OCD-HOBBS

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – *Other instructions on page 2*

5 Lease Serial No
NMLC-033706-A

6 If Indian, Allottee or Tribe Name

7 If Unit of CA/Agreement, Name and/or No

1 Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8 Well Name and No
C P. FALBY A FEDERAL #1

2 Name of Operator
CHEVRON U.S.A. INC

9 API Well No
30-025-10117

3a Address
15 SMITH ROAD, MIDLAND, TEXAS 79705

3b Phone No *(include area code)*
432-687-7375

10 Field and Pool or Exploratory Area
PENROSE SKELLY GRAYBURG

4 Location of Well *(Footage, Sec , T R ,M , or Survey Description)*
660' FNL, 1980' FWL, SECTION 8, UL C, T-22-S, R-37-E

11 Country or Parish, State
LEA, NEW MEXICO

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other ADD PERFS
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	ACID STIMULATE
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13 Describe Proposed or Completed Operation Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA Required subsequent reports must be filed within 30 days following completion of the involved operations If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection)

CHEVRON U S A. INC. INTENDS TO ADD PERFS & ACIDIZE IN THE GRAYBURG RESERVOIR.

THE INTENDED PROCEDURE & CURRENT & PROPOSED WELLBORE DIAGRAMS ARE ATTACHED FOR YOUR APPROVAL

RECEIVED
MAY 29 2008
HOBBS OCD

APPROVED
MAY 25 2008
JAMES A. AMOS
SUPERVISOR-EPS

14 I hereby certify that the foregoing is true and correct Name *(Printed/Typed)*
DENISE PINKERTON

Title REGULATORY SPECIALIST

Signature Denise Pinkerton

Date 05/19/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Chris Williams

Title

Date AUG 04 2008

Conditions of approval, if any are attached Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Office

Title 18 U S C Section 1001 and Title 43 U S C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

C. P. Falby Federal A # 1
Penrose Skelly Field
T22S, R37E, Section 8

Job: Add Perfs In Grayburg Formation And Acid Stimulate

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 5/8/2008. 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. Remove WH. Install BOP's and test as required. POH with 2 7/8" production tbg string and sub pump assembly. LD sub pump.

4. PU 4 ¼" MT bit and GIH on 2 7/8" work string to approximately 4300'. If fill is tagged above 4300', MI & RU air unit(s). LD and cleanout 5" casing to PBTD at 5380'. Circulate well clean from 5380' using foam. POH with 2 7/8" work string and bit. LD bit. RD & release air unit.

5. MI & RU Baker Atlas electric line unit. Install lubricator and test to 1000 psi. GIH with 3 1/8" slick casing guns and perforate from 3658-62', 3666-70', 3674-78', 3682-86', 3692-3700', 3706-12', 3718-24', 3727-35', 3818-24', 3884-90', 3893-3901', 3904-08', and 3912-16' 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 GR-CPNL Log dated 10/17/2003 for depth correlation.**

6. PU and GIH w/ 5" PPI pkr (with 10' element spacing) and SCV on 2 7/8" work string to approximately 3910'. Test tbg to 5500 psi while GIH.

7. MI & RU DS Services. Acidize perfs 3658-3916' with 5,500 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
3912-16'	200 gals	1 BPM	3910-20'
3904-08'	200 gals	1 BPM	3901.5-11.5'

3893-3901'	400 gals	1 BPM	3892-3902'
3884-90'	300 gals	1 BPM	3882-92'
3872-80'	400 gals	1 BPM	3871-81'
3854-60'	300 gals	1 BPM	3852-62'
3834-40'	300 gals	1 BPM	3832-42'
3818-26'	400 gals	1 BPM	3817-27'
3812-15'	200 gals	1 BPM	3807.5-17.5'
3804-07'	200 gals	1 BPM	3800-10'
3795-97'	200 gals	1 BPM	3789-99'
3784-87'	200 gals	1 BPM	3779-89'
3727-35'	400 gals	1 BPM	3726-36'
3718-24'	300 gals	1 BPM	3716-26'
3706-12'	300 gals	1 BPM	3704-14'
3692-3700'	400 gals	1 BPM	3691-3701'
3682-86'	200 gals	1 BPM	3680-90'
3674-78'	200 gals	1 BPM	3671-81'
3666-70'	200 gals	1 BPM	3663-73'
3658-62'	200 gals	1 BPM	3654-64'

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: It is not necessary to pickle tbg due to low BHP. Also, if communication occurs during treatment of any interval, monitor casing pressure and attempt to complete stage w/o exceeding 500 psi csg pressure. If cannot, then move PPI to next setting depth and combine treatment volumes of the intervals. Also, do not acidize perfs 3762-66' or 3774-76' due to excessive water production.**

* 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

8. Release PPI pkr and PUH to approximately 3640'. Set pkr at 3640'. Fish SCV. 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.**

9. Open well. MI & RU pump truck. Pump down tbg with 50 bbls 8.6 PPG cut brine water containing 55 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.

10. 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 116 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 3600', with EOT at 3980' and SN at 3950'.

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

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

AMH
5/12/2008

WELL DATA SHEET

FIELDS: Penrose Skelly
LOCATION: 660' FNL, 1980' FWL
TOWNSHIP: 22S
RANGE: 37E
LOT: C

WELL NAME: C. P. Falby Fed A #1
SECTION: 8
COUNTY: Lea
STATE: NM

GL: 3425'
KB:
DF: 3435'

FORMATION: Grayburg
CURRENT STATUS: PR
API NO: 30-025-10117
REFNO: FB1122

CURRENT

12-1/2" 45#
Set @ 228' w/175 sx cmt
Circ cmt to surf

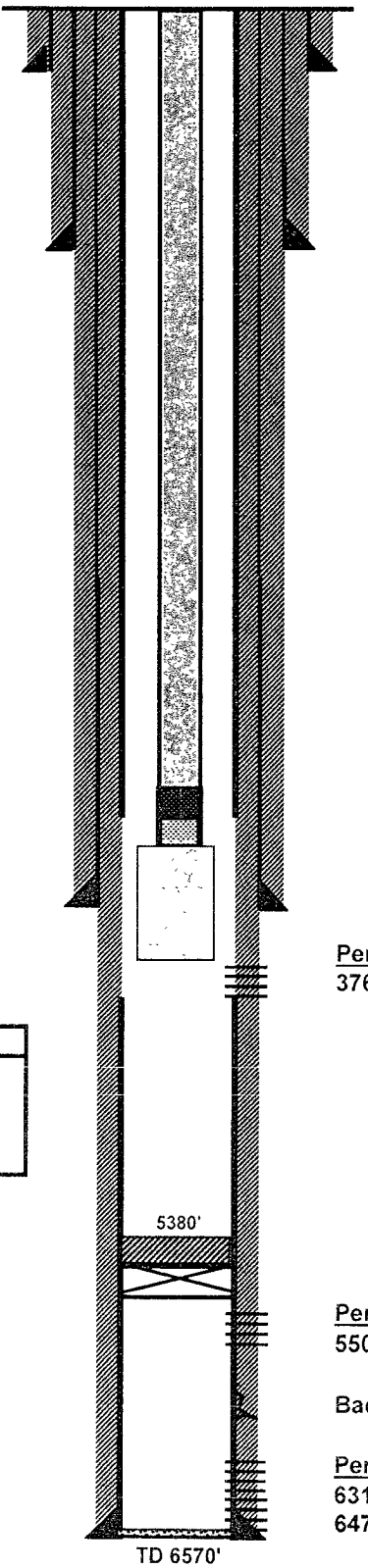
9-5/8", 40#
Set @ 1192' w/600 sx cmt
TOC unknown

7", 24#
Set @ 3550' w/300 sx cmt
TOC unknown

Tubing Detail
EOT @ 3652'
Centrilift Sub Pump Assembly
Drain Valve
118 jts 2-7/8" tbg

RBP set @ 5400' w/20' sand on top

5" csg, 13# & 15# J-55
Set @ 6570' w/300 sx cmt
TOC unknown



Spud Date: 3/17/37
Date Completed: 4/22/37
Initial TD: 3750'
Drilled deeper: 8/3/50-9/20/50 to 6570'

This wellbore diagram 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 the update date below. Verify what is in the hole with the well file in the Eunice Field Office. Discuss w/ WEO Engineer, WO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.

Perfs	Status
3762-3880'	Grayburg - open

Perfs	Status
5508-5840'	Blinebry - below RBP

Bad spot f/5983-6000'

Perfs	Status
6310-6450'	Drinkard (new) - below RBP
6470-6565'	Drinkard (old) - below RBP

Revised: 5/8/08
By: Mike Howell

WELL DATA SHEET

FIELDS: Penrose Skelly | WELL NAME: C. P. Falby Fed A #1 | FORMATION: Grayburg
LOCATION: 660' FNL, 1980' FWL
TOWNSHIP: 22S | SECTION: 8 | GL: 3425' | CURRENT STATUS: PR
RANGE: 37E | COUNTY: Lea | KB: | API NO: 30-025-10117
LOT: C | STATE: NM | DF: 3435' | REFNO: FB1122

PROPOSED

12-1/2" 45#
Set @ 228' w/175 sx cmt
Circ cmt to surf

9-5/8", 40#
Set @ 1192' w/600 sx cmt
TOC unknown

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7", 24#
Set @ 3550' w/300 sx cmt
TOC unknown

Tubing Detail
EOT @ 3652'
Centrilift Sub Pump Assembly
Drain Valve
118 jts 2-7/8" tbg

RBP set @ 5400' w/20' sand on top

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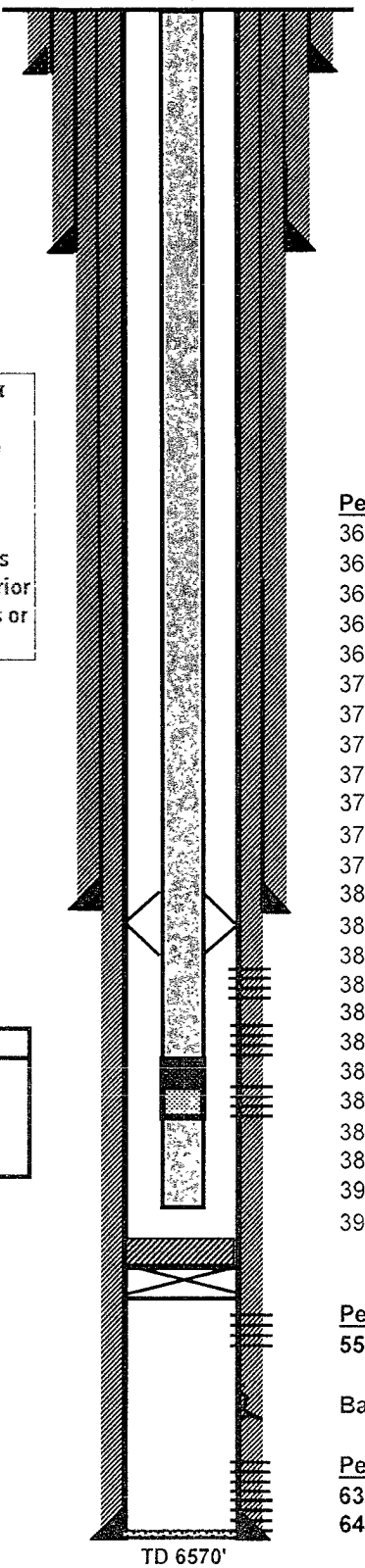

Spud Date: 3/17/37
Date Completed: 4/22/37
Initial TD: 3750'
Drilled deeper: 8/3/50-9/20/50 to 6570'

Perfs	Status
3658-62'	Grayburg - Open
3666-70'	Grayburg - Open
3674-78'	Grayburg - Open
3682-86'	Grayburg - Open
3692-3700'	Grayburg - Open
3706-12'	Grayburg - Open
3718-24'	Grayburg - Open
3727-35'	Grayburg - Open
3762-66'	Grayburg - Open
3774-76'	Grayburg - Open
3784-87'	Grayburg - Open
3795-97'	Grayburg - Open
3804-07'	Grayburg - Open
3812-15'	Grayburg - Open
3818-26'	Grayburg - Open
3834-40'	Grayburg - Open
3854-56'	Grayburg - Open
3858-60'	Grayburg - Open
3872-75'	Grayburg - Open
3877-80'	Grayburg - Open
3884-90'	Grayburg - Open
3893-3901'	Grayburg - Open
3904-08'	Grayburg - Open
3912-16'	Grayburg - Open

Perfs	Status
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