

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.	30-025-06658
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil / Gas Lease No.	471890
7. Lease Name or Unit Agreement Name	H. T. MATTERN NCT-C
8. Well No.	2
9. Pool Name or Wildcat	PENROSE SKELLY GRAYBURG
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3519' DF

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>K</u> : <u>1980'</u> Feet From The <u>SOUTH</u> Line and <u>1980'</u> Feet From The <u>WEST</u> Line Section <u>18</u> Township <u>21-S</u> Range <u>37-E</u> NMPM <u>LEA</u> COUNTY
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3519' DF

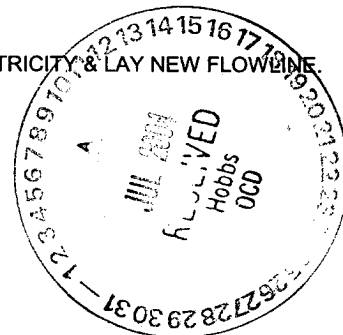
11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPERATION <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input checked="" type="checkbox"/> DRILL DEEPER IN GRAYBURG

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.

6-07-04: MIRU KEY #176. TAG CMT @ 10'. D/O CMT. PLUG DOWN TO 50'. FELL OUT OF CMT. TAG @ 3398. D/O CMT FR 3398-3527.
6-08-04: RU FOAM AIR UNIT. D/O CMT 3527-3683. TIH TO 3683. D/O CMT DN TO 3777.
6-09-04: TAG @ 3777. D/O CMT DN TO 3800 & FELL OUT TO 3813. C/O FILL DN TO TD @ 3836. DRILL NEW 4 3/4" HOLE DN TO 3839. DRILL NEW HOLE FR 3839-3855.
6-10-04: TAG @ 3855. DRILL NEW HOLE 3855-3913.
6-11-04: TAG @ 3911. (DECISION MADE TO QUIT DRILLING). TIH W/PKR & SET @ 3600.
6-14-04: ACIDIZE O.H. 3674-3913' W/4500 GALS 15% ANTI-SLUDGE HCL IN 6 STGS. RU SWAB. 9 HR TEST.
6-15-04: FLOWING ON FULL OPEN 2" VALVE. REL PKR @ 3600. TIH W/BIT & TAG @ 3911.
6-16-04: PU FRAC PKR. SET PKR @ 3537.
6-17-04: FRAC GRAYBURG O.H. 3674-3913 DN 3 1/2" TBG W/66,000 GALS YF130 & SAND.
6-18-04: RU SWAB. 7 HR TEST. REL PKR @ 3537.
6-21-04: TAG SAND FILL @ 3835. C/O SAND FILL DN TO PBTD @ 3913.
6-22-04: PU SUB PUMP & 2 7/8" PROD TBG. RIG DOWN. TURN WELL OVER TO PRODUCTION TO HU ELECTRICITY & LAY NEW FLOWLINE.
FINAL REPORT

WAIT ON TEST

07-03-04: ON 24 HR OPT. PUMPING 47 OIL, 448 GAS, & 818 WATER. GOR-9533.



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 7/6/2004

TYPE OR PRINT NAME Denise Leake

Telephone No. 915-687-7375

(This space for State Use)

APPROVED

CONDITIONS OF APPROVAL, IF ANY:

Paul J. [Signature] PETROLEUM ENGINEER
TITLE

DATE

JUL 14 2004