Submit 3 copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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. 30-025-06911

5. Indicate Type of Lease STATE ☐ FEE ☑

6. State Oil / Gas Lease No. 317230

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.

7. Lease Name or Unit Agreement Name: V.M. HENDERSON

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

2. Name of Operator: CHEVRON USA INC

8. Well No. 5

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

9. Pool Name or Wildcat: PENROSE SKELLY GRAYBURG

4. Well Location

Unit Letter B : 660 Feet From The NORTH Line and 1980 Feet From The EAST Line

Section 30 Township 21S Range 37E NMPM LEA COUNTY

10. Elevation (Show whether DF, RKB, RT,GR, etc.) 3497'

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPERATION	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐			CASING TEST AND CEMENT JOB	☐		
OTHER: ADD PERFS & ACIDIZE	☑			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 ADD PERFS IN THE GRAYBURG FORMATION, ACIDIZE AND SCALE SQUEEZE TO INCREASE PRODUCTION FROM THE GRAYBURG RESERVOIR.

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 8/2/2006

TYPE OR PRINT NAME Denise Pinkerton Telephone No. 432-687-7375

(This space for State Use)

APPROVED Gary W. Wink

CONDITIONS OF APPROVAL, IF ANY: TITLE FIELD REPRESENTATIVE II/STAFF MANAGER DATE AUG 04 2006

OC

DeSoto/Nichols 12-93 Ver

V. M. Henderson # 5
Penrose Skelly Field
T21S, R37E, Section 30
Job: Add Perfs In Grayburg Formation, Acidize, And Scale Squeeze

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 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.

3. PU and GIH with 6 ¼" MT bit and 2 7/8" work string to 4980'. Reverse circulate well clean from 4980' using 8.6 PPG cut brine water. POH with 2 7/8" work string and bit. LD bit. **Note: Do not exceed 350 psi casing pressure due to cement squeezed perfs from 3506-81'. Also, if well will not circulate, clean out fill using an air unit and foam.**

4. MI & RU Baker Atlas electric line unit. Install lubricator and test to 2000 psi. GIH with 3 1/8" DP slick casing guns and perforate from 3802-06', 3856-66', 3898-3904', and 3910-20' with 4 JSPF at 120 degree phasing, using 23 gram premium charges. POH. RD & release electric line unit. **Note: Use casing collars from Baker Atlas Cement Bond Log run 1/19/04 for depth correction.**

5. PU and GIH w/ 7" PPI pkr (with 12' element spacing) and SCV on 2 7/8" work string to approximately 3650'. Test tbg to 5500 psi while GIH.

6. MI & RU DS Services. Acidize perfs 3653-3920' with 6,900 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
3910-20'	500 gals	1 BPM	3909-21'
3898-3904'	300 gals	1 BPM	3895-3907'
3884-91'	300 gals	1 BPM	3883-95'
3856-66'	500 gals	1 BPM	3855-67'
3842-48'	300 gals	1 BPM	3841-53'
3830-36'	300 gals	1 BPM	3828-40'

3818-21'	400 gals	1 BPM	3815-27'
3802-14'	400 gals	1 BPM	3802-14'
3792-98'	400 gals	1 BPM	3787-99'
3774-80'	500 gals	1 BPM	3769-81'
3756-60'	400 gals	1 BPM	3752-64'
3746-50'	400 gals	1 BPM	3741-53'
3729-35'	300 gals	1 BPM	3727-39'
3716-22'	300 gals	1 BPM	3715-27'
3704-10'	400 gals	1 BPM	3703-15'
3693-99'	500 gals	1 BPM	3688-3700'
3670-76'	300 gals	1 BPM	3668-80'
3662-66'	200 gals	1 BPM	3657-69'
3653-56'	200 gals	1 BPM	3646-58'

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 350 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

7. Release PPI pkr and PUH to approximately 3640'. 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.**

8. 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 2 7/8" work string and PPI packer.

9. 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, 10 jts 2 7/8" EUE 8R J-55 tbg, TAC, and 117 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 3625', with EOT at 4000' and SN at 3965'.

10. Remove BOP's and install WH. GIH with rods, weight bars, and pump per ALS recommended design. RD & release workover unit.

11. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

AMH
7/31/2006

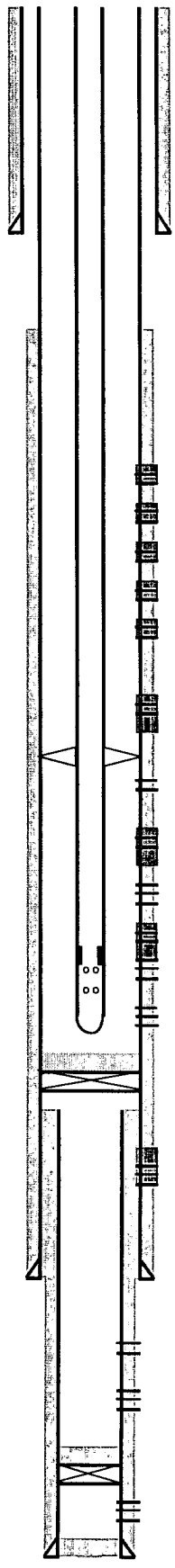
Well: **V. M. Henderson # 5** Field: Penrose Skelly Reservoir: Grayburg

Location:
660' FNL & 1980' FEL
Section: 30
Township: 21S
Range: 37E
County: Lea State: NM

Elevations:
GL: 3497'
KB: 3508'
DF: 3506'

Current
Wellbore Diagram

Well ID Info:
Chevno: FA8008
API No: 30-025-06911
L5/L6: U493800
Spud Date: 11/19/58
Compl. Date: 1/8/59



Surface Csg: 9 5/8", 32.3#, Unknown Grade
Set: @ 1236' w/ 800 sks
Hole Size: 12 1/4"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Tbg Detail:
BP @ 3935'
1 jt. 2 7/8" tbg
2 7/8" x 4' perf sub
SN @ 3900'
9 jts. 2 7/8" EUE 8R J-55 tbg
TAC @ 3625'
117 jts. 2 7/8" EUE 8R J-55 tbg

Perfs:	Status:
3506'	Eumont - Cmt Sqzd
3512'	Eumont - Cmt Sqzd
3520'	Eumont - Cmt Sqzd
3527'	Eumont - Cmt Sqzd
3533'	Eumont - Cmt Sqzd
3541'	Eumont - Cmt Sqzd
3550'	Eumont - Cmt Sqzd
3556'	Eumont - Cmt Sqzd
3562'	Eumont - Cmt Sqzd
3568'	Eumont - Cmt Sqzd
3574'	Eumont - Cmt Sqzd
3581'	Eumont - Cmt Sqzd

Cement Sqzd Grayburg Perfs
3686-3714'
3742-62'
3770-92'
3816-26'
3850-74'

3653-56'	Grayburg - Open
3662-66'	Grayburg - Open
3670-76'	Grayburg - Open
3693-99'	Grayburg - Open
3704-10'	Grayburg - Open
3716-22'	Grayburg - Open
3729-35'	Grayburg - Open
3746-50'	Grayburg - Open
3756-60'	Grayburg - Open
3774-80'	Grayburg - Open
3792-98'	Grayburg - Open
3810-14'	Grayburg - Open
3818-21'	Grayburg - Open
3830-36'	Grayburg - Open
3842-48'	Grayburg - Open
3884-91'	Grayburg - Open

RBP @ 5000'
(20' sand on top)

5172-88'	Paddock - Cmt Sqzd

Prod. Csg: 7" 20 & 23#, Unknown Grade
Set: @ 5210' w/ 500 sks
Hole Size: 8 3/4"
Circ: No **TOC:** 2330'
TOC By: TS

5562-72'	Blinebry - Below CIBP
5608-12'	Blinebry - Below CIBP
5622-40'	Blinebry - Below CIBP

CIBP @ 5730'
(10' cmt on top)

5779-98'	Blinebry - Below CIBP

COTD: 4965'
PBTD: 4965'
TD: 6017'

Liner: 4 1/2" OD, 11.6#, K-55
Set: Bottom @ 6007' w/200 sx cmt; Top @ 5068'
Hole size: 6 1/8"
Circ: Yes **TOC:** 5068'
TOC By: Circulated

Updated: 7/31/06 **By:** A. M. Howell

Well: **V. M. Henderson # 5** Field: **Penrose Skelly** Reservoir: **Grayburg**

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Proposed
Wellbore Diagram

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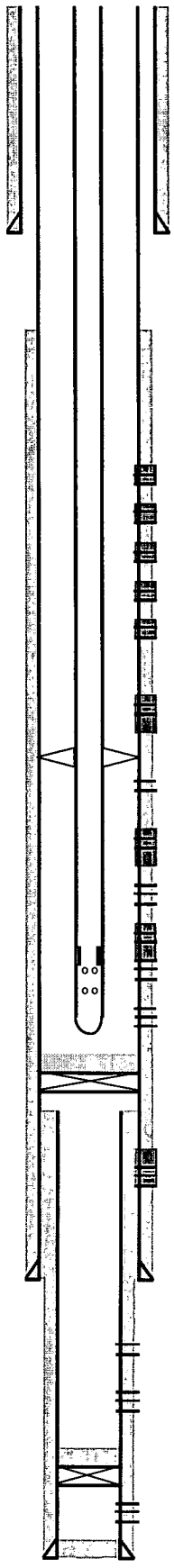
API No: 30-025-06911
L5/L6: U493800
Spud Date: 11/19/58
Compl. Date: 1/8/59



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