

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.	30-025-36500
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.	110
9. Pool Name or Wildcat	Vacuum Grayburg San Andres
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3997'

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 PERMIT (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>M</u> : <u>653</u> Feet From The <u>South</u> Line and <u>20</u> Feet From The <u>West</u> Line Section <u>1</u> Township <u>18S</u> Range <u>34E</u> NMPM <u>Lea</u> COUNTY
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3997'

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: PLUGBACK PORTION OF HORIZONTAL LATERAL ☒

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 PLUGBACK THE LATERAL TO A MD OF 4870'. THIS PORTION OF THE LATERAL WILL BE ACID STIMULATED.

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 8/18/2006

TYPE OR PRINT NAME Denise Pinkerton

Telephone No. 432-687-7375

(This space for State Use)

APPROVED Chris Williams
CONDITIONS OF APPROVAL, IF ANY: TITLE

OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE

SEP 14 2006

8/1/2006

VGSAU #110H

Procedure

1. MIRU PU and RU.
2. TOH w/ rods and pump.
3. Install BOP.
4. TOH w/ 2 7/8" production tbg.
5. TIH w/ 4 1/4" bit on 2 7/8" tbg.
6. Clean out vertical well to ~4630' (PBSD). (Notify Denise Wann of any scale, paraffin, etc.) TOH.
7. TIH w/ string mill on 2 7/8" 8rd and 2 7/8" PH6 workstring to dress off TOW @ 4279' and into lateral ~30'. TOH.
8. RU wireline services. Run in w/ 5 1/2" (Composite BP) and set ~4290' (BOW 4286').
9. TIH w/ 4 1/4" OH inflatable RBP on 2 7/8" PH6 workstring in 4 1/4" OH.
10. Set 4 1/4" Inflatable RBP plug in horizontal lateral ~ 4870' MD.
11. TIH w/ 2 7/8" PH6, 5 1/2" packer on 2 7/8" workstring. Set packer ~4200' and have ~30' or more of 2 7/8" PH6 into the lateral. (make sure 1 1/2" CT can pass thru packer element)
12. MIRU 1 1/2" CT unit and Sonic Hammer wash tool.
13. Acidize OH lateral 4870'-4350' w/ 10,000 gals 15% HCL as per DS recommendation. Scale squeeze through Sonic Hammer as per Baker recommendation. TOH.
14. TOH w/ 2 7/8" tbg and packer.
15. TIH w/ 4 1/4" bit or bailer on 2 7/8" workstring to knock out or drill out Composite BP @4290'. Clean out vertical well to ~4630'
16. Swab well to determine fluid entry and size equipment. TOH.
17. TIH w/ production equipment as per Bobby Hill recommendation.
18. Test well and report test to Denise Pinkerton ASAP, to get well off idle well list.

Either a Composite BP or CIBP

Denise Wann
8/1/2006

VGSAU 110H Wellbore Diagram

Created: 04/06/06 By: C. A. Irle
 Updated: By:
 Lease: Vacuum Grayburg San Andres
 Field: Vacuum Grayburg San Andres
 Surf. Loc.: 653' FSL & 20' FWL
 Bot. Loc.: 734' FSL & 2,520' FEL
 County: Lea St.: NM
 Status: Active Oil Well

Well #: 110H St. Lse:
 API 30-025-36500
 Unit Ltr.: M Section: 1
 TSHP/Rng: S-18 E-34
 Unit Ltr.: O Section: 2
 TSHP/Rng: S-18 E-34
 Directions: Buckeye, NM
 Chevno: HN4032

Surface Casing

Size: 8 5/8
 Wt., Grd.: 24#, J-55
 Depth: 1,548
 Sxs Cmt: 656
 Circulate: Yes, 62sx
 TOC: Surface
 Hole Size: 12 1/4

Production Casing

Size: 5 1/2
 Wt., Grd.: 15.5# J-55
 Depth: 4,652
 Sxs Cmt: 855
 Circulate: No
 TOC: 874 est (CBL)
 Hole Size: 7 7/8

Horizontal Section

TOW: 4,279
 BOW: 4,286
 MD: 6,840
 TVD: 4,661
 Hole Size: 4 3/4

Perforations

4406-37, 42-46, 56-76, 84-99,
 4519-22, 26-35, 49-61, 68-77,
 81-98, 4601-10

KB: 4,005

DF:

GL: 3,999

Ini. Spud: 12/16/03

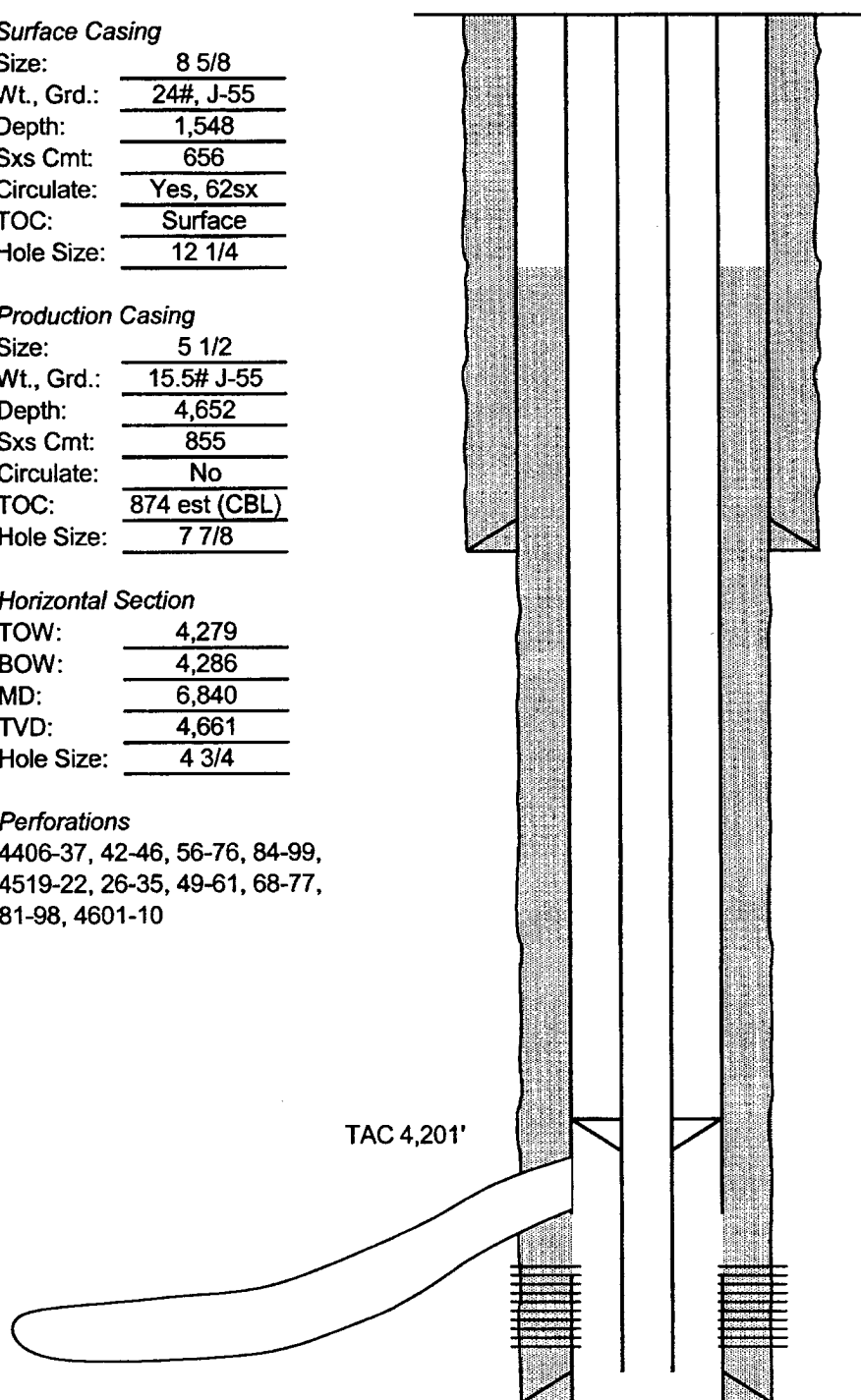
Ini. Comp.: 12/29/03

Well History

12/29/03 Ini Comp: Tag Landing Collar
 4600, drl 4630 (PBDT), perf 2 spf 120°
 4610-01, 4598-81, 77-68, 61-49, 35-26, 22-
 19, acid 4550 gls 15% HCL 175 7/8 BS
 (poor ball action), SIS, CIBP 4510, perf 2
 spf 120° 4499-84, 76-56, 46-42, 37-06,
 acid 4553 gls 15% HCL 2000# RS, SIS.
 (CIBP still in)
 1/20/04 Open Lower Perfs: CO 10' fill, drl
 CIBP 4510, push to 4630, sub 4574.
 3/8/04 Horz Prep
 3/25/04 Drl Horz: Set whipstock, TOW
 4279, BOW 4286, Losing Fluid 5 bph 5948
 MD (~4582 TVD) 80% Dol 20% snd, Losing
 15 bph 6631 MD (~4640 TVD), MD 6840,
 TVD 4661 (whipstock still in).
 4/5/04 Horz Comp: 12 spaced ported
 subs, pkr 4054, acid 80,000 gls 15% HCl
 38,000 gls gel wtr, sub 4250.
 5/28/04: LD Sub & Tbg, ret whipstock.
 6/7/04: Rod Pmp 2 7/8 tbg 4573.

Equipment

2 7/8" J-55 Tubing 4,534'
 TAC 4,201'
 SN 4,573'



TAC 4,201'

Tubing 4,534
 SN 4,573'

PBDT: 4,630
 TD: 4,652