

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 06791
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	S. J. SARKEYS 26
8. Well No.	1
9. Pool Name or Wildcat	PENROSE SKELLY GRAYBURG
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3389' 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.

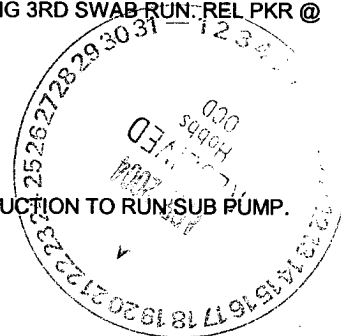
1. Type of Well:	OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator	CHEVRON USA INC
3. Address of Operator	15 SMITH ROAD, MIDLAND, TX 79705
4. Well Location	Unit Letter <u>E</u> : <u>1980</u> Feet From The <u>NORTH</u> Line and <u>660</u> Feet From The <u>WEST</u> Line Section <u>26</u> Township <u>21S</u> Range <u>37E</u> NMPM <u>LEA</u> 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPERATION <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <input checked="" 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.

3-08-04: MIRU PU. TIH TO 5741'.  
 3-09-04: TIH W/RBP & SET @ 5700. SPOT 3 SX SAND ON TOP OF RBP. NEW PBTD @ 5680.  
 3-10-04: TIH W/GR/CBL/CCL LOGGING TOOL. RUN LOG FR 5679-3200 HOLDING 500 PSI ON CSG. TOC @ 3676. PERF 4 SQZ HOLES @ 3660'. TIH W/PKR & SET @ 3392.  
 3-11-04: EST CIRC THRU SQZ HOLES @ 3660 & UP ANNULUS TO SURF W/10 BBLS CBW. MIX & PUMP 380 SX CL C NEAT CMT. DISPL CMT TO 3560.  
 3-12-04: TIH TO 3541. D/O CMT FR 3541-3688. FELL OUT OF CMT. TIH TO 3764. TIH TO 4207. DISPL HOLE W/8.6 CB 110 BBLS.  
 3-15-04: TIH W/GR/CPNL/CCL LOGGING TOOL. RUN LOG FROM 5000-2600. PERF 3693-98, 3700-05, 3709-12, 3715-20, 3740-48, 3763-68, 3783-89, 3805-10, 3822-30, 3838-44, 3852-57, 3862-65, 3872-80, 3916-22. (TTL 78' & 312 HOLES). TIH W/PKR & SET IN BLANK PIPE.  
 3-16-04: ACIDIZE GRAYBURG PERFS 3693-3922 W/2800 GALS 15% ANTI-SLUDGE HCL. SET PKR @ 3686'. RU SWAB. 3 HR TEST.  
 3-17-04: RU SWAB. 10 HR TEST.  
 3-18-04: RU SWAB. 1 HR TEST. MOVE TOOLS. RESET PKR @ 3890. SWAB 4 1/2 HRS. PARTED WHILE MAKING 3RD SWAB RUN. REL PKR @ 3890.  
 3-19-04: PU FRAC PKR, BLAST SUB & 3 1/2" TBG. SET PKR @ 3545. NU FRAC TREE.  
 3-22-04: FRAC GRAYBURG PERFS 3693-3922 W/66,000 GALS YF135 & 138,000# SAND.  
 3-23-04: RU SWAB - 4 RUNS.  
 3-24-04: 10 HR SWAB TEST.  
 3-25-04: 9 HR SWAB TEST.  
 3-26-04: ND FRAC HEAD. REL PKR. TIH TO 4227.  
 3-29-04: RUN AFTER FRAC LOG FR 4200-3500. RIG DOWN. CLEAN LOCATION. TURN WELL OVER TO PRODUCTION TO RUN SUB PUMP. FINAL REPORT W/O TEST.  
 4-18-04: ON 24 HR OPT. PUMPING 9 OIL, 25 GAS, & 203 WATER. GOR-2832



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 4/20/2004  
 TYPE OR PRINT NAME Denise Leake Telephone No. 915-687-7375

(This space for State Use)

APPROVED Paul J. Nichols PETROLEUM ENGINEER  
 CONDITIONS OF APPROVAL, IF ANY: TITLE

DATE

MAY 11 2004