

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.	30-025-03102
5. Indicate Type of Lease	STATE ☒ FEE ☐
6. State Oil / Gas Lease No.	E-7653
7. Lease Name or Unit Agreement Name	STATE 'AN' COM
8. Well No.	2
9. Pool Name or Wildcat	VACUUM ABO REEF

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 PERMI (FORM C-101) FOR SUCH PROPOSALS.

1. Type of Well:	OIL WELL ☒ GAS WELL ☐ OTHER ☐
2. Name of Operator	CHEVRON USA INC
3. Address of Operator	15 SMITH RD, MIDLAND, TX 79705
4. Well Location	BHL: D-7-185-35E, 675' N, 391' W 4889' E Unit Letter B : 330 Feet From The NORTH Line and 2100 Feet From The EAST Line Section 7 Township 18S Range 35E NMPM LEA COUNTY
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3973'

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPERATION ☐	PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐		CASING TEST AND CEMENT JOB ☐	
OTHER: ☐		OTHER: ☐	HORIZONTAL COMPLETION ☒

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.

6-09-06: MIRU PU. LD PUMP & RODS. REL TAC. 6-12-06: TAG UP @ 8804. PBTD @ 8840. TIH W/KILL STRING.
6-13-06: PU CIBP. SET CIBP @ 8074. LOAD HOLE W/182 BBLs. PRESS UP TO 500#. PU PKR. SWINGING @ 5594'. CIRC GAS OUT OF WELLBORE.
6-14-06: LD TBG. 6-15-06: RUN VERTILOG FR PBTD @ 8074-4000. RUN CBL FR PBTD @ 8074-4000. W/O RIG
6-30-06: NOTIFIED NMOCD @ 1300 HRS. MIRU KEY RIG #117. 7-03-06: PU TAG MILLS. TIH W/DP. TAG CIBP @ 8074. (-12.55' CORRECTION).
7-04-06: WAIT ON WHIPSTOCK SERVICE HAND. 7-05-06: PU WHIPSTOCK & TIH. RUN GYRO. SET WHIPSTOCK @ 239.0 DEG AZ. MILL 8061-67, & 3' RATHOLE 8067-8070.
7-06-06: DRILL 8070-8083, 8113, 8145, 8453, 8540, 8553, 8570, 8668, 8680, 8748, 8794, 8892, 9018, 9174, 9220, 9265, 9364, 9377, 9450, 9462, 9611, 9622, 9626, 9733, 9747, 9888, 9894, 9963, 10107, 10112, 10217, 10296, 10305, 10376, 10381, 10618, 10671, 10677, 10769, 10829, 10858, 10922, 10929, 11064. 7-15-06: TD LATERAL @ 1230 HRS. TIH W/RBP & SET 60' DN. 7-16-06: REL RBP & LD TOOLS. RIG DOWN. RELEASE RIG @ 0600 HRS. W/O COMPLETION.
7-20-06: MIRU. TIH W/2 7/8" TBG & 3 1/2" TBG. 7-21-06: TIH W/BHA TO 10,564'. TAG UP END OF LATERAL 11,064. CLEAN OUT TO 11064. PULL OUT OF LATERAL W/52 STANDS TBG. 7-24-06: TIH W/PKR & SET @ 7818'. 7-25-06: REMOVE TIW & INSTL FRAC VALVE ASSEMBLY.
7-26-06: MIRU 2" COIL TBG. 7-27-06: ACIDIZE ABO REEF LATERAL FR 8200-11064 W/1380 BBLs 20% ACID & 238 BBLs WF110. START SCALE INHIBITOR, 10 DRUMS MIXED IN 216 BBLs WTR. DISPL TBG W/SODA ASH WTR. WELL ON VAC. 7-28-06: INSTL FLANGE FOR FLOW BACK. OPEN BY-PASS. 7-31-06: FLOW 1 HR. 8-01-06: CIRC 60 BBLs 4% KCL TO KILL WELL. RU SWAB. 8-02-06: TIH TO 7800'. NO FLUID IN TBG. REL PKR. 8-03-06: TIH W/TBG, BHA TO 8075'. LATCH ONTO WHIPSTOCK. TIH W/TBG. 8-04-06: TIH W/TBG. SET DN ON FISH & TORQUE 7 RDS W/TBG. TIH W/35 STNDS TBG. 8-07-06: TIH W/TBG & TAG @ 8092'. DRILL ON CIBP. DRILL DN TO 8096'. FELL THRU. TIH W/BIT & TAG @ 8803'. (7' HIGHER THAN PREVIOUS TD). 8-08-06: TIH W/TBG & SN TO 8592'. RU SWAB. 8-09-06: TIH W/150 JTS 2 7/8" TBG. 8-10-06: TIH W/269 JTS 2 7/8" TBG & SUB EQUIP. 8-11-06: INSTALL NEW TBG VALVE. RIG DOWN.
8-21-06: ON 24 HR OPT. PUMPING 143 OIL, 181 GAS, & 121 WATER. GOR-1268

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 8/23/2006
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:

DATE AUG 30 2006