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 District I - (575) 393-6161
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 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
HOBBS OGD
OIL CONSERVATION DIVISION
JUL 14 2014
 1220 South St. Francis Dr.
 Santa Fe, NM 87505
RECEIVED

Form C-103
 Revised July 18, 2013

WELL API NO. 30-025-37186	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name MARK OWEN	
8. Well Number 10	
9. OGRID Number 4323	
10. Pool name or Wildcat PENROSE; SKELLY GRAYBURG	
4. Well Location Unit Letter: O 400 feet from SOUTH line and 1480 feet from the EAST line Section 34 Township 21S Range 37E 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: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: ACIDIZE		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER:	
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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 THE GRAYBURG FORMATION.

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.

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 07/11/2014
 Type or print name DENISE PINKERTON E-mail address: leakejd@chevron.com PHONE: 432-687-7375
 For State Use Only
 APPROVED BY: *Mary Brown* TITLE Dist. Supervisor DATE 7/14/2014
 Conditions of Approval (if any):

JUL 15 2014



WELL NAME: Mark Owen #10G

API #: 30-025-37186 CHEVNO: HT0311

OPERATOR: Chevron Midcontinent, L.P.

LOCATION: 400' FSL & 1480' FEL Sec.34 TwnShp: 21S Range: 37E

PERMIT TYPE: Oil

SPUD DATE: 10/08/2005

The purpose of this project is restimulate with an acid frac the Grayburg 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: Abdul Sule (PE) 432-687-7213, 832-971-2061 (C)
Danny Hunt (OS) 575-394-1242, 817-526-2322 (C)
Bobby Hill (PTTL) 575-394-1245, 575-631-9108 (C)
Clarence Fite (ALCR) 575-394-4001, 575-390-9084 (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)

Wellbore Information:

Rod String (Top-Bottom Depth) Desc

1 @ (0-26) 1.500 (1 1/2 in.) Spray Metal x 26
2 @ (26-30) 1.000 (1 in.) N-78 (D) x 2 Rod Sub
1 @ (30-36) 1.000 (1 in.) N-78 (D) x 6 Rod Sub
54 @ (36-1386) 1.000 (1 in.) N-78 (D) x 25 Rod
93 @ (1386-3711) 0.875 (7/8 in.) N-78 (D) x 25 Rod
8 @ (3711-3911) 1.500 (1 1/2 in.) K x 25 Sinker Bar
1 @ (3911-3912) No-Tap Tool
1 @ (3912-3936) Rod Pump (Insert) (NON-SERIALIZED) - 25-125-RHBC-24-5 (Bore = 1.25)
1 @ (3936-3937) Strainer Nipple 1.500 OD x 0.5

Surface Casing (Top-Bottom Depth) Desc

@ (0-442) Wellbore Hole OD-12.2500
@ (0-442) Cement
@ (0-442) J-55 8.625 OD/ 24.00# Unknown Thread 8.097 ID 7.972 Drift

Production Casing (Top-Bottom Depth) Desc

@ (0-4323) Wellbore Hole OD- 7.8750
@ (0-4317) J-55 5.500 OD/ 15.50# Unknown Thread 4.950 ID 4.825 Drift
@ (0-3370) Cement
@ (3660-4317) Cement
@ (3650-3678) Perforations - Added Grayburg Open
@ (3686-3876) Perforations - Open Grayburg
@ (4222-4317) Plug Back-Cement

Tubing String Quantity (Top-Bottom Depth) Desc

109 @ (0-3445) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347
1 @ (3445-3448) Tubing Anchor/Catcher 2.875
14 @ (3448-3890) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347
1 @ (3890-3921) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347
1 @ (3921-3922) Seat Nipple - Standard (2.875) Cup Type
1 @ (3922-3926) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347
1 @ (3926-3946) Cavins Desander (Sand Separator) 2 7/8 x 20
2 @ (3946-4010) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347
1 @ (4010-4011) Dump Valve (for use w/ Sand Separator)



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PRE-WORK:

1. Complete the rig move checklist.
2. WSM will meet with FMT field specialist several days prior to rig up to test pumping unit brake at 3:00, 6:00, 9:00, and 12:00 positions. If rods are parted, then line up winch truck to rotate counter weights prior to rig up.
3. 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.
4. When NU anything over and open wellhead (EPA, etc.) ensure the hole is covered to avoid dropping anything downhole.
5. Review H2S calculations in H2S tab included.
6. 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.
7. DO NOT! Flow back CO2 to non CO2 rated vessels.
8. Notify ALCR of our Route Plan and when we will be rigging up. Estimate when the Rod and Tubing details will need to be communicated and notify ALCR.

PROCEDURE:

DUE TO ACID SHORTAGE IN PERMIAN BASIN CONTACT DUSTIN ANDERSON W /PETROPLEX WHEN NUBOPE TO GET ON LIST FOR ACID JOB!

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 standing back 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 III 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.



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- 10. RU Floor and POOH w/1 Jnt. 2 7/8" tubing, PU 5 1/2" PKR rated for 15.5# 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 3 Jnts (90'). 2 7/8" tubing and RIH to 4100' to tag for fill (TAC 3448', Perfs 3650-3876', EOT 4011' PBTD 4222'), DO NOT PUSH TAC INTO PERFS.

- > If fill is tagged above 4100' contact WOE and verify if the clean out is necessary. If so, continue to clean out fill with foam/air unit per step 12.
- > If fill is tagged below 4100' clean out will not be needed! Continue to step 17.

- 12. POOH scanning 2-7/8" production tubing, Keep Yellow only (25% Wall Loss or less), LD 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 w/Float	1
3 1/2" Drill Collars	4
2 7/8" L-80 WS	~ 3500'
Inline Tubing Check	1
2 7/8" L-80 WS	~480'

- 15. **If Needed:** MIRU Foam/ Air Unit, Flowback Manifold, and Blowdown Tank w/Gas Buster.

- 16. Clean out fill to 4100'. (See Supplemental SOG for Foam Air operations)

- 17. POOH scanning 2-7/8" production tubing, Keep Yellow only (25% Wall Loss or less), LD production BHA.

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

- 18. MIRU Hydrotesters.

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.



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19. PU RIH w/ 5 1/2" 17# Arrow Set 10K pkr, 5 1/2" RBP, ON-OFF tool w/2.25" frac hardened profile on 2 7/8"6.5 L-80 WS. Hydrotest tubing in hole to 7,000 psi. Set RBP @ **3950'**, Set PKR @ **~3935** pressure test RBP, Unset PKR PUH set @ **3600'**.
20. MIRU Petroplex Acidizing. Install Petroplex plug valve to tubing instead of Frac Valve. Pressure test surface lines and plug valve to **7000 psi** and set mechanical pop offs to **6000 psi**. Acid Frac @ **12BPM w/Max Surface Psi of 6000#** from 3650'-3876' with 10,000 gals 15% HCl slurry and 11,000# of rock salt as follows:

Additive	Amount
I-10H, H2S Embrittlement Inhibitor	1 GPT
I-3, Acid Corrosion Inhibitor	1 GPT
FENX, Iron Control	40 lbs PT
Glacial Acetic Acid	5 GPT
P-3 Low Surface Wetting Agent	3 GPT
EP-3, Non Emulsion Agent	2 GPT

21. Record ISIP, 5-Min, 10-Min, 15-min. RD & release Petroplex.
22. Prior to this step, contact WOE (Kevin Jones) to discuss necessity of continuing swabbing **after swabbing at least 300 bbls of fluid**
23. Before/During swabbing. Inspect sandline to ensure it is free of rust, nexts, frays, kings, knots, kinks, etc.
24. RIH and swab well until clean formation fluid is detected. Report number of runs, fluid levels, sample % oil cut, and recovered fluid volumes. If sand is indicated additional cleanout will be needed
25. Release PKR POOH
26. PU RBP retrieving head, RIH to **3950'**, wash down to RBP w/freshwater. Release RBP, POOH LD RBP
27. POOH laying down WS.
28. PU Production BHA and RIH hydrotesting production tubing to 5000 psi. (**Space out per ALCR Recommendations**)
29. NDBOPE, NUWH.
30. RIH w/Pump and Rods (**Per ALCR Rod design**)
Contact appropriate Field Specialist to remove locks.
31. Check pump action with pumping unit.
32. Clean location, RDMO, Notify ALCR and production, Complete Wellwork Transfer of Ownership form. Turn well back to Production. (contacts on first page). **Send Completed Wellwork Transfer of Ownership form to KJCY@Chevron.com**



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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 9000 ppm at the maximum anticipated escape volume (of wellbore gas) of 200 MCF/D

100 ppm Radius of Exposure is 146 feet.

500 ppm Radius of Exposure is 67 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.



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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.

Chevron U.S.A. Inc. Wellbore Diagram : MARKOWEN10G

Lease: OEU EUNICE FMT		Well No.: OWEN MARK 10G		Field: FLD-PENROSE SKELLY	
Location: 400FSL1480FEL		Sec.: N/A		Blk:	
County: Lea		St.: New Mexico		Refno: HT0311	
Section: E037		Township: 34		Range: S021	
Current Status: ACTIVE				Dead Man Anchors Test Date: 10/18/2005	
Directions:					

