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

State of New Mexico
Energy, Minerals and Natural Resources

HOBBS OCD
MAY 24 2011
RECEIVED

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

Form C-103
June 19, 2008

WELL API NO. 30-025-10099

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
L.E. GRIZZELL

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

8. Well Number 1

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 B: 660 feet from the NORTH line and 1980 feet from the EAST line
Section 8 Township 22-S Range 37-E NMPM County LEA

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3425' GL

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 PERFS & FRAC				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 PERFS IN THE SUBJECT WELL & FRAC.
PLEASE FIND ATTACHED, THE INTENDED PROCEDURE, WELLBORE DIAGRAMS, & 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 05-20-2011

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 MAY 25 2011

Conditions of Approval (if any):

L. E. Grizzell # 1
Penrose Skelly Field
T22S, R37E, Section 8
Job: Add Perfs In Grayburg Formation And Frac

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 5/11/2011. 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 test line according to the type of pipe. All polypipe (SDR7 and SDR11) will be tested to 1 ½ times the derated poly working pressure. All steel lines will be tested to 1 ½ times the working pressure of the lowest pressure rated component of the flowline. If a leak is found, contact Donnie Ives for repair/replacement. If test is good, bleed off pressure and **open valve** at header. This test must be charted for 30 minutes and the chart turned in to Donnie Ives. Also, document this process in the morning report.

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 with rods and pump. ND WH. NU BOP's. Release TAC. POH LD 2 jts 2 3/8" 4.7# J-55 EUE 8R tbg. PU and GIH w/ 7" compression-set pkr to 25'. Set pkr at 25'. Test BOP's to 250 psi low, 500 psi high. Release pkr. POH LD pkr, 2 3/8" tbg string and TAC.

4. PU and GIH with 6 ¼" MT bit and 2 7/8" 9.3 # L-80 EUE 8R work string to top of 5 ½" liner at 3341'. POH with work string and bit. LD 6 ¼" bit. PU and GIH with 4 ¾" MT bit on 2 7/8" work string to approximately 3790'. POH with work string and bit. LD 4 ¾" bit.

5. PU and GIH with tbg-set 5 ½" CICR on 2 7/8" work string to 3390', pressure testing to 5500 psi while GIH. Set CICR at 3390'. Pressure test 7" csg, 5 ½" liner top, and CICR to 500 psi. Leave pressure on annulus while cmt squeezing to monitor for communication. Pump down tbg using 8.6 PPG cut brine water and establish injection rate into perfs 3440-3733'. Communicate injection rate and pressure to Remedial Engineer for determination of cmt slurry volume and additives.

6. RU Schlumberger cementing equipment. Cement squeeze perfs 3440-3733' using Class C cement mixed to 14.8 PPG w/ 1.32 CFY. Attempt to achieve 1500 psi squeeze pressure. Sting out of CICR. Reverse out excess cement. POH with 2 7/8" work string and stinger. LD stinger. **Shut well in and WOC overnight.** RD and release Schlumberger cementing equipment.

7. Open well. Bleed off pressure, if any. PU and GIH with 4 ¾" MT bit and 6 – 3 ½" DC's on 2 7/8" work string to top of CICR in 5 ½" liner. Establish reverse circulation using 8.6 PPG cut brine water. Lower down and drill out CICR and cement in 5 ½" liner to 3750'. Reverse circulate well clean from 3750' using 8.6 PPG cut brine water. Pressure test casing to 500 psi. If csg leaks, repeat cmt sqz procedure. Lower down and drill out fill and CIBP at 3820'. Continue cleaning out 5 ½" liner down to 4400'. Reverse circulate well clean from 4400' using 8.6 PPG cut brine water. POH with 2 7/8" work string and bit. LD bit.

8. MI & RU Baker Atlas electric line unit. Install lubricator and test to 1000 psi. GIH and conduct GR/CBL/CCL from PBTD up to up to 100' above top of cement. Run log with with 350 psi on casing. POH. Inspect log for good cement bond from approximately 4100' up to 3500'. If bond does not appear to be good from 3500' to 4100', discuss with Engineering before proceeding. GIH and set CIBP at 4300'. POH. GIH with 3 3/8" RHSC Gunslinger casing guns (0.42" EH & 47" penetration) and perforate from 3736-44', 3749-54', 3759-66', 3771-75', 3780-84', 3789-93', 3795-3800', 3813-23', 3826-28', 3830-33', 3838-44', 3847-54', 3861-70', 3885-90', 3900-10', and 3915-21' with 4 JSPF at 120 degree phasing, using 25 gram premium charges. POH. GIH and dump-bail 35' of cement on top of CIBP at 4300'. POH. RD & release electric line unit. **Note: Use Ace Perforators GR/CNL/CCL Log dated 10/7/1988 for depth correlation.**

9. PU and GIH w/ 7" Arrow-Set 10K pkr & On-Off tool w/ 2.25" "F" profile and 103 jts. of 3 ½" EUE 8R L-80 work string, testing to 8500 psi. Space out. Set pkr at approximately 3200'. Install 10K frac valve. Pressure annulus to 500 psi to test csg and pkr.

10. MI&RU pump truck. Pump down tbg with 50 bbls 8.6 PPG cut brine water containing 110 gals Baker Petrolite RE-4777 scale inhibitor. Displace down tbg with 50 bbls 8.6 PPG cut brine water. **Do not exceed 5 BPM or 2500 psi while pumping**. RD & release pump truck. RD & MO workover rig.

11. MI & RU Schlumberger and ProTechnics Services. Pressure test casing and pkr to 500 psi. Leave 250 psi on annulus during frac to monitor for communication. Frac well down 3 ½" tubing at **40 BPM** with 88,000 gals of YF125, 176,000 lbs. 16/30 mesh Jordan Sand, and 30,000 lbs **resin-coated** 16/30 mesh CR1630 proppant. Observe a maximum surface treating pressure of **8000 psi**. Tag frac with 2 radioactive isotopes (1 in regular sand stages, and 1 in resin-coated proppant stage). Pump job as follows:

    Pump 1,000 gals 2% KCL water spacer at **20 BPM**
    Pump 14,000 gals YF125 pad containing 5 GPT J451 Fluid Loss Additive at **40 BPM**
    Pump 14,000 gals YF125 containing 0.5 PPG 16/30 mesh Jordan Sand
    Pump 12,000 gals YF125 containing 1.5 PPG 16/30 mesh Jordan Sand
    Pump 12,000 gals YF125 containing 2.5 PPG 16/30 mesh Jordan Sand
    Pump 14,000 gals YF125 containing 3.5 PPG 16/30 mesh Jordan Sand
    Pump 16,000 gals YF125 containing 4.5 PPG 16/30 mesh Jordan Sand
    Pump 6,000 gals YF125 containing 5 PPG **resin-coated** 16/30 mesh CR16/30 proppant.

Flush to 3686' with 1,749 gals WF125. **Do not overflush.** Shut well in. Record ISIP, 5, 10, and 15 minute SI tbg pressures. SWI. RD & release Schlumberger and ProTechnics Services. **Leave well SI overnight.**

12. MI & RU workover rig.

13. Open well. Bleed pressure from well, if any. Release pkr. POH LD 3 ½" work string, on-off tool, and pkr.

14. PU and GIH with 4 ¾" MT bit, float & float sub, and 6 – 3 ½" DC's on new 2 7/8" J-55 production tbg string to PBTD at 4265'. If fill is tagged above 4265', cleanout to 4265' using 8.6 PPG cut brine water and air unit as per attached Air Foam procedure. POH with 2 7/8" production tbg string and bit. LD bit and DC's.

15. PU & GIH with 5 ½" pkr on 2 7/8" production tbg string to 3400'. Set pkr at 3400'. Open well. GIH and swab well until there is no sand inflow. Swab well for at least 3 hours before logging. MI & RU Baker Atlas electric line unit. Install lubricator and test to 1000 psi. GIH through tbg and conduct after-frac PRISM GR/Temp/CCL log from 4265' up to 3200'. POH. RD & release electric line unit. **Note: Correlate logs and run flat with Baker Atlas GR/CBL/CCL Log conducted in Step # 8.**

16. Release pkr. POH with 2 7/8" production tbg string and pkr. LD packer.

17. PU and GIH w/ TAC, Quinn PC pump stator, and 170 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 3700'.

18. ND BOP's and NU WH. GIH with rotor and spin-thru guided rods per Quinn Pump recommended design. RD & release pulling unit.

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

5/11/2011

Well: **L. E. Grizzell # 1**

Field: **Penrose Skelly**

Reservoir: **Grayburg**

Current Wellbore Diagram

Location:
660' FNL & 1980' FEL
Section: 8
Township: 22S
Range: 37E Unit: B
County: Lea State: NM

Elevations:
GL: 3425'
KB: 3435'
DF: 3434'

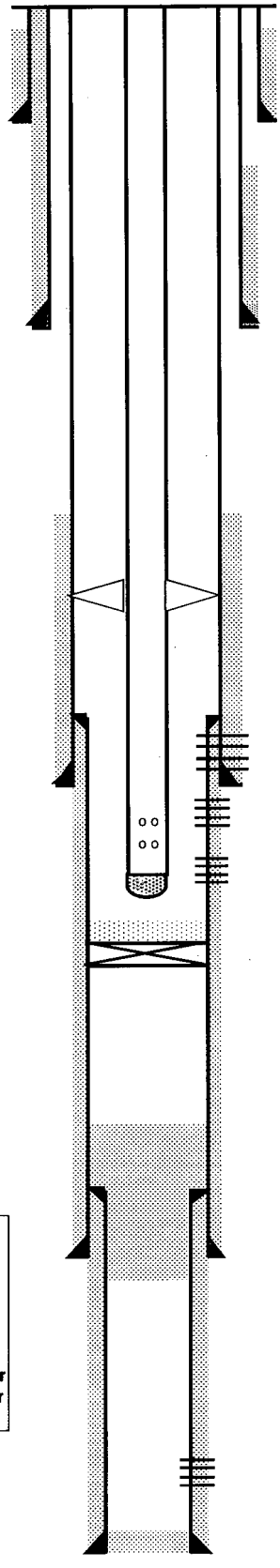
Well ID Info:
Chevno: FB1107
API No: 30-025-10099
L5/L6: U497400
Spud Date: 2/2/37
Compl. Date: 4/10/37

Surf. Csg: 13" 50#, ERW
Set: @ 320' w/150 sx cmt
Hole Size: 15 1/2"
Circ: No **TOC:** 157'
TOC By: Calculated (1.15 HEF)

Interm. Csg: 8 5/8" 32#, SS
Set: @ 1245' w/ 175 sx cmt
Hole Size: 12 1/2"
Circ: No **TOC:** 944'
TOC By: Calculated (1.15 HEF)

Tubing Detail:

#Jts:	Size:	Footage
	KB Correction	10.00
106	Jts. 2 3/8" EUE 8R J-55 Tbg	3286.00
	TAC	3.15
12	Jts. 2 3/8" EUE 8R J-55 Tbg	372.00
1	Jt. 2 3/8" EUE 8R J-55 IPC Tbg	31.00
	SN	1.10
	2 3/8" x 4' Perf Tbg Sub	4.00
1	Jt. 2 3/8" EUE 8R J-55 Tbg	31.00
	Bull Plug	0.50
120	**Bottom Of String >>**	**3738.75**



Prod. Csg: 7", 22#, SS
Set: @ 3493' w/ 100 sx cmt
Hole Size: 8 1/4"
Circ: No **TOC:** 2943'
TOC By: Calculated (1.15 HEF)

CIBP @ 3820'
(No cmt on top)

Perfs:	Status
3440'	Grayburg - Open
3442'	Grayburg - Open
3471'	Grayburg - Open
3475'	Grayburg - Open
3477'	Grayburg - Open
3504-3685'	Grayburg - Open
3693'	Grayburg - Open
3710'	Grayburg - Open
3731'	Grayburg - Open
3733'	Grayburg - Open

Cmt Plug fr/ 4504-5111'

Liner: 5 1/2" OD 15.5# J-55
Set: @ 5085' w/ top @ 3341'
Cemented with: 322 sks
Hole Size: 6 1/4"
Circ: Yes **TOC:** 3341'
TOC By: Circulation

This wellbore diagram 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 the update date below. Verify what is in the hole with the well file in the Eunice Field Office. Discuss w/ WEO Engineer, WO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.

6426-6575' Drinkard - Below CIBP

Liner: 3 1/2" OD 9.3# J-55
Set: @ 6576' w/ top @ 4933'
Hole Size: 4 3/4"
Circ: Yes **TOC:** 4933'
TOC By: Cmt Sqz

COTD: 3790'
PBTD: 3820'
TD: 7743'

Updated: 5/10/2011

By: A. M. Howell

Well: **L. E. Grizzell # 1** Field: **Penrose Skelly** Reservoir: **Grayburg**

Proposed Wellbore Diagram

Location:
660' FNL & 1980' FEL
Section: 8
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Range: 37E Unit: B
County: Lea State: NM

Elevations:
GL: 3425'
KB: 3435'
DF: 3434'

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API No: 30-025-10099
L5/L6: U497400
Spud Date: 2/2/37
Compl. Date: 4/10/37

Surf. Csg: 13" 50#, ERW
Set: @ 320' w/150 sx cmt
Hole Size: 15 1/2"
Circ: No **TOC:** 157'
TOC By: Calculated (1.15 HEF)

Interm. Csg: 8 5/8" 32#, SS
Set: @ 1245' w/ 175 sx cmt
Hole Size: 12 1/2"
Circ: No **TOC:** 944'
TOC By: Calculated (1.15 HEF)

Tubing Detail

#Jts:	Size:	Footage
	KB Correction	10.00
118	Jts. 2 7/8" J-55 Cl. 'B'	3658.00
	PC Stator	29.02
	TAC	2.70
118	**Bottom Of String >>**	**3699.72**

Prod. Csg: 7", 22#, SS
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Hole Size: 8 1/4"
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Perfs:		Status
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3442'	3710'	Grayburg - Cmt Sqzd
3471'	3731'	Grayburg - Cmt Sqzd
3475'	3733'	Grayburg - Cmt Sqzd
3477'		Grayburg - Cmt Sqzd
3504-3685'		Grayburg - Cmt Sqzd
3736-44'		Grayburg - Open
3749-54'		Grayburg - Open
3759-66'		Grayburg - Open
3771-75'		Grayburg - Open
3780-84'		Grayburg - Open
3789-93'		Grayburg - Open
3795-3800'		Grayburg - Open
3813-23'		Grayburg - Open
3826-28'		Grayburg - Open
3830-33'		Grayburg - Open
3838-44'		Grayburg - Open
3847-54'		Grayburg - Open
3861-70'		Grayburg - Open
3885-90'		Grayburg - Open
3900-10'		Grayburg - Open
3915-21'		Grayburg - Open

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(35' cmt on top)

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Set: @ 6576' w/ top @ 4933'
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TOC By: Cmt Sqz

COTD: 4265'
PBTD: 4265'
TD: 7743'

Updated: 5/11/2011 **By:** A. M. Howell