

HOLLAND & HART^{LLP}



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December 16, 2009

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BY HAND DELIVERY

Mark E. Fesmire, JD PE
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 14402: Application of Chevron U.S.A. Inc. for amendment of Division Order No. R-4442, as amended, to revise the injection well completion requirements and to change the basis for the calculation of the authorized injection pressure for carbon dioxide from surface pressure to the average reservoir pressure in its previously approved tertiary recovery project in the Vacuum Grayburg-San Andres Pressure Maintenance Project, Lea County, New Mexico.

REQUEST TO RETURN WELL TO INJECTION

Dear Mr. Fesmire,

30-025-24305
1330 FRI 12 FEB
N.M. 198-392

The purpose of this letter is to request permission to return the Vacuum Grayburg-San Andres Unit Well No. 47 to injection. This well is one of nine Chevron injection wells that are the subject of Cases 14401 and 14402 in which the tubing has been cemented in the casing. As you may recall, this well was shut in at the directive of Will Jones pending a hearing to amend the orders approving injection in this unit to permit the current downhole completion configuration of these wells. Chevron was permitted to continue to inject in the other eight wells that are the subject of these cases.

Chevron's evidence at the December 3, 2009 Examiner hearing showed that the integrity of this well had been confirmed by a Blanking Plug Mechanical Integrity Test run in October 2009. Chevron also testified that it would conduct this test annually on the well and that it would install its Supervisory Control And Data Acquisition (SCADA) System on the well prior to injection to enable it to continuously monitor for leaks by comparing the rate and pressure data on the well.

The inability to use this well for injection is causing problems for Chevron in its operations in the Vacuum Grayburg-San Andres Unit and therefore we request that we be authorized to return the well to injection prior to the entry of the Division's order in this case. Chevron will of course comply with any and all conditions the Division may impose on these wells in the order it enters in this case.

Holland & Hart LLP

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Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻️

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Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr".

William F. Carr
Attorney for Chevron U.S.A. Inc.

cc: William V. Jones
Terry G. Warnell
David K. Brooks

Scott Ingram
Chevron USA, Inc.

**PROPOSED
WELLBORE DIAGRAM**

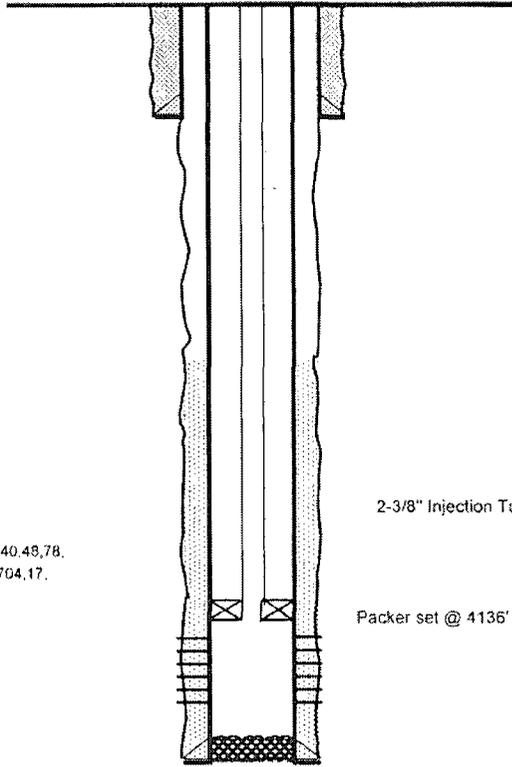
Created: 5/5/2004 By: SMG
 Updated: 11/10/2009 By: PTB
 Lease: Vacuum Grayburg San Andres Unit
 Surface Location: 2630' FSL & 2630' FWL
 Bottomhole Location: _____
 County: Lea St: NM
 Current Status: Active Injection Well
 Directions to Wellsite: Buckeye, New Mexico

Well No.: 30 Field: Vacuum Grayburg San Andres
 Unit Ltr: K Sec: 2 TSHP/Range: 18S-34E
 Unit Ltr: _____ Sec: _____ TSHP/Range: _____
 St Lease: B-1189-1 API: 30-025-24307 Cost Center: _____
 Elevation: 4011' GR TEPI: BCT493000
 MVP: BCT494500

Surface Csg.
 Size: 8 5/8"
 Wt.: 20# H-40
 Set @: 354'
 Sxs cmt: 300
 Circ: Yes
 TOC: Surface
 Hole Size: 12 1/4"

Production Casing
 Size: 5 1/2"
 Wt.: 14# K-55
 Set @: 4800'
 Sxs Cmt: 500
 Circ: ?
 TOC: 1950'
 Hole Size: 7 7/8"
 TD: 4800'
 PBD: 4791'

Perforations:
 2 JSPP, 58 Holes 4443'-4740'
 Detailed Perfs: 4443,55,79,87,93,99,4504,12,23,29,4540,48,78,
82,86,93,97,4605,13,19,64,74,86,93,4704,17,
30, & 40'



KB: 4022'
 DF: 4021'
 GI: 4011'
 Original Spud Date: 1/13/1973
 Original Compl. Date: 1/31/1973

Well History:
2/1973: 144g 7w 325g
4/1981: AC w/500 gals convert to injector
8/1993: AC w/600+6000 gals 20%, 350w/1250#
8/1996: Tag fill 4248', CO to 4791', AC 5M gals+
 378/1253#
2/1997: injection pressure max 1400#
11/1998: injection pressure 1670#
10/2000: injection pressure 2000#
11/2000: fill 4421', CO to 4566', milled to 4791'
 scale, iron sulfide, sand, AC 6000 gals+1500# R
 frac 51M gals YF 135+ 79M# 16/30, 1290/779#

2-3/8" Injection Tubing

Packer set @ 4135'

TD: 4791'

Remarks: _____

PMX-III 9-14-81

DATE: December 21, 2009

FROM: Paul T. Brown

TO: William Jones

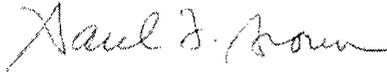
RE: Vacuum Grayburg San Andres Unit No. 30

API No. 30-025-24307

Chevron USA, respectfully requests administrative approval to set the injection packer at 4,136' in the subject well. Setting the packer at this depth will place the packer 307' above the top perforation. The last approved MIT test dated 12/08/01 C-103 reported the packer depth at 4,191'. The subject well is perforated from 4,443' to 4,740'.

Setting the packer at this depth is necessary as 28 years of water injection has deteriorated the casing to the point that a sufficient packer seat within 100' of the top perforation cannot be found. Based on log analysis, the top of the unitized interval is at 4,109'. Setting the packer at the requested depth will place the packer 27' below the top of the unitized interval.

Yours very truly,

A handwritten signature in cursive script that reads "Paul T. Brown".

Paul T. Brown

Petroleum Engineer