OCD Hobbs

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

AUG 10 2015

RECEIVED

5. Lease Serial No.
NMNM118722

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other: UNKNOWN OTH

8. Well Name and No.
SALADO DRAW SWD 13 1

2. Name of Operator
CHEVRON USA INCORPORATED
Contact: CINDY H MURILLO
E-Mail: CHERRERAMURILLO@CHEVRON.COM

9. API Well No.
30-025-42354-00-S1

3a. Address
15 SMITH ROAD
MIDLAND, TX 79705

3b. Phone No. (include area code)
Ph: 575-263-0431
Fx: 575-263-0445

10. Field and Pool, or Exploratory
DEVONIAN

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 13 T26S R32E SWSW 290FSL 10FWL
32.036301 N Lat, 103.636505 W Lon

11. County or Parish, and State
LEA COUNTY, NM

12. CHECK 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
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 USA INC. REQUESTS ADMINISTRATIVE APPROVAL TO COMPLETE THE ABOVE SWD. PLEASE FIND ATTACHED A COMPLETED PROCEDURE FOR THE WORK THAT WILL BE PERFORMED ON THIS WELL FROM JULY 31- AUGUST 7, 2015.

IF YOU SHOULD HAVE ANY QUESTIONS REGARDING THE ABOVE COMPLETION PROCEDURE. PLEASE CONTACT CODY HINCHMAN/DRILLING ENGINEER AT 1-832-470-4890

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #310312 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by CHRISTOPHER WALLS on 07/31/2015 (15CRW0077SE)

Name *(Printed/Typed)* CINDY H MURILLO — Title PERMITTING SPECIALIST

Signature (Electronic Submission) — Date 07/27/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By CHRISTOPHER WALLS — Title PETROLEUM ENGINEER — Date 07/31/2015

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 Hobbs

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

AUG 11 2015

1-Salado Draw SWD 13
Section 23, T. 26 S. R. 32 E., NMPM
Lea County New Mexico

SWD Completion Procedure
7/23/2015

Basic Data:

Casing	Set Depth	Cement
16"	737'	Circulated 106 bbls to surface
13-3/8"	4547'	Circulated 71 bbls to surface
9-5/8"	12188'	2 stage job - Full returns on both stages. DV Tool @ 6015'.
7-5/8" Liner	14678'	Circulate 10 bbls cement to surface above TOL @ 11609'.
5-1/2" Liner	17820'	No cement circulated above TOL @ 14433'. TOC @ 14800' per CBL.

Objective:

Well drilled as a SWD well. Complete well as a Devonian and Silurian SWD. Give OCD Hobbs and BLM 24 hrs notice to witness MIT after running injection packer and tubing.

Zonal isolation

The Salado Draw SWD 13-1 well is an open-hole completion. Overlying the Siluro-Devonian Limestone is the Devonian Woodford Shale, which acts as a regional seal. The 5 ½" casing shoe, which is located 50' above the top of Silurian Limestone, is cemented in place and verified with a CBL to confirm integrity of cement behind borehole. TD will occur 800' into the Siluro-Devonian Limestone, about 150' above the base of the Siluro-Devonian Limestone.

Formation Evaluation

Across the injection interval, we plan to run mud log and MWD GR for analysis of hydrocarbon shows.

Completion Procedure:

1. Drilling unit will remain on location after drilling the 4-1/2" open hole interval and run the completion. Drilling unit currently has a Class IV 13-5/8" 10M BOPE with 5K Annular nippled up and tested.
2. Clean pits and fill with 9 ppg cut brine water.

3. Run in hole with 5-1/2'' casing scraper. Make several passes through the 5-1/2'' landing collar and 5-1/2'' float collar. Position the end of the work string at +/- 17,770' about 50' above the 5-1/2' casing shoe.
4. Close Annular on the drill pipe. Line up returns through the choke manifold. The choke manifold will control casing pressure while performing an injection test and acid job. Injection pressure limit is set at 3,480 psi per administrative order SWD-1488.
    a. Pump cut brine water at 2, 4, and 8 bpm establishing injection pressures. Maintain casing pressure below the 3,480 psi limit throughout the job with the choke manifold.
    b. Pump approximately 15,000 gallons of 15% hydrochloric acid. Start pumping at 2 bpm to establish injection pressure. Maintain injection pressure by increasing rate at ½ bpm increments while acid stimulates the reservoir. Maintain casing pressure below the 3,480 psi limit throughout the job with the choke manifold.
    c. Pump cut brine water at 2, 4, and 8 bpm establishing injection pressures. Maintain casing pressure below the 3,480 psi limit throughout the job with the choke manifold.
    d. Lay down work string and scraper.
5. Rig up wireline adapter. Wireline set injection packer and pump out plug within 100' of the permitted injection interval (17,720' to 17,820' packer setting depth range).
6. Rig up casing crew. Pick up and run anchor latch and seal assembly. Run in hole with 3-1/2'' x 4-1/2'' fiberglass lined (Duoline) tapered tubing string.
7. Tag top of injection packer. Mark tubing string for spacing out. Circulate packer fluid in place. Make up space out pumps and tubing hanger. Engage anchor latch into packer. Land tubing hanger and set string in 10,000 to 60,000 pounds of compression.
8. Nipple down BOP and install and test injection tree.
9. Pressure up on tubing and to shear pump out plug below the packer.
10. Give OCD Hobbs and BLM 24 hr notice for MIT. Test tubing x casing annulus to 500 psi for 30 minutes. Record pressure test on chart for submittal to the OCD and BLM.