

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBS OCD
AUG 20 2018
RECEIVED

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Chevron USA Inc 6301 Deauville Blvd Midland, TX 79706		² OGRID Number 4323
		³ API Number 30-025-10260
⁴ Property Code 2641	⁵ Property Name HUGH	⁶ Well No. 4

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
A	14	22S	37E		660	N	660	E	LEA

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

⁹ Pool Name <i>PADDOCK</i>	¹⁰ Pool Code <i>49210</i>
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Additional Well Information

¹¹ Work Type R	¹² Well Type O	¹³ Cable/Rotary	¹⁴ Lease Type FEE	¹⁵ Ground Level Elevation 3336
¹⁶ Multiple N	¹⁷ Proposed Depth 6450	¹⁸ Formation PADDOCK	¹⁹ Contractor	²⁰ Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
			NO CHANGE			

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC , if applicable.

Signature: *Cindy Herrera-Murillo*

Printed name: CINDY HERRERA=MURILLO

Title: PERMITTING SPECIALIST

E-mail Address: CHERRERAMURILLO@CHEVRON.COM

Date: 08/16/2018

Phone: 575-263-0431

OIL CONSERVATION DIVISION

Approved By:

[Signature]

Title:

Petroleum Engineer

Approved Date: *08/23/18*

Expiration Date: *08/23/20*

Conditions of Approval Attached

DRAFT

Short Procedure: Hugh 4 - Recomplete to Paddock

Background: Recent failure and well is uneconomic to continue producing from commingled Drinkard and Blinebry. DHC'd in 2014. Plan is to recomplete the Paddock formation.

Objective: Recomplete with a frac in the Paddock.

It is up to the WSM, Workover Engineer, Superintendent and Production Engineer to make the decisions necessary to safely do what is best for the well.

Contacts:	Matt DeFriend	Workover Engineer	985-237-8017
	Scott Miller	Workover Superintendent	432-202-0303
	Ashlyn Karchner	Production Engineer	432-202-5937

WellSafe Procedure Required: No. Well requires less than 10 ppg to kill
MASP: <500 psi.

Short Procedure: Refer to standard procedure for requirements and general procedure for job.

1. Complete well handover document with Operations representative. Note all tubing and casing pressures in WellView daily. MIRU workover rig. Bleed off pressure. Kill well with 10 ppg brine.

NOTE: Unless there is a well control event do not pump heavier than 10 ppg KWF. Confirm with workover engineer and superintendent that well is WellSafe certified prior to pumping mud.

2. Observe well for 15 minutes and verify no flow (**WSEA 10B**). ND wellhead. NU BOP (7-1/16" 5K with blinds on bottom, 2-3/8" pipe rams, and annular on top and test to 250 psi low and 5000 psi high. (**WSEA 8A**)
3. P/U 2-3/8" workstring, TIH and wash sand from RBP at 5035' and release. TOH and LD RBP.
4. P/U 7" test packer and TIH to 5350'. Test CIBP / cement to 3000 psi for 15 minutes. TOH, L/D packer.
5. RU E-Line. Test lubricator to 500 psi f/ 15 min. Note fluid level in WellView. Run CBL log from 5275' to top of cement (temperature log ran in 1947 showed top of cement at 3420') to verify cement integrity.

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6. Perforate the following intervals using a 3-3/8" or 4" gun having 4 spf, 120-degree phasing, 23 gram charges with 0.50" entry hole diameter: 5060-5070';
5080-5088';
5115-5120';
5124-5130';
5138-5145';
5160-5170'. RD EL.
7. Swap 2-3/8" pipe rams with 3-1/2" pipe rams and test same to 250 psi low and 500 psi high. **(WSEA 8C)**
8. P/U 7" 10K Big Bore AS-1X packer with 2.25" frac hardened profile on 3-1/2" 9.3# L80 frac string. TIH hydro testing to 8000 psi. Set packer at \pm 50' above perf interval and land 3-1/2" frac string on top of BOP with 7-1/16" 5M x 4-1/16" 10M BOP adapter. N/U dual 4-1/16" 10M frac valves with 4-1/16" 10M Frac Y with 3 4" 1002 outlets on top. Test backside to 500 psi for 15 minutes. RDMO rig until production engineer gives okay to put on production.

Note: Preliminary casing test to ensure packer integrity.

9. MIRU frac equipment. Frac well per Cudd frac design (See tab below for details). RDMO with frac equipment. **Utilize section 16.2.4 of the MMWW standard procedure for specific hydraulic fracturing requirements.** Hand over well to operations to produce by natural flow to satellite for 7-14 days. Confirm with operations when the rig should return to run production equipment or convert to flow.
10. MIRU workover rig. R/U tubing handling equipment. Caliper elevators and document in WellView. Release 7" packer and TOH and L/D 3-1/2" frac string and packer.
11. Swap 3-1/2" pipe rams with 2-3/8" pipe rams and test same to 250 psi low and 500 psi high. **(WSEA 8A)**
12. P/U 6-1/8" bit on 2-3/8" J55 production tubing. Cleanout sand to TOC @ \pm 5380' . Circulate clean. TOH and L/D bit.
13. Production BHA will be determined by the results of the frac. The well will be put on rod pump or flow. Communicate with workover engineer on path forward. RIH with production BHA per ALCR.

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14. Set BPV (**WSEA 10B**). N/D BOP. N/U production tree and test void to at least 1000 psi for 15 minutes. (**WSEA 10C**).

NOTE: If BPV cannot be set, the well must be monitored for flow for 15 minutes or longer before installing production tree. Count number of turns in Wellview. Call WSI for tree and pressure test.

15. Complete Ownership Transfer Form from D&C to Operations. Notify production personal in field office and contact pumper that well is ready for production. RDMO workover rig and equipment. Ensure Location is Clean.