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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – *Other instructions on page 2.*

1. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other	7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator CHEVRON U.S.A. INC.	8. Well Name and No. WEST DOLLARHIDE DRINKARD UNIT #90
3a. Address 15 SMITH ROAD MIDLAND, TEXAS 79705	3b. Phone No. *(include area code)* 432-687-7375
4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)* 1650' FNL, & 1650' FEL, SEC 31, UL: G, T-24S, R-38E	9. API Well No. 30-025-24041 10. Field and Pool or Exploratory Area DOLLARHIDE TUBB DRINKARD 11. Country or Parish, State LEA COUNTY, NEW MEXICO
	3. Lease Serial No. NM-10186 6. If Indian, Allottee or Tribe Name

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☑ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other ADD DRINKARD PAY
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

CHEVRON U.S.A. INC. INTENDS TO CLEAN OUT FOR FILL & SCALE, ADD TUBB & DRINKARD PERFORATIONS. AND ACIDIZE.

PLEASE FIND ATTACHED THE INTENDED PROCEDURE, WELLBORE DIAGRAMS, AND THE C-144 INFORMATION FOR THE NMOCD.

(Note: This work was done in August, and the intent was not received until 9-16-2010. This is an error on Chevron's part, and we respectfully ask that the attached 3160-5 subsequent report be approved.)

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14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)* DENISE PINKERTON	Title REGULATORY SPECIALIST
Signature Denise Pinkerton	Date 09/16/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by EG 11-2-10	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

ACCEPTED FOR RECORD
OCT 18 2010
/s/ Dustin Winkler
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

WEST DOLLARHIDE DRINKARD UNIT
WORKOVER PROPOSAL

WDDU 90

API No: 30-025-30827 24041
T24S, R38E, Section 31
CHEVNO: OM1986

4/01/2010

Workover Purpose: Cleanout, add Tubb, Drinkard and Abo perfs and acidize

It is recommended that WDDU 90 be pulled and cleaned-out for fill and scale; Tubb and additional Drinkard perforations be added; and an acid stimulation be performed to increase production and extend reserves well life. The well is currently producing from the Main Drinkard and Upper Abo only. The last test for this well was 1 BO, 10 BW & 4 MCF per day (4/5/2010).

This well has experienced a steep decline since early 2008 and its production is below the estimated production performance based on past history (see decline plot). The well has not been acid stimulated since 1987 and past water analysis indicate a tendency to form CaSO3 scale. An acid dump was done in Jan 2008 and production increased from 2 to 20 BOPD; production declined rapidly afterwards which may be an indication that the perforated interval is scaled up.

Based on previous workovers in which new pay has been added, it is estimated that this work will improve production by at least 10 BOPD.

Latest tests:

Date	Oil (BPD)	Water (BPD)	Total Gas (MCFD)
04/05/2010	1	10	4.1
03/07/2010	1	47	0.0
02/20/2010	3	20	0.0
12/02/2009	4	12	8.2
11/03/2009	4	10	7.2
10/02/2009	3	8	6.2
09/02/2009	4	16	10.3

WORKOVER PROCEDURE

WDDU 90

API No: 30-025-30827 24041
T24S, R38E, Section 31
CHEVNO: OM1986 **4/26/2010**

Workover Purpose: Cleanout, add perfs and acidize

Current Hole Condition:

Total Depth: 10,285' PBTD: 7270' GL: 3123' KB: 3140'

Casing Record: 13-3/8" 48#/ft @ 614' w/ 750 sx,
9-5/8" 36 & 40#/ft @ 3810' w/ 1750 sx,
7" 23#/ft @ 8998' w/ 700 sx,

Existing Perforations: DRKD: 6372-6495' (10/86)
Upper ABO: 6541-6685' (10/86)

Prepared by: Ivone Wardell (4/26/2010) Reviewed by: Rob Tyre (4/19/2010)

Procedure:

1. MIRU workover unit. Unseat pump and POOH with rods and pump. ND WH. Unseat tubing anchor and NU BOP and test as required. Rig up scanaloggers and POOH w/ tubing string while scanning. Lay down any bad joints and use production tubing as workstring.

2. PU DC's and 6-1/8" bit on 2-7/8" workstring. RIH and tag for fill. Drill out any fill and c/o to approx 6780'. Circulate well clean. POOH w/ DC's, bit and tubing. LD bit and DC's.

   Inspect returns and turn samples to chem rep & production foreman for treatment recommendation. ***Well has history of calcium sulfate****; perform scale converter procedure and SION if any calcium sulfate is found in returns.*

3. MIRU perf contractor. RIH w/ csg guns and perforate the following interval w/ 2 JSPF, 120 deg ph, 0.45" hole, 3-1/8" csg carrier:
   TUBB: 6114-6120' (6'); 6128-6140' (12'), 6180-6188' (8'); 6202-6210' (8')
   DRKD: 6420-6444' (24'); 6452-6456' (4'); 6510-6496' (14')
   ABO: 6532-6526' (6')

POOH and LD perforating guns. RDMO perforating contractor. Prepare to acidize.

4. PU 7" treating pkr and 7" RBP and RIH. Set RBP at approx 6700'. PUH and set pkr at approx 6514'.

5. MIRU acid contractor. Monitor backpressure throughout acid job. Acidize Upper ABO perfs (6532-6685', 153' gross) w/ 4000 gal 15% NEFe HCl and 5000 lbs rock salt in 3 stages. Flush to bottom perf.

6. Release pkr and reverse out salt. Perform scale squeeze and SION.

7. Retrieve RBP. Reset RBP at approx 6514'. Test RBP to 1000#. Set packer at approx 6350'. Hold 500# throughout acid job. Acidize DRKD & TUBB perfs (6108-6510', 402' gross) w/ 8000 gal 15% NEFe HCl and 8000 lbs rock salt in 4 stages. Flush to bottom perf.

8. Release pkr and reverse out salt. Flow or swab back to recover load. Perform scale squeeze and SION.

9. Retrieve RBP. POOH and LD packer and RBP. RIH w/ 6-1/8" bit and C/O any salt or fill to approx 6780'. POOH and LD workstring.

10. Rerun tubing and downhole equipment as per ALCR design. Hydrotest to 5000 psi and LD any bad joints.

11. RD BOP and install WH. RIH with rods and pump. Hookup pumping unit. RDMO.

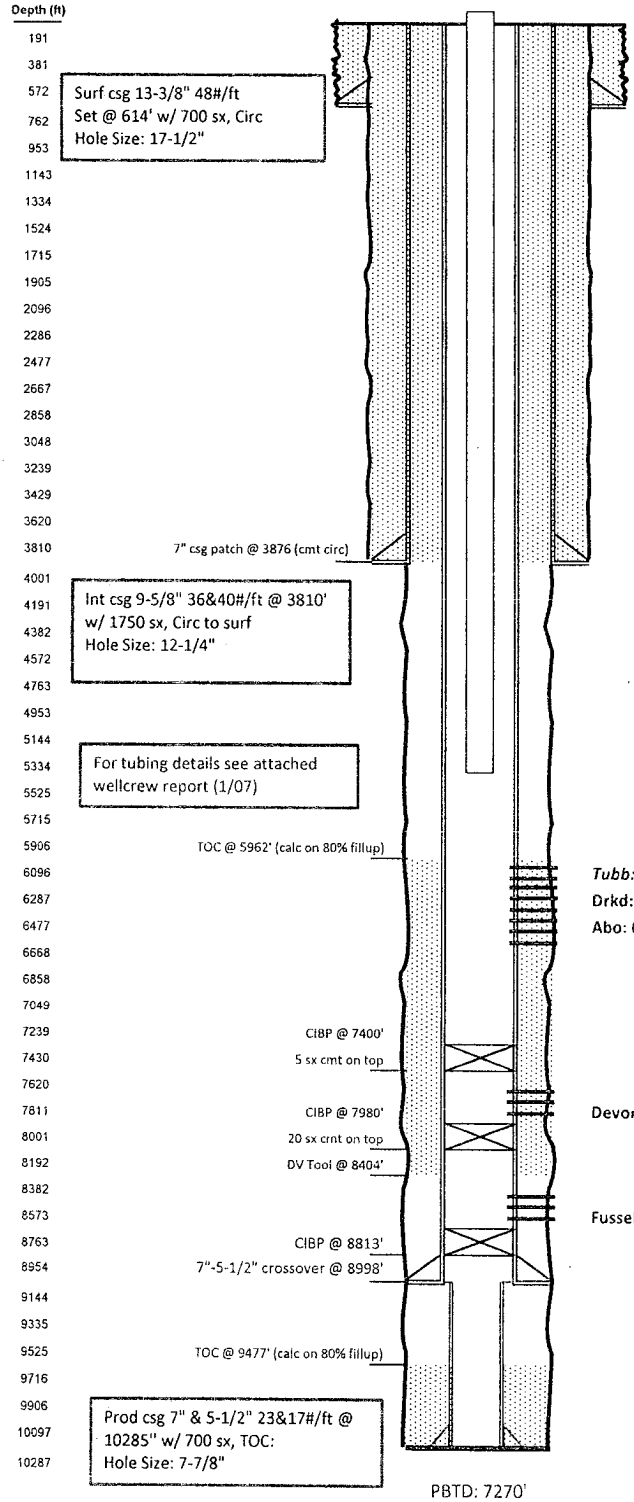
12. Put well back on production and test. When rate stabilizes shoot fluid level.

Contact Information:

Ivone Wardell	Production Engineer	Cell: 432-238-0903
Adil Manzoor	Geologist	Ph: 432-687-7207
Rob Tyre	D&C Engineer	Cell: 432-638-9446
John Bermea	Production Foreman	Cell: 432-967-3420
Aaron Dobbs	Production Specialist	Cell: 505-631-9071
Ronnie Hazelwood	Operations Supervisor	Cell: 432-557-0178

WELLBORE DIAGRAM CURRENT WDDU 90

FIELD: West Dollarhide Drinkard Unit		**Well No:** 90	**FORMATION:** TUBB, DRKD, A
LOC: 1650' FNL & 1650' FEL	**Sec:** 31	GR: 3123'	**CURRENT STATUS:** Producer
TOWNSHIP: 24S	**Cnty:** Lea	KB: 3140'	API NO: 30-025-30827 24041
RANGE: 38E	**State:** NM	DF: '	Chevno: OM1986



SPUD: 2/20/72

Date Completed: 4/72	Initial Production:
Initial Formation: Fusselman	-- BO, -- Mcf, -- BW
FROM: 8716' TO: 8580'	-- GOR, -- Sp Grv

Elliot Federal "31" # 4

1/79: Plug and abandon.

10/86: Recomplete in DRKD
Perforate upper Abo (6541-6685'); acid w/ 10k gal NEFe 15% and 175 BS; Perforate Drinkard (6372-6495'); acid w/ 8k gal NEFe 15% and 129 BS

4/87: acid stimulate and scale sqz
spot 3 drums TC-30 conv mix in 165 gal FW; Acid w/ 5k gal 15% NEFe and 2k lbs RS in 3 stages; max P-1700#, min P-0#, ISIP-VAC; FL @ 4800' swab dry; pump 2 drums T-130 scale inhb; prod: 71 BO, 20 BW & 33 MCF; prior 61 BO, 13 BW & 33 MCF

1/2008: acid dump
dump acid job 24 bbls acid/xylene flushed w/ 100 BFW

Tubb: *proposed: 6108-6140' (4/10)*
Drkd: 6372-6495'; 83 hls (10/86)
Abo: 6541-6685'; 115 hls (10/86)

re-entry (10/86)
wellbore c/o to 6890'

Devonian: 7485-7582'

Fusselman: 8580-8716'

Formation Tops:
T Anhy @ 1201
T Salt @ 1287
Base of Salt @ 2550
Yates @ 2686
Queen @ 3552
San Andres @ 4059
Glorietta @ 554
Tubb @ 6176
Drinkard @
Abo @
Fullerton @

PBTD: 7270'
TD: 10287'

Created by ivce
4/26/2010