

Submit 3 copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

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. 30-025-34788
5. Indicate Type of Lease STATE [checked] FEE []
6. State Oil / Gas Lease No.
7. Lease Name or Unit Agreement Name NEW MEXICO 'EA' STATE
8. Well No. 1
9. Pool Name or Wildcat HOBBS; ABO, NORTHWEST
10. Elevation (Show whether DF, RKB, RT,GR, etc.) 3672'

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 [checked] 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 A : 410 Feet From The NORTH Line and 610 Feet From The EAST Line Section 24 Township 18S Range 37E NMPM LEA COUNTY

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: C/O OPENHOLE, ADD PERFS, & ACIDIZE [checked]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPERATION [] PLUG AND ABANDONMENT []
CASING TEST AND CEMENT JOB []
OTHER: []

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.
CHEVRON U.S.A. INC. INTENDS TO CLEAN OUT THE OPEN HOLE PERFS, ADD PERFS, & ACIDIZE.
THE INTENDED PROCEDURE, AND CURRENT AND PROPOSED WELLBORE DIAGRAMS ARE ATTACHED FOR YOUR APPROVAL.



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 3/8/2006
TYPE OR PRINT NAME Denise Pinkerton Telephone No. 432-687-7375

(This space for State Use)
APPROVED [Signature] TITLE PETROLEUM ENGINEER DATE MAR 13 2006
CONDITIONS OF APPROVAL, IF ANY:

97212

New Mexico EA State #1H
API #30-025-34788
410' FNL & 610' FEL
S24, T18S, R37E Unit A
Hobbs Northwest *ABO*
Lea County, New Mexico

3/01/06

PROCEDURE

Use 8.6 ppg brine water.

1. Displace flowline w/ fresh water. Have Field Specialist close valve at header. Pressure test line according to type. All polypipe (SDR7 and SDR11) will be tested to 100 psi. All steel lines will be tested to 500 psi. If a leak is found, contact Donnie Ives for repair/replacement. If tests good, bleed off pressure and open valve at header. Document this process in the morning report.
2. MIRU Key PU & RU. Unseat pump and POOH w/ rods (see ALS for Tbg Detail). Install BOP's & EPA equipment. Test BOP when possible. Release TAC & POOH w/ 2-7/8" production tbg (see ALS for Tbg Detail). Tbg and rods are new and should not need to be sent in. **NOTE: Additional production tubing and rods will be needed after completion of workover.**
3. PU 4-3/4" bit, bent sub, on 2-7/8" WS. RIH to 7674' (Lateral TD). C/O fill using air unit if necessary.
4. MIRU Pump truck. Spot 1,500 gals 20% NEFE HCl acid in openhole. Pull bit up into casing. SI 2 hrs for acid to spend. Open well and flush 30 bbls down backside.
5. RU swab and swab back load recording rates, pressures, cuts, and fluid levels. Report results. POOH w/ bit and WS.
6. RIH w/ 4-3/4" bit on WS. Tag CIBP @ 6629'. Drill out CIBP and push to 7590' (PBTD). POOH and LD bit.
7. MIRU WL. RIH w/ 3-1/8 slick guns loaded w/ 4 SPF 23 gram charges & 120 degree phasing w/ GR/CCL. Perforate the following intervals tying back to Schlumberger Platform Express log dated 01/26/2000. POOH and RD WL.

Top Perf	Bottom Perf	Net Feet	Total Holes
7076	7085	9	18
7092	7099	7	14
7124	7130	6	12
7132	7136	4	8
7146	7154	8	16
7198	7212	14	28
7218	7224	6	12
7248	7252	4	8
7294	7302	8	16
7310	7320	10	20

7384	7392	8	16
7416	7418	2	4
7452	7456	4	8
7460	7466	6	12
7520	7522	2	4
7543	7554	11	22

8. RIH w/ CCL, 5-1/2 pkr, 1 2-7/8" jnt, 10' sub, on 2-7/8" WS testing to 4500 psi while RIH. Run two collars past window. PU and catch collars to ensure tools are inside casing (collars are @ 6651' & 6693'). RIH & set pkr @ 7055'.
9. MIRU DS. Acidize Abo perf intervals w/ 3,500 gals 20% NEFE HCl acid at 6 BPM & 4500 psi max surface pressure dropping 300 1.3 SG balls spaced evenly throughout job. Displace w/ 8.6# brine to top perf. SI 2 hours for acid to spend.
10. Release pkr and run packer past perfs to knock-off balls. PU and reset pkr @ 7055'.
11. RU swab and swab well recording rates, volumes, pressures and fluid levels and share with engineer. Release pkr and POOH.
12. RIH w/ 2-7/8" production tbg & hang off as per ALS recommendation. NDBOP NUWH. RIH w/ rods and pump as per ALS.
13. RD Key PU & Smith RR. Turn well over to production. Contact Lease Operator and inform them that the well is ready for operation.

Engineer - Keith Lopez
432-687-7120 Office
432-631-3281 Cell
432-661-6156 Home

CURRENT WELL DATA SHEET

Field: Monument Well Name: New Mexico EA State #1H Lease Type: State
 Location: 410' FNL & 610' FEL Sec: 24-A Township: 18S Range: 37E
 County: Lea State: New Mexico Refno: BY9775 API: 30-025-34788 Cost Center: UCU936600
 Current Status: FL
 Current Producing Formation(s): Wildcat Tubb/Drinkard/Abo DHC
 Initial Prod Field/Formation(s): Blinebry

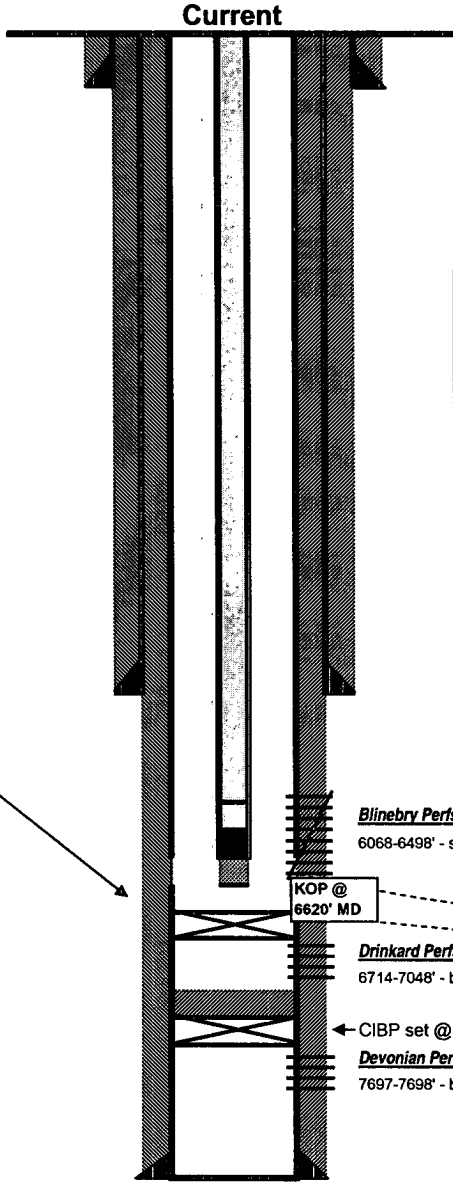
Surface Csg.
 Size: 11 3/4"
 Wt.: 42#
 Set @: 415'
 Sxs cmt: 290
 Circ: Yes
 TOC: Surface
 Hole Size: 14-3/4"

Intermediate Csg.
 Size: 8 5/8"
 Wt.: 36#
 Set @: 5072'
 Sxs Cmt: 570
 Circ: Yes
 TOC: Surface
 Hole Size: 11"

Production Csg.
 Size: 5 1/2"
 Wt.: 17#
 Set @: 8650'
 Sxs Cmt: 1620
 Circ: Yes
 TOC: Surface
 Hole Size: 7-7/8"

KB: _____
 DF: _____
 GL: 3672'
 Spud Date: 12/29/1999
 Released Rig: 1/29/2000
 Compl. Date: 4/1/2000

Tubing Detail		12/6/2001
# Jts.	Size	Footage
EOT >>>		



TOW: 6620'
 BOW: 6629'

Top Yates	2705'
Top Queen	3465'
Top Grayburg	3790'
Top San Andres	4050'
Top Blinebry	5928'
Top Tubb	6524'
Top Drinkard	6710'
Top Abo	7072'

CIBP set @ 6629'

Blinebry Perfs
 6068-6498' - sqzd 11/8/01

KOP @ 6620' MD

TD of Lateral @ 7500' MD

Drinkard Perfs
 6714-7048' - below CIBP

← CIBP set @ 7625' w/35' cmt on top

Devonian Perfs
 7697-7698' - below CIBP

PB: 6629'
 TD: 8650'

TD of Vertical WB @ 8650' MD

Remarks: See the well history attached

repared by: K M Jackson
 Date: 1/27/2004

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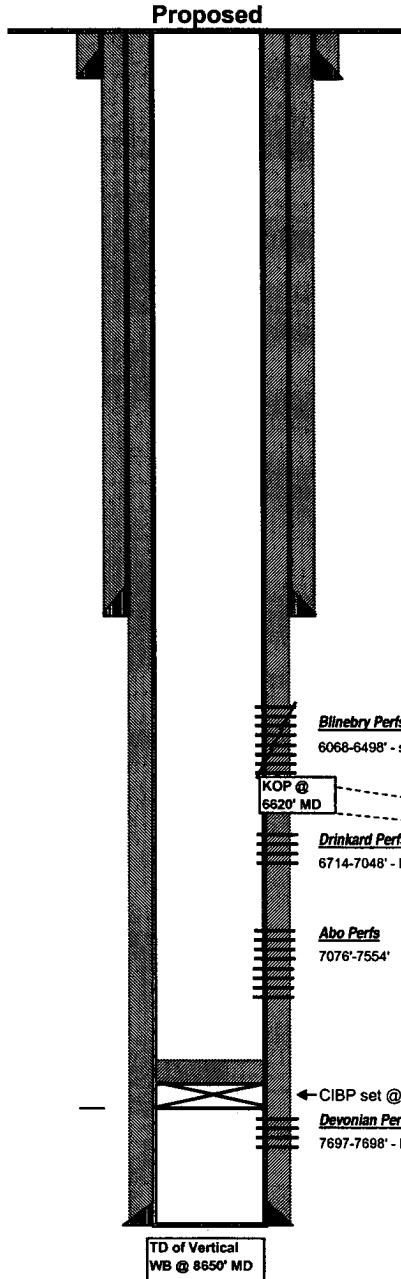
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EOT >>>		

TOW: 6620'
 BOW: 6629'

PB: 7590'
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Remarks: See the well history attached

repared by: LOPK
 Date: 3/7/2006