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

RECEIVED
JAN 29 2010
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Form C-103
June 19, 2008

WELL API NO. 30-025-38339	
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 H.T. MATTERN NCT-B
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 27
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 O: 1310 feet from the SOUTH line and 1705 feet from the EAST line Section 30 Township 21-S Range 37-E NMPM County LEA	
[redacted]	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* [redacted]

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 ☐	
DOWNHOLE COMMINGLE ☐			
OTHER. INTENT TO REPAIR CSG LEAK, ACIDIZE, SQZ		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 REPAIR CASING LEAK, ACIDIZE THE GRAYBURG FORMATION, & SCALE SQUEEZE. THE INTENDED PROCEDURE, CURRENT & PROPOSED WELLBORE DIAGRAM IS ATTACHED FOR YOUR APPROVAL.

Spud Date: Rig Release Date:

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

SIGNATURE Denise Pinkerton TITLE REGULATORY SPECIALIST DATE 01-28-2010

Type or print name DENISE PINKERTON E-mail address: leakejd@chevron.com PHONE: 432-687-7375

For State Use Only

APPROVED BY: TITLE PETROLEUM ENGINEER DATE FEB 09 2010
Conditions of Approval (if any):

H. T. Mattern (NCT-B) # 27
Penrose Skelly Field
T21S, R37E, Section 30
Job: Repair Casing Leak, Acidize Grayburg Formation And Scale Squeeze

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 1/7/2010. 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 with rods and pump. Remove WH. Install BOP's and test as required.

4. POH Scanalogging 2 7/8" tbg string. LD TAC and Cavins Desander. PU and GIH with 4 ¾" MT bit on 2 7/8" work string to PBTD at 4126'. POH with work string and 4 ¾" bit. LD bit.

5. PU and GIH with 5 ½" RBP and sqz pkr on 2 7/8" work string to 3675'. Set pkr at 3675'. Pressure test csg from 3675 to surface to 500 psi. Release pkr. Utilize RBP and pkr and pinpoint casing leak. GIH and set RBP approximately 300' below csg leak. Pump down tbg and spot 20' sand on top of RBP. PUH and set pkr 300' above csg leak. Establish injection rate into csg leak. Report injection rate and pressure to Remedial Engineer for use in determining cement volume and slurry properties.

6. Release pkr. POH with 2 7/8" work string and pkr. LD pkr. PU & GIH with 5 ½" CICR on 2 7/8" work string to approximately 50' above casing leak. Pressure test tbg to 5500 psi while GIH. Set CICR 50' above casing leak. Establish injection rate into casing leak. Pressure casing annulus to 500 psi and maintain during sqz job.

7. RU DS Services cementing equipment. Cement squeeze casing leak using Class C cement mixed to 14.8 PPG w/ 1.35 CFY. Attempt to achieve 2500 psi squeeze pressure. Sting out of CICR. Reverse out excess cement. RD and release DS Services cementing equipment.

8. POH with 2 7/8" work string and stinger. LD stinger.

9. PU and GIH with 4 ¾" MT bit on 2 7/8" tbg string to top of CICR. LD and drill out CICR and cement in 5 ½" casing. Reverse circulate well clean using 8.6 PPG cut brine water. Pressure test casing to 500 psi. If csg leaks, repeat cmt sqz procedure. LD and cleanout csg to top of RBP. Reverse circulate well clean from top of RBP using 8.6 PPG cut brine water. POH with 2 7/8" work string and bit. LD bit. GIH with retrieving head and engage RBP. POH with work string and RBP. LD RBP.

10. PU and GIH with 4 ¾" MT bit and 2 7/8" work string to PBTD at 4126'. If fill is tagged above 4100', cleanout wellbore to PBTD at 4126'. POH with work string and bit. LD bit. **Note: Well will not circulate, so use bailer to clean out fill if possible. If there is too much fill to clean out using bailer, MI & RU air unit and clean out to PBTD at 4126' using foam.**

11. PU and GIH w/ 5 ½" PPI pkr (with 10' element spacing) and SCV on 2 7/8" work string to approximately 3960'.

12. MI & RU DS Services. Acidize perfs 3699-3960' with 7,300 gals anti-sludge 15% HCl acid * at a maximum rate **as shown below** and a maximum surface pressure of **3500 psi**. Spot acid to bottom of tbg at beginning of each stage. Pump job as follows:

Interval	**Amt. Acid**	**Max Rate**	**PPI Setting**
3956-60'	200 gals	1 BPM	3953-63'
3945-52'	350 gals	1 BPM	3943-53'
3932-41'	450 gals	1 BPM	3931.5-41.5'
3925-28'	200 gals	1 BPM	3921.5-31.5'
3919-21'	200 gals	1 BPM	3913-23'
3904-12'	400 gals	1 BPM	3903-3913'
3893-3901'	400 gals	1 BPM	3892-3902'
3883-88'	250 gals	1 BPM	3880-90'
3871-76'	250 gals	1 BPM	3870-80'
3860-67'	350 gals	1 BPM	3859-69'
3853-56'	200 gals	1 BPM	3849-59'
3842-47'	250 gals	1 BPM	3840-50'
3836-39'	200 gals	1 BPM	3832-42'
3829-32'	200 gals	1 BPM	3825-35'
3812-21'	450 gals	1 BPM	3811.5-21.5'
3794-97'	250 gals	1 BPM	3792-3802'
3783-90'	350 gals	1 BPM	3782-92'
3777-80'	200 gals	1 BPM	3771-81'
3764-67'	200 gals	1 BPM	3761-71'
3757-60'	200 gals	1 BPM	3753.5-63.5'
3751-53'	200 gals	1 BPM	3747-57'

3740-47'	350 gals	1 BPM	3739-49'
3728-36'	400 gals	1 BPM	3727-37'
3719-23'	200 gals	1 BPM	3717-27'
3712-16'	200 gals	1 BPM	3708.5-18.5'
3706-08'	200 gals	1 BPM	3701.5-11.5'
3699-3701'	200 gals	1 BPM	3692-3702'

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 350 psi csg pressure. Do not exceed 350 psi csg pressure due to cmt sqzd casing leak. 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

13. Release PPI pkr and PUH to approximately 3650'. 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.

14. Open well. MI & RU pump truck. Pump down tbg with 100 bbls 8.6 PPG cut brine water containing 110 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.

15. PU and GIH w/ Cavins Dump Valve, 2 mud anchor joints of 2 7/8" tbg, Cavins Desander, 2 7/8" x 4' tbg 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 118 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 3630', with EOT at 4070' and SN at 3985'.

16. Remove BOP's and install WH. MI & RU pump truck. Pump down tbg with 50 bbls 8.6 PPG cut brine water containing 20 gals WCW-2827 surfactant. RD and release pump truck. GIH with rods, weight bars, and pump per ALS recommended design. RD & release workover unit.

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

AMH
1/18/2010

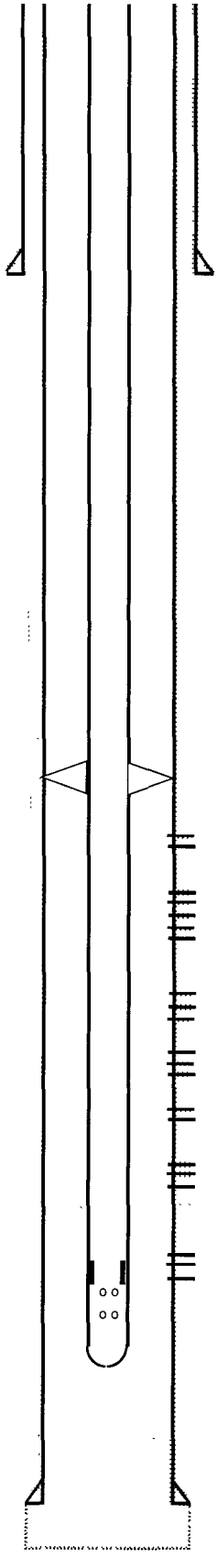
Well: **H. T. Mattern (NCT-B) # 27** Field: **Penrose Skelly** Reservoir: **Grayburg**

Location:
1310' FSL & 1705' FEL
Section 30
Township: 21S
Range: 37E
County: Lea State: NM

Elevations:
GL: 3488'
KB: 3500'
DF. 3499'

Current Wellbore Diagram

Well ID Info:
Chevno. JT8875
API No: 30-025-38339
L5/L6: UCU490300
Spud Date. 5/10/2007
Compl Date 6/21/2007



Surf. Csg: 8 5/8", 24#, J-55
Set: @ 495' w/ 490 sks
Hole Size: 12 1/4"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Tubing Detail:

#Jts:	Size:	Footage
	KB Correction	11 00
119	Jts 2 7/8" EUE 8R J-55 Tbg	3661 19
	TAC	2 78
10	Jts 2 7/8" EUE 8R J-55 Tbg	309 48
1	Jt 2 7/8" EUE 8R J-55 IPC Tbg	31 34
	SN	1 10
	2 7/8" x 4' J-55 EUE Tbg Sub	4 10
	Cavins Desander	20 10
1	Jt 2 7/8" EUE 8R J-55 Tbg	28 10
	Cavins Dump Valve	0 50
131	**Bottom Of String >>**	4069.69

Perfs:	Status:
3699-3701'	Grayburg - Open
3706-08'	Grayburg - Open
3712-16'	Grayburg - Open
3719-23'	Grayburg - Open
3728-36'	Grayburg - Open
3740-47'	Grayburg - Open
3751-53'	Grayburg - Open
3757-60'	Grayburg - Open
3764-67'	Grayburg - Open
3777-80'	Grayburg - Open
3783-90'	Grayburg - Open
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3883-88'	Grayburg - Open
3893-3901'	Grayburg - Open
3904-12'	Grayburg - Open
3919-21'	Grayburg - Open
3925-28'	Grayburg - Open
3932-41'	Grayburg - Open
3945-52'	Grayburg - Open
3956-60'	Grayburg - Open

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COTD: 4126'
PBTD: 4126' (float collar)
TD: 4298'

Prod. Csg: 5 1/2", 15.50#, K-55
Set: @ 4171' w/ 1120 sks
Hole Size: 7 7/8"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Updated: 1/7/2010 **By:** A. M. Howell

Well: **H. T. Mattern (NCT-B) # 27**

Field: **Penrose Skelly**

Reservoir: **Grayburg**

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1310' FSL & 1705' FEL
Section: 30
Township: 21S
Range 37E
County: Lea State. NM

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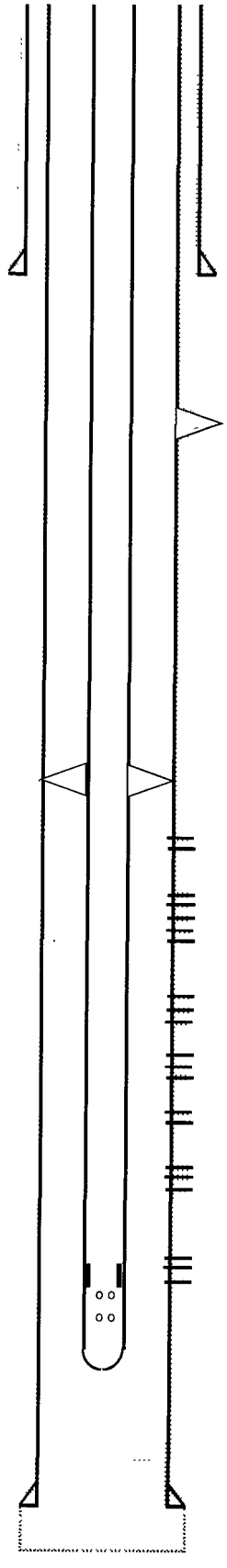
KB: 3500'
DF: 3499'

Proposed Wellbore Diagram

Well ID Info:
Chevno: JT8875
API No 30-025-38339
L5/L6: UCU490300
Spud Date: 5/10/2007
Compl. Date 6/21/2007



Surf. Csg: 8 5/8", 24#, J-55
Set: @ 495' w/ 490 sks
Hole Size: 12 1/4"
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Cmt Sqzd Csg Leak (Depth Unknown)

Tubing Detail:

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	SN	1 10
	2 7/8" x 4' J-55 EUE Tbg Sub	4 10
	Cavins Desander	20 10
2	Jts 2 7/8" EUE 8R J-55 Tbg	59 10
	Cavins Dump Valve	0 50
131	**Bottom Of String >>**	**4069.50**

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Updated: 1/7/2010

By: A M Howell