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State of New Mexico

Form C-103

| 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 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 | WELL API NO. 30-025-25184 5. Indicate Type of Lease STATE FEE 6. State Oil / Gas Lease No. |
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| DIFFERENT RESERVOIR. USE APPLICATION FOR FERMI | 7. Lease Name or Unit Agreement Name |
| (FORM C-101) FOR SUCH PROPOSALS. | CENTRAL DRINKARD UNIT |
| 1. Type of Well: OIL GAS WELL OTHER | |
| 2. Name of Operator | 8. Well No. 408 |
| CHEVRON USA INC | |
| 3. Address of Operator 15 SMITH RD, MIDLAND, TX 79705 | 9. Pool Name or Wildcat DRINKARD |
| 4. Well Location | F . F . T . WEST |
| Unit Letter <u>D</u> : <u>972</u> Feet From The <u>NORTH</u> Line and <u>1305</u> | _Feet From The <u>WEST</u> Line |
| Section 28 Township 21-S Range 37-E NMI | PM <u>LEA</u> COUNTY |
| 10. Elevation (Show whether DF, RKB, RT,GR, etc.) 3458' GE | Company of the second of the s |
| 11. Check Appropriate Box to Indicate Nature of Notice, Report, | or Other Data |
| NOTICE OF INTENTION TO: | BSEQUENT REPORT OF: |
| PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK | ALTERING CASING |
| TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPE | RATION PLUG AND ABANDONMENT |
| PULL OR ALTER CASING CASING TEST AND CEMEN | T JOB |
| OTHER: DEEPEN & CONVERT TO INJECTOR OTHER: | |
| 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent da proposed work) SEE RULE 1103. CHEVRON U.S.A. INC. INTENDS TO DEEPEN THIS MARGINAL GAS WELL FROM THE DRINKARD OIL ZONE (6519' -6642'). THIS WELL WILL BE COMPLETED AS AN INJECTOR TO PROVIDE WATE LATERAL IN CDU #104H & VERTICAL WELL CDU #103. | GAS ZONE (6399'-6443') TO THE DRINKARD |
| A PIT WILL NOT BE USED FOR THIS DEEPENING. | |
| THE INTENDED PROCEDURE AND CURRENT WELLBORE DIAGRAM ARE ATTACHED FOR YOUR | APPROVAL. |
| WFX 826 | 27212020 27222293037 10000 100 |
| Thereby certify that the juniformation above is true and complete to the best of my knowledge and belief. SIGNATURE TITLE Regulatory Specialist TYPE OR PRINT NAME Denise Pinkerton (This space for State Use) | DATE <u>3/2/2007</u> Telephone No. 432-687-7375 |

APPROVED Hay Which CONDITIONS OF APPROVAL, IF ANY: TITLE

CDU #408

Job: Deepen to Drinkard Oil Formation, Sand Fracture Stimulate, complete as injector

Procedure:

- 1. Obtain NMOCD Approval for deepening and injector status. (DONE)
- 2. Lay injection line to well as needed.
- 3. Verify what is in the hole with the well file in Eunice NM office. Discuss w/ OS, ALR and pumpers prior to RU regarding any unknown issues pertaining to this well.
- 4. Contact vendors for availability of equipment and timing.
- 5. Kill well as needed.
- 6. MIRU PU and RU.
- 7. Install BOP. Test BOP, wellhead and 5 ½" csg to 550#. (Verify MIT on chart)
- 8. TOH w/ 2 3/8" production tbg and packer, LD tbg and pkr.
- 9. TIH w/ 4 3/4" bit, DC's on 2 7/8" workstring. Drill and clean out as needed to current PBTD 6519'. TOH.
- 10. TIH w/ 5 ½" packer on 2 7/8" workstring. Set packer ~6350'. Load and test backside to 500#.
- 11. Establish rate and pressure into Drinkard Gas Zone perforations 6399'-6443'. TOH.
- 12. TIH w/ $5 \frac{1}{2}$ " cement retainer on 2 7/8" workstring. Set retainer ~ 6350'.
- 13. Cement squeeze w/~200 sacks or as rate and pressure information dictates. (DS recommendation.)
- 14. TIH w/ 4 ¾" mill tooth bit, DC's on workstring and drill out cement. Test cement squeeze and resqueeze if necessary. Drill out float equip and 5'-10' of new formation w/ mill tooth bit. TOH.
- 15. TIH w/ 4 ¾" insert bit and 10 or more 3 ½" DC's on 2 7/8" workstring. Continue to drill to new TD of ~6642'. Circulate well clean. (may need to utilize Air Unit.) TOH.
- 16. RU Wireline Services and run GR/CCL/CNL from ~5600'-6655' (or minimum log footage which ever is greater.) TOH.
- 17. TIH w/5 ½" packer on 2 7/8" workstring. Set packer ~6480'. Hydrostatic test tubing to 5500# going in hole. Load backside with 2% KCL (use KCL) and pressure to 500#. Need to maintain pressure on the backside to insure squeezed Drinkard gas perforations are holding.
- 18. Acidize OH w/ 3000 gals 15% HCL + 1500# Rock Salt as designed by DS. Swab back as possible. TOH w/ 2 7/8" workstring.
- 19. TIH w/ 4 3/4" bit on 2 7/8" workstring and clean out rock salt as needed. TOH.
- 20. TIH w/5 ½" packer on 3 ½" workstring. Hydrostatic test tubing to 8000 psi going in hole. Install frac head. Set packer ~6480'. Load backside with 2% KCL (use KCL) and pressure to 500#. Need to maintain pressure on the backside to insure squeezed Drinkard gas perforations are holding.
- 21. Rig up DS and fracture treat well with 5390 gals WF125; 27,000 gals WF 125T; 338,800# 20/40 Jordan sand as per DS procedure attached. Max Pressure 7500#, Max Rate 35 BPM.
- 22. SI overnight.
- 23. TOH w/ 3 1/2" workstring and packer, LD 3 1/2" WS.
- 24. TIH w/ 4 3/4" bit on 2 7/8" workstring. Tag for fill and clean out with air unit as needed. TOH.
- 25. .TIH w/ new 5 1/2" injection packer on new 2 3/8" injection tbg. Set injection packer ~ 6480' if possible. (If squeeze Drinkard Gas perfs don't hold, set pkr above perfs. Will need to call NMOCD to get permission to set above the 100' min.)
- 26. Chart backside for NMOCD. Start injecting. Report rate and pressure.

WELL DATA SHEET

FIELD: Drinkard LOC: 972' FNL & 1305' FWL

TOWNSHIP: 21S RANGE: 37E

WELL NAME: Central Drinkard Unit # 408 SEC: 28 GE: 3458'

COUNTY: Lea STATE: NM

KB to GE: 11' DF to GL:

2-3-76

DRK Perts 4, 1/2" JHPF 6399'- 6401'

6422'- 24'

6441' - 43'

203 its. 2-3/8" EUE 8 rt, 4.7# tbg Guiberson PKR @ 6345' EOT @ 6409'

FORMATION: Drinkard CURRENT STATUS: Producing Gas Well

API NO: 30-025-25184 Chevno: EO7918

Current Well Data Initial: Production initial completion date: 2/12/76 Gas Initial Formation: Drinkard

FROM:

Spud: 1-2-76

Rig Release: 1-16-76

ST&C Csg. Set @ 1250' w/ 550 sx, TOC @ Surface Circ'd 50 sx to surface

8-5/8" OD, 24#, Gr.K-55

DV Tool @ 1194'

Completion data:

Formation Drinkard

2-76 Perf DRK zone in 5-1/2" csg, w/4, 1/2" JHPF@ 6399'-6401', 6422'-24', 6441'-43'. Acdz perfs w/1800 gals 15% NEA. Frac perfs dn tbg w/ 6000 gals GBW followed by 21,000 gals w/ 1-1/2 - 2 SPG in 3 equal

stages.

5-1/2" OD, 15.5#, Gr. K-55, LT& C csg @ 6519' w/ 965 sks cmt TOC @ 1719' by calc 1st stage cmt circ on 2nd stage cmt. Surf FC @ 6507'

> TD @ 6519' PBTD @ 6507*

> > FILE: CDU408.XLS chay revised 1-16-03

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STATE: NM

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Current Well Data

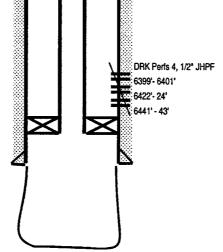
initial completion date: 2/12/76 Initial: Production
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Open Hole 6519'-6642'

