

DISTRICT I P.O. Box 1980, Hobbs, NM 88240
DISTRICT II P.O. Box Drawer DD, Artesia, NM 88210
DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-26445
5. Indicate Type of Lease STATE [ ] FEE [x]
6. State Oil / Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMITS (FORM C-101) FOR SUCH PROPOSALS.

7. Lease Name or Unit Agreement Name CENTRAL DRINKARD UNIT

1. Type of Well: OIL WELL [x] GAS WELL [ ] OTHER [ ]

8. Well No. 426

2. Name of Operator CHEVRON USA INC

9. Pool Name or Wildcat DRINKARD

3. Address of Operator 15 SMITH RD, MIDLAND, TX 79705

LEA COUNTY

4. Well Location Unit Letter H : 2530' Feet From The NORTH Line and 220' Feet From The EAST Line Section 29 Township 21-S Range 37-E NMPM

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

10. Elevation (Show whether DF, RKB, RT,GR, etc.) 3459' GL

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NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ] TEMPORARILY ABANDON [ ] CHANGE PLANS [ ] PULL OR ALTER CASING [ ] OTHER [ ]

SUBSEQUENT REPORT OF: REMEDIAL WORK [ ] ALTERING CASING [ ] COMMENCE DRILLING OPERATION [ ] PLUG AND ABANDONMENT [ ] CASING TEST AND CEMENT JOB [ ] OTHER: DEEPEN TO OIL ZONE @ 6628' [x]

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.

7-24-06: MIRU PU. 7-25-06: TIH W/BIT & TAG FILL @ 6467'. ROTATE BIT & FELL THRU. TIH & TAG @ 6506'. PERFS ARE FREE. 7-26-06: TIH W/PKR & SET @ 6314'. REL PKR. TIH W/CMT RET. 7-27-06: SET RET @ 6314'. PMP 50 BBLs WTR SPACER, MIXED 100 SX LEAD CMT, & 100 SX TAIL CMT. DISPL CMT ON VAC.REV OUT 24 BBLs CMT. TIH W/BIT 7-28-06: TIH W/TBG & TAG CMT @ 6303'. DRILL OUT CMT RET. WOC. 7-31-06: TAG CMT @ 6320'. DRILL OUT CMT TO 6425'. PERFS @ 6377-6485. BTM PERFS NOT COVERED BY CMT. TIH W/149 JTS TBG & SET PKR @ 5200'. REL PSI & REL PKR. TIH & SET PKR @ 6314. 8-01-06: TIH W/PKR TO 6504'. TEST LINES TO 4500 PSI. SHOT 9 BBLs ACID W/34 BBLs 2% KCL WTR. SET PKR @ 6314'. TOH W/PKR. TIH W/198 JTS W/RET. PUMP THRU RET W/50 BW. SET RET @ 6278. MIX 75 LEAD CMT & 75 SK TAIL CMT. WASH UP PUMP & LINE. DISPL @ .5 BPM TO 28 BBLs. PULL OUT OF RET & REV OUT 6 BBLs CMT. 8-02-06: TAG CMT @ 6473'. DRILL CMT TO RET. DRILL ON RET @ 6480'. FELL OUT OF RET. 8-03-06: TAG CMT @ 6284'. DRILL CMT TO 6485. FELL OUT OF CMT @ 6485'. DRILL THRU SHOE & 2 FT NEW HOLE. 8-04-06: TIH W/BIT & TAG @ 6565. DRILL NEW HOLE TO 6628'. 8-07-06: SET PKR @ 6505'. PUT 200# ON CSG. 8-08-06: PUMP 3000 GALS 15% HCL. WELL ON VAC. SWAB. 8-09-06: TIH W/SANDLINE. TAG TD @ 6610'. UNSET PKR. TIH W/BIT & TAG @ 6559'. WORK DN 4'. LD 10 JTS TBG TO 6254'. 8-10-06: WASH DN 6559 - 6575. FALL TO 6616. DRILL TO 6628' TD. CIRC CLN. TAG @ 6628. 8-11-06: PMP 20 BBLs DN TBG. LD WS. SET OUT TBG, SET IN 3.5 WS. TIH W/3 1/2" TBG. HYDROTEST TO 8500, TO 3100. 8-14-06: RUN 199 JTS 3 1/2" TBG TO 6301'. SET PKR. LOAD & TEST CSG TO 500#. RIG DOWN. SUSPEND OPERATIONS. 8-22-06: MIRU FLOW BACK LINE. TBG-660#. FLOWING. 8-29-06: REM FRAC STACK. OPEN BY PASS ON PKR. UNSET PKR. HU TO SWAB TANK. HU TO CSG. PUMP 125 BBLs 2% KCL. 8-30-06: TIH W/W/S, & BT & TAG @ 6565. 207 JTS. PUH TO 5017. 8-31-06: WASH FR 6565-6628'. POOH W/BIT TO 6301. 9-07-06: TIH W/BIT. TAG @ 6822. NO FILL. TIH W/PKR TO 6346'. RU SWAB. 9-11-06: SWABBING. 9-12-06: TIH W/PKR, 110 JTS, 2 7/8" PROD TBG. 9-13-06: TIH W/PKR, 197 JTS, 2 7/8" TBG TO 6350'. SET PKR. PUMP 1 DRUM SCALE CHEMICAL MIXED W/50 BBLs 8.6# BRINE. FLUSH W/200 BBLs. 9-14-06: TIH W/SUB PUMP, 201 JTS, EOT @ 6527'. 9-15-06: RIG DOWN. FINAL REPORT 9-17-06: ON 24 HR OPT. PUMPING 24 OIL, 18 GAS, & 210 WATER. GOR-750. TBG PRESSURE-30#, CSG PRESSURE-30#

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 9/19/2006 TYPE OR PRINT NAME Denise Pinkerton Telephone No. 432-687-7375

(This space for State Use) APPROVED Chris Williams TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE OCT 23 2006