

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.	30-025-26051
5. Indicate Type of Lease	STATE ☐ FEE ☒
6. State Oil / Gas Lease No.	
7. Lease Name or Unit Agreement Name	MARK
8. Well No.	11
9. Pool Name or Wildcat	PENROSE SKELLY GRAYBURG
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3393' GL

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 <u>A</u> : <u>430'</u> Feet From The <u>NORTH</u> Line and <u>960'</u> Feet From The <u>EAST</u> Line Section <u>3</u> Township <u>22-S</u> Range <u>37-E</u> NMPM <u>LEA</u> COUNTY
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3393' GL

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 & DHC ☒

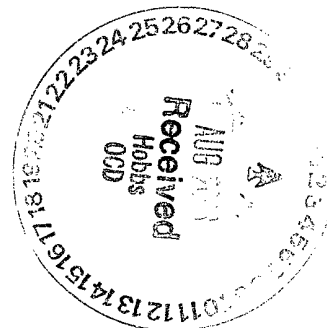
SUBSEQUENT REPORT OF:

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 & SCALE SQUEEZE THE GRAYBURG RESERVOIR & DHC WITH THE BLINEBRY & THE WANTZ ABO.
APPLICATION HAS BEEN MADE TO SANTA FE (ON 7-26-2006).

THE INTENDED PROCEDURE AND CURRENT AND PROPOSED WELLBORE DIAGRAMS, AND TBG LANDING DETAILS 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 7/31/2006
TYPE OR PRINT NAME Denise Pinkerton Telephone No. 432-687-7375

(This space for State Use)

APPROVED [Signature] TITLE PETROLEUM ENGINEER
CONDITIONS OF APPROVAL, IF ANY:

DATE

AUG 04 2006

Mark #11
Penrose Skelly Field
T22S, R37E, Section 3
Job: Acidize & Scale Squeeze Grayburg, DHC

7/26/06

Completion Procedure:

1. Displace flowline w/ fresh water. Have Field Specialist close valve at header. Pressure test line according to type. All polypipe (SDR7 and SDR11) will be tested to 100 psi. All steel lines will be tested to 500 psi. If a leak is found, contact Donnie Ives for repair/replacement. If tests good, bleed off pressure and open valve at header. Document this process in the morning report.
1. MIRU Key PU & RU. Bleed pressure from well, if any. Pump down csg with 8.6 PPG cut brine water, if necessary to kill well. NDWH. POOH w/ rods and pump. NUBOP and test when possible. Release TAC and POOH w/ 2-7/8" tbg. Stand back.
2. PU and RIH with 4 3/4" MT bit on 2 7/8" WS to 3800'. C/O fill if necessary using air unit. POH with bit. LD bit.
3. PU and RIH w/ 5 1/2" PPI pkr (with 10' element spacing) and SCV on 2 7/8" WS. Test tbg to 4000 psi while RIH. Set PPI pkr in blank pipe and test tools. Mark settings.
6. MI & RU DS Services. Acidize perf intervals with 4,800 gals anti-sludge 15% HCl acid at a max rate of 2 BPM and a max surface pressure of **4000 psi**. Spot acid to bottom of tbg at beginning of first stage. Pump job as follows:

Perfs	Acid Volume	Max Rate	PPI Setting
3644-3647	300 gals	2 bpm	3641-3651
3666-3671	300 gals	2 bpm	3663-3673
3680-3689	300 gals	2 bpm	3679.5-3689.5
3696-3699	300 gals	2 bpm	3692-3702
3709-3713	300 gals	2 bpm	3706-3716
3725-3727	300 gals	2 bpm	3721-3731
3736-3743	300 gals	2 bpm	3734-3744
3750-3758	300 gals	2 bpm	3749-3759
3765-3768	300 gals	2 bpm	3762-3772
3776-3784	300 gals	2 bpm	3775-3785
3792-3795	300 gals	2 bpm	3788-3798
3797-3800	300 gals	2 bpm	3796-3806
3812-3821	300 gals	2 bpm	3811.5-3821.5
3826-3830	300 gals	2 bpm	3824-3834
3835-3838	300 gals	2 bpm	3833-3843
3851-3856	300 gals	2 bpm	3849-3859

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: If communication occurs during treatment of any interval, monitor casing pressure and attempt to complete stage w/o exceeding 1000 psi csg pressure. If cannot, then move PPI to next setting depth and combine treatment volumes of the intervals.**

7. Release PPI pkr and PU to approximately 3600'. Swab back all intervals together. Recover 100% of treatment and load volumes before SION, if possible. Report recovered fluid volumes, pressures, and/or swabbing fluid levels.
8. MIRU pump truck. Pump down tbq w/ 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 @ 5 BPM & 2500 psi max pressure. RD pump truck. POOH & LD PPI pkr.
9. RIH w/ top half of on/off tool on 2-7/8" WS to 5290'. Circulate out sand on top of RBP using air unit if necessary. Latch, equalize and release RBP @ 5310'. POOH & LD RBP.
10. RIH w/ 4-3/4" bit on WS to 7240'. Cleanout fill using air unit if necessary. POOH & LD bit and WS.
11. PU and RIH w/ production assembly as per ALS recommendation. Remove BOP and install WH. RIH w/ rods and pump as per ALS recommendation. RD PU & RU.
12. Inform Lease Operator and ALS that the well is ready for operation.

Engineer - Keith Lopez
432-687-7120 Office
432-687-3281 Cell
432-661-6156 Home

Well: **Mark # 11**

Field: **Penrose Skelly**

Reservoir: **Grayburg**

Location:

430' FNL & 960' FEL
Section: 3
Township: 22S
Range: 37E
County: Lea State: NM

Elevations:

GL: 3393'
KB: 3404'
DF: 3403'

Tbg Detail:

RBP @ 5310'
(20' sand on top)

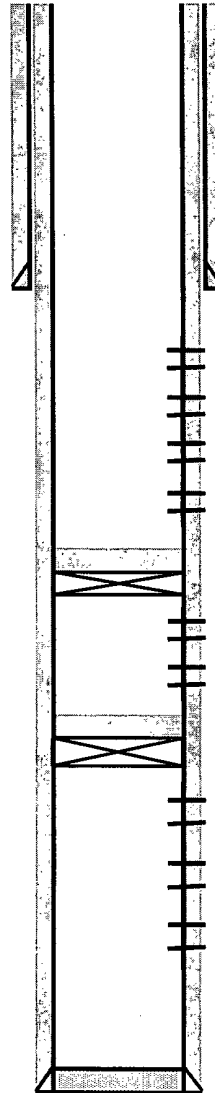
CIBP @ 7275'
(35' cement on top)

COTD: 5290'
PBTD: 5290'
TD: 7618'

Updated: 6/16/06

Current

Wellbore Diagram



By: Richard A. Jenkins

Well ID Info:

Chevno: EQ3250
API No: 30-025-26051
L5/L6: UCU490200
Spud Date: 8/16/78
Compl. Date: 9/23/78

Surf. Csg: 8 5/8", 24#, K-55
Set: @ 1143' w/ 550 sks
Hole Size: 12 1/4"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Perfs	Status
3644'-47'	3776'-84' Grayburg - Op
3666'-71'	3792'-95' Grayburg - Op
3680'-89'	3797'-00' Grayburg - Op
3696'-99'	3812'-21' Grayburg - Op
3709'-13'	3826'-30' Grayburg - Op
3725'-27'	3835'-38' Grayburg - Op
3736'-43'	3851'-56' Grayburg - Op
3750'-58'	Grayburg - Op

Perfs	Status
5342'-5926'	Blinebry - Open

Perfs	Status
6630'-7223'	Abo - Open

Perfs	Status
7279'-81'	Granite Wash - Below CIE
7301'-03'	Granite Wash - Below CIE
7319'-21'	Granite Wash - Below CIE
7339'-41'	Granite Wash - Below CIE
7358'-60'	Granite Wash - Below CIE
7378'-80'	Granite Wash - Below CIE

Prod. Csg: 5 1/2", 15.5#, K-55
Set: @ 7618' w/ 1875 sks
Hole Size: 7 7/8"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Well: **Mark # 11**

Field: **Penrose Skelly/Blinebry O&G, Wantz** Reservoir: **Grayburg/Blinebry/Abo**

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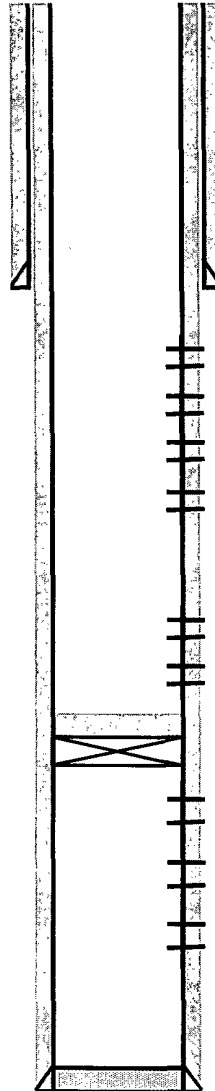
Tbg Detail:

CIBP @ 7275'
(35' cement on top)

COTD: 7240'
PBTD: 7240'
TD: 7618'

Updated: 7/25/06

Proposed
Wellbore Diagram



By: LOPK

Well ID Info:

Cheveno: EQ3250
API No: 30-025-26051
L5/L6: UCU490200
Spud Date: 8/16/78
Compl. Date: 9/23/78

Surf. Csg: 8 5/8", 24#, K-55
Set: @ 1143' w/ 550 sks
Hole Size: 12 1/4"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Perfs	Status
3644'-47'	3776'-84' Grayburg - Op
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3736'-43'	3851'-56' Grayburg - Op
3750'-58'	Grayburg - Op

Perfs	Status
5342'-5926'	Blinebry - Open

Perfs	Status
6630'-7223'	Abo - Open

Perfs	Status
7279'-81'	Granite Wash - Below CIB
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Set: @ 7618' w/ 1875 sks
Hole Size: 7 7/8"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Tubing Landing Details

[illegible]