Submit 3 copies to Appropriate District Office

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-103
Revised 1-1-89

WELL API NO. 30-025-06837

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 DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMI (FORM C-101) FOR SUCH PROPOSALS.

7. Lease Name or Unit Agreement Name: EUNICE KING

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

2. Name of Operator: CHEVRON USA INC

8. Well No. 1

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

9. Pool Name or Wildcat: PENROSE SKELLY GRAYBURG

4. Well Location

Unit Letter E : 1980' Feet From The NORTH Line and 660' Feet From The WEST Line

Section 28 Township 21-S Range 37-E NMPM LEA COUNTY

10. Elevation (Show whether DF, RKB, RT,GR, etc.) 3458' GL

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: DEEPEN IN LOWER GRAYBURG, & FRAC	☑			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. INTENDS TO DEEPEN THE SUBJECT WELL IN THE LOWER GRAYBURG FORMATION AND FRAC STIMULATE.

THE INTENDED PROCEDURE AND WELLBORE DIAGRAMS IS 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 Leake TITLE Regulatory Specialist DATE 10/30/2003

TYPE OR PRINT NAME Denise Leake Telephone No. 915-687-7375

(This space for State Use)

APPROVED Gary W. Wink

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

DeSoto/Nichols 12-93 ver 1.0

NOV 10 2003

Eunice King # 1
Penrose Skelly Field
T21S, R37E, Section 28
Job: Deepen To Lower Grayburg Formation And Frac Stimulate

Procedure:

1. Displace flowline with fresh water. Have field specialist close valve at header. Pressure line according to the type of line. AGU, EMSU, and EMSUB 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 Larry Williams 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. POH with 2 3/8" production tbg string. **Note: Minimize water pumped into well since deepening will be performed using foam due to low pressure Upper Grayburg interval.**

3. PU 4 ¾" MT bit and GIH on 2 7/8" work string to PBTD at 3792'. MI & RU foam unit(s). LD and drill well deeper to 3904' using foam. Circulate well clean from 3904'. POH with 4 ¾" bit and drill string. LD bit. **Note: Geology will be monitoring drilling penetration rate while deepening well. Proposed TD may be adjusted during drilling operation.** POH with 2 7/8" work string and bit. LD bit.

4. MI & RU Baker Atlas electric line unit. Install lubricator and test to 1000 psi. GIH and conduct GR/CBL/CCL log from 3904' up to 2000'. POH. Inspect logs for good cement bond from approximately 3622' up to 3422'. If bond does not appear to be good across that interval, discuss with Engineering before proceeding. Cmt squeeze as necessary to obtain good cmt across bottom of 5 ½" casing.

5. PU & GIH 5 ½" treating pkr on 2 7/8" work string. Set pkr at approximately 3600'. Pressure test pkr and csg to 500 psi.

6. GIH and conduct open hole swab test of interval 3622-3904'. Report oil cut, recovered fluid volumes, pressures, and/or swabbing fluid levels. Obtain 1 qt. sample of formation fluids and deliver to Cardinal Laboratories in Hobbs for analysis.

7. MI & RU DS Services. Acidize Grayburg interval from 3622-3904' with 3,000 gals antisludge 15% HCl acid *** at a maximum rate of **6 BPM** and a maximum surface pressure of **3500 psi**. Pump job as follows:

Pump 1,500 gals acid at 6 BPM
Pump 500 gals gelled 10 PPG brine containing 2000 lbs GRS at 6 BPM
Pump 1,500 gals acid at 6 BPM

Displace acid with 8.6 PPG cut brine water -- do not overdisplace. Record ISIP, 5, 10, & 15 minute SIP's. RD and release DS Services. **Note: It is not necessary to pickle tbg due to the low BHP.**

*** 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. Open well and flow/swab back spent treatment fluids. Recover 100% of spent acid and load before SI well for the night. Report oil cut, recovered fluid volumes, pressures, and/or swabbing fluid levels.

9. Open well. Pump down tbg with 8.6 PPG cut brine water to kill well, if necessary. Release pkr. POH with 2 7/8" work string and packer. LD pkr.

10. PU 4 ¾" MT bit and GIH on 2 7/8" work string to TD at 3904'. If fill is encountered, MI & RU foam unit(s) and cleanout to 3904' using foam. POH with 2 7/8" work string and MT bit. LD MT bit.

11. PU and GIH w/ 5 ½" Lok-Set pkr & On-Off tool w/ 2.25" "F" profile on 113 jts. of 3 ½" EUE 8R L-80 work string, testing to 7500 psi. Set Lok-Set pkr at 3500'. Pressure annulus to 500 psi to test csg and pkr. Install frac head. Leave pressure on csg during frac job to observe for communication.

12. MI & RU DS Services. Frac well down 3 ½" tubing at **40 BPM** with 66,000 gals of YF135, 138,000 lbs. 16/30 mesh Jordan Sand, and 30,000 lbs **resin-coated** 16/30 mesh CR4000 proppant. Observe a maximum surface treating pressure of **7400 psi**. Pump job as follows:

    Pump 2,000 gals 2% KCL water containing 110 gals Baker SCW-358 Scale Inhibitor
    Pump 1,000 gals 2% KCL water spacer
    Pump 25,000 gals YF135 pad containing 5 GPT J451 Fluid Loss Additive
    Pump 5,000 gals YF135 containing 1.5 PPG 16/30 mesh Jordan Sand
    Pump 6,000 gals YF135 containing 2.5 PPG 16/30 mesh Jordan Sand
    Pump 7,000 gals YF135 containing 3.5 PPG 16/30 mesh Jordan Sand
    Pump 8,000 gals YF135 containing 4.5 PPG 16/30 mesh Jordan Sand
    Pump 10,000 gals YF135 containing 5.5 PPG 16/30 mesh Jordan Sand
    Pump 5,000 gals YF135 containing 6 PPG **resin-coated** 16/30 mesh CR4000 proppant

Flush to 3575' with 1,350 gals WF135. **Do not overflush.** Shut well in. Record ISIP, 5, 10, and 15 minute SI tbg pressures. SWI. RD & Release DS Services. **Leave well SI overnight.**

13. Open well. GIH and swab well until there is no sand inflow. Release pkr and POH with 3 ½" work string. Lay down 3 ½" work string and pkr.

14. PU 4 ¾" MT bit and GIH on 2 7/8" work string to TD at 3904'. If sand fill is encountered, MI & RU foam unit(s) and cleanout to 3904' using foam. POH with 2 7/8" work string and MT bit. LD bit.

15. PU and GIH w/ BP mud anchor jt of 2 7/8" tbg, 2 7/8" x 4' perforated sub, SN, 8 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 3870' and SN at 3835'.

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

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

AMH
10/29/2003

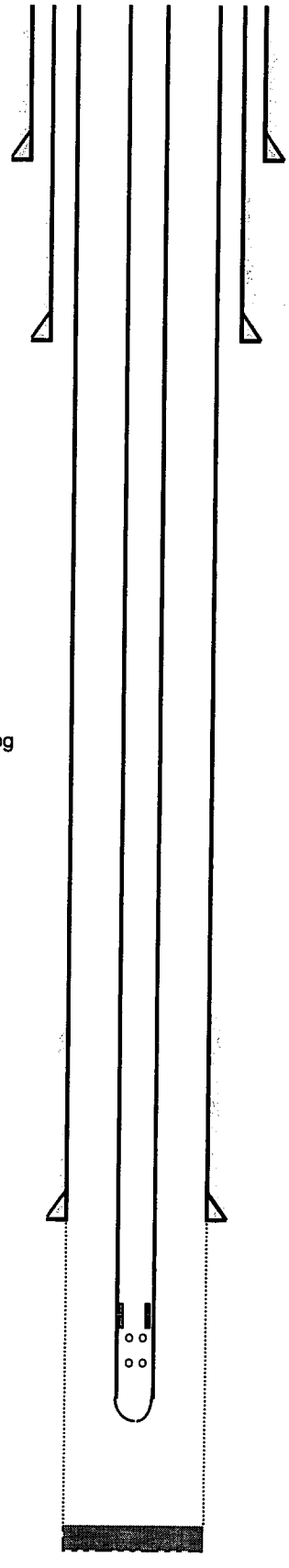
Well: **Eunice King # 1** Field: **Penrose Skelly** Reservoir: **Grayburg**

Location:
1980' FNL & 660' FWL
Section: 28
Township: 21S
Range: 37E
County: Lea State: NM

Current
Wellbore Diagram

Well ID Info:
Refno: FA7934
API No: 30-025-06837
L5/L6: U491600
Spud Date: 4/27/36
Compl. Date: 6/19/36

Elevations:
GL: 3458'
KB: 3468'
DF: 3469'



Surf. Csg: 10 3/4" 32# SCLW
Set: @ 298' w/ 250 sks
Hole Size: 13 3/4"
Circ: Yes **TOC:** Surface
TOC By: Calculated

Interm. Csg: 7 5/8", 26#, SCLW
Set: @ 2531' w/ 450 sks
Hole Size: 9 7/8"
Circ: Yes **TOC:** 970'
TOC By: Calculated

Tbg Detail:
BP @ 3689'
1 jt. 2 3/8" tbg
2 3/8" x 4' perf sub
SN @ 3652'
118 jts. 2 3/8" EUE 8R J-55 tbg

Prod. Csg: 5 1/2", 17#, SCLW
Set: @ 3622' w/ 25 sks
Hole Size: 6 3/4"
Circ: No **TOC:** 3414'
TOC By: Calculated

3622-3792' Grayburg - 4 3/4" Open

COTD: 3792'
PBTD: 3792'
TD: 3804'

12' Hydromite Plug fr/ 3792-3804'

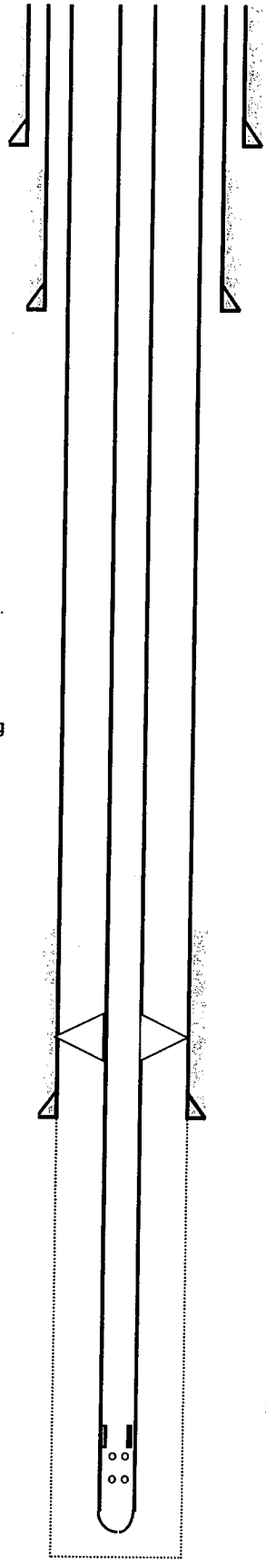
Updated: 10/28/03 **By:** A. M. Howell

Well: **Eunice King # 1** Field: **Penrose Skelly** Reservoir: **Grayburg**

Location:
1980' FNL & 660' FWL
Section: 28
Township: 21S
Range: 37E
County: Lea State: NM

Elevations:
GL: 3458'
KB: 3468'
DF: 3469'

Proposed
Wellbore Diagram



Well ID Info:
Refno: FA7934
API No: 30-025-06837
L5/L6: U491600
Spud Date: 4/27/36
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Hole Size: 13 3/4"
Circ: Yes **TOC:** Surface
TOC By: Calculated

Interm. Csg: 7 5/8", 26#, SCLW
Set: @ 2531' w/ 450 sks
Hole Size: 9 7/8"
Circ: Yes **TOC:** 970'
TOC By: Calculated

Tbg Detail:
EOT @ 3870'
2 7/8" OD EUE 8R J-55 mud jt.
2 7/8" x 4' perf tbg sub
SN @ 3835'
8 jts. 2 7/8" EUE 8R J-55 tbg
TAC @ 3600'
116 jts. 2 7/8" EUE 8R J-55 tbg

Prod. Csg: 5 1/2", 17#, SCLW
Set: @ 3622' w/ 25 sks
Hole Size: 6 3/4"
Circ: No **TOC:** 3414'
TOC By: Calculated

3622-3904' **Grayburg - 4 3/4" Open**

COTD: 3904'
PBTD: 3904'
TD: 3904'

Updated: 10/28/03

By: A. M. Howell