulically-controlled BOP, **2-7/8"** pipe rams over blind rams. NU EPA pan.
    - Keep the charted test of the BOP supplied by the vendor for the entire job.
10. RU Floor and POOH w/1 Jnt. 2 7/8" tubing, PU 5 ½" PKR rated for 17# casing, RIH w/ PKR +/- 25' and test BOPE to 250/1000 psi. Note testing pressures in Wellview. Release and LD packer.

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

11. PU 1 Jnts (25'). 2 7/8" tubing and RIH to **7466'** to tag possible CIBP, if no CIBP is detected @ **7466'** continue PU & RIH to tag @ **7600'** ***(TAC 6786', Perfs 7010'-7513', EOT 7413' PBTD 7600')***, DO NOT PUSH TAC INTO PERFS.

    - If CIBP is tagged @ **7466'** contact WOE and continue to clean out fill with foam/air unit per step 13.
    - If CIBP is NOT tagged @ **7466'** and fill is tagged prior to **7600'** contact WOE and verify if the clean out is necessary. If so, continue to clean out fill with foam/air unit per step 13.
    - If no CIBP or fill is tagged below **7600'** clean out will not be needed! Continue to step 18. **(Contact Sonic Hammer Rep for delivery of tool.)**

12. POOH scanning 2-7/8" production tubing, Keep Yellow only, lay down production BHA.

    Strap production pipe out of hole to verify depths and note them in Wellview. Send Tubing scan report to KJCY@chevron.com.

13. MIUL 2 7/8" L-80 Workstring, Strap workstring.

14. PU and RIH with following BHA:

Component	Amount
4 3/4" Mill Tooth Bit	1
Bit Sub with Float	1
3 1/2" Drill Collars	4
2 7/8" L-80 WS	~ 6800'
Inline Tubing Check	1
2 7/8" L-80 WS	~680'

15. MIRU Foam/ Air Unit, Flowback Manifold, and Blowdown Tank w/Gas Buster.

16. Clean out fill to **PBTD @ 7600'. (See Supplemental SOG for Foam Air operations)**

17. POOH w/ 2 7/8" WS Laying down, LD BHA.

18. MIRU Hydrotesters. **(Contact Petroplex to schedule pump time.)**

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

19. PU RIH Hydrotesting to 6000# in hole with Sonic Hammer tool, seat nipple and 2 7/8" production tubing to **7530'** or enough tubing to cover bottom perforations with whole stand.

20. RDMO Hydrotesters.

21. POOH standing back tubing to ensure tool is above top perf @ **7010'**

    Inspect Kelly hose and swivel packing is good prior to picking up swivel!!!

22. Install stripper head and stand pipe with sufficient treating line to move tools vertically ~**65'**, Ensure pressure gauges are installed to monitor casing and tubing pressures throughout job.

23. MIRU Petroplex Acidizing. Pressure test surface lines to 5000 psi and set mechanical pop offs to 5000 psi. Titrate acid on location to verify concentration (HCl 15% with +/-1.5% allowable fluctuation) Ensure the following additives are installed in acid blend:

Additive	Amount
FeDX	3 gpt
FeBX	2 gpt
FEGreen	3 gpt
I-8	4 gpt
Petro-20	200 gpt

Sonic Hammer Treatment – Circulating Well

Interval #	Depth	Net Interval (ft)	Acid Volume (gal)
1	7010-7045	35'	400
2	7045'-7070'	25'	100
3	7295'-735'	60	1150
4	7355'-7410'	55	1150
5	7410'-7460'	50'	1150
6	7460'-7515'	55'	1150
			5100

a) Wash Treat interval # 1 (refer to Perforation Interval table) – Fill tubing with 30 bbls of cut brine. Pump down Sonic Hammer tool @ **5 BPM** reciprocating over the perf interval. Do not exceed **5000#** of tubing pressure! Leave casing annulus open to tank.

b) Wash Treat interval #2 thru #6 – Pick up enough pipe to reach next interval and repeat a) until intervals are washed.

c) Acid Treat interval #6 (refer to Perforation Interval table) – Fill tubing with acid and shut in backside. Pump the volume of acid specified @ **5BPM** reciprocating over the perf interval. Flush tubing with cut brine **Casing pressure should not exceed 500#. If so bleed off and slow pump rate.**

d) Acid Treat interval #5 thru #1 – POOH w/tubing to the next interval and repeat step c) acidizing each interval according to Acid Treatment Schedule.

e) Leave well SI for 1hr to allow acid to spend. Monitor casing to not allow casing pressure to exceed **500** psi. Bleed off excess pressure is necessary.

f) Kill Well & POOH w/ Sonic Hammer and LD assembly.

g) PU RIH w/5 ½" PKR and WS. Set PKR @ =/-**7000'**

Inspect sandline to be sure it is free of excessive rust, bird nests, frays, kinks, knots, etc.

h) Flowback/Swab back spent treatment fluids to open top tank. Test reactivity of recovered acid load of fluid, If acid is not spent shut well in 1 additional hour to allow acid to spend. Recover 100% of load if possible or swab until return indicate formation fluid and not spent acid. ***Record oil cut recovered, fluid volumes, and swabbing depths in Wellview.***

i) Pump 40 bbls cut brine mixed with 3 drums of scale inhibitor (165 gal) Baker SCW-358 Scale Inhibitor Chemical down tubing, pump at a max rate of **5BPM**. Displace Scale Chemical with 110 bbls of cut brine. **Monitor casing throughout scale squeeze DO NOT ALLOW MORE THAN 500# CASING PRESSURE.** Shut in well overnight.

j) Release PKR, POOH standing back 2 7/8" production string, LD PKR.

Sonic Hammer Treatment – NON-Circulating Well

Interval #	Depth	Net Interval (ft)	Acid Volume (gal)
1	7010-7045	35'	400
2	7045'-7070'	25'	100
3	7295'-735'	60	1150
4	7355'-7410'	55	1150
5	7410'-7460'	50'	1150
6	7460'-7515'	55'	1150
			5100

k) Treat all 6 intervals (refer to Perforation Interval table) – Fill tubing with 30 bbls of cut brine followed by interval volume of acid. Pump down Sonic Hammer tool @ **5 BPM** reciprocating over the perf interval. Repeat for each interval. Do not exceed **5000#** of tubing pressure! Leave casing annulus closed and Monitor .

l) RDMO Petroplex Acid Crew.

m) Leave well SI for 2hr to allow acid to spend.

n) Drop ball to open swab ports in Sonic Hammer tool. Pressure up to **2000#** to open ports.

Inspect sandline to be sure it is free of excessive rust, bird nests, frays, kinks, knots, etc.

o) Swab back spent treatment fluids to open top tank. Test reactivity of recovered acid load of fluid, If acid is not spent shut well in 1 additional hour to allow acid to spend. Recover 100% of load if possible or swab until return indicate formation fluid and not spent acid. ***Record oil cut recovered, fluid volumes, and swabbing depths in Wellview.***

p) POOH to above top perf @ **7010'.**

q) Shut Casing! Pump 40 bbls cut brine mixed with 3 drums of scale inhibitor (165 gal) Baker SCW-358 Scale Inhibitor Chemical down tubing, pump at a max rate of **5BPM**. Displace Scale Chemical with 110 bbls of cut brine. **Monitor casing throughout scale squeeze DO NOT ALLOW MORE THAN 500# CASING PRESSURE.** Shut in well overnight.

r) POOH standing back production string, LD Sonic Hammer BHA.

24. PU Production BHA and RIH hydrotesting production tubing to 5000 psi. ***(Space out per ALCR Recommendations)***

25. NDBOPE, NUWH.

26. RIH w/Pump and Rods ***(Per ALCR Rod design)***

    Contact appropriate Field Specialist to remove locks.

27. Check pump action with pumping unit.

28. Clean location, RDMO, Notify ALCR and production, Turn well back to Production. (contacts on first page).

STANDARD GUIDELINES

Maximum Anticipated H2S Exposures (RRC H9 / NM Rule 36)

All personnel on location must be made aware of each of the following values (values vary by field):

Maximum anticipated amount of H2S that an individual could be exposed to is 2000 ppm at the maximum anticipated escape volume (of wellbore gas) of 100 MCF/D
100 ppm Radius of Exposure is 37 feet.
500 ppm Radius of Exposure is 17 feet.

Elevators

At every tubing size change, the elevators must be calipered and all lifting equipment must be visually inspected for the correct sizing, and rechecked daily. The elevators must also be checked for proper sizing by placing a pony sub in the elevators. Prior to picking up power swivel, caliper and visually inspect elevators and bail on swivel. Checks are to be documented in the JSA and elevator log.

ND/NU

Prior to N/D, N/U operations, if only one mechanical barrier to flow will be in place, visual monitoring of well condition by the WSM is necessary for 30 minutes or more to ensure that the well is static ***before*** removing or replacing well control equipment. For all deviations to 2B policy, check that MOC for exemption from 2B policy is in place and applicable. During ND/NU operations with only one barrier to flow in-place, constant visual monitoring of well condition ***during ND/NU*** by the WSM is necessary.

Installed Equipment

Any and all equipment installed at the surface on the wellbore is to be visually inspected (internally) by the WSM prior to N/U to the wellhead by the service provider to ensure no debris or other potential restrictions are present. During any NU ops over an open wellhead (BOP, EPA, etc.), ensure the hole is covered to avoid dropping anything downhole.

Hazard ID

Identify hazards with the crew as they come up during the job. Stop and review and discuss JSAs.

Scale and Paraffin Samples

When removing rods and/or tubing from a well, collect samples of any paraffin and/or scale.

When drilling, note, report and sample significant returns of scale or paraffin, or anything other significant returns. Assume that samples that come from different areas/environments in the well are different and require a different sample; e.g. top/bottom of well, inside outside of tubing. Always collect enough sets of samples for both Production and D&C Chemical Reps. Send any samples to Chemical Reps., both for

1) Production (many times Baker), as well as for
2) D&C (many times PetroPlex).

Discuss D&C's Chemical Rep's recommendations with Engineering, or simply implement as practical.

Trapped Pressure

Recognize whether 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. 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.

Wireline

For all wireline and slickline jobs (except in new, cemented, tested and unperforated casing) install wireline packoff and lubricator. Follow Standard Guideline for installing equipment over wellhead. Test to 250 on the low end, and test on the high end based on SITP or max. anticipated pressure. Establish exclusion zone around wellhead area. Observe and enforce radio silence as needed for explosives. All wireline tools are to be calipered and documented on a diagram prior to PU and RIH. This is critical information in the event of fishing operations.

Foam clean out hazard mitigation

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.

2 Run dart type float in bit sub bored for a float. Install open top flowback tank downwind from rig.

3 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 use for foam operations.

4 Clear floor of all personnel while breaking circulation and anytime they are not required.

5 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

6 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.

7 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.

8 Ensure that high quality, stiff foam is pumped while circulating in lateral. Stiff foam is required to prevent segregation while circulating along lateral. Monitor flow and pressures carefully when cleaning out the lateral as well will begin to unload very rapidly when foam "turns the corner".

9 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. Visually inspect and caliper elevators and bail on swivel.

10 POOH LD workstring & bit. Pump kill fluid down tubing to put tubing on vacuum to help eliminate trapped pressure before breaking out string floats. Have foam-air hand on location during this process. He should employ a special tool to check for pressure under floats.