

Office

Energy, Minerals and Natural Resources

June 19, 2008

District I

1625 N French Dr, Hobbs, NM 88249

District II

1301 W Grand Ave, Artesia, NM 88210

District III

1000 Rio Brazos Rd, Aztec, NM 87412

District IV

1220 S St. Francis Dr., Santa Fe, NM

87505

RECEIVED

APR 19 2010

HOBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-02107

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
CENTRAL VACUUM UNIT

8. Well Number 38

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 N: 660 feet from the SOUTH line and 1980 feet from the WEST line

Section 25 Township 17-S Range 34-E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3998' 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:

OTHER: DEEPENING

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.

3-06-10: MIRU. 3-07-10: CIRC W/120 BBW. PMP 500 GALS 15% HCL DN TBG & FLUSH W/16 BBL BRINE.

3-08-10: RU & PULL ON TBG - CAME FREE. WORK UP & DN SEVERAL TIMES. 3-09-10: TIH W/TBG OPEN ENDED 136

JTS. 3-11-10: CIRC GAS OUT OF WELLBORE W/10# BRINE. TIH W/BHA & WS @ 3270'. PU 2 3/8" WS @ 4230. COULD

NOT GET OVERSHOT OVER FISH TOP. TIH W/BHA & TBG TO 4230. 3-12-10: CIRC GAS OUT OF WELL. ENGAGE FISH. LATCH ONTO FISH & PULL OVER STRING WEIGHT TO SEAT GRAPPLE. FISH STARTED TO MOVE IUP. FISH DRUG OUT OF LINER. TIH W/BIT & TBG TO 4373. TAG PBTD. 3-13-10: TIH W/GAUGE RING & JUNK BASKET @ 4350. TIH W/CIBP & SET @ 4323. UPPER CSG COLLAR @ 4300. TIH W/WS @ 4323. TAG TOP OF CIBP & LD 1 JT. TEST CSG & CIBP TO 500 PSI. OK.

Drilling procedures continued on next page.

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

TITLE

REGULATORY SPECIALIST

DATE 04-15-2010

Type or print name DENISE PINKERTON

E-mail address: leakejd@chevron.com

PHONE: 432-687-7375

For State Use Only

APPROVED BY:

TITLE

PETROLEUM ENGINEER

DATE

APR 19 2010

Conditions of Approval (if any):

CH 4-2210

Continuation of CVU #38

SUMMARY OF WORK BELOW: Set whipstock & milled initial window in csg fr 4312-4318. When drilling rathole out of window, backed off the mill & left mill in the hole. Was eventually able to fish out the mill. Went in with bit & drilled to 4355. Became stuck @ 4355' & was unable to fish. Cut the pipe at 4336' (fish in hole 4355-4336). Set new CIBP @ 4303 & ran new whipstock. Milled new window fr 4294-4297' with no problems. Ran new bit & drilled to TD as planned.

3-16-10: MIRU. 3-17-10: TAG CIBP @ 4323. TEST 4 ½" LINER TO 500 PSI. MILL WINDOW @ 4312. 3-18-10: MILL 4312-4318. WHILE MILLING @ 4318, LOST 450 PSI. TOF @ 4314. 3-19-10: TIH TO 4295. WASH & REAM 4295-4317. MILL 4317.5-4318. TOW: 4312, BOW: 4317. TOF @ 4312. TIH W/BIT TO 4292. REAM & CLEAR JUNK @ 4318. DRILL 4318-4325, 4332, 4336, 4339. TIH W/MILL TO 4292. WORK MILL THRU WINDOW 4312-4317 & REAM 4317-4337, 4339. 3-21-10: DRILL 4339-4355. BIT STUCK @ 4353. CUT 2 7/8" TBG @ 4336. TIH W/CIBP & SET @ 4303. 3-22-10: TIH W/WHIPSTOCK TO CIBP @ 4303. SET DN ON CIBP TO ENGAGE SLIPS. SET WHIPSTOCK @ 4302. REL MILL. MILL LINER 4292 TO 4297 & 3' OF FORMATION 4297-4300. TIH TO 4300. DRILL 4300-4355. NOTE: 4355' IS DRILL DEPTH OF 1ST SIDETREACK & BTM OF FISH. DRILL 4355-4455, 4820. (3-23-10) TIH W/RBP TO 3500 & SET.

03/29/10: SPOT IN & RU KEY RIG 6003. 03/30/10" TAG RBP @ 3500'. LATCH ON & TRY TO REL RBP. TIH W/129 JTS 2 3/8" TBG. SET PKR @ 4220'. EOT @ 4314. 03/31/10: PRESS TEST CSG TO 500 PSI FOR 30 MINS. 04-01-10: RU COIL UNIT. TIH W/COIL TBG & TAG @ 4847. ACIDIZE W/12,000 GALS 15 NEFE HCL. 04/02/10: PMP 330 GALS SCW358 SCALE INHIBITOR. 04/05/10: REL PKR. CIRC W/130 BBW. PU 2 3/8" TBG. EOT @ 3456'. 04-06-10: CIRC OIL & GAS OUT OF WELL. 04/07/10: TIH W/ESP & TBG TO 4269. 04/08/10: RIG DOWN. FINAL REPORT.