

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 87240  
District II  
811 South First, Artesia, NM 87210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised March 25, 1999

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

WELL API NO. <b>30-025-32026</b>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>B-1306-1</b>
7. Lease Name or Unit Agreement Name: <b>Vacuum Grayburg San Andres Unit</b>
8. Well No. <b>126</b>
9. Pool name or Wildcat <b>Vacuum Grayburg San Andres</b>

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator <b>Chevron U.S.A. Inc.</b>
3. Address of Operator <b>15 Smith Road - Midland, Texas 79705</b>	4. Well Location <b>BHL: UL I, SEC. 2, T-18-S, R-34-E, 1983' FSL + 342' FEL</b>
Unit Letter <b>L</b> : <b>1980</b> feet from the <b>South</b> line and <b>1308</b> feet from the <b>West</b> line	Section <b>1</b> Township <b>18S</b> Range <b>34E</b> NMPM County <b>Lea</b>
10. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>3995' (GR)</b>	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>
OTHER: <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <b>Drill &amp; Complete Horizontal</b> <input checked="" type="checkbox"/>	

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

PREP TO DRILL:

11-08-03 MIRU. TOH w/2-7/8" prod tbg; lay down sub pump. Change out BOP rams & TIH w/bit & csg scrapper w/138 jts 2-7/8" prod tbg to 4260'. TOH lay down prod tbg.  
11-10-03 Lay down prod tbg & csg scrapper. MIRU Baker. TIH w/ w/1, CIBP & CCL; located short at 4419' & corrected; set plug @ 4255'. TOH w/ w/1. Load & test csg to 5000 (good) RD. 4

DRILL WELL:

11-15-03 MIRU. NU gas sep and install flare line.  
11-16-03 TIH; set whipstock @ 264.3 AZ. Mill window 4241-4247'.  
11-17-03 Finished mill window f/4247-4251'. Drill f/4251-4346'. Trip to re-adjust mtr.  
11-18-03 TIH w/BHA. Drill f/4246-4502', 4517', 4583', 4628', 4660', 4675', 4754', 4761', 4818', 4825', 4898'.

(See attached Page 2)

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Laura Skinner TITLE Regulatory Specialist DATE 12-30-03

Type or print name Laura Skinner Telephone No. 432-687-7355

(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE FEB 23 2004

Conditions of approval, if any:

VACUUM GRAYBURG SAN ANDRES UNIT NO. 126  
PAGE 2

- 11-19-03 Drill f/4898-4927', 4932', 4944'. TOH for BHA. Change out bit, motor & test. TIH w/BHA. Drill f/4944-5007', 5022', 5102', 5133', 5165', 5185', 5228', 5275', 5291', 5301'.  
11-20-03 Drill f/5301-5306', 5386', 5401', 5513', 5539', 5608', 5623', 5703', 5744', 6095'.  
11-21-03 Drill f/6095-6133' TD. TIH w/RBP; set @ 4003'. Rig down. FINAL DRLG RPT.

COMPLETION:

- 11-24-03 MIRU. MI frac tanks w/work string & pipe racks, 2-7/8" tbg & 3-1/2" tbg. TIH w/retrieving head w/3-1/2" tbg; latch on to RBP & TOH (@ 4003'. TIH w/bit & PU 2-7/8" tbg to 1115'.  
11-25-03 TIH w/2-7/8" & 3-1/2" tbg; ran bit to 6096'. TOH w/tbg. TIH w/sub, pkr, SN & 3-1/2" tbg; bottom of tbg @ 6034'. Set pkr @ 4013'. Load & test to 500# (good).  
11-26-03 Acidize Grayburg San Andres from 4242' to 6133' w/60,000 gals 15% NEFE HCL gelled acid.  
12-01-03 PU swab; recovered total of 100 bbls. Sand line parted.  
12-02-03 TIH w/3-1/2" tbg & reset Pkr @ 4013'. Load back side & test to 500 psi (good). RU swab & made 2 runs; lay down swab. MIRU Pool to pump chemical squeeze. Pumped 275 gals TH756 in 60 bbls fresh water, over flush w/250 bbls wtr, 30 gals ALPHA 160; let set over night.  
12-03-03 Release pkr @ 4016' & TOH w/3-1/2" tbg, pkr & ported subs. TIH w/2-7/8" for kill string (1256').  
12-04-03 TOH laying down tbg; change out BOP rams. PU sub pump. TIH w/motor, seal & pump. PU 2-7/8" prod tbg & TIH to 4120'. TOH to 1270'.  
12-05-03 TOH w/kill string. TIH w/BHA. Install QCI hanger. Hook up flow line, test run sub pump (good). Shut down sub pump. Rig down. FINAL REPORT.