

Submit 3 copies to Appropriate District Office

OIL CONSERVATION DIVISION

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

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

WELL API NO.	30-025-06830
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil / Gas Lease No.	
7. Lease Name or Unit Agreement Name	J.N. CARSON (NCT-A)
8. Well No.	1
9. Pool Name or Wildcat	PENROSE SKELLY GRAYBURG
10. Elevation (Show whether DF, RKB, RT,GR, etc.)	3452' GL

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.

1. Type of Well: OIL WELL GAS WELL OTHER

2. Name of Operator: CHEVRON USA INC

3. Address of Operator: 15 SMITH ROAD, MIDLAND, TX 79705

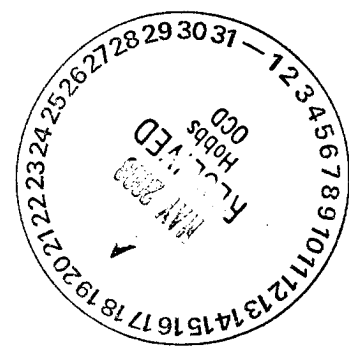
4. Well Location: Unit Letter K : 1980' Feet From The SOUTH Line and 1980' Feet From The WEST Line
Section 28 Township 21-S Range 37-E NMPM LEA COUNTY

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPERATION <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: DRILL DEEPER IN GRAYBURG <input checked="" type="checkbox"/>		OTHER: <input 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.

CHEVRON U.S.A. INC. INTENDS TO DRILL THE SUBJECT WELL DEEPER IN THE GRAYBURG FORMATION AND FRAC STIMULATE. THE INTENDED PROCEDURE AND WELLBORE DIAGRAMS IS ATTACHED FOR YOUR APPROVAL.



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

SIGNATURE Denise Leake TITLE Regulatory Specialist DATE 5/16/2003
 TYPE OR PRINT NAME Denise Leake Telephone No. 915-687-7375

(This space for State Use)
 APPROVED Gay W. Wink TITLE FIELD REPRESENTATIVE II/STAFF MANAGER DATE MAY 21 2003
 CONDITIONS OF APPROVAL, IF ANY:

J. N. Carson (NCT-A) # 1

Penrose Skelly Field

T21S, R37E, Section 28

WBS # UWPNM-D3002-COM

Job: Drill Well Deeper In Grayburg Formation And Frac Stimulate

Procedure: (Frac Stimulate Grayburg, Revised 5/13/03)

1. Displace flowline with fresh water. Have field specialist close valve at header. Pressure line according to the type of line. AGU, EMSU, and EMSUB buried fiberglass lines will be tested with 300 psi. All polypipe(SDR7 and SDR11) will be tested w/100 psi. All steel lines will be tested w/500 psi. If a leak is found, contact Larry Williams for repair/replacement. If test is good, bleed off pressure and **open valve** at header. Document this process in the morning report.
2. MI & RU pulling unit. Bleed pressure from well, if any. Pump down csg with 8.6 PPG cut brine water, if necessary to kill well. POH with rods and pump. Remove WH. Install BOP's and test to 1000 psi. POH with 2 7/8" tbg string. LD TAC.
3. PU 4 3/4" MT bit and GIH on 2 7/8" tbg string to TD at 3867'. If 10' or more fill is encountered, MI & RU foam unit(s). LD and cleanout to 3867' using foam. POH with 2 7/8" tbg string and MT bit. LD MT bit. RD & release foam unit(s).
4. PU and GIH w/ 5 1/2" Lok-Set pkr & On-Off tool w/ 2.25" "F" profile and 115 jts. of 3 1/2" EUE 8R L-80 work string, testing to 7500 psi. Set pkr at approximately 3500'. Install frac head. Pressure annulus to 300 psi to test csg and pkr. Leave pressure on csg during frac job to observe for communication. **Note: Do not exceed 300 psi csg pressure due to cmt sqzd perfs at 1000' and 1250'.**
5. MI & RU DS Services. Frac well down 3 1/2" tubing at **40 BPM** with 66,000 gals of YF135, 138,000 lbs. 16/30 mesh Jordan Sand, and 30,000 lbs **resin-coated** 16/30 mesh CR4000 proppant. Observe a maximum surface treating pressure of **7400 psi**. Pump job as follows:

Pump 2,000 gals 2% KCL water containing 110 gals Baker SCW-358 Scale Inhibitor

Pump 1,000 gals 2% KCL water spacer

Pump 25,000 gals YF135 pad containing 5 GPT J451 Fluid Loss Additive

Pump 5,000 gals YF135 containing **ramped** 1 - 2 PPG 16/30 mesh Jordan Sand

Pump 6,000 gals YF135 containing **ramped** 2 - 3 PPG 16/30 mesh Jordan Sand

Pump 7,000 gals YF135 containing **ramped** 3 - 4 PPG 16/30 mesh Jordan Sand

Pump 8,000 gals YF135 containing **ramped** 4 - 5 PPG 16/30 mesh Jordan Sand

Pump 10,000 gals YF135 containing **ramped** 5 - 6 PPG 16/30 mesh Jordan Sand

Pump 5,000 gals YF135 containing 6 PPG **resin-coated** 16/30 mesh CR4000 proppant

Flush to 3543' with 1,321 gals WF135. **Do not overflush.** Shut well in. Record ISIP, 5, 10, and 15 minute SI tbg pressures. SWI. RD & Release DS Services. **Leave well SI overnight.**

6. Open well. GIH and swab well to determine productivity and to check for sand production. **Note: Discuss swab results with Engineering.** Release pkr and POH with 3 ½" work string. Lay down 3 ½" work string and pkr.
7. PU 4 ¾" MT bit and GIH on 2 7/8" tbg string to TD at 3867'. If 10' or more sand fill is encountered, MI & RU foam unit(s) and cleanout to 3867' using foam. POH with 2 7/8" tbg string and MT bit. LD bit.
8. PU and GIH w/ BP mud anchor jt of 2 7/8" tbg, 2 7/8" x 4' perforated sub, SN, 8 jts 2 7/8" EUE 8R J-55 tbg, TAC, and 114 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 3535', with EOT at 3833' and SN at 3799'.
9. Remove BOP's and install WH. GIH with rods, weight bars, and pump per ALS recommended design. RD & release pulling unit.
10. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

AMH
5/13/2003

Location:
1980' FSL & 1980' FWL
Section: 28
Township: 21S
Range: 37E
County: Lea State: NM

Current Wellbore Diagram

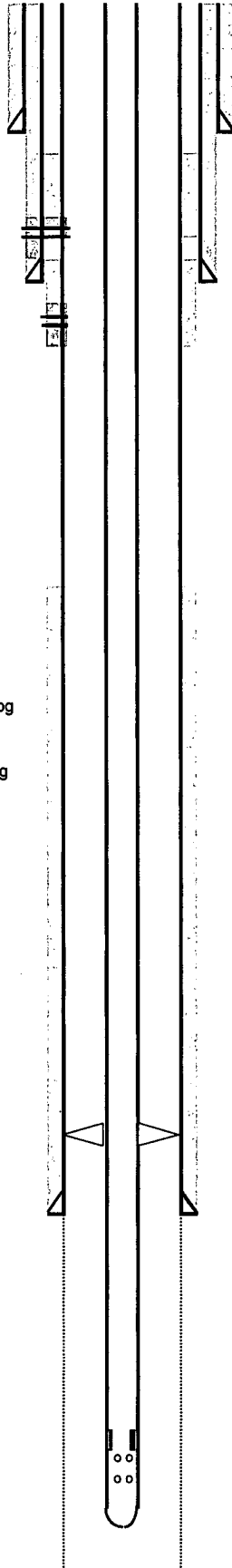
Well ID Info:
Refno: FA7927
API No: 30-025-06830
L5/L6: U491400
Spud Date: 3/20/37
Compl. Date: 4/21/37

Elevations:
GL: 3452'
KB: 3462'
DF: 3461'

Blk Sqz Perfs @ 1000'
(Sqzd w/ 150 sks, TOC at 886' by TS)

Blk Sqz Perfs @ 1250'
(Sqzd w/ 125 sks, TOC at 1082' by TS)

Tbg Detail:
BP @ 3833'
1 jt. 2 7/8" tbg
2 7/8" x 4' perf sub
SN @ 3799'
1 jt. 2 7/8" EUE 8R J-55 IPC tbg
7 jts. 2 7/8" EUE 8R J-55 tbg
TAC @ 3535'
114 jts. 2 7/8" EUE 8R J-55 tbg



Surf. Csg: 13 3/8", 27.8# Armco SS
Set: @ 33' w/ 50 sks
Hole Size: 17"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Intern. Csg: 7 5/8", 22#, SCLW
Set: @ 1204' w/ 600 sks
Hole Size: 9 7/8"
Circ: Yes **TOC:** Surface
TOC By: Circulated

Prod. Csg: 5 1/2", 17#, SCLW
Set: @ 3608' w/ 150 sks
Hole Size: 6 3/4"
Circ: No **TOC:** 2700'
TOC By: Calculated

3608-3867' Grayburg - Open Hole

COTD: 3863'
PBTD: 3867'
TD: 3867'

Updated: 5/13/03

By: A. M. Howell

Location:
 1980' FSL & 1980' FWL
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Proposed
Wellbore Diagram

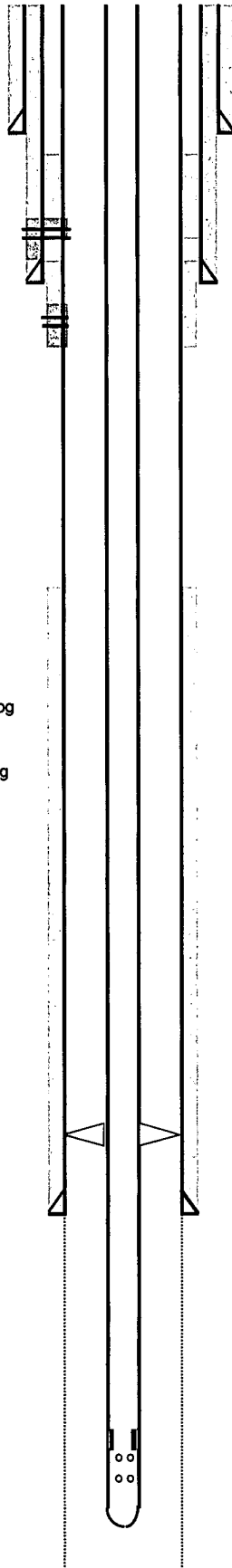
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