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

HOBBS OCD
APR 28 2011
RECEIVED

Form C-103
October 13, 2009

WELL API NO. 30-025-36741	
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 HARRY LEONARD NCT-E
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 7
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 H: 1330 feet from the NORTH line and 1070 feet from the EAST line Section 16 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 & SCALE SQUEEZE THE SUBJECT WELL.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE AND C-144 INFORMATION.

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 04-26-1011

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 4-28-2011

Conditions of Approval (if any):

April 19, 2011

Harry Leonard NCT-E #7
Penrose-Skelly Field
T21S, R37E, Section 16
Job: <u>Acidize & Scale Squeeze using Sonic Hammer</u>

<u>Procedure</u>:

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 April 19, 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. **<u>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.</u>**

3. MI & RU workover unit. POOH w/ rods & pump. ND wellhead, unset TAC, NU BOP, PU 2 jts & TAG for fill (TAC 3668', TOP PERF 3734', EOT 4142', COTD 4239'). POOH while scanning 2-7/8 6.5# J-55 prod tbg. Strap pipe out of the hole to confirm depths. LD all non-yellow band joints. Record if filled was tagged and if fill is tagged, record tag depth.

4. 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# workstring to 3984' while hydrotesting tbg to 5500 psi. 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.

5. Treat interval 3734'-3984' 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 perforated interval. Do not exceed 5000 psi. Leave annulus open in circulation mode while treating the perforated interval with water.

   Follow the 8.6 PPG cut brine water w/ 1,500 gals 15% NEFE HCl acid per perf interval. Spot 3 bbls acid outside tbg, shut in and close csg valve, pump acid @ 5BPM at first perf interval from 3734'-3790', monitor csg pressure and do not exceed 500 psi on backside. Ensure that 1500 gal

of acid is pumped across each section of perfs (6000 gals acid total). Flush tbg w/ 8.6 cut brine, make a connection and continue w/ next interval. Please see below example of intervals.

STAND	PERF DEPTH
1	3790' – 3734'
2	3854' – 3795'
3	3918' – 3858'
4	3984' – 3926'

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.

6. Pump down 2-7/8" tbg and through Sonic Hammer tool at **5 BPM** from 3984'-3734' with 200 bbls 2% KCl water containing 3 drums Baker SCW-358 Scale Inhibitor.

STAND	PERF DEPTH
1	3984' – 3926'
2	3918' – 3858'
3	3854' – 3795'
4	3790' – 3734'

7. Ensure top of tbg is flushed with water before making a connection. PU to top of perfs. Pump 50 bbls 8.6 PPG cut brine water 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.

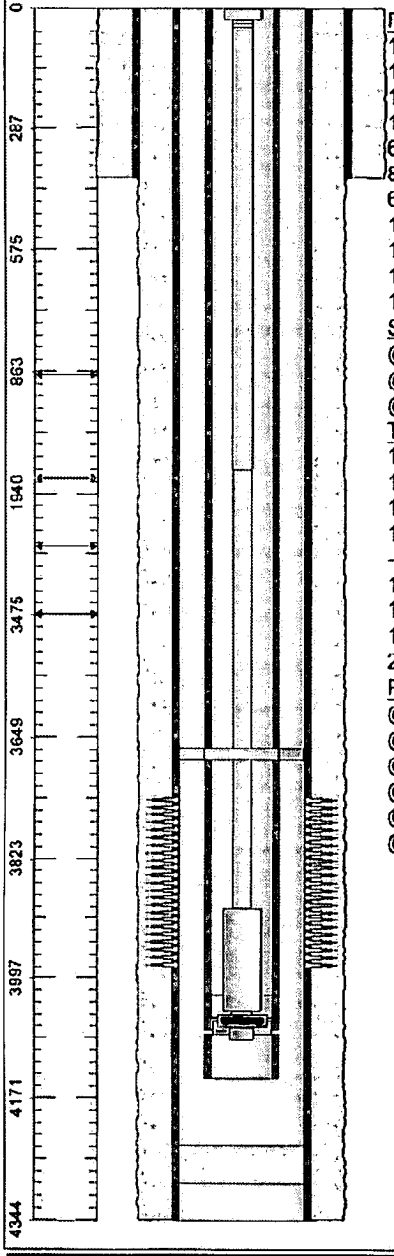
8. POH & LD 2-7/8" WS and Sonic Hammer tool.

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

10. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels. Notify field specialist when complete. Keith Martinkewiz 575-390-7186 or Tyson Johnson 575-390-7195.

Chevron U.S.A. Inc. Wellbore Diagram : HLEONARDE7

Lease: OEU EUNICE	**Well No.:** LEONARD H /NCT-E/ 7	**Field:** FLD-PENROSE SKELLY	
Location: 1330FNL1070FEL	**Sec.:** N/A	**Blk:**	**Survey:** N/A
County: Lea **St.:** New Mexico	**Refno:** HP6000	**API:** 3002536741	**Cost Center:** UCU492000
Section: 16	**Township:** 021 S		**Range:** 037 E
Current Status: ACTIVE		**Dead Man Anchors Test Date:** NONE	
Directions:			



Rod String (Top-Bottom Depth) Desc
1 @(0-26) 1.500 (1 1/2 in.) Spray Metal x 26 - Spray Metal
1 @(26-30) 0.875 (7/8 in.) N-78 (D) x 4 Rod Sub
1 @(30-36) 0.875 (7/8 in.) N-78 (D) x 6 Rod Sub
1 @(36-44) 0.875 (7/8 in.) N-78 (D) x 8 Rod Sub
65 @(44-1669) 0.875 (7/8 in.) N-78 (D) x 25 Rod
89 @(1669-3894) 0.750 (3/4 in.) N-78 (D) x 25 Rod
6 @(3894-4044) 1.500 (1 1/2 in.) K x 25 Sinker Bar
1 @(4044-4048) 0.875 (7/8 in.) N-90 (D) x 4 Rod Sub - Rod Guides-Molded (3 per rod)
1 @(4048-4068) Rod Pump (Insert) (NON-SERIALIZED) - 25-175-RHBC-20-4 (Bore = 1.75)
1 @(4068-4069) Strainer Nipple 1.000 OD x 0.5'

Surface Casing (Top-Bottom Depth) Desc
@(0-405) Wellbore Hole OD-11.0000
@(0-405) Cement
@(0-405) Unknown 8.625 OD/ 24.00# Round Short 8.097 ID 7.972 Drift

Tubing String Quantity (Top-Bottom Depth) Desc
118 @(0-3665) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347
1 @(3665-3668) Tubing Anchor/Catcher 2.875"
11 @(3668-4021) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347
1 @(4021-4053) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347 Drift - Internal Plastic Ctg-TK-99
1 @(4053-4054) Seat Nipple - Heavy Duty (2.875") Cup Type
1 @(4054-4058) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347
1 @(4058-4079) Cavins Desander (Sand Separator) 2 3/8" x 16'
2 @(4079-4142) J-55 2.875 OD/ 6.50# T&C External Upset 2.441 ID 2.347

Production Casing (Top-Bottom Depth) Desc
@(3734-3984) Perforations - Open Penrose Skelly; Grayburg
@(3734-3984) Producing Interval 01 PR Penrose Skelly; Grayburg
@(4239-4295) Plug Back-Sand Cap
@(405-4345) Wellbore Hole OD- 7.8750
@(0-4345) Unknown 5.500 OD/ 15.50# Round Short 4.950 ID 4.825 Drift
@(0-4345) Cement

Ground Elevation (MSL):: 3482.00	**Spud Date:** 08/11/2004	**Compl. Date:** 09/01/2004
Well Depth Datum:: CSI0000N	**Elevation (MSL)::** 0.00	**Correction Factor:** 0.00
Last Updated by: fttr	**Date:** 04/18/2006	

Perforation Top	Perforation Bottom	SPF	Formation
3734'	3742'	4 JSPF	Grayburg
3756'	3760'	4 JSPF	Grayburg
3776'	3780'	4 JSPF	Grayburg
3784'	3790'	4 JSPF	Grayburg
3795'	3800'	4 JSPF	Grayburg
3804'	3812'	4 JSPF	Grayburg
3816'	3820'	4 JSPF	Grayburg
3833'	3838'	4 JSPF	Grayburg
3846'	3854'	4 JSPF	Grayburg
3858'	3865'	4 JSPF	Grayburg
3870'	3873'	4 JSPF	Grayburg
3894'	3904'	4 JSPF	Grayburg
3910'	3918'	4 JSPF	Grayburg
3926'	3932'	4 JSPF	Grayburg
3936'	3940'	4 JSPF	Grayburg
3944'	3950'	4 JSPF	Grayburg
3964'	3968'	4 JSPF	Grayburg
3974'	3984'	4 JSPF	Grayburg