

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.	30-025-02265
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil / Gas Lease No.	B-1445
7. Lease Name or Unit Agreement Name	VACUUM GRAYBURG SAN ANDRES UNIT
8. Well No.	38
9. Pool Name or Wildcat	VACUUM GRAYBURG SAN ANDRES
10. Elevation (Show whether DF, RKB, RT,GR, etc.)	4033' KB

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 PERMITS
(FORM C-101) FOR SUCH PROPOSALS.

1. Type of Well:	OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator	CHEVRON USA INC
3. Address of Operator	15 SMITH RD, MIDLAND, TX 79705
4. Well Location	Unit Letter <u>G</u> : <u>1980</u> Feet From The <u>NORTH</u> Line and <u>1980</u> Feet From The <u>EAST</u> Line Section <u>2</u> Township <u>18S</u> Range <u>34E</u> NMPM <u>LEA</u> COUNTY
10. Elevation (Show whether DF, RKB, RT,GR, etc.)	4033' KB

11.

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 ☐
OTHER: REPLACE TBG, ACIDIZE, SCALE SQZ, RTP ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPERATION ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

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.

CHEVRON U.S.A. INC. INTENDS TO REPLACE TBG, ACIDIZE, SCALE SQUEEZE AND RETURN THE WELL TO PRODUCTION.

THE INTENDED PROCEDURE AND WELLBORE DIAGRAM ARE ATTACHED FOR YOUR APPROVAL.

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 8/30/2006

TYPE OR PRINT NAME Denise Pinkerton

Telephone No. 432-687-7375

(This space for State Use)

APPROVED Harry W. Wink
CONDITIONS OF APPROVAL, IF ANY:

TITLE

OC FIELD REPRESENTATIVE II/STAFF MANAGER

SEP 03 2006

8/21/2006

VGSAU #38

Note: Possible HIT

Procedure

1. MIRU PU and RU.
2. TOH w/ rods and pump.
3. Install BOP.
4. TDH and tag for fill in OH w/ 2 7/8" production tbg if possible (making sure not to run TAC into the OH)
5. TOH w/ 2 7/8" production tbg, laying down. (Note any scale, paraffin, etc. and have analyzed.)
6. TIH w/ 4 3/4" bit on 2 7/8" workstring and clean out fill, scale, etc. to TD 4710'.
7. If have calcium sulfate scale, spot sulfate convertor across OH. TOH.
8. TIH /w Sonic Hammer Tool on 2 7/8" workstring and acid wash OH 4079'-4710' w/ 3000 gals 15% HCL.
9. Scale squeeze OH through Sonic Hammer Tool with chemicals recommended by Baker Chemical. SI overnight.
10. Swab back as possible. TOH.
11. TIH w/ production equipment as per Bobby Hill recommendation.
12. Test.

Denise Wann

**CURRENT
WELLBORE DIAGRAM**

Created: 11/4/2002 By: MCD
 Updated: By:
 Lease: Vacuum Grayburg San Andres Unit
 Surface Location: 1980' FNL & 1980' FEL
 Bottomhole Location: Same
 County: Lea St: NM
 Current Status: Active Oil Well
 Directions to Wellsite: Buckeye, New Mexico

Well No.: 38
 Unit Ltr: G
 Unit Ltr:
 St Lease: B-1445
 Elevation: 4011' GL

Field: Vacuum Grayburg San Andres
 Sec: 2 TSHP/Range: 18S-34E
 Sec: TSHP/Range:
 API: 30-025-02265 Cost Center: BCT492200

Surface Csg.
 Size: 8 5/8"
 Wt.: 32#, LW
 Set @: 1593'
 Sxs cmt: 300
 Circ: Yes
 TOC: Surface
 Hole Size: 10"

Production Casing
 Size: 5 1/2"
 Wt.: 17#, SMLS
 Set @: 4079'
 Sxs Cmt: 200
 Circ: Yes
 TOC: 2300' (calculated 60% fillup)
 Hole Size: 6 3/4"

Open Hole
 Hole Size: 4 3/4"
 Depth: 4079'-4710'

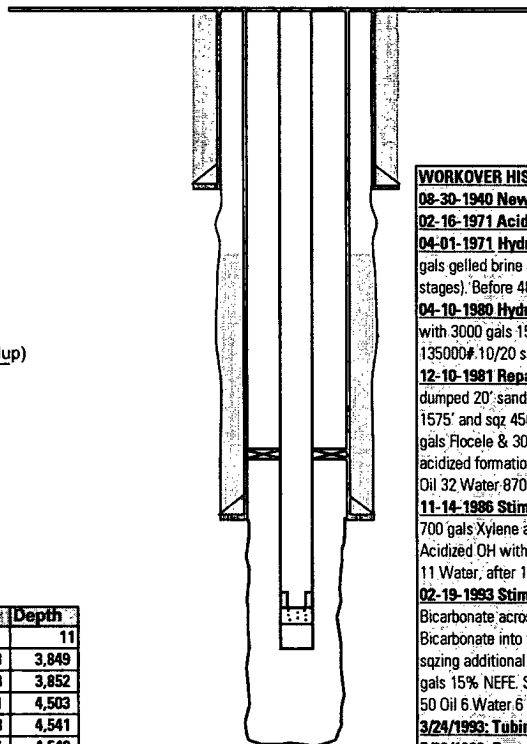
TD: 4710'
Perforations:
 Grayburg None

Tubing Landing Details

Description	Qty	Length	Depth
KB			11
2 7/8" 6.5# Tbg J55	127	3,838	3,849
Tubing Anchor	1	3	3,852
2 7/8" 6.5# Tbg J55	21	651	4,503
Blast Joint	1	38	4,541
Seat Nipple	1	1	4,542
Perf Tbg	1	4	4,546
Orange peel Mud Anchor	1	31	4,577

ROD LANDING DETAILS

Description	Qty	Length	Depth
Polished Rod	1	26	26
Pony Rod	1	4	30
Rods: 7/8" D	47	1,175	1,205
Rods: 3/4" D	132	3,300	4,505
Sinker Bar: 1 1/2" K	4	100	4,605
Rod Pump: Inser 25-150-RHBC-24-4	1	24	4,629
Dip Tube	1	16	4,645



KB: 4033'
 DF: 4022'
 GL: 4011'

Original Spud Date: 8/5/1940
 Original Compl. Date: 8/31/1940

WORKOVER HISTORY

08-30-1940 New well. OH 4079-4710. No treatment. 819 Oil 0 Water 783 GOR.
02-16-1971 Acidized OH 4079-4710' with 500 gals 15% NEA. After 66 Oil 0 Water.
04-01-1971 Hydraulic Fracture: Set Pkr @ 4003' and fraced OH 4079-4710' with 30000 gals gelled brine carrying 1# 20/40 sand/gal in 3-10000 gal stages (500# RS in between stages). Before 48 Oil 0 Water 860 GOR, after 105 Oil 27 Water 970 GOR.
04-10-1980 Hydraulic Fracture: CO to 4710'. Set Pkr @ 4015 and acidized OH 4079-4710' with 3000 gals 15% NEA. Fraced OH 4079-4710' with 60000 gals 30# X-Linked gel with 135000# 10/20 sand. CO to 4710'. Before 40 Oil 0 Water, after 50 Oil 40 Water 320 GOR.
12-10-1981 Repaired water flow on the 8 5/8-5 1/2 annulus. Set RBP @ 3600' and dumped 20' sand on plug. Perfed 5 1/2" csg with 2 JSPF @ 1625'. Set cmt retainer @ 1575' and sqz 450 sx Class H containing 2% CaCl (could not circulate). Sqz additional 1000 gals Flocele & 300 sx thickset cmt with 3% CaCl. Spotted scale convertor in OH and acidized formation 4079-4710' with 500 gals 15% NEFE. Before 77 Oil 46 Water, after 173 Oil 32 Water 870 GOR.
11-14-1986 Stimulation: CO 4420-4710'. Set Pkr @ 3949' & tailpipe @ 4300' and spotted 700 gals Xylene across OH. Spotted 700 gals Ammonium Bicarbonate across 4079-4710'. Acidized OH with 8000 gals 15% NEFE with 10 gals scale inhibitor in 2 stages. Before 99 Oil 11 Water, after 126 Oil 54 Water 417 GOR.
02-19-1993 Stimulation: Tbg stuck. Fish tbg and CO to 4702'. Spotted 600 gals Ammonium Bicarbonate across 4079-4702'. Set Pkr @ 3300' & sqz additional 600 gals Ammonium Bicarbonate into formation. Spotted 600 gals 15% NEFE from 4079-4702' followed with sqzing additional 600 gals of acid. Swabbed back load. Acidized OH 4079-4702' with 6000 gals 15% NEFE. SS with 1 drum TH-793 in 12 BFW and overflushed with 150 BFW. Before 50 Oil 6 Water 6 MCFD, after 52 Oil 6 Water.
3/24/1993: Tubing Failure
7/20/1993: Pump Failure: Corrosion. Iron Sulfide.
11/18/1993: Tubing Failure
3/30/1994: Pump Failure
7/26/1994: Tubing Failure 1 joint above seat nipple.
6/10/1995: Pump Failure
5/17/1996: Pump Failure: Pump parted. Tbg Stuck. Cut off. Fish. C/O. Acid and SIS.
1/23/1998: Rod Failure: Scanalog tubing. Replaced 81 joints and replaced rod string.
10/20/2002: Tubing Leak: Tbg Stuck. Free point. Fish w/ overshot. C/O w/ bailer. C/O f/ 4692' to 4710'. DAD acid. SIS.
10/08/2004: Tubing Leak: Hydrotested. Found 2 bad joints.