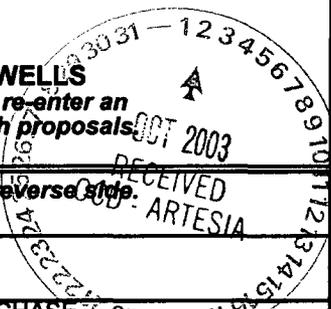


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.



SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM98122
2. Name of Operator CHEVRON USA INCORPORATED		6. If Indian, Allottee or Tribe Name
3a. Address 15 SMITH ROAD MIDLAND, TX 79705		7. If Unit or CA/Agreement, Name and/or No. NMNM71030X
3b. Phone No. (include area code) Ph: 505.748.1288 Fx: 505.746.9539		8. Well Name and No. SKELLY UNIT 940
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T17S R31E NWNW 990FNL 330FWL		9. API Well No. 30-015-32599-00-X1
		10. Field and Pool, or Exploratory FREN
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Drilling Operations

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

09/07/2003 5:15 PM spud 17 1/2" hole.
09/09/2003 6:15 AM TD 17 1/2" hole @ 460', RIH w/10 joints 13 3/8" 48# H-40 ST&C set @ 451', Cemented w/475 sx Class C, 2% CC, circ 88 sx, plug down @ 10:30 AM. WOC tested BOP to 2000# for 10 minutes, held OK.
09/11/2003 4:30 PM TD 12 1/4" hole @ 1650', RIH w/37 joints 8 5/8" 24# J-55 ST&C set @ 1645', Cemented w/600 sx 35-65-6, 1/4# CF, 6# salt, tail in w/200 sx Class C, 2% CC, circ 85 sx, plug down @ 11:00 PM. WOC tested BOP to 2000# for 10 minutes, held OK.
09/21/2003 TD 7 7/8" hole @ 5421'.
09/22/2003 RIH w/5 1/2" 17# LT&C J-55 122 joints set @ 5415', Cemented 1st stage w/650 sx 50-50-2, 5% KCL, 5# LCM, 1% FL25, .2% FL52, .3% SMS, 2nd stage w/650 sx 50-50-2, 3rd stage w/250 sx Class C, 2% CC. WOC 12 hours tested casing to 600# for 20 minutes, held OK.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #23955 verified by the BLM Well Information System
For CHEVRON USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by ARMANDO LOPEZ on 09/30/2003 (03AL0332SE)**

Name (Printed/Typed) JERRY SHERRELL	Title PRODUCTION CLERK
Signature (Electronic Submission)	Date 09/29/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	LES BABYAK Title PETROLEUM ENGINEER	Date 09/30/2003
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office Carlsbad

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.