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

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State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
June 19, 2008

WELL API NO. 30-025-06705	
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 C.L. HARDY
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 4
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 GRAYBURG & BLINEBRY
4. Well Location Unit Letter M: 660 feet from the SOUTH line and 660 feet from the WEST line Section 20 Township 21-S Range 37-E NMPM County LEA	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*

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 ADD BLINEBRY PAY & ACIDIZE ZONES		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 ADD BLINEBRY PERFS & ACIDIZE BLINEBRY & PENROSE SKELLY GRAYBURG IN THE SUBJECT WELL.

THE INTENDED PROCEDURE, AND WELLBORE DIAGRAMS ARE ATTACHED FOR YOUR APPROVAL.

Spud Date: | Rig Release Date:

DHC-3325

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 08-05-2010

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 AUG 11 2010

Conditions of Approval (if any):

Hardy # 4
Penrose Skelly & Blinebry Field
T21S, R37E, Section 20

Job: Add Lower Blinebry, Acidize Penrose Skelly & Blinebry, scale squeeze Grayburg perfs

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 6/14/2010. 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. POH w/ rods and pump. Remove WH. Install BOP's and test as required. POH 2 7/8" tbg. LD tbg.

4. PU & GIH with 6-1/4" **MT Bit, 6** 3-1/2 drill collars and float, and 2-7/8" L-55 work string to 5695 PBTD'. MI & RU air unit. (see attached air foam procedure) Establish circulation w/ foam. Drill to Model D pkr w/cement cap @ 5705. **Drill through 10' cement watch for torque increase and other indications the bit is on the pkr. POOH, LD 6-1/4" MT Bit, PU 6-1/4" w/ min 40" shoe w/ rough btm & ID, RIH to fish & cut over.** Push pkr down hole to approximately 6500'. POH with work string, shoe, extension, and LD drill collars & shoe. RD and release air unit. **Note: Do not exceed 350 psi on csg due to Paddock cement squeezed perf at 5162'-5170' and at 5219'.**

5. Contact Vortech tool rep to be on site during job. PU and GIH with ball activated sliding sleeve Vortech tool and 2 7/8" tbg string to 3600'. Test tbg to 5500 psi while GIH. Install stripper head and stand pipe with sufficient treating line to move tools vertically 65'. Rig up pressure gauges and choke manifold to allow monitoring of tbg and csg pressure. **Note: Do not exceed 350 psi on csg due to Paddock cement squeezed perf at 5162'-5170' and at 5219'.**

6. Treat intervals 3698-3885' and 5570-5857' with 50 bbls of water per stand 8.6 PPG cut brine water. Pump down 2 7/8" tbg and through Vortech tool at **5 BPM** while reciprocating tool across the perforating interval. Do not exceed 5000 psi tbg pressure. Leave annulus open in circulation mode while treating the perforating interval with water.

7. Contact Vortech tool rep to be on site during job. MI & RU Schlumberger Services pump truck with 7,000 gals 15% NEFE HCl acid. Acidize perfs 5670-5570' and 3885 – 3698' with **7,000 gals** anti-sludge 15% NEFE HCl acid. Acidize perfs in 65' intervals using vortech tool across perfs, spot 3 bbls acid outside tbg, shut in and close csg valve, pump acid @ 5BPM at first perf interval from 5800 – 5857', monitor csg pressure and do not exceed 350 psi on backside. Pump surface line volume plus 1 bbl of water before making a connection. Ensure that 1000 gal of acid is pumped across each 65' section of perfs.

STAND	DEPTH
1	5800 – 5857'
2	5743 – 5800'
3	5670' – 5620'
4	5620'– 5570'
5	3885 – 3822'
6	3822 – 3759'
7	3759 – 3698'

SI for 1 hr. Bleed excess pressure off at surface if necessary to stay below 350 psi. Drop ball to activate sliding sleeve. Pump @ 2 bpm.
Swab back all intervals together. Recover 100% of treatment and load volumes. Report recovered volumes, pressures, and/or swabbing fluid levels. Discuss results with Engineering.

8. POH 2 7/8" WS and Vortech tool. LD Vortech tool.

9. PU 7" treating packer & RBP. RIH.

10. Set RBP @ 4000' & pkr @ 3600.

11. Pump down 2 7/8" tbg at **5 BPM** with 200 bbls 2% KCl water containing 3 drums Baker SCW-358 Scale Inhibitor. Followed by 50 bbl 8.6 ppg cut brine.

12. Retrive RBP, POH w/ pkr & RBP & LD 2 7/8" WS.

13. RIH w/ 2-7/8" production tubing testing to 5000 psi and hang off per ALCR recommendation.

14. ND BOP & NU WH. RIH w/ rods and pump as per ALCR recommendation. RD Key PU. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

Engineer – Nami Southern
432-687-7373 Office
979-739-6088 Cell
Vortech – Rex Dodd: 432-559-1618
Hulliburton: Gary Therman: 432-556-8923
Hulliburton: Bryn Martin: 575-910-3132
ALCR: Shannon Richardson: 575-631-9108

Ivan Pinney
432-687-7849 Office
281-796-9252 Cell
OS: Danny Lovell 575-394-1242
MP: Donny Ives: 575-390-7182
DS: Boyd Schaneman: 432-238-3667
Schlumberger: Lori Word: 432-894-2121

WELL DATA SHEET

FIELD: Penrose Skelly & Blinebry (DHC) **WELL NAME: C. L. Hardy #4**

FORMATION: Gbrg/Blbr
LOC: 660' FSL & 660' FWL
TOWNSHIP: 21S
RANGE: 37E

SEC: 20
COUNTY: Lea
STATE: NM
LOT: M

GL: 3494'
KB:
DF:

PROPOSED STATUS:
API NO: 30-025-05705
REFNO: FA7806
Spud Date: 6/20/48
Date Completed: 8/4/48
SAP: UCU493600

CURRENT

Initially completed as Drinkard OH completion
Later dually produced in the
Penrose Skelly and the Paddock

Surface Casing
13-3/8", 48#, H-40 casing
17-1/2" hole
Set @ 290' w/300 sx cmt
Circ cmt to surface

TOC @1315'

Intermediate Casing
9-5/8", 36#, H-40 casing
12-1/4" hole
Set @ 2913' w/1300 sx cmt
TOC @ 1315' by TS

TOC @ 2915'

Tbg Detail:
BP @ 5675'
1 jt. 2 7/8" EUE 8R J-55 tbg
2 7/8" x 4' perf sub
SN @ 5640'
1 jt. 2 7/8" EUE 8R J-55 IPC tbg
64 jts. 2 7/8" EUE 8R J-55 tbg
TAC @ 3625'
117 jts. 2 7/8" EUE 8R J-55 tbg

Perfs	Status
3698-3885'	Penrose Skelly - Open

Perfs	Status
5162-70'	Paddock - squeezed

5219' sqzd to close off water

PBTD @ 5695'

Baker pkr @ 5705'
w/ 2 sx cmt on top

Perfs	Status
5570-5670'	Blinebry - Open

Perfs	Status
5743-5857'	Blinebry - below cmt plug

Production Casing
7", 23#, J-55 casing
8-3/4" hole
Set @ 6563' w/700 sx cmt.
TOC @ 2915' by TS

CIBP @ 6550' w/ 2 sx cmt on top
OH Interval, 6-1/4" f/6563-6670'

TD 6670'

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7", 23#, J-55 casing
8-3/4" hole
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TOC @ 2915' by TS

Junk in the well @ 6530'
PBTD @ 6540'
CIBP @ 6550' w/ 2 sx cmt on top
OH Interval: 6-1/4" f/6563-6670'
TD 6670'