

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.

30-025-10259

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
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMI
(FORM C-101) FOR SUCH PROPOSALS.

1. Type of Well: OIL WELL ☒ GAS WELL ☐ OTHER

2. Name of Operator
CHEVRON USA INC

3. Address of Operator
15 SMITH RD, MIDLAND, TX 79705

4. Well Location
Unit Letter B : 660' Feet From The NORTH Line and 1980' Feet From The EAST Line
Section 14 Township 22-S Range 37-E NMPM LEA COUNTY

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3347'

7. Lease Name or Unit Agreement Name

HUGH

8. Well No.

3

9. Pool Name or Wildcat

PENROSE SKELLY GRAYBURG

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ACIDIZE GRAYBURG & SCALE SQUEEZE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPERATION ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

CHEVRON U.S.A. INC. INTENDS TO ACIDIZE THE GRAYBURG FORMATION AND SCALE SQUEEZE.

THE INTENDED PROCEDURE AND CURRENT AND PROPOSED WELLBORE DIAGRAMS ARE ATTACHED FOR YOUR APPROVAL.



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 6/20/2006

TYPE OR PRINT NAME Denise Pinkerton

Telephone No. 432-687-7375

(This space for State Use)

APPROVED Wayne Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE JUN 22 2006
CONDITIONS OF APPROVAL, IF ANY:

Hugh # 3
Penrose Skelly Field
T22S, R37E, Section 14
WBS # UWDOL-R6244
Job: Acidize Grayburg Formation And Scale Squeeze

Procedure:

1. MI & RU pulling unit. Bleed pressure from well, if any. Pump down csg with 8.6 PPG cut brine water, if necessary to kill well. POH with rods and pump. Remove WH. Install BOP's and test to 1000 psi. Release TAC. POH with 2 7/8" tbg string and TAC. LD TAC.
2. PU and GIH with 6 1/4" MT bit and 2 7/8" tbg string to 5015'. If fill is found, reverse circulate using 8.6 PPG cut brine water and clean out wellbore to 5015'. Reverse circulate well clean from 5015'. POH with tbg string and bit. LD bit. **Note: If well will not circulate, MI&RU air unit and circulate well using foam.**
3. PU and GIH w/ 7" PPI pkr (with 10' element spacing) and SCV on 2 7/8" tbg string to approximately 3550'. Test tbg to 5500 psi while GIH.
4. MI & RU DS Services. Acidize perms 3580-4054' with 7,500 gals anti-sludge 15% HCl acid * at a maximum rate **as shown below** and a maximum surface pressure of **3500 psi**. Spot acid across perms 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
4048-54'	300 gals	1 BPM	4046-56'
4026-30'	200 gals	1 BPM	4022-32'
4011-19'	400 gals	1 BPM	4010-20'
3990-98'	400 gals	1 BPM	3989-99'
3972-80'	400 gals	1 BPM	3971-81'
3944-50'	300 gals	1 BPM	3942-52'
3926-30'	200 gals	1 BPM	3922-32'
3910-18'	400 gals	1 BPM	3909-19'
3885-89'	200 gals	1 BPM	3880-90'
3867-71'	200 gals	1 BPM	3865-75'
3859-63'	200 gals	1 BPM	3854-64'
3842-50'	400 gals	1 BPM	3841-51'
3828-34'	300 gals	1 BPM	3826-36'
3816-18'	200 gals	1 BPM	3812-22'
3805-10'	200 gals	1 BPM	3802-12'
3790-98'	400 gals	1 BPM	3789-99'
3770-74'	200 gals	1 BPM	3768-78'
3758-62'	200 gals	1 BPM	3754-64'
3739-45'	300 gals	1 BPM	3736-46'

3720-28'	400 gals	1 BPM	3719-29'
3692-3700'	400 gals	1 BPM	3691-3701'
3662-66'	200 gals	1 BPM	3660-70'
3648-54'	300 gals	1 BPM	3646-56'
3598-3606'	400 gals	1 BPM	3597-3607'
3580-88'	400 gals	1 BPM	3579-89'

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

5. Release PPI pkr and PUH to approximately 3550'. **Wait 2 hours for acid to spend.** 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.**
6. Open well. MI & RU pump truck. Pump down tbg with 50 bbls 8.6 PPG cut brine water containing 110 gals Baker RE-4777 Scale Inhibitor followed by 200 bbls 8.6 PPG cut brine water at **5 BPM** and **2500 psi maximum pressure**. RD and release pump truck. Release PPI pkr. POH with 2 7/8" tbg string. LD PPI packer.
7. PU and GIH w/ BP mud anchor jt of 2 7/8" tbg, 2 7/8" x 4' perforated sub, SN, 1 jt 2 7/8" EUE 8R J-55 IPC tbg, 16 jts 2 7/8" EUE 8R J-55 tbg, TAC, and 115 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 3550', with EOT at 4100' and SN at 4065'.
8. Remove BOP's and install WH. GIH with rods, weight bars, and pump per ALS recommended design. RD & release pulling unit.
9. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

Well: **Hugh # 3** Field: **Penrose Skelly** Reservoir: **Grayburg**

Location:
660' FNL & 1980' FEL
Section: 14 Unit Letter: B
Township: 22S
Range: 37E
County: Lea State: NM

Elevations:
GL: 3347'
KB: 3362'
DF: 3361'

**Current
Wellbore Diagram**

Well ID Info:
Chevno: FB1255
API No: 30-025-10259
L5/L6: U493000
Spud Date: 8/15/47
Compl. Date: 10/1/47

Surf. Csg: 13 3/8", 48#, SS
Set: @ 309' w/ 300 sks
Hole Size: 17 1/2"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Prod. Csg: 9 5/8", 36#, H-40
Set: @ 2875' w/ 1300 sks
Hole Size: 12 1/4"
Circ: No **TOC:** 1475'
TOC By: Temperature Survey

Tbg Detail:
BP @ 4100'
1 jt. 2 7/8" tbg
2 7/8" x 4' perf sub
SN @ 4065'
1 jt. 2 7/8" EUE 8R J-55 IPC tbg
16 jts. 2 7/8" EUE 8R J-55 tbg
TAC @ 3550'
115 jts. 2 7/8" EUE 8R J-55 tbg

CIBP @ 5050'
(35' cement on top)

CIBP @ 5300'
(35' cement on top)

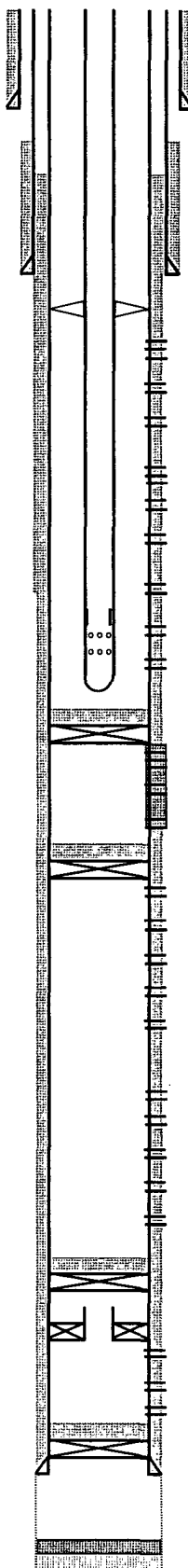
CIBP @ 6005'
(35' cement on top)

Top of fish @ 6157'
(Baker Lok-Set pkr w/ 15'
of 2 3/8" tbg)

CIBP @ 6375'
(10' cement on top)

COTD: 5015'
PBTD: 5015'
TD: 6478'

Updated: 2/8/2005



Perfs:	Status
3580-88'	Grayburg - Open
3598-3606'	Grayburg - Open
3648-54'	Grayburg - Open
3662-66'	Grayburg - Open
3692-3700'	Grayburg - Open
3720-28'	Grayburg - Open
3739-45'	Grayburg - Open
3758-62'	Grayburg - Open
3770-74'	Grayburg - Open
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3990-98'	Grayburg - Open
4011-19'	Grayburg - Open
4026-30'	Grayburg - Open
4048-54'	Grayburg - Open
5100-04'	Paddock - Cmt Sqzd
5128-32'	Paddock - Cmt Sqzd
5196-5200'	Paddock - Cmt Sqzd

5354'	5451'	Blinbry - Below CIBP
5357'	5456'	Blinbry - Below CIBP
5360'	5485'	Blinbry - Below CIBP
5364'	5497'	Blinbry - Below CIBP
5375'	5517'	Blinbry - Below CIBP
5396'	5524'	Blinbry - Below CIBP
5415'	5538'	Blinbry - Below CIBP
5420'	5543'	Blinbry - Below CIBP
5425'	5551'	Blinbry - Below CIBP
5432'	5571'	Blinbry - Below CIBP
5439'	5586'	Blinbry - Below CIBP
5444'		Blinbry - Below CIBP

5631'	5735'	Blinbry - Below CIBP
5642'	5750'	Blinbry - Below CIBP
5657'	5780'	Blinbry - Below CIBP
5667'	5799'	Blinbry - Below CIBP
5674'	5803'	Blinbry - Below CIBP
5691'	5828'	Blinbry - Below CIBP
5717'		Blinbry - Below CIBP

6256-58'	Drinkard Gas - Below CIBP
6276-78'	Drinkard Gas - Below CIBP
6298-6300'	Drinkard Gas - Below CIBP
6318-20'	Drinkard Gas - Below CIBP
6338-40'	Drinkard Gas - Below CIBP

Prod. Csg: 7", 23#, J-55 & N-80
Set: @ 6397' w/ 700 sks
Hole Size: 8 3/4"
Circ: No **TOC:** 1650'
TOC By: Temperature Survey

OH fr/ 6397-6476' (Drinkard)

Hydromite Plug fr/ 6450-61'

By: A. M. Howell

Well: **Hugh # 3**Field: **Penrose Skelly**Reservoir: **Grayburg****Location:**

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Proposed
Wellbore Diagram

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