

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

RECEIVED MAY 20 2010 HOBSOCD

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

WELL API NO. 30-025-27974
5. Indicate Type of Lease STATE [X] FEE [ ]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name VACUUM GRAYBURG SAN ANDRES UNIT
8. Well Number 63
9. OGRID Number 4323
10. Pool name or Wildcat VACUUM GRAYBURG SAN ANDRES
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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)
1. Type of Well: Oil Well [X] Gas Well [ ] Other INJECTOR [X]
2. Name of Operator CHEVRON U.S.A. INC.
3. Address of Operator 15 SMITH ROAD, MIDLAND, TEXAS 79705
4. Well Location Unit Letter B: 50 feet from the NORTH line and 2630 feet from the EAST line Section 2 Township 18-S Range 34-E NMPM County LEA

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ]
TEMPORARILY ABANDON [ ] CHANGE PLANS [ ]
PULL OR ALTER CASING [ ] MULTIPLE COMPL [ ]
DOWNHOLE COMMINGLE [ ]
OTHER: INTENT TO REPAIR - MIT

SUBSEQUENT REPORT OF:
REMEDIAL WORK [ ] ALTERING CASING [ ]
COMMENCE DRILLING OPNS. [ ] P AND A [ ]
CASING/CEMENT JOB [ ]
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 PULL THE INJECTION STRING, RUN A CASING INSPECTION LOG AND RE-RUN THE PACKER. THE CASING INSPECTION LOG WILL BE UTILIZED TO SELECT THE PACKER SETTING DEPTHS.

PLEASE FIND ATTACHED, THE INTENDED PROCEDURE AND WELLBORE DIAGRAM.

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 05-18-2010
Type or print name DENISE PINKERTON E-mail address: leakejd@chevron.com PHONE: 432-687-7375
For State Use Only
APPROVED BY: [Signature] TITLE SAFFNER DATE 5-20-10
Conditions of Approval (if any):

VGSAU 63

API No. 30-025-27974

Vacuum (Grayburg-San Andres) Field

Lea County, NM

#### Engineering Comments

The subject well recently had a MIT failure evidenced by the presence of injection pressure on the backside. The subject well was last pulled in May 2009 for a cleanout workover. The impetus for this workover was a failed MIT test due to a wellhead leak at the surface. During this workover a new fiberlined injection string was installed.

This workover will involve pulling the injection string, running a casing inspection log and then re-running the packer. The subject well currently has an on-off tool above the packer and it will not be ran back in the hole since it poses a potential leak location. The casing inspection log will be utilized to select the packer setting depths. The packer can be set as high as 4011' (473 ft above the top perf) and still be in compliance with the OCD Injection Orders.

No economics have been run for this workover since the work is required for regulatory compliance. A WBS is being built primarily for cost tracking purposes. The subject well supports 10 BOPD in offset production.

#### Workover Procedure

1. Rig up pulling unit. Kill well if necessary. NU BOP.
2. Release 5-1/2" Arrowset packer and on-off tool set at 4441' and TOH w/ 2-3/8" fiberlined injection tubing. Lay down on-off tool assembly.
3. Rig up Baker wireline and pull a GR-Microvertilog from PBSD to surface.
4. TIH w/ 5-1/2" packer w/ 1.43" profile nipple on bottom on 2-3/8" fiberlined injection tubing.
5. Consult with the technical team for the packer setting depth.
6. Circulate packer fluid and set packer.
7. Perform MIT test.
8. If MIT test is successful, rig up pump truck on the tubing and inject at 2000 psi. Monitor annulus pressure.
9. If well does not develop annulus pressure, rig down pulling unit.
10. If well develops annulus pressure, bleed down the tubing and release the packer. Consult with the technical team for the packer setting depth.
11. Reset packer.
12. Repeat steps 6 and 7.
13. If well develops annulus pressure, consult with technical team for next steps.

PTB 5/11/10

**VGSAU #63 Wellbore Diagram**

Created:	02/23/07	By:	JDW
Updated:	08/07/08	By:	JSS
Updated:	05/04/10	By:	PTB
Lease:	Vacuum Grayburg San Andres Unit		
Field:	same		
Surf. Loc.:	50' FNL, 2630' FEL		
Bot. Loc.:			
County:	Lea	St.:	NM
Status:	Active Water Injector		

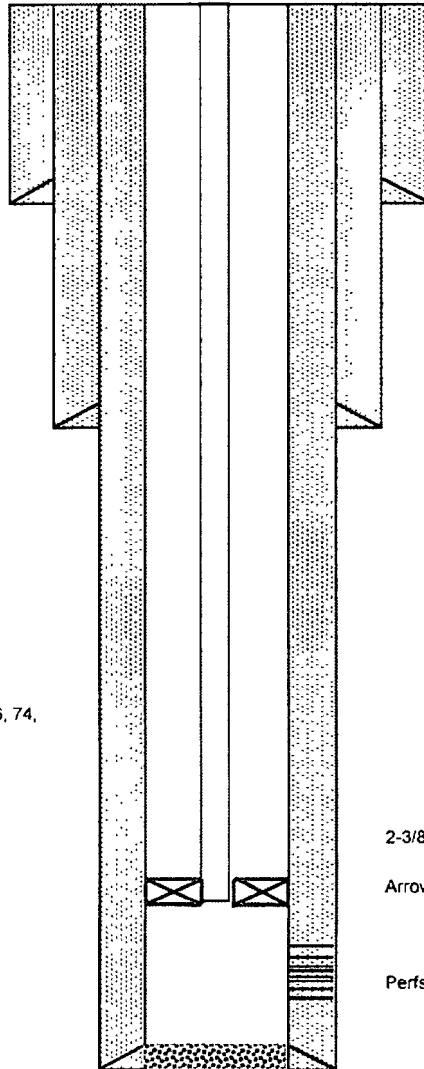
Well No.:	63	St Lse:	na
API No.:	30-025-27974		
Unit No.:	B	Section:	2
		Section:	S-18 E-34
		Section:	
			Buckeye, NM
CHEVNO	CZ6416		

<b>Surface Casing</b>	
Size:	16"
Wt., Grd.:	65, H-40
Depth:	375'
Sxs Cmt:	550
Circulate:	Yes
TOC:	surface
Hole Size:	20

<b>Intermediate Casing</b>	
Size:	11 3/4"
Wt., Grd.:	42# H-40
Depth:	1590'
Sxs Cmt:	950
Circulate:	Yes
TOC:	surface
Hole Size:	15

<b>Production Casing</b>	
Size:	5 1/2"
Wt., Grd:	15.5# J-55
Depth:	4800
Sxs Cmt:	1,350
Circulate:	yes
TOC:	surface
Hole Size:	7 7/8

**Perforations:**  
 4484, 87, 4500, 04, 11, 20, 25, 28, 31, 46, 74,  
 4602, 63, 66, 70, 75, 81, 4686, 90, 4700,  
 06, 4709' w/2 JSPF 5/9/83  
 4502, 14, 17, 34, 37, 76, 4600, 04, 78,  
 84, 93, 4703' w/2 JSPF 24 holes 3/13/91



PBTD:	4744'
TD:	4800'

KB:	4029'
DF:	na
GL:	4014'
Ini Spud:	12/03/82
Ini. Comp.:	12/21/82

**Perf. and Stimulation History:**  
**VGSAU #63**

5/9/83 Initial completion: Perf. w/2 JSPF from 4484-4709'. Acidize w/5500 15% NEA & 66 BS's. Max.=4700#, Min.=2700#. Air=4.2 bpm ISIP= 1800#. 5 minutes=vac Test: injecting 960 BPD @ 0 psi.  
 8/31/87 Acidize perms. 4484-4709' w/8000 gals XL-gelled 15% NEFE in 3 stages w/1000# RS between stages Max.=3300, Min.=2850, Air=4.7 bpm, ISIP=2000, 15 minutes=1050  
 9/7/87 Test: 430 BWPD @ 500 psi  
 3/13/91 Perf w/2 JSPF from 4502-4703' 24 holes Acidize w/5100 gals 15% NEFE 3000# RSB and 50-1.3 BS. Max.=2700#, Min.=1260#, Air=3.6 bpm. ISIP=1510 15 minutes=740#. 3/20/91 Test: injecting 24 hrs. 388 BW @ 1140#  
 8/13/96 Acidize w/5000 gals 20% NEFE using N2 foam as diverter.  
 8/14/96 Ran 5 1/2" AD-1 packer on 143 jts. 2 3/8" rice duoline injection tbg Set pkr. @ 4444'  
 8/21/96 Injecting 321 BWPD @ 1134#  
 4/1/97 Max pressure 2115#  
 3/1/08 Tag @ 4459'  
 5/09 Clean-out. Isolated leak 4' from surface. Clean out 4459-4768'. Acid perms 4484-4784' w/7000 gals 15% HCL in 5 stages w/4 stages RS. Move in 150 jts 2-3/8" Fiberline tbg & move out 143 jts 2-3/8" Duoline tbg. Set pkr at 4441'.

2-3/8" Fiberlined Tubing

Arrowset Packer w/ on-off (1 50" PN) tool @ 4441'

Perfs: 4484-4709'