

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.	30-025-36743
5. Indicate Type of Lease	STATE ☐ FEE ☒
6. State Oil / Gas Lease No.	
7. Lease Name or Unit Agreement Name	W.T. MCCOMACK
8. Well No.	20
9. Pool Name or Wildcat	PENROSE SKELLY GRAYBURG
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3470'

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 PERMIT
(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 O : 1190' Feet From The SOUTH Line and 1400' Feet From The EAST Line
Section 32 Township 21-S Range 37-E NMPM LEA COUNTY

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 ☐

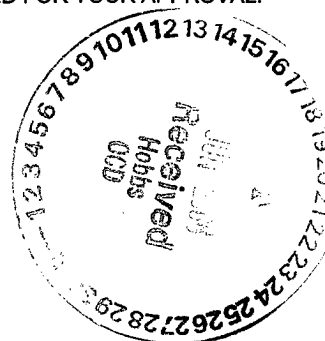
CASING TEST AND CEMENT JOB ☐

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 Gayle W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER
CONDITIONS OF APPROVAL, IF ANY:

DATE

JUN 22 2006

W. T. McComack # 20
Penrose Skelly Field
T22S, R37E, Section 32
WBS # UWDOL-R6245
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 4 3/4" MT bit and 2 7/8" work string to 4193'. MI&RU air unit. Establish circulation using foam. LD and cleanout fill in 5 1/2" casing to PBTD at 4300'. Circulate well clean from 4300'. POH with work string and bit. LD bit.
3. PU and GIH w/ 5 1/2" PPI pkr (with 10' element spacing) and SCV on 2 7/8" work string to approximately 3690'. Test tbg to 5500 psi while GIH.
4. MI & RU DS Services. Acidize perms 3698-3942' with 5,300 gals anti-sludge 15% HCl acid * at a maximum rate **as shown below** and a maximum surface pressure of **3500 psi**. Spot acid to bottom of tbg at beginning of each stage. Pump job as follows:

Interval	Amt. Acid	Max Rate	PPI Setting
3938-42'	200 gals	1/2 BPM	3935-45'
3924-32'	400 gals	1/2 BPM	3923-33'
3904-12'	400 gals	1/2 BPM	3903-13'
3884-92'	400 gals	1/2 BPM	3883-93'
3870-78'	400 gals	1/2 BPM	3869-79'
3852-60'	400 gals	1/2 BPM	3851-61'
3842-46'	200 gals	1/2 BPM	3840-50'
3834-36'	200 gals	1/2 BPM	3830-40'
3822-28'	300 gals	1/2 BPM	3820-30'
3808-13'	200 gals	1/2 BPM	3806-16'
3795-3801'	300 gals	1/2 BPM	3794-3804'
3780-85'	200 gals	1/2 BPM	3778-88'
3765-73'	400 gals	1/2 BPM	3764-74'
3750-54'	200 gals	1/2 BPM	3748-58'
3736-42'	300 gals	1/2 BPM	3734-44'
3726-30'	200 gals	1/2 BPM	3724-34'
3712-16'	200 gals	1/2 BPM	3710-20'
3698-3706'	400 gals	1/2 BPM	3697-3707'

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 2000 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 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.**
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" work string. LD work string and PPI packer.
7. PU and GIH w/ Cavins dump valve, 2 mud anchor jts of 2 7/8" tbg, Cavins Desander, 2 7/8" x 4' perforated sub, SN, 1 jt 2 7/8" EUE 8R J-55 IPC tbg, 12 jts 2 7/8" EUE 8R J-55 tbg, TAC, and 116 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 3621', with EOT at 4120' and SN at 4031'.
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.

AMH
6/19/2006

WELL DATA SHEET

FIELD: Penrose Skelly

WELL NAME: W. T. McComack # 20

FORMATION: Grayburg

LOC: 1190' FSL & 1400' FEL
TOWNSHIP: 21S
RANGE: 37E
LOT:

SEC: 32
COUNTY: Lea
STATE: NM

GL: 3470'
DF:

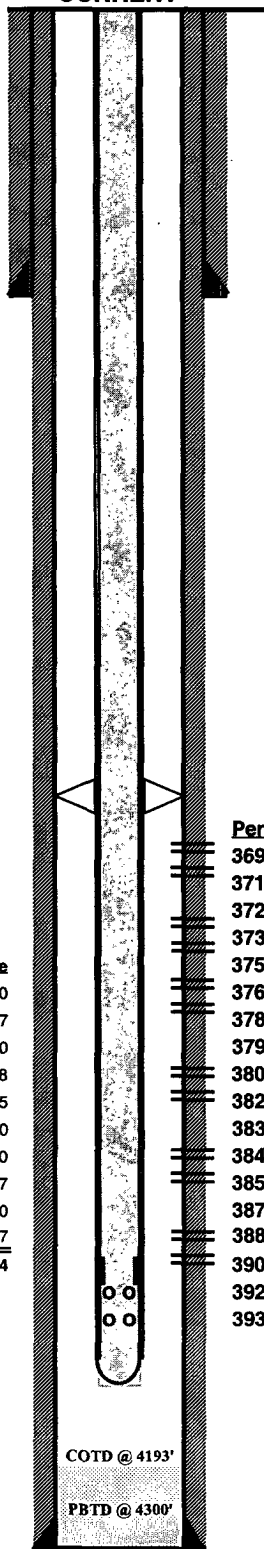
CURRENT STATUS:
API NO: 30-025-36743
REFNO: HP6003
SAP: UCU491900

Surface Casing

8-5/8" 24# K-55
11" hole to 415'
Set @ 415' w/250 sx cmt
Circ cmt to surface

Spud Date: 9/8/2004
Date of Completion: 10/1/2004
Initial Completion: Grayburg

CURRENT



Tubing Detail:

#Jts:	Size:	Footage
	KB Correction	6.00
115	Jts. 2 7/8" EUE 8R J-55 Tbg	3583.77
	TAC	2.70
12	Jts. 2 7/8" EUE 8R J-55 Tbg	375.28
1	Jt. 2 7/8" EUE 8R J-55 IPC Tbg	32.25
	SN	1.10
	2 7/8" x 4' Perf Tbg Sub	4.10
	Cavins Desander	20.17
2	Jts. 2 7/8" Tbg W/ Dump Valve	62.00
	Dump Valve	1.37
130	Bottom Of String >>	4088.74

Perfs

3698-3706'
3712-16'
3726-30'
3736-42'
3750-54'
3765-73'
3780-85'
3795-3801'
3808-13'
3822-28'
3834-36'
3842-46'
3852-60'
3870-78'
3884-92'
3904-12'
3924-32'
3938-42'

Status

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Production Casing

5-1/2", 15.5# K-55
7-7/8" hole to 4350'
Set @ 4350' w/1000 sx cmt
Circ cmt to surface

COTD @ 4193'

PBTD @ 4300'

TD 4350'

WELL DATA SHEET

FIELD: Penrose Skelly

WELL NAME: W. T. McComack # 20

FORMATION: Grayburg

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8-5/8" 24# K-55

11" hole to 415'

Set @ 415' w/250 sx cmt

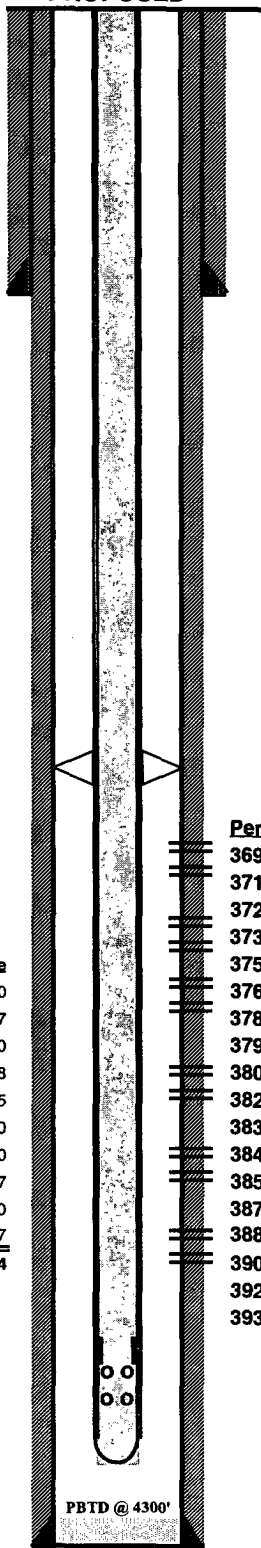
Circ cmt to surface

Spud Date: 9/8/2004

Date of Completion: 10/1/2004

Initial Completion: Grayburg

PROPOSED



Tubing Detail:

#Jts:	Size:	Footage
	KB Correction	6.00
116	Jts. 2 7/8" EUE 8R J-55 Tbg	3614.77
	TAC	2.70
12	Jts. 2 7/8" EUE 8R J-55 Tbg	375.28
1	Jt. 2 7/8" EUE 8R J-55 IPC Tbg	32.25
	SN	1.10
	2 7/8" x 4' Perf Tbg Sub	4.10
	Cavins Desander	20.17
2	Jts. 2 7/8" Tbg W/ Dump Valve	62.00
	Dump Valve	1.37
131	Bottom Of String >>	4119.74

Perfs

3698-3706'
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7-7/8" hole to 4350'

Set @ 4350' w/1000 sx cmt

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PBTD @ 4300'

TD 4350'