

May 27, 2004

District I

1625 N French Dr, Hobbs, NM 87401

District II

1301 W Grand Ave, Artesia, NM 88210

District III

1000 Rio Brazos Rd, Aztec, NM 87410

District IV

1220 S St Francis Dr, Santa Fe, NM 87505

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-38627

5. Indicate Type of Lease

STATE ☒FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
VACUUM GRAYBURG SAN ANDRES UNIT

8. Well Number 327

9. OGRID Number 4323

10. Pool name or Wildcat
VACUUM GRAYBURG S/A

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐2. Name of Operator
CHEVRON U.S.A. INC.3. Address of Operator
15 SMITH ROAD, MIDLAND, TEXAS 79705

4. Well Location

Unit Letter K: 1945 feet from the SOUTH line and 2585 feet from the WEST line

Section 1 Township 18-S Range 34-E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3990'Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. 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 ☐ MULTIPLE COMPL ☐

OTHER:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: NEW WELL COMPLETION

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

05-12-08: MIRU. TIH W/BIT ON TBG. 05-14-08: DRILL TO 4880 TO FLOAT SHOE. SPOT 10% ACETIC ACID 250 GALS TO BTM OF TBG. RUN GR/CNL/CCL TO 4200. 05-15-08: PERF 4728-34, 4740-46, 4761-64, 4748-4770, 4774-80, 4786-90, 4796-98, 4808-10, 4818-22, 4828-34, 4840-44. SET PKR @ 4646. 05-16-08: ACIDIZE W/4500 GALS ACID. 05-19-08: REL PKR. TIH W/COMPOSITE BP & SET @ 4725. PERF 4660-64, 4673-78, 4686-90, 4714-22. 05-20-08: PMP 2000 GALS ACID. SET CIBP @ 4600. PERF 4436-42, 4446-50, 4461-66, 4486-92, 4502-06, 4516-18, 4522-26, 4530-33, 4538-42, 4544-48, 4554-58, 4562-65, 4571-75, 4582-86. PMP 252 BBLS ACID. 05-21-08: SET CIBP @ 4425. 05-22-08: DRILL THRU BP & LOST CIRC. REESTABLISH CIRC W/MUD. TAG 2ND CIBP @ 4600. DRILL OUT CIBP. TIH TO 4725 & TAG BP. 05-23-08: TIH W/CICR. CICR FREE @ 4347. SET RET. SQZ PERFS W/2000 GALS FLOCHEK, 400 SX CL C W/10% CALSEAL, 2% CACL LEAD CMT, 100 SX CL C W/4% HALAD 344 & 5# SX MICRO BOND. TAIL CMT: 1000 GALS FLOCHEK, 250 SX LEAD, 50 SX TAIL, 10 BFW, 1000 GALS FLOCHEK, 150 SX LEAD, 50 SX TAIL. DISPL W/25 BFW. STING OUT OF RET W/2800 PSI. REV OUT W/45 BBLS FW.

(NEXT PAGE)

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.SIGNATURE Denise Pinkerton

TITLE Regulatory Specialist

DATE 06-23-2008

Type or print name Denise Pinkerton E-mail address:

leakejd@chevron.com

Telephone No. 432-687-7375

For State Use Only

APPROVED BY:

TITLE

PETROLEUM ENGINEER

DATE

SEP 18 2008

Conditions of Approval (if any):

CONTINUATION OF VGSAU #327

05-27-08: TIH W/TBG. TAG @ 4345. DRILL 2' CMT & DRILL UP CICR 4347. DRILL CMT TO 4568. SPOT 250 GALS 10% ACID FR 4568-4400.

05-28-08: PERF: 4562-65, 4552,58, 4544-48, 4538-42, 4530-33, 4522-26, 4516-18, 4502-06, 4486-92, 4461-66, 4446-50, 4436-42, TIH W/PKR & SET @ 4391.

05-29-08: ACIDIZE PERFS W/2500 GALS ACID. OPEN TO FRAC TANK.

05-30-08: REL PKR. TIH W/CIBP & SET @ 4425. TIH & PERF 4268-72, 4280-84, 4290-94, 4301-15, 4328-34, 4346-50, 4376-80, 4398-4404, 4412-16. TIH W/PKR & SET @ 4203.

06-02-08: TIH W/TBG TO 4425.

06-03-08: TIH W/TBG & SUBMERSIBLE EQPT 1600'. TIH W/TBG TO 4400.

06-04-08: RIG DOWN. WAIT ON TEST.

06-12-08: ON 24 HR OPT. PUMPING 18 OIL, 18 GAS, & 634 WATER. GOR-1000

VGSAU # 327

30-025-38627

K-1-185-34e

LEA COUNTY, NEW MEXICO

LEASE & WELL

(Give Unit, Section, Township and Range)

1945/S 4 2585/W

OPERATOR

CHEVRON 15 SMITH RD, MIDLAND, TEXAS 79705

DRILLING CONTRACTOR

NABORS DRILLING USA, LP

The Undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above-described well and that he has conducted deviation tests and obtained the following results:

DEGREES @ DEPTH	DEGREES @ DEPTH	DEGREES @ DEPTH	DEGREES @ DEPTH
1 1/4 258			
1 1/4 444			
3/4 738			
3/4 1212			
3/4 1696			
1/2 2173			
1 3/4 2648			
1 3/4 3186			
3/4 3200			
3 3670			
3 3859			
1 4115			
2 1/4 4867			

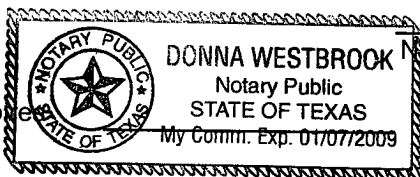
Drilling Contractor

Nabors Drilling USA, LP

By

Keith Dunn-District Manager

Subscribed and sworn to before me this 14 day of May, 2008



Notary Public

My Commission Expires

DONNA WESTBROOK
Notary Public
STATE OF TEXAS
My Comm. Exp. 01/07/2009

MIDLAND

County

TEXAS