DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

Date

12/20/2005

Telephone

432-687-7375

State of New Mexico Natural Resources Department Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION P.O. Box 2088 Recombs

P.O. Box 2088

Form C-101 Revised February 10,199 Instructions on bac Submit to Appropriate District Offic State Lease - 6 Copie Fee Lease - 5 Copie Instructions on bac

DISTRICT IV					٥	santa re, new	iviexic	:0\8,4304-208	0000 E	/		ase - 5 Copie
P.O. Box 2088,)R PERI	міт то і	DRILL, RE-EN	ITER,	DEEPÊN PI	ĮUGBĄCK, OR	` ⊔ AM	IENDE ONE	ED REPORT
			Operat	tor Name	and Addres	ss			997	2	OGRIE	O Number
CHEVRON I	USA INC										432	23
15 SMITH R	D, MIDLAN	ND, TX	79705							3	API Nur 30-025-	-
4 P	roperty Code	•				-	erty Name 6 Well No. /					
	2683					H.T. MAT						15
	Ta					Surface			Foot From The			0
UI or lot no. N	Section 30	Town 21-		Range 37-E	Lot.ldn	Feet From Th	ie No	rth/South Line SOUTH	Feet From The 1820'	East/West WEST		County LEA
14	30	21-	8		and Batt		tion If I			***		
UI or lot no.	Section	Town	shin	Range	Lot.ldn	om Hole Locat		orth/South Line	Feet From The	East/West	Line	County
01 01 101 110.	Section	TOWN	SHIP	Nange	Lot.idii	1 CCC 1 TOTAL 11		July Sodul Lille		Lustives	Line	County
⁹ Proposed Pool 1									¹⁰ Proposed Po	ol 2		
	F	PENROSI	E SKELLY	GRAYBUF	₹G							
11		Т	12 ,			13		14 .		15 0		5
	Type Code		'	WellType C O	ode	Rotary or C	.1.	Lea	ase Type Code P	Groui	na Levei 3507' G	Elevation 6L
¹⁸ Multi	iple		17 F	Proposed De	epth	¹⁸ Formation	l	19 C	Contractor 20 Spud Date			Date
١	No			6820'		GRAYBURG	3			1	1/15/2006	
					²¹ Propo	osed Casing a	nd Cei	ment Progra	m			
SIZE O	F HOLE	S	IZE OF C	ASING	WEIGH	HT PER FOOT	SE	TTING DEPTH	SACKS O	FCEMENT		EST. TOP
NO CHANGE												
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		-										*****
							the preser	nt productive zonean	d proposed new product	ive zone.		
l .		. +	-				L FROM	1 THE BLINEBR	RY OIL AND GAS	TO THE PEN	ROSE	SKELLY
		ISED FO	OR THIS	PLUGRA	CK AST	EEL FRAC TANK	WILL F	BE UTILIZED				
									ARE ATTACHED	EOD VOLID	ADDD(DV/A1
}										POR TOOK	AFFIX	JVAL.
THIS WELL	. IS ON TH	E INAC	TIVE WE	ELL LIST.	Pf	ermit Expire	81Y	ear From /	Approval.			
					•	Data Unic	4-5-3 M	11355 MT. (COTRESSED	J J			
			<u>-</u>				 /	Plugba	.CK			
Division ha	rtify that the ru ve been compl complete to the	ied with ar	nd that the in	nformation gi	ven above			OIL	CONSERVA	TION DI	VISIO	NC
Signature	Ser	use) NK	er fon)	Appr	oved By:	Chris /	allen	· ns	
Printed Nar	ne D	enise Pi	nkerton				Title	: oc	DISTRICT SUPE	ERVISOR/G	ENER	AL MANAGEI
Title R	egulatory S	pecialis	t				Appr	roval Date: DF	·C	Expiration D		
	12/20/2005					400 000	Conditions of Approval:					

Field: Blinebry O&G

Reservoir: Blinebry

Well ID Info:

Chevno: FG9728 API No: 30-025-24084 L5/L6: U463000 Spud Date: 4/10/72 Compl. Date: 5/1/72

Surf. Csg: 8-5/8", 24#, K-55 Set: @ 1240' w/400 sx cmt Size of hole: 11" Circ: Yes TOC: Surface TOC By: Circulated

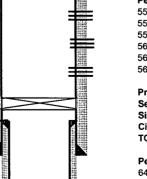


DV Tool @ 3935'

CIBP @ 5701' (No cmt on top)

COTD: 5435' **PBTD**: 5435' 6820'

Updated: 11/28/05



By: A. M. Howell

Perfs	Status
5514-16'	Blinebry Oil - Below CIBP
5540-42'	Blinebry Oil - Below CIBP
5564-66'	Blinebry Oil - Below CIBP
5606-08'	Blinebry Oil - Below CIBP
5637-39'	Blinebry Oil - Below CIBP
5688-90'	Blinebry Oil - Below CIBP

Prod. Csg: 5-1/2", 14# & 17#, K-55 Set: @ 5870' w/630 sx cmt Size of hole: 7-7/8" Circ: No TOC: 1560' TOC By: Temperature Survey

Perfs	Status
6491-94'	Drinkard - Below CIBP
6540-43'	Drinkard - Below CIBP
6601-04'	Drinkard - Below CIBP
6643-46'	Drinkard - Below CIBP
6693-96'	Drinkard - Below CIBP

Liner: 4", OD 11.34# K-55 Set: f/ 5749-6819' in 4-3/4" hole Circ w/75 sx cmt to 5830'

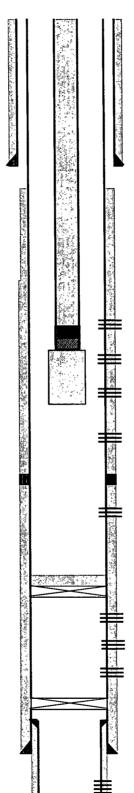
e

Location:

660' FSL & 1820' FWL Section: 30 Township: 21S Range: 37E Unit: N County: Lea State: NM

Elevations: GL: 3507' KB: 3518' DF: 3507'

Proposed Wellbore Diagram



Well ID Info: Chevno: FG9728 API No: 30-025-24084 L5/L6: U490300 Spud Date: 4/10/72 Compl. Date: 5/1/72

Surf. Csg: 8-5/8", 24#, K-55 Set: @ 1240' w/400 sx cmt Size of hole: 11" Circ: Yes TOC: Surface TOC By: Circulated



Perfs	Status
3678-86'	Grayburg - Open
3718-24'	Grayburg - Open
3732-40'	Grayburg - Open
3748-54'	Grayburg - Open
3758-64'	Grayburg - Open
3770-76'	Grayburg - Open
3790-98*	Grayburg - Open
3806-10"	Grayburg - Open
3832-40'	Grayburg - Open
3846-50'	Grayburg - Open
3855-63'	Grayburg - Open
3870-73'	Grayburg - Open
3876-84'	Grayburg - Open
3889-93'	Grayburg - Open
3898-3904'	Grayburg - Open
3914-22'	Grayburg - Open
3930-38'	Grayburg - Open

3958-66'

3974-82'

Perfs	Status
5514-16'	Blinebry Oil - Below CIBP
5540-42'	Blinebry Oil - Below CIBP
5564-66'	Blinebry Oil - Below CIBP
5606-08'	Blinebry Oil - Below CIBP
5637-39'	Blinebry Oil - Below CIBP
5688-90'	Blinebry Oil - Below CIBP

Grayburg - Open

Grayburg - Open

Prod. Csg: 5-1/2", 14# & 17#, K-55 Set: @ 5870' w/630 sx cmt Size of hole: 7-7/8" Circ: No TOC: 1560' TOC By: Temperature Survey

Perfs	Status
3491-94'	Drinkard - Below CIBP
3540-43'	Drinkard - Below CIBP
6601-04'	Drinkard - Below CIBP
643-46'	Drinkard - Below CIBP
3693-961	Drinkard - Below CIBP

Liner: 4", OD 11.34# K-55 Set: f/ 5749-6819' in 4-3/4" hole Circ w/75 sx cmt to 5830'

#Jts:	Size:	Footage
	KB Correction	14.00
121	Jts. 2 7/8" J-55 Cl. '8'	3751.00
	2 7/8" x 6' Tbg Sub	6
	Drain Valve	0.55
	2 7/8" x 2 3/8" X-Over	0.60
	Centrilift Sub Pump	35.41
121	Bottom Of Mtr >>	3807.56

Tubing Detail:

DV Tool @ 3935'

CIBP @ 5435' (No cmt on top)

CIBP @ 5701' (No cmt on top)

COTD: 5435' PBTD: 5435' TD: 6820'

Updated: 11/28/05

H. T. Mattern (NCT-B) # 15
Penrose Skelly Field
T21S, R37E, Section 30
Job: PB To Grayburg Formation, Acidize, And Frac



Procedure:

- 1. Displace flowline with fresh water. Have field specialist close valve at header. Pressure line according to the type of line. Buried fiberglass lines will be tested with 300 psi. All polypipe (SDR7 and SDR11) will be tested w/100 psi. All steel lines will be tested w/500 psi. If a leak is found, contact Donnie Ives for repair/replacement. If test is good, bleed off pressure and open valve at header. Document this process in the morning report.
- 2. MI & RU workover unit. Bleed pressure from well, if any. Pump down csg with 8.6 PPG cut brine water, if necessary to kill well. Remove WH. Install BOP's and test to 1000 psi. POH LD tbg string, if present.
- 3. PU and GIH with 4 3/4" MT bit and 2 7/8" work string to 5435'. Reverse circulate well clean from 5435' using 8.6 PPG cut brine water. POH with work string and bit. LD bit.
- 4. PU and GIH with 5 ½" pkr to 100'. Pressure test csg to 500 psi. Use pkr to pinpoint source of recent MIT failure. Note: Discuss repair options with Engineering after locating leak and determining severity. POH with 2 7/8" work string and pkr. LD pkr.
- 5. MI & RU Baker Atlas electric line unit. Install lubricator and test to 1000 psi. GIH and conduct GR/CBL/CCL log from 5435' up to 100' above cement top. POH. Inspect logs for good cement bond from approximately 4100' up to 3500'. If bond does not appear to be good across proposed completion interval, discuss with Engineering before proceeding. Cmt squeeze as necessary to obtain good cmt across completion interval. GIH with 3 1/8" DP slick casing gun and perforate from 3678-86', 3718-24', 3732-40', 3748-54', 3758-64', 3770-76', 3790-98', 3806-10', 3832-40', 3846-50', 3855-63', 3870-73', 3876-84', 3889-93', 3898-3904', 3914-22', 3930-38', 3958-66', and 3974-82' with 4 JSPF at 120 degree phasing, using 23 gram premium charges. POH. GIH and dump bail 35' cement on top of CIBP at 5435'. POH. RD & release electric line unit. Note: Use Schlumberger Compensated Sonic Log dated 4/23/72 for depth correlation.
- 6. PU and GIH w/ 5 ½" PPI pkr (with 10' element spacing) and SCV on 2 7/8" work string to approximately 3650'. Test tbg to 5500 psi while GIH.
- 7. MI & RU DS Services. Acidize perfs 3678-3982' with 3,800 gals anti-sludge 15% HCl acid * at a maximum rate as shown below and a maximum surface pressure of 3500 psi. Spot acid across perfs at beginning of each stage and let soak to lower breakdown pressure and prevent communication. Pump job as follows:

Interval	Amt. Acid	Max Rate	PPI Setting	
3974-82'	200 gals	½ BPM	3973-83'	
3958-66'	200 gals	½ BPM	3957-67'	
3930-38'	200 gals	½ BPM	3929-39'	222323
3914-22'	200 gals	½ BPM	3913-23'	19 05
3898-3904'	200 gals	½ BPM	3897-3907'	A B
3889-93'	200 gals	½ BPM	3886-96'	(1
3876-84'	200 gals	½ BPM	3875-85'	16 16 16 16 16 16 16 16 16 16 16 16 16 1
3870-73'	200 gals	½ BPM	3865-75'	1/3 ROYANA
3855-63'	200 gals	½ BPM	3854-64'	
3846-50'	200 gals	½ BPM	3842-52'	The comment
3832-40'	200 gals	½ BPM	3831-41'	687884
3806-10'	200 gals	½ BPM	3804-14'	
3790-98'	200 gals	½ BPM	3789-99'	
3770-76'	200 gals	½ BPM	3768-78'	
3758-64'	200 gals	½ BPM	3756-66'	
3748-54'	200 gals	½ BPM	3746-56'	
3732-40'	200 gals	½ BPM	3731-41'	
3718-24'	200 gals	½ BPM	3716-26'	
3678-86'	200 gals	½ BPM	3677-87'	

Displace acid with 8.6 PPG cut brine water — do not overdisplace. Use a SCV to control displacement fluid. Record ISIP, 5 & 10 minute SIP's. RD and release DS services. Note: Pickle tubing in 1 run of 500 gals acid, prior to acidizing perfs. Pickle acid is to contain only 1/2 gal A264 and 1 gal W53. Also, if communication occurs during treatment of any interval, monitor casing pressure and attempt to complete stage w/o exceeding 500 psi csg pressure. If cannot, then move PPI to next setting depth and combine treatment volumes of the intervals.

* Acid system is to contain:	1 GPT A264	Corrosion Inhibitor
	8 GPT L63	Iron Control Agent
	2 PPT A179	Iron Control Aid
	20 GPT U66	Mutual Solvent
	2 GPT W53	Non-Emulsifier

- 8. Release PPI pkr and PUH to approximately 3650'. Swab back all intervals together. Recover 100% of treatment and load volumes before shutting well in for night, if possible. Report recovered fluid volumes, pressures, and/or swabbing fluid levels. Note: Selectively swab perfs as directed by Engineering if excessive water is produced.
- 9. Open well. Release PPI pkr. POH with tbg and PPI packer. LD PPI tool.
- 10. PU and GIH w/ 5 ½" Lok-Set pkr & On-Off tool w/ 2.25" "F" profile and 117 jts. of 3 ½" EUE 8R L-80 work string, testing to 8500 psi. Set pkr at approximately 3550'. Install frac head. Pressure annulus to 500 psi to test csg and pkr. Leave pressure on csg during frac job to observe for communication.

11. MI & RU DS Services and Tracer-Tech Services (Mike Mathis (866) 595-3115). Frac well down 3 ½" tubing at 40 BPM with 88,000 gals of YF130, 176,000 lbs. 16/30 mesh Jordan Sand, and 30,000 lbs resin-coated 16/30 mesh CR1630 proppant. Observe a maximum surface treating pressure of 7500 psi. Tag frac with 3 radioactive isotopes (1 in ½ PPG pad stage, 1 in main proppant stages, and 1 in resin-coated proppant stage). Pump job as follows:

Pump 2,000 gals 2% KCL water containing 55 gals Baker RE 4777-SCW Scale Inhibitor

Pump 1,000 gals 2% KCL water spacer

Pump 14,000 gals YF130 pad containing 5 GPT J451 Fluid Loss Additive

Pump 14,000 gals YF130 containing 0.5 PPG 16/30 mesh Jordan Sand & 5 GPT J451 FL Additive

Pump 12,000 gals YF130 containing 1.5 PPG 16/30 mesh Jordan Sand

Pump 12,000 gals YF130 containing 2.5 PPG 16/30 mesh Jordan Sand

Pump 14,000 gals YF130 containing 3.5 PPG 16/30 mesh Jordan Sand

Pump 16,000 gals YF130 containing 4.5 PPG 16/30 mesh Jordan Sand

Pump 6,000 gals YF130 containing 5 PPG resin-coated 16/30 mesh CR1630 proppant.

Flush to 3617' with 1,365 gals WF130. **Do not overflush.** Shut well in. Record ISIP, 5, 10, and 15 minute SI tbg pressures. SWI. RD & Release DS Services and Tracer-Tech Services. **Leave well SI overnight.**

- 12. Open well. PU and GIH with 4 3/4" MT bit on 2 7/8" work string to 4500'. Reverse circulate well clean from 4500' using 8.6 PPG cut brine water. POH with 2 7/8" work string and bit. LD bit.
- 13. PU & GIH with 5 ½" pkr on 2 7/8" work string to 3550'. Set pkr at 3550'. Open well. GIH and swab well until there is no sand inflow. Swab well for at least 3 hours before logging. MI & RU Baker Atlas electric line unit. Install lubricator and test to 1000 psi. GIH and conduct after-frac PRISM GR/Temp/CCL log from 4200' up to 3000'. POH. RD & release electric line unit. Note: Correlate logs and run flat with Baker Atlas GR/CBL/CCL Log conducted in Step # 5.
- 14. PU and GIH w/ Centrilift sub pump assembly, drain sub, 2 7/8" x 6' tbg sub, SN, and 121 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Suspend tbg with bottom of sub pump assembly at approximately 3808'.
- 15. Remove BOP's and install WH. RD & release workover unit.
- 16. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

AMH 12/19/2005 DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719 DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410 DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102 Revised February 10,199 Instructions on bac Submit to Appropriate District Offic

> State Lease - 4 Copie Fee Lease - 3 Copie

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numbe 30-025-24		Pool Code 50350 Pool Name PENROSE SKELLY GR			G
4 Property Code 2683		⁵ Prope H.T. MAT		⁶ Well No. 15	
⁷ OGRID Numbe 4323	r	•	rator Name ON USA INC		⁹ Elevation 3507' GL

¹⁰ Surface Location

UI or lot no	Section	Township	Range	Lot.ldn	Feet From The	North/South Line	Feet From The	East/West Line	County
N	30	21-S	37-E		660'	SOUTH	1820'	WEST	LEA

Bottom Hole Location If Different From Surface

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From	The	North/South Line	Feet From The	East/West Line	County
Dedicated 40	d Acre	Joint or Infill	14	Consolidation	on Code	¹⁵ Ord	der No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

