

**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.                         | 30-025-37836                                                           |
| 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 | V.M. HENDERSON                                                         |
| 8. Well No.                          | 23                                                                     |
| 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 PERMIT (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                                                                                                                                                                                                                 | <p>Unit Letter <u>C</u> : <u>330</u> Feet From The <u>NORTH</u> Line and <u>2500'</u> Feet From The <u>WEST</u> Line</p> <p>Section <u>30</u> Township <u>21-S</u> Range <u>37-E</u> NMPM <u>LEA</u> COUNTY</p> |
| 10. Elevation (Show whether DF, RIG, RT, GR, etc.)                                                                                                                                                                               | 3500'                                                                                                                                                                                                           |

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

|                                                                                                                                                                                                                                                                                                                                           |  |                                                                                                                                                                                                                                                                                                                                                                                      |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <p align="center"><b>NOTICE OF INTENTION TO</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p> |  | <p align="center"><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPERATION <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/></p> <p>CASING TEST AND CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input checked="" type="checkbox"/> NEW WELL COMPLETION</p> |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

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.

6-02-06: NOTIFY SYLVIA DICKEY, NMOCD @ 11:00 AM OF INTENT TO SPUD. MIRU. DRILL O-450. RUN 8 5/8" CSG: GUIDE SHOE, 1 JT, FLOAT COLLAR 9 JTS, SHOE SET @ 446'. WASH CSG TO BTM & CIRC BTMS UP. CMT: 475 SX CL C W/2CACL2, 0.1 PPS POLYESTER FLAKE, MIX @ 14.8 PPG, 1.34 YIELD, 629 GPS H2O. (ABORTED JOB PUMP CMT TO PIT). WAIT ON MORE CMT

6-03-06: CMT 8 5/8" CSG: 475 SX CL C W/2 CACL2, 0.1 PPS POLYESTER FLAKE, MIXED @ 14.8 PPG, W/1.34 YIELD, W/6.29 GPS WATER. DISPL W/25 BBLs. BUMP PLUG. FLOAT HELD. CIRC 209 SX TO PIT. PLUG DOWN @ 9:30 AM. WOC. TAG CMT @ 350. PLUG @ 410. C/O SHOE TRACK FR 350-450.

6-04-06: DRILL 450-937, 1156, 1219, 1235, 1237, 1296, 1545, 1550, 2215, 2229, 2274, 2390, 2913, 3119, 3335, 3395, 3792, 4276.

6-12-06: WORK STUCK DRILL PIPE W/BIT @ 4176. REPAIR #2 PUMP LINER. TIH W/BIT TO BTM OF CSG.

6-13-06: TIH W/BHA #4. BREAK CIRC. DRILL 4279-4357. CIRC.

6-14-06: RUN 5 1/2" 15.5# J-55 ST&C CSG: FS, 2 JTS CSG, FC, 13 JTS CSG, 1 5' CSG JT, 83 CSG JTS, SET @ 4357. CIRC & WASH LAST 4 JTS TO BTM. CMT: LEAD 550 SX 35:65 POZ CL C, 5% D44, 6% D20, 0.4% D112, 0.1 PPS D130, 0.2% D46. DENSITY-12.4 PPG, YIELD-2.15 CF/SK, MIX H2O-11.95 GPS. TAIL-500 SX 50:50 POZ CL C, 5% D44, 2% D20, 0.1 PPS D130, DENSITY-14.2 PPG, YIELD-1.35 CF/SK, MIX H2O-6.33 GPS. DISPL W/24 BBLs 10% ACETIC ACID. CIRC 274 SX CMT. BUMP PLUG @ 2230. FLOAT HELD. SET SLIPS. CUT OFF CSG.

6-15-06: PRESSURE TEST WH. REL RIG @ 0200. WAIT ON COMPLETION

6-19-06: RUN CPNL 4260-2300. RUN CBL W/1000# PRESSURE 4260-SURFACE. INSTL BOP. 6-21-06: PERF 3651-55, 3681-84, 3686-90, 3694-98, 3704-10, 3713-20, 3735-37, 3751-57, 3779-87, 3793-97, 3804-08, 3815-20, 3822-29, 3833-38, 3845-50, 3653-58, 3860-68, 3870-75, 3878-82, 3885-93, 3897-3900, 3902-08, 3912-21. 6-22-06: FRAC PERFS 3651-3921' W/176,000# SAND & 30,000# 16/30 PROPPANT, & 88,000 GALS YF125.

6-26-06: TAG FILL @ 4186. TIH W/PKR & 2 7/8" TBG TO 3552. SET PKR @ 3552. 6-27-06: FLOW WELL. 6-28-06: RUN PRISM LOG FROM PBTD TO PKR. 6-29-06: FLOW WELL TO BATTERY ON 32/64 CHOKE 150 PSI. RIG DOWN. FINAL REPORT. WAIT ON COMPLETION TEST.

6-30-06: ON 24 HR OPT. FLOWING 54 OIL, 351 GAS, & 390 WATER. GOR-6499. CHOKE-32", TBG-140#

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 7/11/2006

TYPE OR PRINT NAME Denise Pinkerton Telephone No. 432-687-7375

(This space for State Use)

APPROVED [Signature] TITLE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_

**PETROLEUM ENGINEER**

DATE

**AUG 08 2006**