

RECEIVED

OIL CONSERVATION DIVISION

FEB 04 2009 1220 South St. Francis Dr.

HOBBSOCD

Santa Fe, NM 87505

WELL API NO.

30-025-38785

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 438

9. OGRID Number 4323

10. 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 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 A: 10 feet from the NORTH line and 420 feet from the EAST line

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

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3986' GR

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 ☐
 DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

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

OTHER: INTENT TO ALTER CASING PROGRAM

OTHER:

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.

CHEVRON REQUESTS THE OPTION OF NOT RUNNING THE PROGRAMMED & APPROVED INTERMEDIATE STRING IF HOLE CONDITIONS WARRANT. THE INTERMEDIATE CASING STRING IS DESIGNED TO CASE OFF SOME EXPECTED WATER ZONES & GIVE AN EXTRA BARRIER FOR CORROSION RESISTANCE. HOWEVER, WITH THE SURFACE CASING STRING NOW BEING SET INTO THE RUSTLER ANHYDRITE AND THUS COVERING SOME OF THE HISTORICALLY CORROSIVE ZONES, SOME OF THE ADVANTAGE OF HAVING AN INTERMEDIATE STRING GOES AWAY. IF WE DON'T EXPERIENCE WATER FLOWS WHILE DRILLING WE WON'T REQUIRE THE INTERMEDIATE CASING STRING TO ISOLATE THEM. THE 'REQUESTED' OPTION IS LISTED BELOW

14.75" HOLE, 11.75", 42# CASING TO 1480' (RUSTLER ANHYDRITE).

CEMENT WITH 700 SX 14.8 PPG CL C W/1% CACL2 & 0.125 LB/SX POLY FLAKE

YIELD 1.34 CU FT/SX, MIX WATER 6.362 GAL/SX

7.875" HOLE, 5.5", 15.5# CASING TO 5200.

CEMENT WITH 950 SX 14.8 PPG CL C W/10 LB/BBL MICROBOND, 0.5% HALAD-322, 0.15% HR-800

0.25 LB/SX D-AIR

1.45 FT/SX YIELD, 6.73 GAL/SX MIX WATER

BOP TEST PRESSURE: 1500 PSI (75% OF BURST OF 11 3/4" SURFACE CASING)

Spud Date:

Rig Release Date:

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 02-03-2009

Type or print name DENISE PINKERTON

E-mail address: leakejd@chevron.com

PHONE: 432-687-7375

PETROLEUM ENGINEER

FEB 06 2009

For State Use Only

APPROVED BY: _____

TITLE

PETROLEUM ENGINEER

DATE

FEB 06 2009

Conditions of Approval (if any):