

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

MAY 11 2011

RECEIVED

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
June 16, 2008

Submit to appropriate District Office

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN,
PLUGBACK, OR ADD A ZONE**

¹ Operator Name and Address CHEVRON U.S.A. INC. 15 SMITH ROAD MIDLAND, TEXAS 79705		² OGRID Number 4323
³ Property Code 24953		³ API Number 30 - 025-03108
⁵ Property Name HOBBS 'N' STATE		⁶ Well No. 1
⁹ Proposed Pool 1 VACUUM BLINEBRY		¹⁰ Proposed Pool 2

Surface Location

UL or lot no. D	Section 8	Township 18-S	Range 35-E	Lot Idn	Feet from the 330'	North/South line NORTH	Feet from the 358'	East/West line WEST	County LEA
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Proposed 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/West line	County
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Additional Well Information

¹¹ Work Type Code PLUGBACK	¹² Well Type Code O	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation
¹⁶ Multiple NO	¹⁷ Proposed Depth 7870'	¹⁸ Formation BLINEBRY	¹⁹ Contractor	²⁰ Spud Date

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
NO CHANGE					

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

CHEVRON U.S.A. INC. INTENDS TO RECOMLETE THE SUBJECT WELL INTO THE VACUUM BLINEBRY FORMATION.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, WELLBORE DIAGRAM, C-102 PLAT, & C-144 PIT INFORMATION.

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Plugback**

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:
DENISE PINKERTON

Title:
REGULATORY SPECIALIST

E-mail Address:
leakejd@chevron.com

Date:
05-10-2011

Phone:
432-687-7375

OIL CONSERVATION DIVISION

Approved by:

Title:

PETROLEUM ENGINEER

Approval Date:

MAY 23 2011

Expiration Date:

Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-03108	² Pool Code 61850	³ Pool Name VACUUM BLINEBRY
⁴ Property Code 29953	⁵ Property Name HOBBS 'N' STATE	⁶ Well Number 1
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation

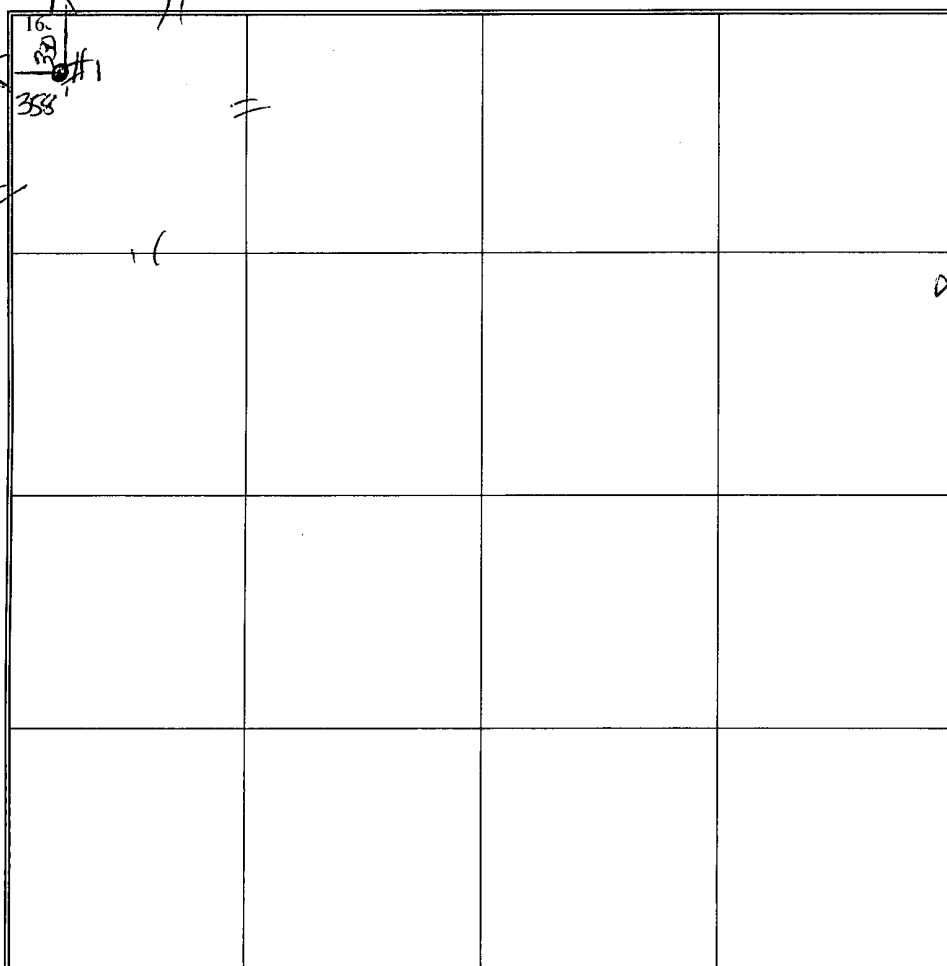
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	8	18S	35E		330	NORTH	358	WEST	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/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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.

	<p>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.</p> <p>Signature: <i>Denise Pinkerton</i> Date: 05-10-2011</p> <p>DENISE PINKERTON REGULATORY SPECIALIST Printed Name</p> <p>leakejd@chevron.com E-mail Address</p>
	<p>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.</p>
	<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

Hobbs "N" No. 1

API No. 30-025-03108

Workover Procedure

- Pre-work: Ensure that location plat has been given to Maintenance Planner and that location has been built to fit frac needs. Get plat from Remedial Engineer.
 - BOP has been designed for 3 1/2" tubing. Ensure that a joining of 3 1/2" tubing w/ 2 7/8 X 3 1/2" X-over and open FOSV is always ready to be stabbed when running 2 7/8" tubing through the 3 1/2" BOP.
1. Rig up pulling unit. Kill well. Bleed down as necessary.
 2. ND wellhead. NU 3000 psi BOP with 3-1/2" pipe rams over blinds. Test BOP to 500 psi.
 3. TIH w/ 2 7/8" 6.5 #/ft L-80 EUE production tubing w/ notched collar. Tag TD and clean out. Load hole from TD to 6400' with 9.5 ppg mud (25 sxs of gel in 100 bbls of brine water, 9.5 ppg density, 40 cp viscosity). TOH.
 4. Rig up wireline truck and set CIBP at 6500'. Get on depth with Schlumberger's Spectral GR-CNL log dated 2/15/11. Perforate the 5-1/2" casing w/ 1 JSPF (30 holes total) at 60 degree phasing from 5844' – 6074' from the bottom up as follows: 6070'-74', 6018'-22', 5980'-84', 5948'-52', 5908'-12', 5844'-48'. Rig down wireline truck.
 5. RIH w/ 5-1/2" treating packer on 3-1/2" EUE L-80 workstring hydro-testing to 8,000 psi below the slips and set packer at 5750'. Load and test BS to 500 psi.
 6. Acidize Blinebry perfs w/ 3,500 gallons 15% NEFE HCl. Pump acid at 8-10 BPM. Drop 45 1.3 S.G. 7/8" ball sealers for diversion. Release pkr and run through perfs to knock balls off seat. Pull pkr to ~5,750' and reset. Load and test BS to 500 psi. (Anticipated pressure = 3,000 psi; Maximum pressure = 8,000 psi)
 7. Kill tubing, install full opening tubing valve if necessary, ND BOP. NU frac stack valve. Test frac valve to 8,000 psi. Rig down pulling unit.
 8. Spot 6-500 bbl frac tanks on location. Fill with fresh water.
 9. Install flowback manifold.
 10. Frac Blinebry perfs with 98,000 gallons 30# gel and 193,000 lb 16-30 sand and 72,000 lb 16-30 resin coated sand as follows:
 - a. 40,000 gallon gel pad
 - b. 8,000 gallons gel w/ 2 ppg 16-30 sand
 - c. 8,000 gallons gel w/ 3 ppg 16-30 sand
 - d. 9,000 gallons gel w/ 4 ppg 16-30 sand
 - e. 9,000 gallons gel w/ 5 ppg 16-30 sand
 - f. 12,000 gallons gel w/ 6 ppg 16-30 sand
 - g. 12,000 gallons gel w/ 6 ppg 16-30 resin coated sand
 - h. Displace to top perf with gel.
Rate = 40 BPM. Anticipated pressure = 6,000 psi. Maximum pressure = 8,000 psi. Hold 300psi on backside and monitor during job.
 11. Rig down frac equipment and flow back load.

PTB 3/29/11

Hobbs "N" No. 1
API No. 30-025-03108

Workover Procedure (cont.)

12. Perform scale squeeze as follows:
 - a. Pump 30 bbls fresh water pre-pad.
 - b. Mix 220 gallons SCW358 scale inhibitor and 20 gallons XC-302 with 120 bbls fresh water
 - c. Pump the chemical mixture down the tubing
 - d. Overflush with 300 bbls fresh water.
13. Rig up pulling unit. Kill well if needed.
14. ND frac valve. NU 3000 psi BOP with 3 ½" pipe rams over blinds.
15. Release packer and TOH laying down 3 ½" workstring.
16. Change out 3 ½" pipe rams to 2 7/8" pipe rams.
17. RIH w/ 2-7/8" production tubing and set SN @ ~6,100'.
18. ND BOP and NU wellhead
19. Run in hole with fiberglass rods as per attached SROD design.
20. Rig down pulling unit.
21. Place on production and test.

PTB 3/29/11

Workover Contacts: Remedial Engineer – Ty Gill 432-687-7233 /432-853-3652
Production Engineer – Paul Brown 432-687-7351 / 432-238-8755
ALCR – Carlos Valenzuela 575-390-9615
Schlumberger – Lori Ward 432-894-2121
Petroplex Acidizing – Steve Pendleton 432-563-1299 / 432-556-4211
Peak Packers – Sam Prieto 575-631-7704

Hobbs "N" State No. 1

Created: 02/11/11 By: PTB
 Updated: By:
 Updated: By:
 Lease: Hobbs 'N' State
 Field: Vacuum (Drinkard)
 Surf. Loc.: 330' FNL & 358' FWL
 Bot. Loc.:
 County: Lea St: NM
 Status: TA Producer 4-13-09
 TA Expires 4-28-14

Well #: 1 St. Lse:
 API: 30-025-03108
 Unit Ltr.: D Section: 8
 TSHP/Rng: 18S 35E
 Unit Ltr.: Section:
 TSHP/Rng:
 Directions:
 Chevno: FA4260

Surface Casing

Size: 13 3/8"
 Wt., Grd.: 44.5#
 Depth: 294'
 Sxs Cmt: 305
 Circulate: yes
 TOC: Surface
 Hole Size: 17 1/2"

KB: 3,973
 DF: 3972'
 GL: 3,962
 Ini. Spud: 10/12/61
 Ini. Comp.: 12/12/61

Intermediate Casing

Size: 8-5/8"
 Wt., Grd.: 32#
 Depth: 3241'
 Sxs Cmt: 1100'
 Circulate: No
 TOC: 380' Calc @ 50% Effy.
 Hole Size: 11"

TOC @ 1293'- Temperature Survey

Production Casing

Size: 5-1/2"
 Wt., Grd.: 17#
 Depth: 9049'
 Sxs Cmt: 925
 Circulate: No
 TOC: 1293' Temp Survey
 Hole Size: 7-7/8"

CIBP & 7870' capped w/ 50' cmt

Perfs: 7920- 8470'
 Perfs: 8460' - 76' (Squeezed)
 CIBP @ 8662'

Perfs: 8726' - 8874'

Original PBTD @ 8900'

PBTD: 7870'