

XIII

Proof of

Notice

Section

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1 weeks.

Beginning with the issue dated

May 20 2004

and ending with the issue dated

May 20 2004

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 20th day of

May 2004

Tanya M. Danner

Notary Public.

My Commission expires
November 27, 2004
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE
May 20, 2004

ChevronTexaco Exploration & Production Co. has applied to the Oil Conservation Division of the State of New Mexico for approval to inject water on VGSAU #132 in the Vacuum Grayburg San Andres Unit. Water injection into this new water injection well is designed to improve recovery efficiency of the Waterflood patterns and enhance production of the VGSAU secondary recovery project. The well is located: 2630' FSL & 660' FEL, in Section 2, Unit Letter 'I', Township 18 South, Range 34 East, Lea County, New Mexico. Water will be injected into the unitized interval of the Grayburg San Andres pool of the Vacuum field. Injection will be at an expected maximum rate of 2,000 barrels of water per day and an expected maximum pressure of 2000 pounds per square inch. Persons wanting to contact ChevronTexaco should direct their inquiries to Mario Ballesteros, ChevronTexaco Exploration & Production Co., 15 Smith Road, Midland, TX 79705; telephone (432) 687-7218.

Interested Parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505, within 15 days of this notice.
#20657

49100176000 02570131
Chevron Texaco
15 Smith Rd.
MIDLAND, TX 79705

ChevronTexaco
Russell Pool
Technical Team Leader
New Mexico Oil Recovery Team
15 Smith Road
Midland, TX 79705
poolre@chevrontexaco.com

ChevronTexaco

May 24, 2004

**APPLICATION FOR AUTHORIZATION
TO INJECT - OCD FORM C-108
VACUUM GRAYBURG SAN ANDRES UNIT
GRAYBURG SAN ANDRES POOL
LEA COUNTY, NEW MEXICO**

State of New Mexico
Oil, Gas and Minerals Division
New Mexico State Land Office
PO Box 1148
Santa Fe, NM 87504-1148

Attention: Commissioner of Public Lands

Dear Sir,

ChevronTexaco Exploration and Production Co., as operator of the Vacuum Grayburg San Andres Unit, has filed an application with the New Mexico Oil Conservation Division to begin water injection on Vacuum Grayburg San Andres Unit #132.

ChevronTexaco plans to inject water into this newly drilled water injection well to improve recovery efficiency of the waterflood patterns and enhance production of the VGSAU secondary recovery project.

Attached is the NMOCD Form C-108 with information relative to the water injection on the referenced well. Also attached is a copy of the legal notice posted in the Hobbs News-Sun. If additional information is required, please contact me at (432) 687-7417

Sincerely,



Russell Pool
Technical Team Leader
New Mexico Oil Recovery Team

File
Attachments

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
OFFICIAL USE	
SANTA FE, NM 87504	
Postage	\$ 4.55
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 8.60
UNIT ID: 0710	
Postmark: Santa Fe, NM 05/28/04	
City, State, ZIP+4: Santa Fe, N.M. 87504-1148	
Sent To: NM State Land Office	
Street, Apt. No., or PO Box No.: PO Box 1148	
City, State, ZIP+4: Santa Fe, N.M. 87504-1148	

7001 0020 0004 1583 6279

PS Form 3800, January 2001

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
e-mail Address			

ChevronTexaco

June 11, 2004

State of New Mexico
Energy and Minerals Dept.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. David Catanach, Engineering Bureau

**RE: Injection Pressure Increase
Vacuum Grayburg San Andres Unit #132
2630' FSL & 660' FEL
Unit Letter I, Section 2, Township 18-S, Range 34-E
Lea County, New Mexico**

Dear Mr. Catanach,

ChevronTexaco requests permission to increase the surface injection pressure on **Vacuum Grayburg San Andres Unit #132 (API No. 30-025-36682)** from 870 psig to 1560 psig. This request is based upon a step rate test conducted on June 9, 2004 by Precision Pressure Data, Inc.

In reference to the C-108 application for authorization to inject dated May 20, 2004 to the New Mexico Oil Conservation Division, ChevronTexaco stated that the results of this step rate test would be submitted in order to increase surface injection pressure on this well. Attached for your information are the results of this step rate test. Also attached is the well completion report (C-105) for this well.

According to the results from this step rate test, a parting pressure was attained @ ~3628 psi which is equivalent to a surface pressure of 1560 psi.

Your prompt consideration and approval of the C-108 application will be greatly appreciated. If additional information is required, please contact me at (432) 687-7218.

Sincerely,



Mario A. Ballesteros
Petroleum Engineer
ChevronTexaco
15 Smith Road, Room #2235
Midland, TX 79705
Telephone: (432) 687-7218
Fax: (432) 687-7871

OIL CONSERVATION DIVISION

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

DISTRICT II

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

Santa Fe, New Mexico 87504-2088

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-025-36683
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil / Gas Lease
7. Lease Name or Unit Agreement Name VACUUM GRAYBURG SAN ANDRES UNIT
8. Well No. 132
9. Pool Name or Wildcat VACUUM GRAYBURG SAN ANDRES

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

b. Type of Completion:
 NEW WELL WORKOVER DEEPEN PLUG BACK DIFF RES. OTHER

2. Name of Operator
 CHEVRON USA INC

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

4. Well Location
 Unit Letter I : 2630' Feet From The SOUTH Line and 660' Feet From The EAST Line
 Section 2 Township 18-S Range 34-E NMPM LEA COUNTY

10. Date Spudded 5/8/2004	11. Date T.D. Reached 5/11/2004	12. Date Compl. (Ready to Prod.) 6/1/2004	13. Elevations (DF & RKB, RT, GR, etc.) 4002'	14. Elev. Csghead
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15. Total Depth 4600'	16. Plug Back T.D. 4598'	17. If Mult. Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools	Cable Tools
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19. Producing Interval(s), of this completion - Top, Bottom, Name
 4370-4572' GRAYBURG

20. Was Directional Survey Made
 YES

21. Type Electric and Other Logs Run
 PLATFORM EXPRESS, HRLA

22. Was Well Cored
 NO

23. CASING RECORD (Report all Strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENT RECORD	AMOUNT PULLED
8 5/8"	24#	1550'	12 1/4"	895 SX	140 SX CIR
5 1/2"	15.5#	4599'	7 7/8"	875 SX	14 SX CIRC

24. LINER RECORD **25. TUBING RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 7/8"	4316'	

26. Perforation record (interval, size, and number)
 4370-4383, 4426-4484, 4488-4526, 4530-4548, 4558-4563, 4567-4572'
 (274 HOLES & 42" HOLE SIZE)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
 DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED
 4370-4572' ACIDIZED W/8000 GALS 15% HCL

28. PRODUCTION

Date First Production 6/1/2004	Production Method (Flowing, gas lift, pumping - size and type pump) INJECTING	Well Status (Prod. or Shut-in) INJECTING					
Date of Test	Hours tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API -(Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
 Test Witnessed By

30. List Attachments NOTARIZED SURVEY

31. I hereby certify that the information on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNATURE Denise Leake TITLE Regulatory Specialist DATE 6/11/2004
 TYPE OR PRINT NAME Denise Leake Telephone No. 915-687-7375

UGSA #132

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true verticle depths shall be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy	1620	T. Canyon
T. Salt	1750	T. Strawn
B. Salt	2630	T. Atoka
T. Yates	2835	T. Miss
T. 7 Rivers	3195	T. Devonian
T. Queen	3781	T. Silurian
T. Grayburg	4104	T. Montoya
T. San Andres	4407	T. Simpson
T. Glorieta		T. McKee
T. Paddock		T. Ellenburger
T. Blinebry		T. Gr. Wash
T. Tubb		T. Delaware Sand
T. Drinkard		T. Bone Springs
T. Abo		T.
T. Wolfcamp		T.
T. Penn		T.
T. Cisco (Bough C)		T.

Northwestern New Mexico

T. Ojo Alamo	T. Penn "B"
T. Kirtland-Fruitland	T. Penn "C"
T. Pictured Cliffs	T. Penn "D"
T. Cliff House	T. Leadville
T. Menefee	T. Madison
T. Point Lookout	T. Elbert
T. Mancos	T. McCracken
T. Gallup	T. Ignacio Otzte
T. Base Greenhorn	T. Granite
T. Dakota	T.
T. Morrison	T.
T. Todilto	T.
T. Entrada	T.
T. Wingate	T.
T. Chinle	T.
T. Permian	T.
T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____	No. 3, from _____ to _____
No. 2, from _____ to _____	No. 4, from _____ to _____

IMPORTANT WATER SANDS

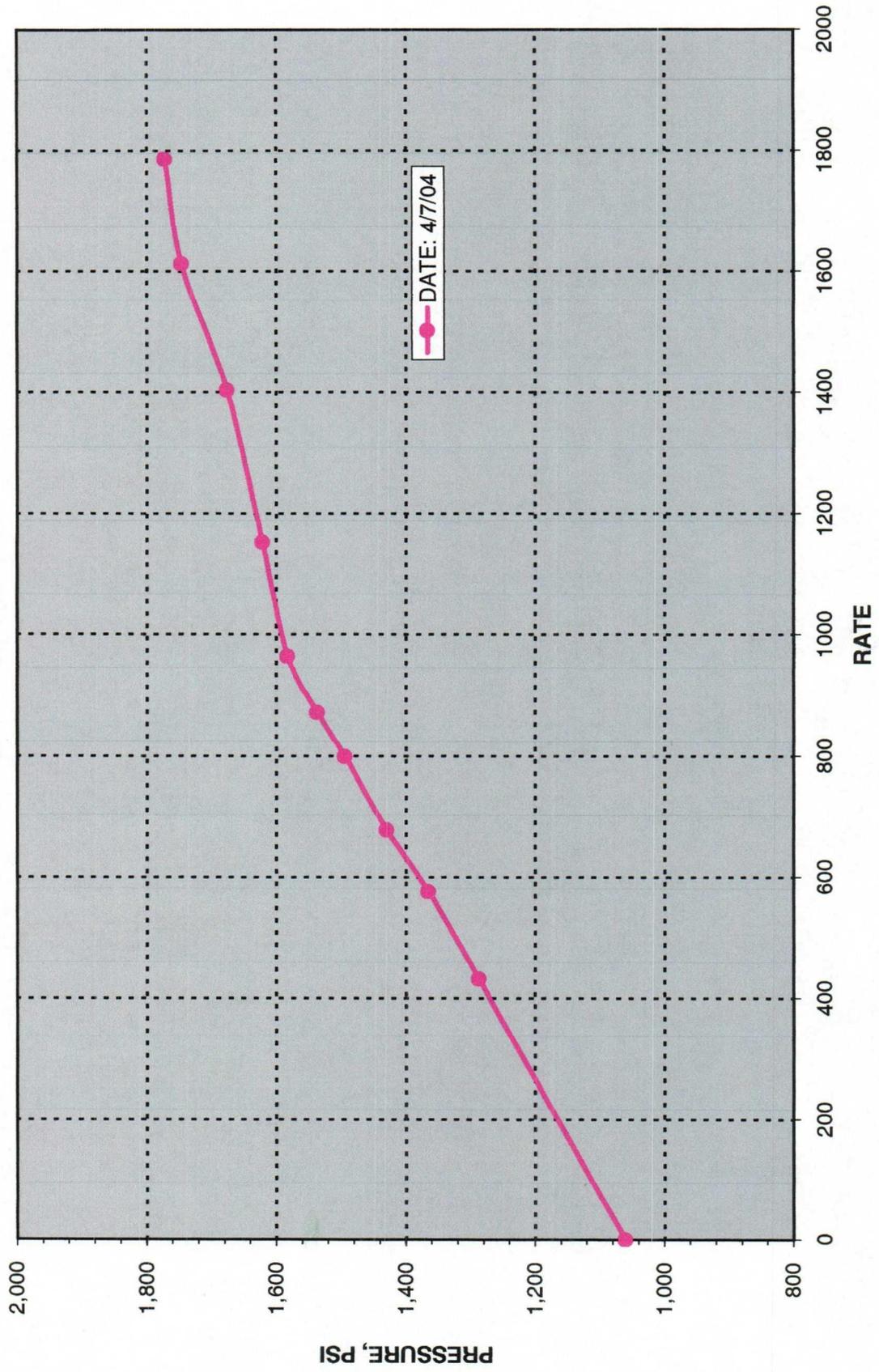
Include data on rate of water inflow and elevation to which water rose in the hole.

No. 1, from _____ to _____ feet
No. 2, from _____ to _____ feet
No. 3, from _____ to _____ feet

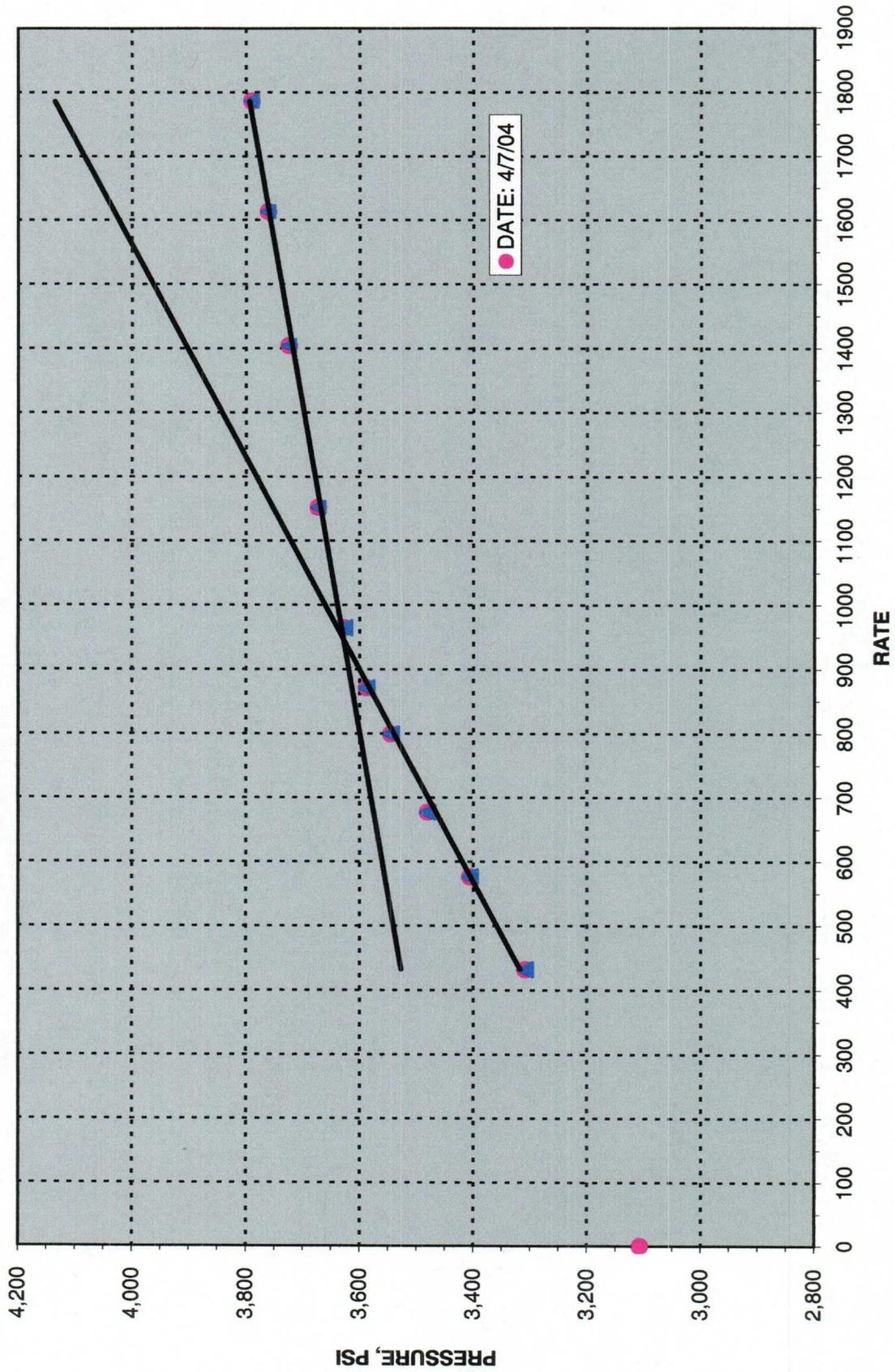
LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
1580	1620	40	DOLOMITE				
1620	1700	80	ANHYDRITE				
1700	1750	50	SHALE				
1750	2600	850	SALT				
2600	3040	440	SALT/SHALE/ANHY				
3040	3770	730	ANHY/DOLOMITE				
3770	3860	90	DOLOMITE/SAND/ANHY				
3860	4000	140	DOLOMITE/ANHYDRITE				
4000	4120	120	SAND/DOLOMITE/ANHY				
4120	4600	480	DOLOMITE				

Step Rate VGSAU 132
Surface Pressure



Step Rate VGSAU 132
Bottom Hole Pressure



Bottom Hole Pressure VGSAU 132

