



Chevron U.S.A. Inc.
P.O. Box 1150, Midland, TX 79702

Permian Basin Production Business Unit

June 2, 1992

ARROWHEAD GRAYBURG UNIT #199
CASING CEMENT JOB

Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88241-1980

Attn: Mr. Jerry Sexton

Gentlemen:

As per our conversation on Wednesday, May 27, 1992, the following is a summary of events that occurred from May 10- May 31, 1992.

After drilling out from under the surface casing we encountered numerous air pockets, which were successfully circulated out and drilling continued on to TD at 3860'. A 5 1/2" casing string was set and cemented in two stages. The 1st stage was cemented with 450 sacks. The DV tool was opened and 20 sacks of cement were circulated out on the 1st stage. The 2nd stage (1000 sacks) was pumped and returns were lost after circulating one bbl. to surface. An additional 300 sacks of 50/50 cal/seal cement was pumped through the 8 5/8" x 5 1/2" bradenhead to seal off the air blow.

A Cement Bonding Log was run on May 31, 1992 and showed isolation between all critical areas of concern.

Please feel free to call me with any questions that you might have concerning this matter.

P.R. Matthews
for M.E. Akins

PRM/prm
enclosures

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JUN 17 1992

OCD HOBBS OFFICE