

III

Well Data

VGSAU 134 WIW

API # 30-025-36682

2630' FSL & 1980' FWL
 SEC 1, UL "K", TWN 18-S, Range 34-E, County Lea
 ELEVATION: 3985' GL, 3991' KB
 Completed: 6/8/2004

Surface Casing:

12 1/4" hole
 34 JTS 8 5/8" csg - 24#, J55
 set @ 1551'. Cemented w/ 620 sx 35:65 POZ class "C"
 cmt+6% gel+ 2% CaCl2+0.25 PPS Celloflake, 12.8
 ppg, followed by 200 Sx cl "C"+ 2% CaCl2 cmt 14.8
 ppg. 118 Sx cement to surface. (5/19/04)

Production Casing:

7-7/8" hole
 96 JTS 5-1/2" csg - 15.5#, K55, LTC
 set @ 4449'.
 Lead: 650 sx 35/65 POX cl "C"+5% Salt+6% gel+0.25 pps
 Celloflake, 12.8 ppg cmt
 Tail: 400 sx 50:50 POX cl "C"+ 5% Salt+ 2% Gel+ 0.25 pps
 Celloflake. 14.2 ppg cmt
 Circulated 171 Sx of cmt to surface. Well was dead after
 Job. (5/24/04)

TOC @ 1400' based on CBL.

Perforation Intervals & Initial Stimulation:

Intervals: 4217-4229 (12'), 4260-4283 (23'), 4292-4320 (28'),
 4323-4331 (8'), 4342-4370 (28'), 4374-4386 (12'), 4392-4420 (28')
 perforations w/ 2 spf @ 120 deg phasing. Total of 139' (278
 holes). (8-Jun-2004)
Stimulation: Pump 8,000 gls acid 15% HCl in 4 stages, 2000 gls
 acid & 55 ball sealers (1.3 sg) per stage. Rate: 8-10 bpm.
 Diversion: 3000 # Rock Salt. 500, 1000 and 1500 # in between
 stages. (8-Jun-2004)

Last Workover:

17-24 May 2004: Drilled 10 Acr Injector; Flow checks @ 4309 w/ 14 bph, 4373 w/
 48 bph. SIDP = 250 psi in 15 minutes. Drilled 7 7/8" hole to 4450'. Log Open hole.
 Run 96 JTS of 5 1/2" casing. Set @ 4449'. Cement to surface w/ 1050 Sx of clas "C"
 cement.

1-8 June 2004: Completion: Tag Landing Collar @ 4402'. Drill to 4439'. Perforate
 intervals 4217-4229 (12'), 4260-4283 (23'), 4292-4320 (28'), 4323-4331 (8'), 4342-
 4370 (28'), 4374-4386 (12'), 4392-4420 (28') perforations w/ 2 spf @ 120 deg
 phasing. Total of 139' (278 holes). Set packer @ 4172'. Acid w/ 8000 gls 15% HCl,
 220 ball sealers and 3000# rock salt in 4 stages. Each stage w/ 2000 gls acid and 55
 ball sealers. In between the stages pump 500, 1000 and 1500 # rock salt. Average
 rate=7.1 bpm, Avg pressure=2240#, Max press=5320 psi, ISIP=2070 psi, 5 min
 SI=1859 psi, 15 min SI=1849 psi. Flowed back 300 bbls. C/O rock salt and ball
 sealers. PBTD @ 4439'.

Run 131 Jts 2 3/8" duolined tbg, 5 1/2" Hudson Lock set packer Nickle Plated. Set
 packer @ 4152.82' Tested @ 500 psi. Test Good.

INJECTION EQUIPMENT:

4143'- 2 3/8" Duolined Tubing
 1- 5 1/2" Hudson Lock set packer Nickle Plated

Packer Estimated Setting Depth: 4153'

Zones

| Top | Depth | Interval |
|-------------|-------|----------|
| GB Marker | | |
| GB Dol Top | 4,196 | 72 |
| GB Dol Bott | 4,232 | 36 |
| San Andres | 4,268 | 217 |
| Lovington | 4,485 | |
| LSA | | |
| O/W | 4,710 | |

TOTAL 325

PBTD @ 4439'

COMMENTS AND RECOMMENDATIONS:

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. 1st Street, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

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 |
| ⁴ Property Code 30022 | ⁵ Property Name Vacuum Grayburg San Andres Unit | ³ API Number 30- 025- 36681 ⁶ Well No. 134 |

⁷ Surface Location

| UL or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| K | 1 | 18-S | 34-E | | 2630 | South | 1980 | West | Lea |

⁸ 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 |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

⁹ Proposed Pool 1

Vacuum Grayburg San Andres

¹⁰ Proposed Pool 2

| | | | | |
|-----------------------------------|---|---------------------------------------|------------------------------------|---|
| ¹¹ Work Type Code N | ¹² Well Type Code Injection | ¹³ Cable/Rotary Rotary | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3985' |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 4450' | ¹⁸ Formation San Andres | ¹⁹ Contractor | ²⁰ Spud Date 4/26/04 |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 12 1/4" | 8 5/8" | 24# | 1550' | 1200 | |
| 7 7/8" | 5 1/2" | 15.5# | 4850' | 850 | |
| | | | | | |
| | | | | | |

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.

CEMENTING PROGRAM:

SURFACE CASING: LEAD: 545 sx Poz Class C Cement + 6% Bentonite + 2% Calcium Chloride + 0.25 pps Celloflake. TAIL: 200 sx Class C Cement + 0.25 pps Celloflake + 2% Calcium Chloride.
PRODUCTION CASING: LEAD: 320 sx Poz Class C Cement + 6% Bentonite + 5% Sodium Chloride + 0.25 lb/sx Celloflake. TAIL: 305 sx Poz Class C Cmt + 5% Sodium Chloride + 2% Bentonite + 0.25 lb/sx Celloflake.
BOP PROGRAM: Type Working Pressure Test Pressure Manufacturer
Pipe 3000 1500 Shaffer
Blind 3000 1500 Shaffer

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

Signature: *Laura Skinner*

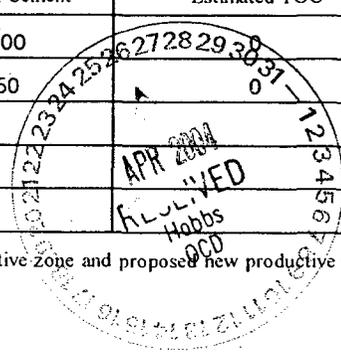
Printed name: Laura Skinner

Title: Regulatory Specialist

Date: 4/23/04

Phone: (432) 687-7355

| | |
|--|-------------------------------------|
| OIL CONSERVATION DIVISION ORIGINAL SIGNED BY: | |
| Approved by: | PAUL F. KAUTZ |
| Title: | PETROLEUM ENGINEER |
| Approval Date: | APR 26 2004 |
| Expiration Date: | |
| Conditions of Approval: | |
| Attached: | <input checked="" type="checkbox"/> |



C-101/C-144 DRILLING PIT REGISTRATION CODITIONS OF APPROVAL

| | | | |
|-------------|--------------|-----------|-------------------------|
| API number: | 30-025-36681 | | |
| OGRID: | 4323 | Operator: | CHEVRON U S A INC. |
| | | | 15 SMITH RAOAD |
| | | | MIDLAND TX 79705 |
| | | Property: | VACUUM GB-SA UNIT # 134 |

| | | | | | | | |
|---------|--------|---|------|-----|------|-----|-----|
| surface | ULSTR: | K | 1 | T | 18S | R | 34E |
| | | | 2630 | FSL | 1980 | FWL | |

- XXXXXX** Pit must be lined with a minimum of a **12 mil** re-enforced or **20 mil** re-enforced liner.
- XXXXXX** The pit must be deep enough so that when pit is closed it can be covered with 3 feet of dirt and surface leveled
- XXXXXX** If the pit is to be encapsulated in place, the liner is to be a minimum thickness of **20 mil** re-enforced liner
- XXXXXX** When using a **12 mil** nylon re-enforced liner. The contents of the pit must be removed along with the liner and disposed of in an approved facility within 6 months of completion of the well.
- XXXXXX** When using a **20 mil** liner. The pit must be closed within 6 months of completion of the well.
- XXXXXX** This site has a **Ranking Score of 20 points or higher**. The contents of the pit must be removed along with the liner and disposed of in an approved facility within 6 months of completion of the well.
- XXXXXX** Before pit is closed, submit a subsequent Form C-144 along with any additional information which may be applicable to the appropriate NMOCD District Office for approval.
- XXXXXX** Notify appropriate NMOCD District Office by E-mail 48 hrs prior to closing pit.
- XXXXXX** The operator is required to comply with NMOCD guidelines.
- XXXXXX** OCD approval does not release the operator of its responsibilities for compliance with any other federal, state, or local laws and/or regulations.

Drilling Pit Registration Approval
 District Supervisor Chris Williams
 District Geologist Paul F Kautz

505-393-6161
 ext 102
 ext 104

Drilling Pit closure
 Environmental Spec Larry Johnson
 Environmental Spec Paul Sheeley

505-393-6161
 ext 111 lwjohnson@state.nm.us
 ext 113 psheeley@state.nm.us

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

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
March 12, 2004

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

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes No

Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank

| | | |
|--|--|--|
| Operator: <u>Chevron U. S. A. Inc.</u> Telephone: _____ e-mail address: _____ | | |
| Address: <u>15 Smith Road - Midland, Texas 79705</u> | | |
| Facility or well name: <u>Vacuum GB SA Unit No. 134</u> API #: <u>20-025-76681</u> U/L or Qtr/Qtr <u>K</u> Sec <u>1</u> T <u>18S</u> R <u>34E</u> | | |
| County: <u>Lea</u> Latitude _____ Longitude _____ NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/> Surface Owner Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/> | | |
| Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Volume <u>3856</u> bbl | Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____ | |
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) | Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more | (20 points) (10 points) (0 points) |
| Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.) | Yes No | (20 points) (0 points) |
| Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) | Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more | (20 points) (10 points) (0 points) |
| | Ranking Score (Total Points) | (20 points) |

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite offsite If offsite, name of facility: _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No Yes If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

Date: 4/23/04

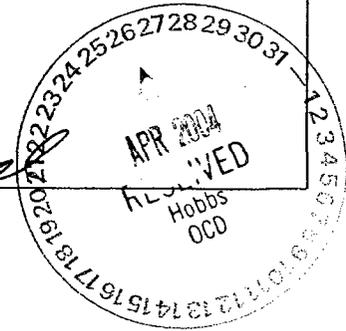
Printed Name/Title Jason LaGrega - Drlg Engr. Signature _____

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

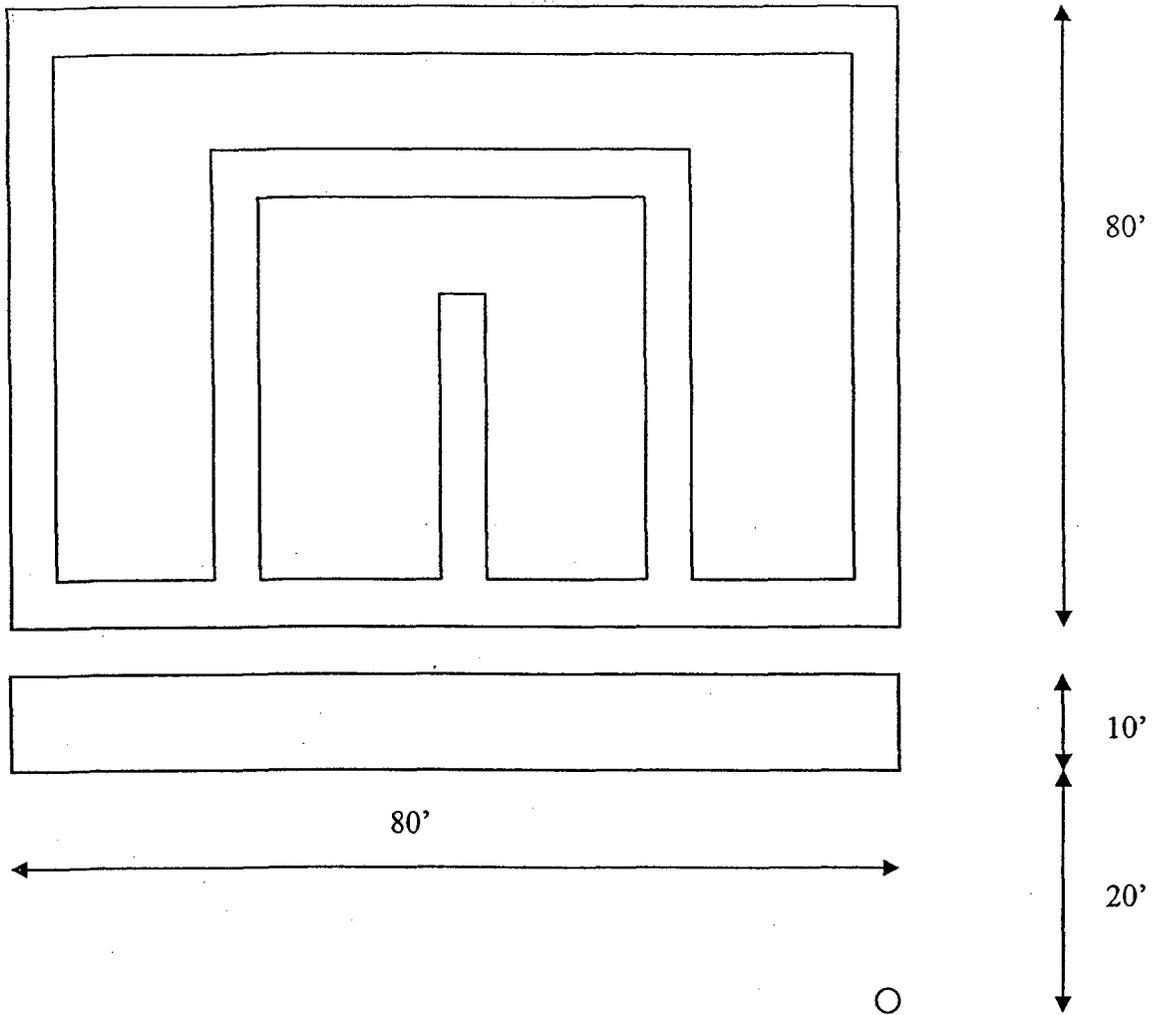
Approval:
Date: APR 26 2004
Printed Name/Title _____

ORIGINAL SIGNED BY
PAUL F. KAUTZ
PETROLEUM ENGINEER

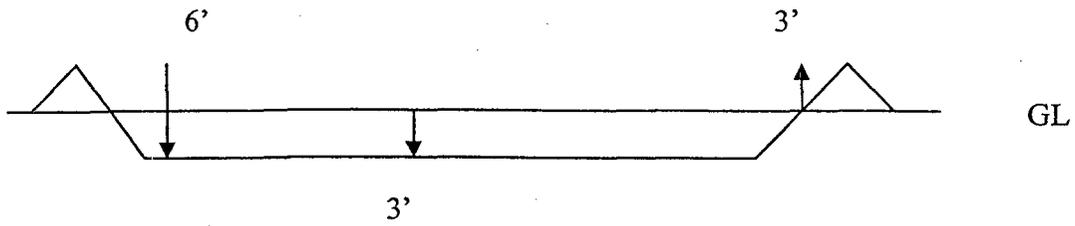
See Conditions of Approval



VGSAU Pit Design



Wellbore



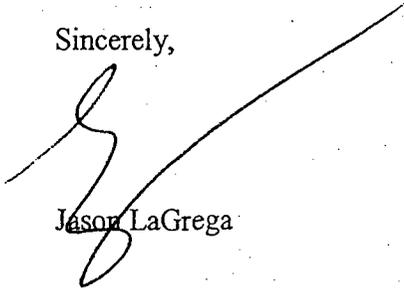
ChevronTexaco

April 23, 2004

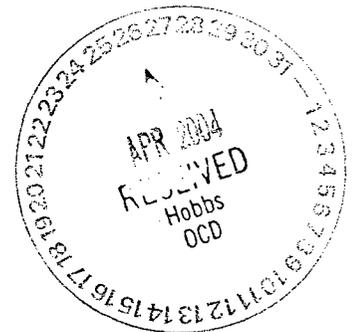
To whom it may concern,

I, Jason LaGrega, Drilling Engineer for ChevronTexaco, hereby certify that the pit design and construction for the Vacuum Grayburg San Andres Unit wells #132 and #134 are according to the guidelines for a standard pit for CapStar Rig #16.

Sincerely,



Jason LaGrega



OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

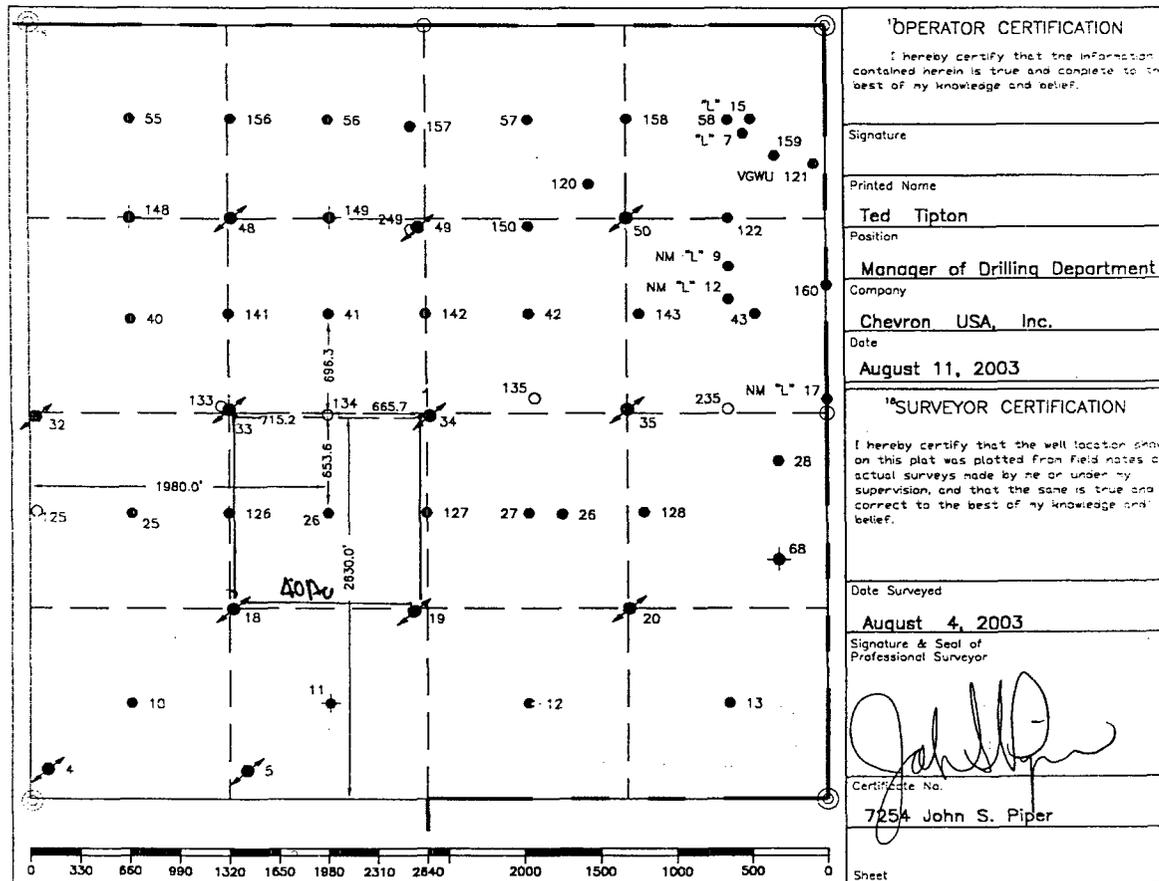
| | | | | | |
|-------------------------------------|--|---|--|--|-----------------------------|
| 1 API Number 30-025-76681 | | 2 Pool Code 62180 | | 3 Pool Name Vacuum Grayburg San Andres | |
| 4 Property Code 30022 | | 5 Property Name Vacuum Grayburg San Andres Unit | | | 6 Well Number 134 |
| 7 OGRIP No. 4323 | | 8 Operator Name Chevron USA Inc. | | | 9 Elevation 3985' |

| 10 Surface Location | | | | | | | | | |
|---------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 11 Section No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| K | 1 | 18-S | 34-E | | 2630' | SOUTH | 1980' | WEST | Lea |

| 11 Bottom Hole Location if Different From Surface | | | | | | | | | |
|---|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 12 Section 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.



10 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Ted Tipton

Printed Name
Ted Tipton

Position
Manager of Drilling Department

Company
Chevron USA, Inc.

Date
August 11, 2003

16 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 knowledge and belief.

Date Surveyed
August 4, 2003

Signature & Seal of Professional Surveyor
John S. Piper

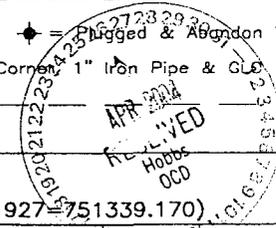
Certificate No.
7254 John S. Piper

Sheet

○ = Staked Location ● = Producing Well ● = Injection Well ⊕ = Water Supply Well ◆ = Plugged & Abandoned Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

| | | | |
|-------------------------|--|----------------------|--|
| State Plane Coordinates | | | |
| Northing | 647330.264 (1927=647265.311) | Easting | 792518.214 (1927=751339.170) |
| Latitude | 1983= 32°46'36".762 1927= 32°46'36".142 | Longitude | 1983= 103°30'57".915 1927= 103°31'27".045 |
| Zone | North American Datum | Combined Grid Factor | Coordinate File |
| East | 1927 | 0.99979145 | Buckeye.cr5 |
| Drawing File | Field Book | | |
| VGSAU134.dwg | Lea County 23, Pg. 28 | | |



DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

| | |
|--------------------------------------|--|
| WELL API NO. | 30-025-36681 |
| 5. Indicate Type of Lease | STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil / Gas Lease No. | |
| 7. Lease Name or Unit Agreement Name | VACUUM GRAYBURG SAN ANDRES UNIT |
| 8. Well No. | 134 |
| 9. Pool Name or Wildcat | VACUUM GRAYBURG SAN ANDRES |

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMI (FORM C-101) FOR SUCH PROPOSALS.

1. Type of Well: OIL WELL GAS WELL OTHER INJECTION

2. Name of Operator CHEVRON USA INC

3. Address of Operator 15 SMITH ROAD, MIDLAND, TX 79705

4. Well Location Unit Letter K : 2630' Feet From The SOUTH Line and 1980' Feet From The WEST Line Section 1 Township 18-S Range 34-E NMPM LEA COUNTY

10. Elevation (Show whether DF, RKB, RT,GR, etc.) 3985'

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

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|---|---|---|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPERATION <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | | CASING TEST AND CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: NEW WELL-SPUD & CSG REPORT <input checked="" type="checkbox"/> | |

12. 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.

5-17-04: MIRU CAPSTAR RIG #16. SPUD 12 1/4" HOLE @ 1215 HRS. DRLG 10-177,300,539,778,845,1025,1068,1153,1279,1551. 5-19-04: RAN 34 JTS (1553') 8 5/8" 24#,J-55, STC CSG. CMT 8 5/8" CSG W/620 SX 35/65 POZ C, 6% GEL, 2% CACL2, 0.25 PPS CELLOFLAKE FOLLOWED W/200 SX CL C, 2% CACL2. BUMP PLUG @ 0622 HRS W/1150 PSI. FLOAT HELD. CIRC 118 SX CMT TO SURF. WOC. DRLG 1551-1695,2088,2596, 2850, 2890,3104,3136,3475,3644,3993,4000,4151,4450. 5-23-04: RUN #1 PLATFORM EXPRESS W/HRLA. LOGGERS TD @ 4453. 5-24-04: RUN PLATFORM EXPRESS. RAN 96 JTS (4453) 5 1/2" 15.5# K-55 LTC CSG. FC @ 4400. TOP OF FLAG JT @ 4190. CIRC CSG. CMT CSG @ 4449. MIX & PUMP 15 BFW, 20 BBLs CW100, 15 BFW, 650 SX 35/65 POZ C, 5% SALT, 6% GEL, 0.25 PPS CELLOFLAKE, FOLLOWED BY 400 SX 50/50 POZ C, 5% SALT, 2% GEL, 0.25 PPS CELLOFLAKE. BUMP PLUG @ 1315 HRS W/2200 PSI. FLOAT HELD. CIRC 171 SX CMT TO SURF. NO FLOW AFTER JOB. SET SLIPS & CUT OFF.REL RIG @ 1530 HRS.

WAIT ON COMPLETION



I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE Denise Leake TITLE Regulatory Specialist DATE 5/25/2004 TYPE OR PRINT NAME Denise Leake Telephone No. 915-687-7375

(This space for State Use) APPROVED CONDITIONS OF APPROVAL, IF ANY: ORIGINAL SIGNED BY GARY W. WINK TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE 5/27/2004