

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.                         | 30-025-25112                                                           |
| 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 | H.T. MATTERN 'C'                                                       |
| 8. Well No.                          | 8                                                                      |
| 9. Pool Name or Wildcat              | PENROSE SKELLY GRAYBURG                                                |

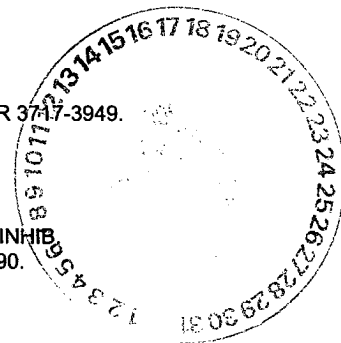
|                                                                                                                                                                                                                                   |                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p align="center"><b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br/>(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.</p> |                                                                                                                                                                                                      |
| 1. Type of Well:                                                                                                                                                                                                                  | OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>                                                                                                   |
| 2. Name of Operator                                                                                                                                                                                                               | CHEVRON USA INC                                                                                                                                                                                      |
| 3. Address of Operator                                                                                                                                                                                                            | 15 SMITH RD, MIDLAND, TX 79705                                                                                                                                                                       |
| 4. Well Location                                                                                                                                                                                                                  | Unit Letter <u>A</u> : <u>660'</u> Feet From The <u>NORTH</u> Line and <u>447'</u> Feet From The <u>EAST</u> Line<br>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.)                                                                                                                                                                                | 3484'                                                                                                                                                                                                |

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: <input type="checkbox"/>                |                                           | OTHER: <input type="checkbox"/>                      | PLUGBACK TO GRAYBURG <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.

5-31-05: MIRU.  
6-01-05: TIH W/RBP & PKR & 2 7/8" WS. SET RBP @ 5470. SET PKR @ 5460.  
6-02-05: REL PKR. RUN GR/CBL/CCL FR TD (5448) UP TO TOP OF CMT @ 2210. PERF GRAYBURG FR 3717-3949.  
6-03-05: TIH W/PKRS & PUH & SET PKRS @ 3680. REL PKRS.  
6-06-05: ACIDIZE PERFS W/2600 GALS 15% HCL. PUH & SET PKR @ 3690. SN @ 3669. RU SWAB.  
6-07-05: SWABBING.  
6-08-05: REL PKR. TIH W/PKR & SET @ 3597.  
6-11-05: FRAC PERFS 3717-3949 W/145,000# 16/30 SAND & 30,000# 16/30 SUPER LC. START SCALE INHIB.  
6-13-05: REL PKR. TIH W/WS & TAG FILL @ 3900. (1450' OF SAND FILL). PUH ABOVE PERFS TO 3690.  
6-16-05: MIRU FOAM AIR UNIT. C/O SAND FILL FR 3900-5450' USING FOAM.  
6-17-05: TIH W/PKR & SET @ 3690'. SN @ 3681'. RU SWAB.  
6-20-05: SWAB.  
6-21-05: TIH W/PRISM LOG & TEMP SURVEY FOR TRACER. REL PKR.  
6-22-05: TIH W/DUMP VALVE, 2 JTS, DESANDER, SN, 12 JTS, TAC, & 114 JTS 2 7/8" PROD TBG. TIH W/2" INSERT PUMP & RODS.  
6-23-05: PU RODS. SPACE WELL OUT & HANG ON. RIG DOWN. TURN WELL OVER TO PRODUCTION. FINAL REPORT. WAIT ON COMPLETION TEST.  
6-26-05: ON 24 HR OPT. PUMPING 4 OIL, 39 GAS, & 396 WATER. GOR-9750. TBG-60#. CSG-30#. GRAV-37.6



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 6/29/2005  
TYPE OR PRINT NAME Denise Pinkerton Telephone No. 432-687-7375

(This space for State Use)

APPROVED [Signature] TITLE PETROLEUM ENGINEER  
CONDITIONS OF APPROVAL, IF ANY: 2A wants Rbo

DATE

JUL 07 2005  
DeSoto/Nichols 12-93 ver 1.0