

Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Rd, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-06586
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STATE S
8. Well Number 1
9. OGRID Number 4323
10. Pool name or Wildcat PENROSE SKELLY GRAYBURG

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 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 U.S.A. INC.

3. Address of Operator
15 SMITH ROAD, MIDLAND, TEXAS 79705

4. Well Location

Unit Letter D 660 feet from the NORTH line and 660 feet from the WEST line

Section 15 Township 21-S Range 37-E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3462'

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. 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 ☐ MULTIPLE COMPL ☐

OTHER ACIDIZE & PPI SCALE SQUEEZE

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER:

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

CHEVRON U.S.A. INC. INTENDS TO ACIDIZE & SCALE SQUEEZE THE SUBJECT WELL.

THE INTENDED PROCEDURE AND WELLBORE DIAGRAM IS ATTACHED FOR YOUR APPROVAL.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Denise Pinkerton TITLE Regulatory Specialist DATE 05-05-2008

Type or print name Denise Pinkerton E-mail address: leakejd@chevron.com Telephone No. 432-687-7375

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAY 15 2008
Conditions of Approval (if any):

RECEIVED

MAY 17 2008

HOBBS OCD

State S #1
API #30-025-06586
660' FNL & 660' FWL
T21S, R37E, Section 15
Lea County, NM
Penrose Skelly
Job: Acidize and PPI Scale Squeeze

5/02/2008

Procedure:

1. *This procedure is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of 5/027/2008. Verify what is in the hole with the well file in the Eunice Field office. Discuss w/ WEO Engineer, Workover Rep, OS, ALS, and FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.*
2. 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.
3. MI & RU workover unit. Bleed pressure from well, if any. Pump down csg with 8.6 PPG cut brine water, if necessary to kill well. POH and LD rods ND WH & NU BOP. Release TAC and POH w/ 2-7/8" tubing. LD tubing if pitting and corrosion is evident.
4. PU and GIH with 4 3/4" MT bit, and 2-7/8" work string to 4050'. Reverse circulate well clean from 4050' using 8.6 PPG cut brine water, and foam-air unit if necessary. POH with tbg string and bit. LD bit.
5. RIH w/ 5-1/2" PPI packer w/ SCV and 12' element spacing. Test 2-7/8" workstring to 4000 psi while RIH. Test PPI packer in blank pipe. Mark Settings.
6. MI & RU DS Services. Acidize perfs 3698'-3958' with 4,500 gal 15% NEFE HCl acid* at a maximum rate of **1 BPM** and a maximum surface pressure of **4000 psi** as follows:

Well: State S #1**Location:**

660' FNL & 660' FWL, Sec 15, T-21S, R-37E

Field: Penrose Skelly

County: Lea, NM

State: NM

Elevations

KB: 3452'

GL: 3462'

DF: 3461'

This wellbore diagram is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well file, computer databases as of the update below. Verify what is in the hole with well file in the Eunice Field Office. C w/ WEO Engineer, WO Rep, OS, ALS, & to rigging up on well regarding any unknown issues pertaining to the well.

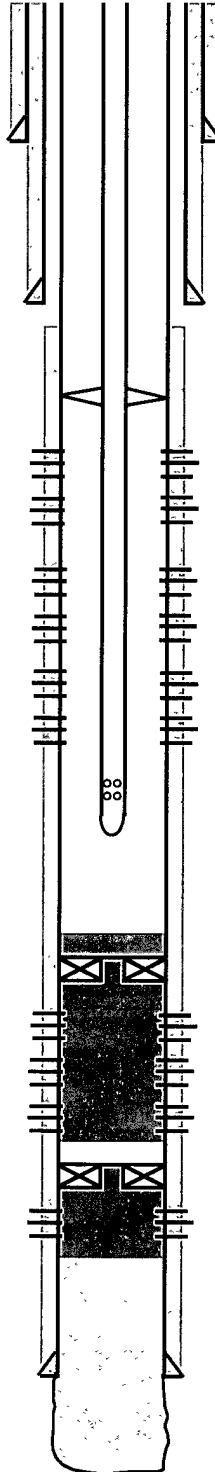
TOC @ 3100' →

CICR @ 6444' (20' cmt on top)

COTD: 6434'

PBTD: 6434'

TD: 6660'

Current Wellbore Diagram

By: rjdg

Formation: Grayburg**Well Info:**

Comp. Date: 6/25/1948

Spud Date: 8/26/1948

API: 30-025-06586

RefNO: FA7691

Surface Casing

Size: 13-3/8", 36#, ERW

Set @: 293' w/ 300 sks

Hole Size: 17-1/4"

Circ: Yes

TOC @ Surface (circ)

Intermediate Casing

Size: 8-5/8", 32#, SS

Set @: 2797' w/ 1200 sks

Hole Size: 11"

Circ: No

TOC: Surface (calc)

Perfs

Perfs	Status
3698-3705'	Grayburg - Open
3713-16'	Grayburg - Open
3724-33'	Grayburg - Open
3763-71'	Grayburg - Open
3774-82'	Grayburg - Open
3787-96'	Grayburg - Open
3817-28'	Grayburg - Open
3837-59'	Grayburg - Open
3865-70'	Grayburg - Open
3876-99'	Grayburg - Open
3912-22'	Grayburg - Open
3940-45'	Grayburg - Open
3952-58'	Grayburg - Open

Perfs

Perfs	Status
6504'	Drinkard - Cmt Sqzd
6507'	Drinkard - Cmt Sqzd
6510'	Drinkard - Cmt Sqzd
6514'	Drinkard - Cmt Sqzd
6519'	Drinkard - Cmt Sqzd
6527'	Drinkard - Cmt Sqzd

6560'-6600' Drinkard - Cmt Sqzd

6625'-6660' Drinkard OH - Below Sand Plug

Production Casing

Size: 5-1/2", 15 5, J-55

Set @: 6625' w/ 400 sks

Hole Size: 7-7/8"

Circ: No

TOC: 3100' (CBL)

Updated: 17-Apr-08