Submit 1 Copy 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
MAR 28 2011
HOBBSOCD

Form C-103
October 13, 2009

WELL API NO. 30-025-26053

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
MARK OWEN

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number 8

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 P: 900 feet from the SOUTH line and 660 feet from the EAST line
Section 34 Township 21S Range 37E 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 ACIDIZE & SCALE SQUEEZE | | | | 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

CHEVRON U.S.A. INC. INTENDS TO ACIDIZE AND SCALE SQUEEZE THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, WELLBORE DIAGRAM, & C-144 INFO.

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 03-25-2011

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

**For State Use Only**

APPROVED BY: TITLE STAFF MGR DATE 3-28-2011

Conditions of Approval (if any):

**Mark Owen # 8**
**Penrose Skelly - Grayburg**
**T21S, R37E, Section 34**
**Job: Acidize & 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 3/2/2011. 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. POOH w/ rods & pump. ND wellhead, unset TAC, NU BOP, PU 5 ½ x 2 7/8" pkr, test BOPs to 250/500#. TAG for fill (TAC 3613', TOP PERF 3651, EOT 3986, PBTD 5000'). POOH while scanning 2 7/8" 6.5# J-55 prod tbg. LD all non-yellow band joints. If no fill is tagged skip to step 5. Strap pipe out of the hole to verify depths.

4. PU and RIH with Notched collar, tbg bailer & bailer on 2-7/8" 6.5# L-80 WS to 4030'. POOH w/ 2 7/8 tbg string and bit. LD bit & bailer. Note: Use mud bucket w/ bottom seals removed and goggles while LD bailer.

5. Contact Sonic tool rep to be on site during job. PU and GIH with Sonic Hammer tool and 2 7/8" L-80 6.5#, work string to 3803'. Hydro test tbg to 5500 psi while GIH. Stand back tbg to top perfs. Install stripper head and stand pipe with sufficient treating line to move tools vertically 65'. Rig up pressure gauges to allow monitoring of tbg and csg pressure.

6. Treat the first interval 3651-3706' with 50 bbls of water per stand 8.6 PPG cut brine water. Pump down 2 7/8" tbg and through Sonic Hammer tool at **5 BPM** while reciprocating tool across the perforating interval. Do not exceed 5000 psi. Leave annulus open in circulation mode while treating the perforated interval with water.

   Treat the same 65' internals w/ 1,500 gals 15% NEFE HCl acid. Spot 3 bbls acid outside tbg, shut in and close csg valve, pump acid @ 5BPM at first perf interval from 3651 – 3706', monitor csg pressure and do not exceed 500 psi on backside. Ensure that 1500 gal of acid is pumped across each 65' section of perfs. Flush tbg w/ 8.6 cut brine, make a connection and continue w/ next interval. Please see below example of intervals.

Example:

| STAND | DEPTH |
|---|---|
| 1 | 3651' – 3706' |
| 2 | 3720' – 3752' |
| 3 | 3756' – 3803' |

Shut in for 1 hrs for the acid to spend. Bleed excess pressure off at surface if necessary to keep casing pressure below 500 psi.

7. Pump down 2 7/8" tbg and through Sonic Hammer tool at **5 BPM** from 3651-3803' with 200 bbls 2% KCl water containing 3 drums Baker SCW-358 Scale Inhibitor.

Example:

| STAND | DEPTH |
|---|---|
| 1 | 3756' – 3803' |
| 2 | 3720' – 3752' |
| 3 | 3651' – 3706' |

8. Ensure top of tbg is flushed with water before making a connection. Release Pertoplex. PU to top of perfs. Pump 50 bbls 8.6 PPG cut brine water w/ reverse unit to scale squeeze well. Do not exceed **500 psi** casing pressure or **5 BPM** while pumping scale squeeze or casing flush. RD and release pump truck.

9. POH & LD 2 7/8" WS and Sonic Hammer tool.

10. RIH w/ 2-7/8" production tubing and hang off per ALS recommendation. NDBOP. NUWH. RIH w/ rods and pump per ALS. RD and release workover unit.

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

Nami Southern
1/14/2010
Engineer – Nami Southern
432-687-7373 Office
979-739-6088 Cell
Sonic Hammer – John Ridge: 575-631-9381
MP: Donny Ives: 575-390-7182
ALCR: Shannon Richardson: 575-631-9108
Peak Completions: Randy Goods: 575-631-7543

Ivan Pinney
1/17/2010
**Ivan Pinney**
**432-687-7849 Office**
**281-796-9252 Cell**
OS: Danny Lovell: 575-394-1242
DS: Boyd Schaneman: 432-238-3667
Petroplex: Robert Denney 575-390-4510

# CURENT WELL DATA SHEET

**Field:** Penrose-Skelly **Well Name:** Mark Owen #8 **Lease Type:** Fee
**Location:** 900' FSL & 660' FEL **Sec:** 34-P **Township:** 21S **Range:** 37E
**County:** Lea **St:** New Mexico **Refno:** EQ3252 **API:** 30-025-26053 **Cost Center:** UCU490400
**Current Status:** Producing-Rods **Anchor Test Date:**
**Current Producing Formation(s):** Grayburg
**Initial Producing Formation(s):** Granite Wash

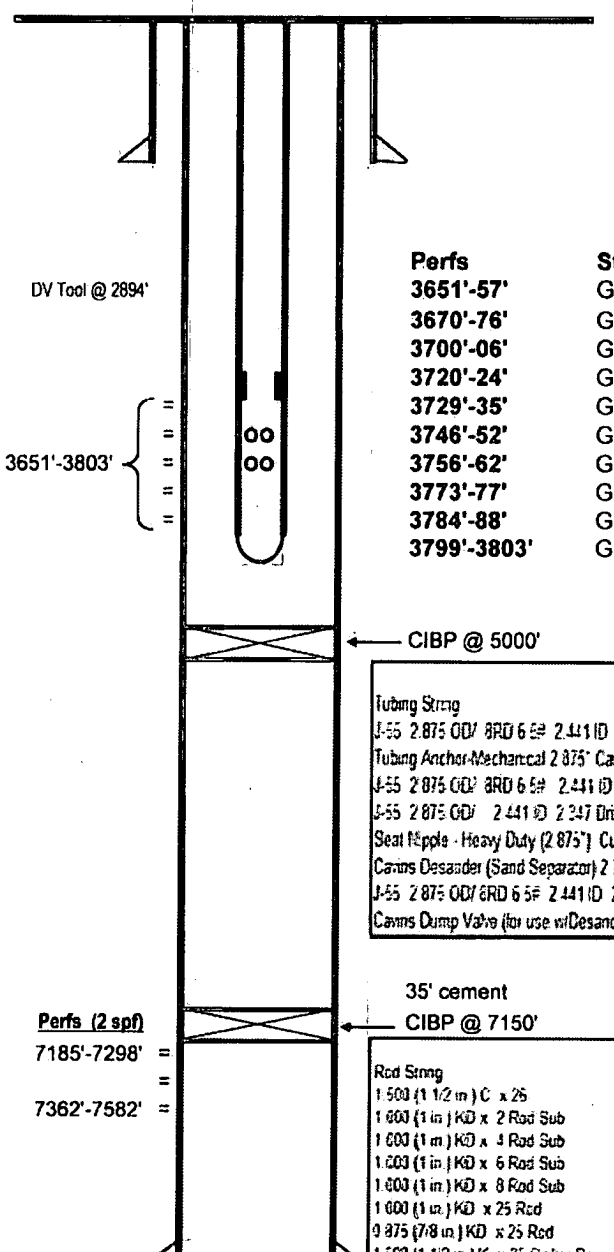
***Surface Csg.***

| | |
|---|---|
| Size: | 8 5/8" |
| Wt.: | 24# |
| Set @: | 1137' |
| Sxs cmt: | 550 |
| Circ: | Yes |
| TOC: | Surface |
| Hole Size: | 12 1/4" |

***Production Csg.***

| | |
|---|---|
| Size: | 5 1/2" |
| Wt.: | 15.5# |
| Set @: | 7610' |
| Sxs Cmt: | 1915 |
| Circ: | Yes |
| TOC: | Surface |
| Hole Size: | 7 7/8" |

| | |
|---|---|
| Yates | 2490' |
| Queen | 3299' |
| Grayburg | 3657' |
| San Andres | 3867' |
| Glorieta | 5027' |
| Blinebry | 5498' |
| Tubb | 5934' |
| Drinkard | 6261' |
| Abo | 6524' |
| Gr. Wash | 7180 |
| Granite | 7270' |
| COTD: | |
| PBTD: | 5000' |
| TD: | 7610' |




| | |
|---|---|
| KB: | 3405' |
| DF: | 3404' |
| GL: | 3394' |
| Spud Date: | 9/27/1978 |
| Compl. Date: | 10/30/1978 |

| Perfs | Status |
|---|---|
| **3651'-57'** | Grayburg - Open |
| **3670'-76'** | Grayburg - Open |
| **3700'-06'** | Grayburg - Open |
| **3720'-24'** | Grayburg - Open |
| **3729'-35'** | Grayburg - Open |
| **3746'-52'** | Grayburg - Open |
| **3756'-62'** | Grayburg - Open |
| **3773'-77'** | Grayburg - Open |
| **3784'-88'** | Grayburg - Open |
| **3799'-3803'** | Grayburg - Open |

| Tubing String | QTY | Known Length | Top Length | Top Depth | Bottom Depth |
|---|---|---|---|---|---|
| J-55 2.875 OD/ 8RD 6.5# 2.441 ID 2.347 Drift | 114 | 1 | 3,691 | 10 | 3,611 |
| Tubing Anchor-Mechanical 2.875" Cam B | 1 | 0 | 3 | 3,611 | 3,613 |
| J-55 2.875 OD/ 8RD 6.5# 2.441 ID 2.347 Drift | 8 | 1 | 253 | 3,613 | 3,866 |
| J-55 2.875 OD/ 2.441 ID 2.347 Drift-IPCTK-99 | 1 | 1 | 31 | 3,866 | 3,897 |
| Seat Nipple - Heavy Duty (2.875") Cup Type | 1 | 0 | 1 | 3,897 | 3,898 |
| Cavins Desander (Sand Separator) 2 7/8" x 20' | 1 | 0 | 24 | 3,898 | 3,923 |
| J-55 2.875 OD/ 8RD 6.5# 2.441 ID 2.347 Drift | 2 | 1 | 63 | 3,923 | 3,985 |
| Cavins Dump Valve (for use w/Desander) 2.875" | 1 | 0 | 1 | 3,985 | 3,986 |

| Rod String | QTY | Known Length | Top Length | Top Depth | Bottom Depth |
|---|---|---|---|---|---|
| 1.500 (1 1/2 in.) C x 26 | 1 | 0 | 26 | 10 | 36 |
| 1.000 (1 in.) KD x 2 Rod Sub | 2 | 0 | 4 | 36 | 40 |
| 1.000 (1 in.) KD x 4 Rod Sub | 2 | 0 | 8 | 40 | 48 |
| 1.000 (1 in.) KD x 6 Rod Sub | 1 | 0 | 6 | 48 | 54 |
| 1.000 (1 in.) KD x 8 Rod Sub | 1 | 0 | 8 | 54 | 62 |
| 1.000 (1 in.) KD x 25 Rod | 55 | 0 | 1,375 | 62 | 1,437 |
| 0.875 (7/8 in.) KD x 25 Rod | 90 | 0 | 2,250 | 1,437 | 3,687 |
| 1.500 (1 1/2 in.) K x 25 Sinker Bar | 8 | 0 | 200 | 3,687 | 3,887 |
| RHBC-20-4 (Bore = 1.25) | 1 | 0 | 20 | 3,887 | 3,907 |
| Strainer Nipple 1.250 OD x 1.0' | 1 | 0 | 1 | 3,907 | 3,908 |

**Prepared by:** NSOU
**Date:** 3/2/2011
**Updated by:**