

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. 30-025-38335

5. Indicate Type of Lease STATE [ ] FEE [x]

6. State Oil / Gas Lease No.

7. Lease Name or Unit Agreement Name ROLLON BRUNSON

8 Well No. 7

9. Pool Name or Wildcat PENROSE SKELLY; GRAYBURG

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 PERMI (FORM C-101) FOR SUCH PROPOSALS.

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

2. Name of Operator CHEVRON USA INC

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

4. Well Location Unit Letter G : 1460 Feet From The NORTH Line and 1330 Feet From The EAST Line Section 10 Township 22-S Range 37-E MPM LEA COUNTY

10. Elevation (Show whether DE, RKB, RT, GR, etc.) 3389'

11. 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 [ ] OTHER [ ] SUBSEQUENT REPORT OF: REMEDIAL WORK [ ] ALTERING CASING [ ] COMMENCE DRILLING OPERATION [ ] PLUG AND ABANDONMENT [ ] CASING TEST AND CEMENT JOB [ ] OTHER: NEW WELL COMPLETION [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.

5-17-07: SPUD WELL. DRILL 17'-153, 281, 492. 5-18-07: RUN 8 5/8" 24 PPF, J55 CSG TO 488. PUMP 490 SX CL C, 1% S01 CACL2, 0.25 PPS D29 CELLOFLAKE CMT & DISPL W/29.5 BFW. BUMP PLUG 200 OVER PUMP PRESS. BUMP PLUG W/500 PSI OVER PUMP PRESS. CIRC 105 SX TO SURF. WOC. PU BHA & TIH. 5-19-07: TIH & TAG UP WITH PLUG. DRILL PLUG & 20' OF SHOE TRACK. DRILL 492-637, 861, 1020, 1148, 1276, 1500, 2012, 2044, 2491, 2971, 3045, 3450, 3660, 3961, 4300. 5-23-07: RAN 5 1/2" K-55 CSG. TAG BTM. PULL UP TO 4296'. PMP 550 SX 36:65 POZ C, 5% D44, 6% D20, .4% D112, .25 PPS D29, 2% D46 LEAD CMT & 570 SX 50:50 POZ C, 5% D44, 2% D20, .25 PPS D29, .2% D46. DISPL CMT W/102 BFW. CIRC 50 BBLS (130 SX) CMT TO SURFACE. BUMP PLUG W/500 PSI OVER PUMP PRESSURE. 5-24-07: SET SLIPS & CUT OFF CSG. RIG DOWN. RELEASE RIG @ 0700 HRS. W/O COMPLETION RIG. 6-04-07: MIRU KEY 169. TIH W/JUNK BASKET. TAG @ 4259. TIH W/GR/CCL/CBL W/1500#, 4259 TO 259. PERF 3709-11, 3715-17, 3723-25, 3735-37, 3741-49, 3752-57, 3770-79, 3782-84, 3788-92, 3797-98, 3802-08, 3811-15, 3823-27, 3838-41, 3849-58, 3861-70. 6-05-07: TIH W/PKR & SET @ 3882. 6-06-07: SPOT ACID TO END OF TBG. SET TOOLS & ACIDIZE PERFS 3709-3870' W/3200 GALS ACID. 6-07-07: RU SWAB. 6-08-07: TIH W/SLICK LINE. SET PRESSURE BOMB @ 3699. 6-11-07: TOH W/PRESSURE BOMB W/SLICK LINE. 6-13-07: FRAC 3709-3870' W/88,304 GALS YF125ST. 6-14-07: TAG SAND @ 3840. TIH W/TBG TO 3500. 6-15-07: TIH W/BIT & TAG @ 3840. C/O 3840-4259. TIH W/PKR & SET @ 3613. 6-18-07: TIH W/PRIZM TOOL. LOG 4265-3250. 6-19-07: SWABBING. 6-20-07: TAG TD @ 4250. PUMP 40 BBLS TO KILL WELL. UNSET PKR. TIH W/DUMP VALVE, SN, TBG, & TAC. SET TAC. 6-21-07: TIH W/PMP & RODS. RIG DOWN. FINAL REPORT. WAIT ON COMPLETION TEST. 6-30-07: ON 24 HR OPT. PUMPING 67 OIL, 344 GAS, & 292 WATER. GOR-5134

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 7/17/2007 TYPE OR PRINT NAME Denise Pinkerton Telephone No. 432-687-7375

(This space for State Use) APPROVED [Signature] TITLE DATE JUL 26 2007 CONDITIONS OF APPROVAL, IF ANY DeSoto/Nichols 12-93 ver 1 0