District I 1625 N French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III

State of New Mexico Energy Minerals and Natural Resources

May 27, 2004

Oil Conservation Division 1000 Rio Brazos Road, Aztec, NM 87410 1220 South St. Francis Dr. District IV Santa Fe, NM 87505 1220 S St. Francis Dr , Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

Form C-101

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN,

PLUGBA	ACK, C	K ADD	A ZONE												
		² OGRID Number					nber								
		4323						3							
		³ API Number 30 – 025-24322													
³ Property Code ⁵ Property VACUUM GRAYBURG								Name ⁶ Well No.							
3	002			VACUU	M GRAYB	URG SA	AN ANI	DRES U	NIT					48	
	,		Proposed Pool 1 GRAYBURG SA	A ANDDEC	,						10 Pro	oposed l	Pool 2		
		VACOUM	JKA I BUKU SAI	NANDRES)										
⁷ Surface															
UL or lot no F	Section 1	Township 18S	Range 34E	Lot 1		eet from th	ie	1			li l		t/West line ST		unty EA
8 Proposed	Bottom I	Hole Loca	tion If Differe	nt From S	Surface									<u> </u>	
UL or lot no	Section	Township	Range	Lot	Idn	Feet from	n the North/South line			F	eet from the	East/West line		Со	unty
Addition	al Well	Informa	tion				,			•				•	
11 Work	Type Code D		12 Well Type Co	ode	1	13 Cable/F	, ,,				Type Code S	15 Ground Level Elevation			
	lultiple					¹⁸ Forma				¹⁹ C	19 Contractor		²⁰ Spud Date		
	NO Indwater		5000'	GRAYBURG SAN A Distance from nearest fresh wat							Distance from nearest sur			rface water	
Pit: Liner Synthetic mils thick Clay Pit Volume:bbls															
	• •								con maio		Dime []	DIOSCII C	on oused [Gus/Till	
²¹ Proposed Casing and Cement Program															
Hole Size Casing Size Casing weight/foot					ot	Setting Depth Sacks of Cemen					Cement	t .	Estimated '	TOC	
w. = a															
****		ļ													
27 D 1		1	TC (1)		DEST DIT	10.010	***								
			If this application ogram, if any. Us					e the dat	a on the p	presen	t productive	zone a	nd propos	ed new produc	tive zone.
	CHEVRON U S A. INC. INTENDS TO DEEPEN THE SUBJECT WELL FROM 4800' TO 5000' W/4 '4" BIT SIZE, RUN 4" FLUSH JOINT LINER & CEMENT, RUN GR/CNL/CBL/CCL, PERF TO 4850', STIMULATE, & RETURN TO INJECTION.										MENT,				
RUN GR/CNL/CBL/CCL, PERF TO 4850', STIMULATE, & RETURN TO INJECTION. THE INTENDED PROCEDURE IS ATTACHED FOR YOUR APPROVAL Permit Expires 1 Year From Approval Date Unless Drilling Underway Deepen															
											8		P	10 m	
	it	Evniras	1 Year Fr	cm Api	proval						<u>۸</u> ن	AUG	2007	12	
Permit Expires 1 Year From Approval Date Unless Delling Underway											ς R	ece	ZUU/	2	
Deepen										-I	ભ	Hobb	NGO.	,2)	
			اع ال	L C . 1	Į.					'	2	OCD	•	A&/	
²³ I hereby cer	rtify that th	e informatio	nn given above is	true and co	mplete to the	he [160		- 2	,አ ⁰ / ሁ /	
²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief I further certify that the drilling pit will be							NOIZÍVÍGLAGATÁVASZNOS LIO								
constructed according to NMOCD guidelines , a general permit , or						11—									
an (attached) alternative OCD-approved plan . Signature:						1	Approved by								
							(hus Williams)								
Printed name DENISE PINKERTON CALLED IN TERFOR							Title: OC DISTRICT SUPER/ISOR/GENERAL MANUAGER								
Title: REGULATORY SPECIALIST J							Approval Date: Expiration Date:								
E-mail Address: leakejd@chevron com							AUG 2 0 2007								
Date: 8-09-2007 Phone: 432-687-7375							Conditions of Approval Attached								

VGSAU No. 48 API No. 30-025-24322 Vacuum Grayburg San Andres Field Lea County, NM

Workover Procedure

- 1. Perform falloff test as per attached procedure. Transmit pressure data to Kojo Lotsu during test period.
- 2. Rig up Cardinal surveys and run injection profile.
- 3. Flow back well
- 4. RUPU. ND wellhead. NU BOP.
- 5. Release injection packer set at 4201'. TOH w/ 2-7/8" injection tubing laying down.
- 6. TIH w/ 4-3/4" mill tooth bit and drill collars on 2-7/8" workstring.
- 7. Drill out 5-1/2" casing shoe set at 4800'. Drill open hole section from 4800' to 5000'. Circulate hole clean and TOH.
- 8. Rig up casing crew. Run 4" 9.5#/ft, J-55 FJ liner from the bottom up as follows:
 - a. 4" guide shoe
 - b. 1 jt 4" casing
 - c. 4" float collar
 - d. 30 its (1200') 4" casing
 - e. 4" X 5-1/2" liner hanger
 - f. 2-7/8" workstring to surface.
- 9. Rig up cementers and cement liner with 90 sacks (100% excess).
- 10. Release workstring off of liner hanger and reverse circulate tubing clean. TOH.
- 11. RIH w/ 4" liner top dressing tool and drill collars on 2-3/8" workstring.
- 12. Dress top of liner at 4000'. TOH.
- 13. TIH w/ 3-1/4" bit and drill collars on 2-3/8" workstring. Tag TD. Drill out to 4950' if necessary. Test liner to 1000 psi. TOH.
- 14. Rig up Baker Atlas and pull GR-CNL-CBL-CCL log from PBTD to 2950'. Pull repeat section of bond log at 0 psi and the main logging run at 1000 psi casing pressure.
- 15. Select transition zone perforations (4750 4850; approx 80' net).
- 16. Perforate w/ 2 JSPF @ 120 degree phasing.
- 17. RIH w/ 4" injection packer on 2-3/8" duoline injection tubing and set a@ 4650'.
- 18. ND BOP and NU wellhead.
- 19. Swab tubing one day to observe fluid entry and to obtain oil and water samples.
- 20. Acidize perfs with 6,000 gallons 15% HCl. Divert acid using ball sealers.
- 21. Flow back load.
- 22. Perform MIT. Place well on injection. RDPU.
- 23. After injecting for 1 month, run injection profile across transition zone.
- 24. Perform falloff test as per attached procedure. Transmit pressure data to Kojo Lotsu during test period.
- 25. Rig up pulling unit. ND wellhead. NU BOP.

VGSAU No. 48 API No. 30-025-24322 Vacuum Grayburg San Andres Field Lea County, NM

Workover Procedure

- 26. Release injection packer and TOH w/ injection tubing.
- 27. RIH and set RBP w/ ball catcher 10' above top existing perf.
- 28. Perforate Main San Andres pay w/ 1 JSPF @ 120 degree phasing. Consult with technical team for detailed perf selection.
- 29. RIH w/ injection packer on 2-3/8" injection tubing and set @ 4200'.
- 30Acidize main San Andres pay perfs w/ 5,000 gallons 15% HCl. Divert acid using ball sealers.
- 31. Flow back load.
- 32. Release packer and TOH.
- 33. RIH and release RBP. TOH.
- 34. RIH w/ 4" injection packer on 2-3/8" injection tubing and set at 4,200'. Perform MIT.
- 35. ND BOP and NU wellhead. Rig down pulling unit.
- 36. Place well on injection.
- 37. After one month of continuous injection, run injection profile across main pay and transition zone. Before scheduling profile advise technical team.

PTB 8/7/07

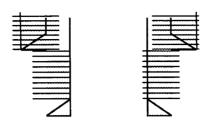
VGSAU #48 Wellbore Diagram (Existing)

Created: Updated: Lease: Field: Surf. Loc.: Bot. Loc.: County: Status:	Vacuum Grayb 1,330' FN Lea	By: P7 By: San Andre: burg San Andre: L & 1,330' FWL St.: N Injection Well	s Unit s Unit	Well #: API Unit Ltr.: TSHP/Rng: Unit Ltr.: TSHP/Rng: Directions: CHEVNO:	48	St. Lse: 30-025-24322 Section: S-18 E-34 Section: Buckeye, NM FH0743	B-1080
Surface Ca Size: Wt., Grd.: Depth: Sxs Cmt: Circulate: TOC: Hole Size: Wt., Grd.: Depth: Sxs Cmt: Circulate: TOC: Hole Size:	8 5/8" 20# 355' 300 Yes Surface 11 3/4"	Packer 4,201'			Perfs: 4280'	KB: _ DF: _ GL: _ Ini. Spud: _ Ini. Comp.: _	4,005 3,994 02/08/73

PBTD: 4,788' TD: 4,800'

VGSAU #48 Wellbore Diagram (Proposed)

Created: Updated: Lease: Field: Surf. Loc.: Bot. Loc.: County: Status:	Vacuum Grav 1,330' F	By: PT By: yburg San Andres yburg San Andres NL & 1,330' FWL St.: NN e Injection Well	Unit Unit	,	TSI Unit TSI Dire	I#: Ltr.: dP/Rng: Ltr.: dP/Rng: ections: EVNO:	48	St. Lse: 30-025-2432/ Section: S-18 E-34 Section: Buckeye, NV FH0743
Surface Ca Size: Wt., Grd.: Depth: Sxs Cmt: Circulate: TOC: Hole Size: Production Size: Wt., Grd.: Depth: Sxs Cmt: Circulate: TOC: Hole Size:	8 5/8" 20# 355' 300 Yes Surface 11 3/4"						_	KB: DF: GL: Ini. Spud: Ini. Comp.:
							2-3/8" Duolin	e Injection T∖ubin
					×		TOP of 4" FJ	Liner @ 3760'
							Injection Pac	ker set @ 4200'
							Perfs: 4280'	- 4850'



PBTD: 4,950' TD: 5,000'