

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	30-025-30843
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil / Gas Lease No.	857948
7. Lease Name or Unit Agreement Name	VACUUM GRAYBURG SAN ANDRES UNIT
8. Well No.	142
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
2. Name of Operator	CHEVRON USA INC
3. Address of Operator	15 SMITH RD, MIDLAND, TX 79705
4. Well Location	Unit Letter <u>F</u> : <u>1980</u> Feet From The <u>NORTH</u> Line and <u>2628</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.)	3993' GR

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: ADD PERFS, STIMULATE, REP PUMP, RTP ☒

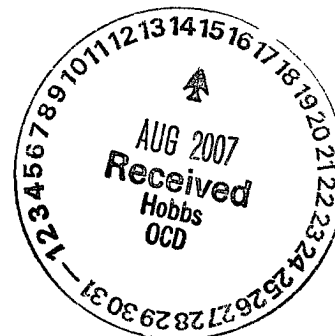
SUBSEQUENT REPORT OF:

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 ADD PERFS TO 4850', STIMULATE, REPAIR THE PUMP, & RETURN TO PRODUCTION.

THE INTENDED PROCEDURE IS 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 8/9/2007

TYPE OR PRINT NAME Denise Pinkerton

Telephone No 432-687-7375

(This space for State Use)

APPROVED Gay W. White FIELD REPRESENTATIVE / STAFF MANAGER
CONDITIONS OF APPROVAL IF ANY TITLE

DATE

AUG 16 2007

VGSAU No. 142
API No. 30-025-30843
Vacuum Grayburg San Andres Pool
Lea County, NM

Workover Procedure

1. Rig up pulling unit. ND wellhead. NU BOP.
2. TOH w/ 2-7/8" tubing and sub pump.
3. TIH w/ 6-1/8" bit and drill collars on 2-7/8" workstring. Drillout CIBP set at 4597'. Drop down and tag TD. Drill out fill and cement to 4900'. Circulate hole clean. Spot acid from TD to 4680' and TOH. Note following depth remarks:
Casing Shoe @ 5000'
Float Collar @ 4915'
Current open perfs: 4192' – 4586'
Current shut off perfs: 4604' – 4690'
Tagged up with bit on original completion @ 4764' (9/23/90)
Tagged up with bit @ 4689' (11/18/96)
CIBP @ 4597' (11/18/96)
Tubing currently set @ 4290'
4. Rig up Baker Atlas. Get on depth with Penwood GR-CCL log dated 9/23/90 (short joint @ 4082' and 4102'; deepest collar @ 4713'). Perforate the 7" casing w/ 2 JSPF @ 120 degree phasing as follows: 4614'-20', 4696' – 4708', 4710'-16', 4720'-25', 4750'-62', 4765'-70', 4772'-80', 4786'-94', 4800'-06', 4812'-24' and 4836'-46'.
5. RIH w/ 7" treating packer on 2-7/8" workstring and set at 4665'. Since there will be open perfs above the packer we will not be able to maintain pressure on the backside. Acidize perfs 4696' to 4846' w/ 8000 gallons 15% HCL. Pump 50% excess ball sealers as a diverting agent.
6. Flow back load. Release packer and TOH w/ workstring.
7. RIH w/ test sub pump on 2-7/8" tubing and set at 4290'. ND BOP. NU wellhead. Rig down pulling unit.
8. Place on production and test.

PTB 7/31/07

VGSAU No. 142
API No. 30-025-30843
Vacuum Grayburg San Andres Pool
Lea County, NM

Engineering Comments

It is recommended that the transition zone of the Lower San Andres be perforated and stimulated in the subject well. The subject well is located 1500' SW of VGSAU 250 which was cored through the transition zone and had promising shows of hydrocarbons. The subject well is located in the VGSAU CO2 expansion area and the transition zone will be water and CO2 flooded. Until injection is commenced in the offsetting injectors, it is anticipated that primary oil will be produced.

The subject well is currently producing 20 BOPD and 240 BWPD on ESP. Payout is based on a 10 BOPD production increase.