| 1301 W. Grai | na Avenue, | Artesia, N | M 88210 | | | State of Ne Minerals and | d Natur | al Reso | (| Submit to approv | Form C-10 June 16, 20 | |
|--|---|---|--|-----------------------------------|---------------------------|---|---|------------------------------|---------------------------------|-------------------------------------|---|--|
| District IV | | | 87410 JUL 1 | | 1 | 220 South S | | | | MENDED REPOR | | |
| | | | M \$560BB PERMIT T | | | Santa Fe, 1 RE-ENTER | | | | | | |
| | | | A ZONE | | | | | | | ² OGRID Numbe | T / | |
| | | | CHEVRON 15 SMITI | U.S.A. INC. | | | | | 4323 | ³ API Number | | |
| 3 _ | | | MIDLAND, T | | | 5 | | | 30-025-10 | 30 - 025-10320 ⁶ Well No | | |
| | erty Code 5 91 | | | | | ⁵ Property Name E COLE NCT-A | | | / | | II No 7 | |
| , | <u></u> | | ⁹ Proposed Pool WANTZ, ABO | / | | | | | HARE SIMPSON W | osed Pool 2 /ILL BE TESTED | FIRST | |
| ⁷ Surface | Locatio | on | | | | | | | | | · • • • • • • • • • • • • • • • • • • • | |
| UL or lot no H | Section 16 | Township 22-S | Range 37-E | Lot | Idn | Feet from the 2086 | North/S NORTH | South line H | Feet from the 554 | East/West line EAST | County LEA | |
| ⁸ Proposed | l Bottom I | Hole Loca | tion If Differe | nt From S | Surface | e | - I | | | | | |
| UL or lot no | Section | Township | Range | Lot | | Feet from the | North/S | South line | Feet from the | East/West lune | County | |
| Addition | | Informa | | | | 12 | | - | 14 | | | |
| | Type Code MPLETE | | ¹² Well Type C O | ode | | ¹³ Cable/Rotary | /Rotary ¹⁴ Lease Type Code ¹⁵ Ground L S | | | und Level Elevation | | |
| | fultiple NO | | ¹⁷ Proposed De 8042' | | | ¹⁸ Formation ABO | | | ¹⁹ Contractor | | ²⁰ Spud Date | |
| ²¹ Propos Hole S | lize | | Cement Prog asing Size | | g weigh | nt/foot | Setting D | Depth | Sacks of Ce | ement | Estimated TOC | |
| | | | | | | | | | | | | |
| | | | | | | | | | _ | | | |
| productive z CHEVRON ABO, THE I ZONES JUS | one. Descu U.S.A. IN PLANS AR T IN CAS | ribe the blo C. INTEN RE TO TES E. | owout prevention DS TO RECOM ST THE HARE S | 1 program, PLETE TH SIMPSON | if any. IE SUE WHIC | Use additional BJECT WELL T H WILL PROB | sheets if i O THE V ABLY BE | necessary WANTZ E WATE | ABO FIELD AND R. PLATS ARE B | POOL. BEFOR EING SUBMITT | E GOING TO TH ED FOR BOTH | |
| PLEASE FI | | | | | | From APF Underwa | | | LATS, & C-144 PI | Τ ΙΝΓΟΚΜΑΤΙΟ | JN. | |
| best of my kn | | | on given above is | true and co | mplete | | | | CONSERVAT | TION DIVIS | ION | |
| | isel | Sm | Heton | ر | | Аррг | oved by: | | Mars | | | |
| Printed name DENISE PIN | - | | | | | Tıtle | Ľ. | ETRO | EM ENGIN | SA. | | |
| Title. REGULATO | RY SPECL | ALIST | | | | Аррг | oval Date | <u>al</u> 1 | 9 2010 E | xpiration Date. | | |
| E-mail Addre | SS: | | | | | | | 1. | · | | | |

| Date: | Phone | Conditions of Approval Attached |
|------------|--------------|---------------------------------|
| 07-14-2010 | 432-687-7375 | |

.

.

,

| 1625 N. French D District II 1301 W. Grand A District III 1000 Rio Brazos F | venue, Artesi | ia, NM 88210 JUL | 16201 | 0 OIL C | 220 South St. | | tment J | Subr | nit one co | October 15,2009 py to appropriate District Office |
|---|---------------------------|--------------------------|----------------|---------------------------------|-------------------------|------------------|---------------------------------------|------|--------------------------|---|
| District IV | | HUE | BBSOC | JU | Santa Fe, NI | M 87505 | | ļ | | NDED REPORT |
| 1220 S. St. Franci | s Dr., Santa I | , | | | | | | | | |
| | | W | <u>'ELL LC</u> | <u>)CATIOI</u> | <u>N AND ACR</u> | EAGE DEDIC | ATION PLA | Γ | | |
| | API Numbe 30-025-10320 | | | ² Pool Code 29830 | | | ^{, 3} Pool Nam HARE; SIMP | - | | |
| ⁴ Property | Code | | | ⁵ Property Name | | | | | ⁶ Well Number | |
| 259- | 7 | | | | R.E. COLE N | NCT-A | | | 7 | |
| ⁷ OGRID | No. | · | | ⁸ Operator Name | | | | | 9 | Elevation |
| 4323 | | | | | CHEVRON U.S.A. INC. | | | | | 3416' GL |
| | | | | | ¹⁰ Surface 1 | Location | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East | t/West line | County |
| н | 16 | 22-8 | 37-Е | | 2086' | NORTH | 554' | EAS | ST | LEA |
| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East | t/West line | County |
| ¹² Dedicated Acre 40 | es ¹³ Joint o | r Infill ¹⁴ C | Consolidation | Code ¹⁵ Or | der No. | | | | | |

State of New Mexico

Form C-102

.

.

District I

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.

| | | Λ | |
|----|------|-----------------------------|---|
| 16 | | 11 11 11 1554 1 | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore eptored by the drysion O7-14-2010 Signature Date DENISE PINKERTON_REGULATORY SPECIALIST Printed Name |
| | | [[| 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 belief. Date of Survey Signature and Seal of Professional Surveyor |

| • | | REC | EIVF | D | | | | | | | | |
|--|----------------------------|---------------|----------------------|-----------------------|---|---------------------|------------------|----------------------|------|--------------------------------|------------------------|----|
| <u>District I</u> | | | Katalan Marka Salang | n (<u>188</u> 7 | State of I | New | Mexico | | | | Form C-10 |)2 |
| 1625 N. French Dr | ., Hobbs, NM | 1 88240 | ด วกรโ | nerøv. Mi | nerals & Na | tural I | Resources Depa | rtment | | Revised | October 15,200 |)9 |
| District II | | | 0 2010 | | | | | | Subr | Submit one copy to appropriate | | |
| | OIL CONSERV ATTOM DIVISION | | | | | | | | | | | |
| District III 1000 Rio Brazos R | d Anton NI | | 0000 |) 1 | 220 South | St. I | Francis Dr. | | | | District Offic | |
| District IV | u., Aziec, M | VI 8/410 | | | Santa Fe | . NN | 1 87505 | | | | NDED REPOR | т |
| 1220 S. St. Francis | Dr., Santa I | Fe. NM 87505 | | | ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~ | , | | | | | | |
| | , | , | | | Ν ΔΝΠ Δ | CRE | EAGE DEDIC | ATION PLA | т | | | |
| [| API Numbe | | | ² Pool Cod | | | SAUE DEDIC | ³ Pool Na | | | | -1 |
| | 60-025-10320 | - | | 62700 | e | | | WANTZ; A | | | | |
| | | | | | <u> </u> | | | | | 6 - | | |
| ⁴ Property 0 | Code | | | | | erty Na | | | | * \ | Vell Number | |
| 259 | 7 | | | - | R.E. CO | | | | | | 7 | |
| ⁷ OGRID | No. | | | | ⁸ Oper | rator Na | ame | | | | ⁹ Elevation | |
| 4323 | | | | | CHEVRO | CHEVRON U.S.A. INC. | | | | 3416' GL | | |
| | | | | | ¹⁰ Surfa | ace L | ocation | | | | | _ |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from | n the | North/South line | Feet from the | East | t/West line | Count | у |
| н | 16 | 22-8 | 37-Е | | 2086' | | NORTH | 554' | EAS | ST | LEA | |
| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from | n the | North/South line | Feet from the | Eas | t/West line | Coun | ty |
| } | | | | | | | | | | | | |
| ¹² Dedicated Acres | s ¹³ Joint o | r Infill 14 C | onsolidation | Code ¹⁵ O | rder No. | I | | | | l | | 4 |
| 40 | | | | | | | | | | | | |
| | | | | | | | | | | | | |

.

DEACHIER

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. .

| | / | Δ | |
|------|-------|----------|--|
| | | 1 | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division AMME MARCE OF Of-14-2010 Signature Date DENISE PINKERTON_REGULATORY SPECIALIST Printed Name I BSURVEYOR 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 belief. Date of Survey Signature and Seal of Professional Surveyor |
| | | | |

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 6/16/2010. 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/1000 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. Note: Prior to performing this step of the procedure, ensure that all valves, pipe, and fittings that will be exposed to test pressure are rated higher than the planned test pressure.
- 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.
- 4. Pressure test csg to 500 psi. PU and GIH with retrieving head and sqz pkr on 2 7/8" EUE 8R L-80 work string to top of RBP at 6130', testing to 5500 psi while GIH. Engage RBP. PUH to 4500' and reset RBP. Pressure test RBP to 1000 psi. PUH and set sqz pkr at 4000'. Pressure test csg and pkr to 500 psi. Pump down tbg and establish injection rate into casing leak at 4220-51'. Report injection rate and pressure to Remedial Engineer for design and volume of cmt slurry. Pour 4 sacks 20-40 mesh sand down tbg and let settle on top of RBP at 4500'.
- 5. 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 1500 psi squeeze pressure. Release pkr. Reverse out excess cement. PUH 6 stands and reset sqz pkr. Pressure tbg and csg to 500 psi. RD and release DS Services cementing equipment. <u>SWI and WOC overnight.</u>
- 6. Open well. Bleed off tbg and csg pressure. Release pkr. POH with 2 7/8" work string and sqz pkr. LD pkr.
- PU and GIH with 6 ¼" MT bit on 2 7/8" work string to top of cement in 7" csg at 4000'. Establish reverse circulation using 8.6 PPG cut brine water. Lower down and drill out cement in 7" casing to 4485'. Reverse circulate well clean using 8.6 PPG cut brine water. Pressure test casing to 350 psi. If csg leaks, repeat cmt sqz procedure. Note: Well will be a producer, so a slight pressure loss is acceptable. Lower down and circulate sand off 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.

- 8. PU and GIH with tbg-set CICR on 2 7/8" EUE 8R L-80 work string to 6300'. Set CICR at 6300'. Pressure test csg and CICR to 350 psi. Pump down tbg and establish injection rate into perfs 6340-6603'. Report injection rate and pressure to Remedial Engineer for design and volume of cmt slurry. Note: Do not exceed 350 psi casing pressure due to cmt sqzd csg leak at 4220-51'.
- RU DS Services cementing equipment. Cement squeeze perfs 6340-6603' using Class C cement mixed to 14.8 PPG w/ 1.35 CFY. Attempt to achieve 1500 psi squeeze pressure. Sting out of CICR. Reverse out excess cement. RD and release DS Services cementing equipment. Note: Do not exceed 350 psi casing pressure due to cmt sqzd csg leak at 4220-51'. POH with 2 7/8" work string and stinger. LD stinger.
- 10. PU and GIH with 6 ¼" MT bit on 2 7/8" work string to top of CICR in 7" csg at 6300'. Establish reverse circulation using 8.6 PPG cut brine water. Lower down and drill out CICR and cement in 7" casing to 6700'. Reverse circulate well clean using 8.6 PPG cut brine water. Pressure test casing to 350 psi. If csg leaks, repeat cmt sqz procedure. Note: Do not exceed 350 psi casing pressure due to cmt sqzd csg leak at 4220-51'. Also, well will be a producer, so a slight pressure loss is acceptable. Lower down clean out 7" casing to PBTD at 7765'. Reverse circulate well clean from 7765' using 8.6 PPG cut brine water. POH with 2 7/8" work string and bit. LD bit.
- 11. MI & RU Baker Atlas electric line unit. Install lubricator and test to 2000 psi. GIH with 3 3/8" RHSC Gunslinger casing gun (0.42" EH & 47" penetration) and perforate from 7640-50' with 4 JSPF at 120 degree phasing, using 25 gram premium charges. POH. RD & release electric line unit. Note: Run Gamma Ray tool with gun and use Halliburton Electric Well Log dated 3/25/48 for depth correlation.
- 12. PU & GIH with 7" treating pkr on 2 7/8" work string to 7600'. Set pkr at 7600'. Pressure test csg and pkr to 200 psi. <u>Note</u>: Do not exceed 350 psi casing pressure due to cmt sqzd csg leak at 4220-51' and sqzd perfs from 6340-6603'.
- 13. MI & RU DS Services. Acidize perfs 7640-50' with 500 gals antisludge 15% HCl acid ** at a maximum rate of ½ BPM and a maximum surface pressure of 5500 psi. Spot acid to bottom of 2 7/8" tbg. Displace acid with 8.6 PPG cut brine water -- do not overdisplace. 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, do not exceed 350 psi casing pressure due to cmt sqzd csg leak at 4220-51' and sqzd perfs from 6340-6603'. RD & release DS Services.
- GIH and swab back treated interval. Recover 100% of treatment and load volumes before shutting well in for night. Report recovered fluid volumes, pressures, and/or swabbing fluid levels. <u>Note: Discuss with Engineering before continuing with procedure. If</u>

productivity from perfs 7640-50' is good enough, Abo zone will not be completed at this time.

- 15. Bleed off pressure. Release pkr. POH with 2 7/8" work string and treating pkr. LD pkr.
- 16. MI & RU Baker Atlas electric line unit. Install lubricator and test to 2000 psi. GIH and set CIBP at 7600'. POH. GIH with 3 3/8" RHSC Gunslinger casing guns (0.42" EH & 47" penetration) and perforate from 6712-17', 6776-82', 6809-19', 6837-47', 6870-74', and 6878-86' with 4 JSPF at 120 degree phasing, using 25 gram premium charges. POH. GIH and dump bail 35' of cement on top of CIBP at 7600'. POH. RD & release electric line unit. Note: Use Baker Atlas GR-CNL-CCL Log dated 12/2/98 for depth correlation.
- 17. PU & GIH with 7" treating pkr on 2 7/8" work string to 6625', testing to 8000 psi. Set pkr at 6625'. Pressure test csg and pkr to 200 psi. Note: Do not exceed 350 psi casing pressure due to cmt sqzd csg leak at 4220-51' and sqzd perfs from 6340-6603'.
- 18. MI & RU DS Services. Acidize perfs 6712-6886' with 5,000 gals regular antisludge 20% HCl acid ** at a maximum rate of 6 BPM and a maximum surface pressure of 7500 psi. Spot acid to bottom of 2 7/8" tbg. Displace acid with 8.6 PPG cut brine water -- do not overdisplace. Drop 250 1.3 sp.gr. ball sealers evenly dispersed throughout acid. Record ISIP, 5, 10, & 15 minute SIP's. RD & release DS Services.

| ** 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 |
| | | |

- 19. Bleed off pressure. Release pkr. Lower down to 6900' with pkr to wipe balls off perfs. PUH and reset pkr at 6650'.
- **20.** GIH and swab back all intervals together. Recover 100% of treatment and load volumes before shutting well in for night. Report recovered fluid volumes, pressures, and/or swabbing fluid levels.
- 21. Bleed off pressure and release pkr. POH with 2 7/8" work string and treating packer. LD work string and pkr.
- 22. PU and GIH w/ BP mud anchor jt of 2 3/8" tbg, 2 3/8" x 4' perforated sub, SN, 1 jt 2 3/8" EUE 8R J-55 IPC tbg, 9 jts 2 3/8" EUE 8R J-55 tbg, TAC, and 214 jts 2 3/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 6650', with EOT at 7000' and SN at 6965'.
- 23. Remove BOP's and install WH. GIH with rods, weight bars, and pump per ALCR recommended design. RD & release workover unit.

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

,

AMH 6/23/2010

.

.



.

6/30/2010 7.34 AM



7/14/2010 8 53 AM

.