

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.	30-025-38001
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.	250
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 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>H</u> : <u>1443</u> Feet From The <u>NORTH</u> Line and <u>1286</u> Feet From The <u>EAST</u> Section <u>1</u> Township <u>18-S</u> Range <u>34-E</u> NMPM <u>LEA</u> COUNTY <u>101</u>
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3986'

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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPERATION <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <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.

10-08-06: MIRU. SPUD @ 1315 HRS. DRILL FR 40-459'. 10-09-06: DRILL 459-751,925,k953,1020,1071,1130,1164,1207,1258,1315,1320,1344. 10-15-06: RAN FREE POINT. RAN GYRO. 10-16-06: WASH & REAM DN TO TOP OF FISH. 10-17-06: PU FISHING ASSEMBLY. WASH DN TO FISH. 10-18-06: INSTALL REPLACEMENT MUD PUMP. JET PITS & MIX FRESH MUD. 10-19-06: HAD TROUBLE GETTING OVER FISH. ENGAGED FISH. JAR ON FISH. RAN FREE POINT TOOL. 10-20-06: TIH W/FREE POINT. FOUND 6" DC ON TOP OF DC'S. 100% FREE. TOP8" COLLAR +/- 80% STUCK, 2ND 8: DC +/- 95% STUCK. JAR ON FISH. 10-21-06: TIH W/FREE POINT. FISH STILL STUCK @ SAME PLACES. PU ROTARY SHOE, 5 JTS OF 11 3/4" WP, & TIH TO 964'. 10-21-06: WASH DN TO 998'. WORK OVER TOP OF FISH. WASHED TO 1025. WASH OVER FISH FR 1025-1056. 10-22-06: WASH OVER FISH 1025-1050, 1050-1060, 1060-1063, 1063-1065, 1065-1068. 10-23-06: WASH OVER FISH 1065-1069, 1069-1074, 1074-1135. 10-24-06: WASH OVER FISH 1074-1135, 1135-1148, 1148-1149. 10-25-06: TIH W/JARRING BHA. ATTEMPT TO SCREW INTO TOP OF FISH - RAN DN BESIDE DC. PULL UP. ROTATE @ TOP OF FISH. CAUGHT TOP OF FISH & SCREW IN @ 1530 HRS. JAR ON FISH. RU FREE POINT TOOL TO 1292. 2ND RUN-100% FREE. 3RD RUN-ATTEMPT BACK OFF @ BTM OF 1ST DC W/1000 GRAIN SHOT. UNSUCCESSFUL. 10-26-06: 4TH RUN:ATTEMPT BACK OFF @ 16". 5TH RUN: SHORTED OUT CCL. REPLACE SAME. TIH W/WASHOVER BHA. BREAK CIRC. WASHOVER FISH FR 998-1179'. SPOT 80 BBLS OF 100 VISC PILL @ 1179. PULL TIGHT FR 1130-1120. WORK THRU TIGHT SPOT. 10-27-06: CHANGE OUT JARS. PU GUIDE & BHA. SPACE OUT.WORK TO SCREW INTO TOP OF FISH #1 @ 998'. TAG @ 1300' WL. 2ND RUN-FREEPOINT. RERUN SPUD BARS TO 1300. RUN FP. FISH 100# FREE TO 1152'. 90% STUCK @ 1183. TIH W/1000 GRAIN SHOT. BACK OFF @ 1152. NEW TOP OF FISH #1=1141' MD. TIH W/TAPER TAP. ATTEMPT TO TAP INTO FISH #2. TOF @ 1086' MD. 10-28-06: ENGAGE TOP OF FISH #2 @ 1086'. UNABLE TO KEEP TAP ENGAGED. FISH MVING DN HOLE. SIGNS OF BEING INSIDE TOF 7". EDGES OF TAP WERE SHARP. TIH W/SPEAR. WORK TO GET INSIDE FISH #2. POOH W/FISH #2. 10-29-06: FISHING W/SPEAR & GRAPPLE. BREAK CIRC. SET DN ON FISH & ROTATE ONE FULL TURN TO LEFT.TOH W/WASHPIPE FISH (#2)TIH W/WASHPIPE.TIH W/WASHOVER BHA TO 1120. TAG TOP OF FISH. BREAK CIRC.WASHOVER FISH @ 1229. 10-30-06: WASH OVER FISH #1 FR 1141-1260. DRILL STRING TORQUED UP-LOST ALL TORQUE. CHASE FISH TO BTM.NEW TOP OF FISH-1182. SPOT 80 BBLS 110+ VIS PILL ACR FISH. POOH. DID NOT RETRIEVE FISH. 10-31-06: WASH FILL 15' TO TOP OF FISH @ 1182. SCREW INTO FISH. TIH W/SCREW IN SUB. WASH FILL TO TOP OF FISH. CIRC 75 BBLS HI-VIS SWEEP 3" ABOVE TOP OF FISH. SCREW INTO FISH @ 1182. LD FISH #1. FULL RECOVERY. BREAK DN FISH TOOLS. 11-01-06: TIH W/WP. 11-02-06: REAM 865-1033,1065,1189.PRESS INCR 200# AFTER CONNECTION. REAM 1096-1158,1221,1241. 11-04-06: REAM 1252-1344,1434,1447.RUN 13 3/8" CSG:

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 2/1/2007
TYPE OR PRINT NAME Denise Pinkerton Telephone No. 432-687-7375

(This space for State Use)

APPROVED Wayne Wink TITLE
CONDITIONS OF APPROVAL, IF ANY:

DATE

FEB 2 1 2007

VGSAU #250 CONTINUED

TPGS, 1 JT W/INSERT FLOAT INSTALLED, 1 JT, FC, 42 JTS TO 1444'. WASH TIGHT SPOT @ 895'. WASH DN LAST 8' OF SOFT FILL. CMT W/30 BBLs CW 100, 175- SX CL C W/4% GEL, 2% CACL, & ¼ PPS FLAKE MIXED @

13.5 PPG, YIELD-1.74 MIX 720=9.09 GPS (542 BBL SLURRY). TAIL IN W/400 SX CL C W/2% CACL, & ¼ PPS FLAKE MIXED@14.8 PPG, YIELD-1.34, MIX H2O=6.3 GPS (95 BBL SLURRY). DROP PLUG & DISPL W/220 BBL FW. BUMP PLUG FR 500 PSI TO 1030 PSI. FLOATS HOLDING. CIRC 204 BBL CMT (658 SX). WOC. CUT OFF CONDUCTOR. CONDUCTOR CEMENTED UP.

11-07-06: TIH TO 475' W/BHA. TIH TO 785'. DRAWWORKS MADE STRANGE NOISE. ADJUSTED. PU KELLY & SOFT BROKE SAME. TIH TO 1275. LD BHA & DP. INSTALL DRY HOLE CAP & RELEASE RIG @ 0300 HRS.

11-08-06: INSTALL TEMPORARY P&A CAP W/2" VALVE. RIG RELEASED.

11-10-06: RIGGING DN

11-11-06: MOVED RIG OFF LOCATION.

11-12-06: MOVED ALL EQPT OFF LOCATION.

11-13-06: WORK ON CLEANING CUTTINGS OUT OF OUTSIDE RESERVE PIT.

11-14-06: PUMP CUTTINGS OUT OF RESERVE, HAD CMT LEFT THAT TAKES UP 1/3 OF PIT. PIT HAS 8-10 LOADS OF FRESH WATER. RELEASE VACUUM & PUMP TRUCK.

12-05-06: MIRU.

12-06-06: TEST BOP.

12-07-06: CUT & WELD FLOWLINE TO ADJUST TO OUTSIDE OF REV PIT. PU BHA, DCS, & LOAD PIPE RACKS W/DP.

12-08-06: DRILL 1400-1453, 1520, 1552, 1648, 1808, 1890, 2064, 2479, 2575, 2806'

12-09-06: TD INTERMEDIATE HOLE.

12-10-06: RUN 9 5/8" 36# J-55 INTERMEDIATE CSG. WASH 6' TO BTM @ 2806. & CIRC. CMT W/720 SX PREMIUM PLUS, 2% HALAD-344, 2 IBM CAL-SEAL 60, 1.5% POTASSIUM CHLORIDE, 7% MIXED @ 14.4 WT, 1.45 YIELD, 7.15 GPS WATER, FIRST STAGE TAIL W/360 SX PREMIUM PLUS, 2% HALAD-344, 2 IBM CAL-

SEAL 60, 1.5% POTASSIUM CHLORIDE 7% MIXED @ 14.8 WT, 1.36 YIELD, 6.47 GPS WATER, 145 BBLS INTO DISPLACEMENT CIRC CMT, BUMP PLUG @ 206 BBLS. CIRC 237 SX CMT TO PIT. DID NOT CMT 2ND STAGE. WOC.

12-11-06: CUT OFF CSG.

12-12-06: DRILL OUT DV TOOL. TAG CMT @ 2740. DRILL OUT CMT & PLUG. DRILL 2806-

3074,3172,3522,3586,3906,4098,4260,4338,4612,4660,4700,.

12-18-06: TIGHT HOLE @ 4480. TAG BTM & CI8RC BTMS UP. CORE 4700-4757,4760,4786,4790.

12-20-06: TIH W/60' CONVENTIONAL CORE BARREL. REAM 4760-4790, CORE 4790-4806,4827,4846.

12-21-06: SET KELLY BACK @ 4809. PU KELLY & WASH 90' TO 4846, CORE TO 4847.

12-22-06: WASH TO 4846. CORE 4846-4876. WASH 4800-4854. REM 4854-4876. CORE 4876-4879.

12-23-06: WASH 4800-4854. REAM TO 4876. CORE 4876-4936.

12-24-06: WASH 4852-4936. CORE 4936-4966. WASH 4866-4900.

12-25-06: WASH 4866-4966.DRILL 4966-5200. RUN PEX-HRLA-HNGS TO 5199.

12-26-06: CUT DRILLING LINE. SPOT 11# FW.

12-27-06: RUN MRIL LOG.

12-28-06: UNDERREAM 4600-4602, 4602-4619.

12-29-06: TIH W/BIT. TAG @ 4720. TIH TO 4572. WASH 4572-4700. UNDERREAM 4700-4910.

12-30-06: UNDERREAM 4910-5193. WORK STUCK PIPE.

12-31-06: RU TO RUN FREE POINT. STUCK POINT @ 4625.

01-01-07: RUN 7" 23#, J-55 L-80 LT&C CSG: FS, 2 JTS, J-55 CSG, FC, 96 JTS, J-55 CSG, 23 JTS L-80 CSG. CSG SET @ 5180. CMT: SPACER: 20 BBLS FW, 20 BBLS CW100 . CMT:1195 SX 50:50 POZ CL C,5% SALT, 2% GEL, 0.1 PPS POLYESTER FLAKE, 0.2% D46, 0.3% D167, 14.2 PPG, 1.36 CF/SK, 6.32 GPS. CIRC 243 SX CMT TO SURF. BUMP PLUG @ 1510. FLOAT HELD. SET SLIPS. CUT OFF CSG. NU & TEST WH. RELEASE RIG @ 2100 HRS.

01-02-07: RIGGING DOWN.

01-03-07 through 02-01-07: WAITING ON EVALUATION AND COMPLETION RIG TO COMPLETE.