

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

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-101

Revised February 10, 1999

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|---|
| ¹ Operator Name and Address CHEVRON USA INC 15 SMITH ROAD, MIDLAND, TX 79705 | | ² OGRID Number 4323 |
| ⁴ Property Code 30030 | | ³ API Number 30 025 06791 |
| ⁵ Property Name ST SARKEYS, S.J. 26 | | ⁶ Well No. 1 |

| ⁷ Surface Location | | | | | | | | | |
|-------------------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UI or lot no. | Section | Township | Range | Lot.Idn | Feet From The | North/South Line | Feet From The | East/West Line | County |
| E | 26 | 21S | 37E | | 1980 | NORTH | 660 | WEST | LEA |

| ⁸ Proposed Bottom Hole Location If Different From Surface | | | | | | | | | |
|--|---------|----------|-------|---------|-------------------------------|------------------|---------------|----------------|--------|
| UI or lot no. | Section | Township | Range | Lot.Idn | Feet From The | North/South Line | Feet From The | East/West Line | County |
| ⁹ Proposed Pool 1 PENROSE SKELLY GRAYBURG | | | | | ¹⁰ Proposed Pool 2 | | | | |

| | | | | |
|-----------------------------------|---------------------------------------|-------------------------------------|------------------------------------|--|
| ¹¹ Work Type Code P | ¹² WellType Code O | ¹³ Rotary or C.T. | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation 3389' GL |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 6560' | ¹⁸ Formation GRAYBURG | ¹⁹ Contractor | ²⁰ Spud Date 12/1/2003 |

| ²¹ Proposed Casing and Cement Program | | | | | |
|--|----------------|-----------------|---------------|-----------------|----------|
| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
| NO CHANGE | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

CHEVRON U.S.A. INC. INTENDS TO RECOMPLETE THE SUBJECT WELL FROM THE TUBB OIL & GAS TO THE PENROSE SKELLY GRAYBURG POOL.

THE INTENDED PROCEDURE AND WELL BORE DIAGRAMS IS ATTACHED FOR YOUR APPROVAL.

Permit Expires 1 Year From Approval
Data Unless Drilling Underway
plugback

²³ I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature *Denise Leake*

Printed Name Denise Leake

Title Regulatory Specialist

Date 11/20/2003

Telephone 915-687-7375

OIL CONSERVATION DIVISION

Approved By: *[Signature]*

Title:

PETROLEUM ENGINEER

Approval Date: NOV 24 2003 Expiration Date:

Conditions of Approval:
Attached ☐

S. J. Sarkeys # 1 (Texaco)
Penrose Skelly Field
T21S, R37E, Section 26
Job: PB To Grayburg Formation, Acidize, And Frac

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 2% KCl water, if necessary to kill well. POH with rods and pump. Remove WH. Install BOP's and test to 1000 psi. Release pkr. POH with 2 3/8" tbg string.
3. PU and GIH with 4 3/4" MT bit and 2 7/8" work string to 5725'. POH with work string and bit. LD bit.
4. PU and GIH with 5 1/2" RBP to 5700'. Set RBP at 5700'. Spot 20' of 16/30 sand on top of RBP. PUH to 5500'. Reverse circulate well clean from 5500' using 8.6 PPG cut brine water. POH with 2 7/8" work string. Pressure test csg and CIBP to 500 psi. POH with 2 7/8" work string.
5. MI & RU Baker Atlas electric line unit. Install lubricator and test to 1000 psi. GIH and conduct GR/CBL/CCL log from 5600' up to 2600'. POH. Inspect logs for good cement bond from approximately 4300' up to 3500'. If bond does not appear to be good across proposed completion interval, discuss with Engineering before proceeding. Cmt squeeze as necessary to obtain good cmt across completion interval. GIH with 3 1/8" DP slick casing gun and perforate from 3690-95', 3700-05', 3710-15', 3740-48', 3763-68', 3787-93', 3815-20', 3825-33', 3852-57', 3875-83', and 3916-22' with 4 JSPF at 120 degree phasing, using 23 gram premium charges. POH. RD & release electric line unit. **Note: Correlate logs and run flat with Lane Wells Radioactivity Log conducted 7/21/47.**
6. PU and GIH w/ 5 1/2" PPI pkr (with 10' element spacing) and SCV on 2 7/8" work string to approximately 3690'. Test tbg to 5500 psi while GIH.
7. MI & RU DS Services. Acidize perfs 3690-3922' with 2,200 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 |
|----------|-----------|----------|-------------|
| 3916-22' | 200 gals | ½ BPM | 3914-24' |
| 3875-83' | 200 gals | ½ BPM | 3874-84' |
| 3852-57' | 200 gals | ½ BPM | 3850-60' |
| 3825-33' | 200 gals | ½ BPM | 3824-34' |
| 3815-20' | 200 gals | ½ BPM | 3812-22' |
| 3787-93' | 200 gals | ½ BPM | 3785-95' |
| 3763-68' | 200 gals | ½ BPM | 3760-70' |
| 3740-48' | 200 gals | ½ BPM | 3739-49' |
| 3710-15' | 200 gals | ½ BPM | 3708-18' |
| 3700-05' | 200 gals | ½ BPM | 3697-3707' |
| 3690-95' | 200 gals | ½ BPM | 3687-97' |

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: Pickle tubing in 1 run of 500 gals acid, prior to acidizing perfs.**

Pickle acid is to contain only 1/2 gal A264 and 1 gal W53. Also, if communication occurs during treatment of any interval, monitor casing pressure and attempt to complete stage w/o exceeding 1000 psi csg pressure. If cannot, then move PPI to next setting depth and combine treatment volumes of the intervals.

| | | |
|------------------------------|------------|---------------------|
| * 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 3670'. 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. Release PPI pkr. POH with tbg and PPI packer. LD 2 7/8" PPI tool.
10. PU and GIH w/ 5 ½" Lok-Set pkr & On-Off tool w/ 2.25" "F" profile and 118 jts. of 3 ½" EUE 8R L-80 work string, testing to 7500 psi. Set pkr at approximately 3600'. Install frac head. Pressure annulus to 500 psi to test csg and pkr. Leave pressure on csg during frac job to observe for communication.
11. MI & RU DS Services and Cardinal Surveys. 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**. Tag frac with 1 radioactive isotopes (in main proppant body and resin-coated stage). Pump job as follows:

Pump 2,000 gals 2% KCL water containing 110 gals Unichem TH 756 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 3625' with 1,421 gals WF135. **Do not overflush.** Shut well in. Record ISIP, 5, 10, and 15 minute SI tbg pressures. SWI. RD & Release DS Services and Cardinal Surveys. **Leave well SI overnight.**

12. Open well. GIH and swab well until there is no sand inflow. MI & RU Cardinal Surveys electric line unit. Install lubricator and test to 1000 psi. GIH and conduct after-frac GR/Temp/CCL log from 4600' up to 3200'. POH. RD & release electric line unit. **Note: Correlate logs and run flat with Baker Atlas GR/CBL/CCL Log conducted in Step # 5.**
13. Release pkr and POH with 3 1/2" work string. Lay down work strings and pkr.
14. 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 117 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 3625', with EOT at 4000' and SN at 3965'.
15. Remove BOP's and install WH. GIH with rods, weight bars, and pump per ALS recommended design. RD & release pulling unit.
16. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

AMH
11/19/2003

Location:

1980' FNL & 660' FWL
 Section: 26
 Township: 21S
 Range: 37E
 County: Lea State: NM

Elevations:

GL: 3389'
 KB: 3400'
 DF: 3399'

Current
Wellbore Diagram

Well ID Info:

Chevno: FA7888
 API No: 30-025-06791
 L5/L6: U466800
 Spud Date: 6/10/47
 Compl. Date: 7/28/47

Surf. Csg: 13 3/8", 36# Armco SW
Set: @ 293' w/ 300 sks
Hole Size: 17 1/4"
Circ: NR **TOC:** Surface
TOC By: Calculated

Intern. Csg: 8 5/8", 32#, H-40
Set: @ 2909' w/ 1400 sks
Hole Size: 11"
Circ: NR **TOC:** Surface
TOC By: Calculated

Tbg Detail:

EOT @ 5900'
 SN @ 5899'
 190 jts. 2 3/8" EUE 8R J-55 tbg

Blindbry Perfs (Cmt Sqzd):

5745', 5757', 5784', 5790', 5794', 5802', 5805', 5819
 & 5827'

Tubb Perfs (Below CIBP):

5926', 5936', 5950', 5958', 5981', 5989', 6002', 6007
 6014', 6032', 6056', 6078', 6082', 6087', 6094', 6095
 6106', 6116', 6127', 6130', 6141', 6147', 6150', 6160
 6184', 6176', 6182', 6190', 6201', 6212', 6216', 6229
 6233', 6242', & 6246'

CIBP @ 6318'

(40' cmt on top)

Baker Model D Pkr @ 6330'

(Pkr has 10' of 2 1/16" tbg on top -
 - top of fish @ 6320')

CIBP @ 6507'

(7' cmt on top)

COTD: 6278'

PBTD: 6278'

TD: 6560'

Updated: 11/18/03

By: A. M. Howell

Drinkard Perfs (Below CIBP):

6363', 6365', 6368', 6372', 6376', 6380', 6387', 6394
 6397', 6403', 6406', 6411', 6413', 6419', 6422', 6424
 6430', 6432', & 6438'
 6460-95'

Drinkard Perfs (Below CIBP):

6512-22'
 6534-46'
 6550-54'

Prod. Csg: 5 1/2", 17#, J-55

Set: @ 6560' w/ 500 sks

Hole Size: 7 7/8"

Circ: No **TOC:** 3200'

TOC By: Calculated

Location:
 1980' FNL & 660' FWL
 Section: 26
 Township: 21S
 Range: 37E
 County: Lea State: NM

Elevations:
 GL: 3389'
 KB: 3400'
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**Proposed
Wellbore Diagram**

Well ID Info:
 Chevno: FA7888
 API No: 30-025-06791
 L5/L6: U494200
 Spud Date: 6/10/47
 Compl. Date: 7/28/47

Surf. Csg: 13 3/8", 36# Armco SW
Set: @ 293' w/ 300 sks
Hole Size: 17 1/4"
Circ: NR TOC: Surface
TOC By: Calculated

Intern. Csg: 8 5/8", 32# H-40
Set: @ 2909' w/ 1400 sks
Hole Size: 11"
Circ: NR TOC: Surface
TOC By: Calculated

Tbg Detail:
 BP @ 4000'
 1 jt. 2 7/8" EUE 8R J-55 tbg
 2 7/8" x 4' perf sub
 SN @ 3965'
 1 jt. 2 7/8" EUE 8R J-55 IPC tbg
 10 jts. 2 7/8" EUE 8R J-55 tbg
 TAC @ 3625'
 117 jts. 2 7/8" EUE 8R J-55 tbg

Grayburg Perfs (Open):

3690-95'
 3700-05'
 3710-15'
 3740-48'
 3763-68'
 3787-93'
 3815-20'
 3825-33'
 3852-57'
 3875-83'
 3916-22'

RBP @ 5700'
 (20' sand on top)

Blinberry Perfs (Cmt Sqzd):

5745', 5757', 5784', 5790', 5794', 5802', 5805', 5819'
 & 5827'

CIBP @ 6318'
 (40' cmt on top)

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5926', 5936', 5950', 5958', 5981', 5989', 6002', 6007'
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Baker Model D Pkr @ 6330'
 (Pkr has 10' of 2 1/16" tbg on top -
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 6397', 6403', 6406', 6411', 6413', 6419', 6422', 6424'
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CIBP @ 6507'
 (7' cmt on top)

Drinkard Perfs (Below CIBP):

6512-22'
 6534-46'
 6550-54'

COTD: 6278'
PBTD: 6278'
TD: 6560'

Prod. Csg: 5 1/2", 17#, J-55
Set: @ 6560' w/ 500 sks
Hole Size: 7 7/8"
Circ: No TOC: 3200'
TOC By: Calculated

Updated: 11/18/03

By: A. M. Howell

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Revised February 10, 1999

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State Lease - 4 Copy

Fee Lease - 3 Copy

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|---|
| ¹ API Number 30 025 06791 | ² Pool Code 50350 | ³ Pool Name PENROSE SKELLY GRAYBURG |
| ⁴ Property Code 30030 | ⁵ Property Name SJ SARKEYS, # 26 | ⁶ Well No. 1 |
| ⁷ OGRID Number 4323 | ⁸ Operator Name CHEVRON USA INC | ⁹ Elevation 3389' GL |

¹⁰ Surface Location

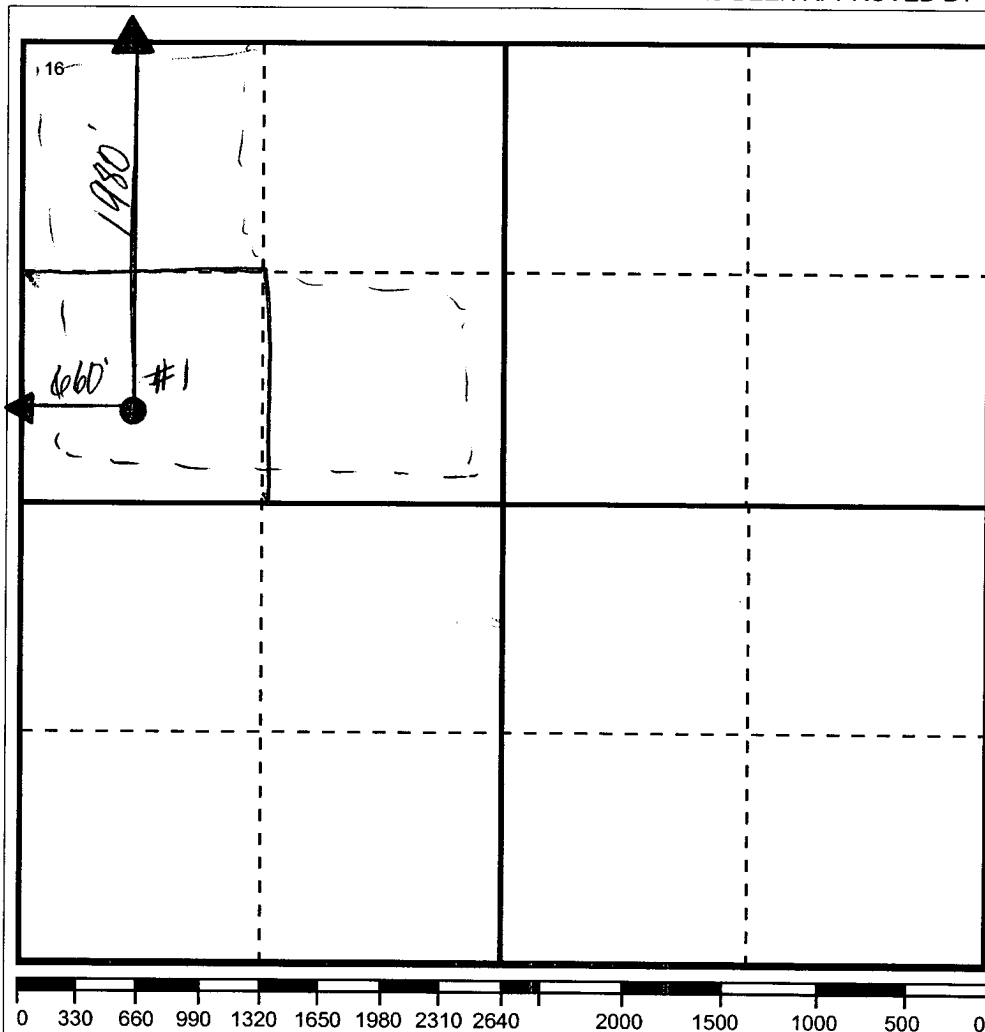
| UI or lot no | Section | Township | Range | Lot.Idn | Feet From The | North/South Line | Feet From The | East/West Line | County |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | 26 | 21S | 37E | | 1980 | NORTH | 660 | WEST | LEA |

¹¹ Bottom Hole Location If Different From Surface

| UI or lot no. | Section | Township | Range | Lot.Idn | Feet From The | North/South Line | Feet From The | East/West Line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|--|-------------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acre 120 (40) | ¹³ Joint or Infill No | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|-------------------------------------|----------------------------------|-------------------------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
 OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information
 contained herein is true and complete to the
 best of my knowledge and belief

Signature

Printed Name

Denise Leake

Positio

Regulatory Specialist

Date

11/20/2003

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown
 on this plat was plotted from field notes of
 actual surveys made by me or under my
 supervision, and that the same is true and
 correct to the best of my knowledge and
 belief.

Date Surveyed

 Signature & Seal of
 Professional Surveyor

Certificate No.