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

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

Form C-103
May 27, 2004

WELL API NO.
30-025-25785

5. Indicate Type of Lease STATE ☒ FEE ☒

6. State Oil & Gas Lease No.

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)

7. Lease Name or Unit Agreement Name
MARK

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

8. Well Number 10

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

9. OGRID Number 4323

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

10. Pool name or Wildcat
PENROSE SKELLY GRAYBURG

4. Well Location
Unit Letter H: 1650 feet from the NORTH line and 340 feet from the EAST line
Section 3 Township 22-S Range 37-E NMPM County LEA

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3394' GL

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:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER: CLEAN OUT & ACIDIZE, & SCALE SQUEEZE				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 GRAYBURG PERFS.

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

RECEIVED
MAY 21 2008
HOBBS OCD

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 05-19-2008

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

For State Use Only

APPROVED BY: Chris Williams OC DISTRICT SUPERVISOR/GENERAL MANAGER TITLE _____ DATE AUG 04 2008

Conditions of Approval (if any):

Mark #10
Penrose Skelly
T23S, R37E, Section 3
Job: Cleanout & Acidize

WBS: UWDPS-R8113 CAP & EXP

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 4/28/2008. 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 & LD rods. Remove WH. Install BOP's and test as required. POOH and stand back 2-7/8" tbg.

4. RIH w/ 6-1/8" MT bit on 2-7/8" WS to PBTD 6515'. Tag for fill. If fill is present MI & RU air unit(s) and cleanout to 4020'. POOH w/6-1/8" MT bit & 2-7/8" WS. LD bit. RD & RL air unit(s).

5. RIH w/ 7" PPI packer on 2-7/8" WS w/ SCV and 10' element spacing. Test PPI packer in blank pipe. Mark Settings.

6. MI & RU DS Services. Acidize perfs 3650-3817' with 2,650 gals 15% NEFE HCl acid* at a maximum rate of 1 BPM and a maximum surface pressure of 4,000 psi as follows:

Perf Interval	Acid Volume	Rate	PPI Setting
3812-3817	250	1	3810-3820'
3789-3793	200	1	3788-3798'
3781-3783	100	1	3778-3788'
3772-3777	250	1	3770-3780'
3763-3766	150	1	3760-3770'
3754-3759	250	1	3750-3760'
3724-3729	250	1	3722-3732'
3697-3702	250	1	3694-3704'
3686-3690	200	1	3684-3694'
3672-3677	250	1	3670-3680'

3662-3667	250	1	3660-3670'
3650-3655	250	1	3648-3658'
Total	2650		

Displace acid with 8.6 PPG cut brine water -- do not over displace. 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 350 psi csg pressure. If cannot, then move PPI to next setting depth and combine treatment volumes of the intervals.**

7. Release PPI pkr & PU to approximately 3634'. Set pkr @ 3634'. Fish SCV & SV. RU sandline to swab. Recover 100% of treatment and load volumes before shutting well in for night, if possible. Report recovered volumes, pressures, and/or swabbing fluid levels.

8. Open well. MI & RU pump truck. Pump down tbg with 50 bbls 8.6 PPG cut brine water containing 1 drum 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. POOH with 2 7/8" work string. LD work string and PPI packer.

9. PU & GIH with 7" RBP. Set RBP @ 3640'.

10. RIH w/ 2- 7/8" bent notched collar on 48 jts of 2-7/8" PH6 WS crossover and 111 jts of 2-7/8" WS to RBP @ 3640'. Tag RBP then lift up and rotate tubing for entry to lateral. RIH to end of lateral @ 5010' MD. Tag for fill. Cleanout to toe at 5010', if fill is present. Circulate open hole clean with foam air if necessary.

11. MI & RU DS Services. Pump down tbg and spot 1,000 gals anti-sludge 15% HCL acid* from TD, 5010', to window. POOH w/ bent notched collar & 2-7/8' WS. PU & RIH w/ 7" packer and 2-7/8" WS to 3550'. Set packer @ 3350'. Pump down tbg and acidize open hole with 5,000 gals anti-sludge 15% HCl acid*at a maximum rate of 6 BPM with a maximum surface pressure of 3,500 psi. Pump job as follows:

    Pump 1,250 gals of acid @ 6 BPM
    Pump 500 gals gelled 10 PPG brine containing 1,000#'s GRS @ 6 BPM
    Pump1,250 gals of acid @ 6 BPM
    Pump 500 gals gelled 10 PPG brine containing 1,000#'s GRS @ 6 BPM
    Pump1,250 gals of acid @ 6 BPM
    Pump 500 gals gelled 10 PPG brine containing 1,000#'s GRS @ 6 BPM
    Pump1,250 gals of acid @ 6 BPM

    Displace acid with 2% KCl water – do not overdisplace. Record 5, 10, & 15 minute SIP's. RD & RL DS Services.

    ***Acid system 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

12. POOH w/pkr & WS.

13. PU & RIH w/ 2- 7/8" bent notched collar on 48 jts of 2-7/8" PH6 WS crossover and 111 jts of 2-7/8" WS to TD 5010'. If fill is present, MI & RU foam air unit(s) and cleanout to 5010' using foam air. POOH w/ 2-7/8" WS and MT bit. LD bit. RD & RL air unit(s).

14. PU & RIH w/ 7" packer to 3553' set packer @ 3550'. RU Sand line to swab/flow. Recover 100% of spent treatment and load volumes before shutting well in for night, if possible. Report recovered volumes, pressures, and/or swabbing fluid levels.

15. Open well. MI & RU pump truck. Pump down tbg with 50 bbls 8.6 PPG cut brine water containing 2 drum 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 pkr. POOH with 2 7/8" work string and packer. LD pkr.

16. RIH with retrieving head and POOH w/RBP @ 3640'.

17. RIH w/ 2-7/8" production tubing and hang off per ALS recommendation. NDBOP. NUWH. RIH w/ rods and pump per ALS recommendation.

18. RD Key PU & RU. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

Engineer – Lonnie Grohman
432-687-7420 Office
432-238-9233 Cell

Mark #10

Location:

Sec-3, T-22S, R-37E 1650' FNL & 340 FEL	
Unit Letter:	H
Field:	Penrose Skelly
County:	Lea
State:	NM

Well Info:

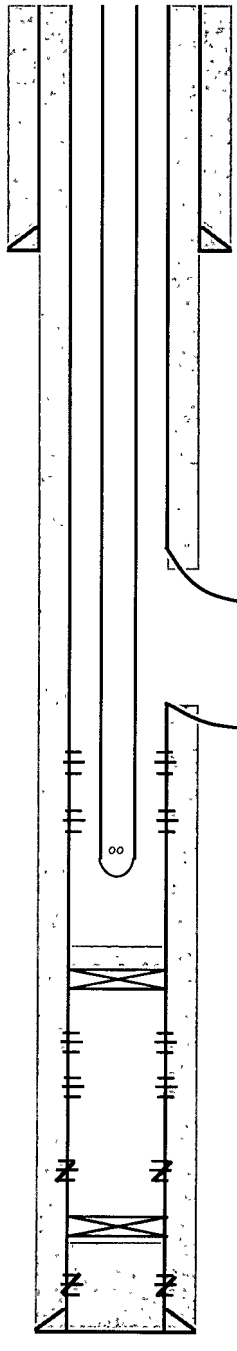
Spud Date:	1/30/1978
API:	30-025-25785
Cost Center:	UCU490200
WBS#:	
RefNO:	EP9821
Lease:	FEE

Elevations:

DF:	3403 5'
KB:	3404 5'
GL:	3394'

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 d below. Verify what is in the hole with well file in the Eunice Field Office. C w/ WED Engineer, WO Rep, OS, ALS, & to rigging up on well regarding any h. unknown issues pertainin

Current
Wellbore Diagram



TBG

Quantity	Name of Component	Length
112	J-55 2 875 OD tbg	3551 97
1	Tubing Anchor-7 000"	2 7
14	J-55 2 875 OD	443 51
1	J-55 2 875 OD	32 3
1	Seat Nipple	1
1	Cavins Desander	24 37
2	Open End Mud Anchor	63 02

Rods

1	1 5 Spray Metal x 26	26
1	1" N-78 (D) x 2 Rod Sub	2
1	1" N-78 (D) x 6 Rod Sub	6
65	1" N-78 (D) x 25 Rod	1625
76	7/8"N-78 (D) x 25 Rod	1900
18	1 1/2" K x 25 Sinker Bar	450
1	Rod Pump 25-200-RHBC-20-1	20
1	Strainer Nipple 1 250 OD x 0 5'	0 5

CIBP @ 6550' w/ 35' cmt

CIBP @ 7200'

PBTD: *6515'*
TD: *7571'*
Updated: *28-Apr-08*
By: *lgek*

Surface Casing
Size: *9 5/8 " 36#*
Set: @ *1132'*
With: *500 sks*
Hole Size: *12 1/4 "*
TOC @ *Surface*
By: *Circulation*

9/1/2003- Recomplete from Granite Wash/Abo to Grayburg
9/5/2003- PPI acid job 2400 gals on Grayburg perfs 3650-3817'
9/10/2003- Frac w/66,000 gals & 138,000# 16/30 Jordan Sand
5/15/2006- Drill open hole honzontal in Grayburg TOW-3620' BOW-3628'
7/6/2006- Open hole honzontal frac w/ 6,176 bbls & 525,562 # sand
7/19/2006- Pull Whipstock

Bottom Hole Location
Sec- 3, T-22S, R-37E, 340' FNL & 340' FEL
Lateral Length 1382'
TOW *3620'*
BOW *3628'*

Perfs:	***Formation:***	***Status:***
3650-55'	Grayburg	Open
3662-67'	Grayburg	*Open*
3672-77'	Grayburg	*Open*
3686-90'	Grayburg	*Open*
3697-3702'	Grayburg	*Open*
3724-29'	Grayburg	*Open*
3754-59'	Grayburg	*Open*
3763-66'	Grayburg	*Open*
3772-77'	Grayburg	*Open*
3781-83'	Grayburg	*Open*
3789-93'	Grayburg	*Open*
3812-17'	Grayburg	*Open*

Perfs:	***Formation:***	***Status:***
6602-6954'	Granite Wash/Abo	*Open Below CIBP*
6993-7054'	Granite Wash/Abo	*Open Below CIBP*
7146-7182'	Granite Wash/Abo	*Sqz'd*
7212-7267'	Granite Wash/Abo	*Sqz'd*

Production Casing
Size: *7" 23# & 26 #*
Set @: *7571'*
With: *1775 sks*
Hole Size: *8-3/4"*
TOC: *Surface*
By: *Circulation*

Mark #10

Location:

Sec-3, T-22S, R-37E 1650' FNL & 340 FEL	
Unit Letter:	H
Field:	Penrose Skelly
County:	Lea
State:	NM

Well Info:

Spud Date:	1/30/1978
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Cost Center:	UCU490200
WBS#:	
RefNO:	EP9821
Lease:	FEE

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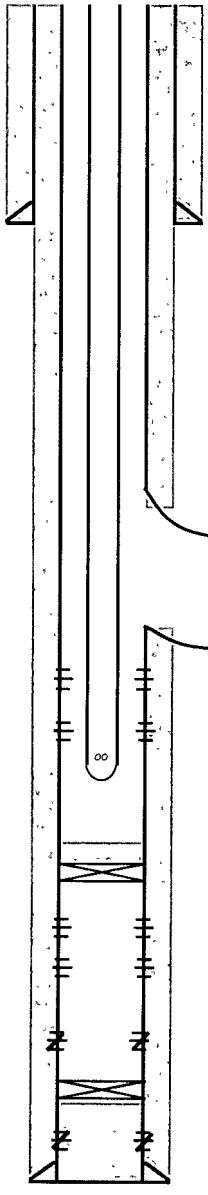
Proposed
Wellbore Diagram



Surface Casing
Size: 9 5/8 " 36#
Set: @ 1132'
With: 500 sks
Hole Size: 12 1/4 "
TOC @ Surface
By: Circulation

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3754-59'	Grayburg	Open
3763-66'	Grayburg	Open
3772-77'	Grayburg	Open
3781-83'	Grayburg	Open
3789-93'	Grayburg	Open
3812-17'	Grayburg	Open

Perfs:	Formation:	Status:
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CIBP @ 6550' w/ 35' cmt

CIBP @ 7200'

Production Casing
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Set @: 7571'
With: 1775 sks
Hole Size: 8-3/4"
TOC: Surface
By: Circulation

PBTD: 6515'
TD: 7571'
Updated: 28-Apr-08
By: lgek