

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.	30-025-38338
5. Indicate Type of Lease	STATE ☐ FEE ☒
6. State Oil / Gas Lease No.	
7. Lease Name or Unit Agreement Name	C.L. HARDY
8. Well No.	8
9. Pool Name or Wildcat	PENROSE SKELLY; GRAYBURG
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3486'

SUNDY 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 PERMIT
(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	Unit Letter <u>N</u> : <u>330</u> Feet From The <u>SOUTH</u> Line and <u>1410</u> Feet From The <u>WEST</u> Line Section <u>20</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.)	3486'

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: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPERATION ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☒ NEW WELL

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.

5-03-07: SPUD WELL @ 20:00 CST. DRILG 105, 277, 485.
5-04-07: RUN 11 JTS 8 5/8" 24# STC CSG TO 485. MIX & PUMP 490 SX CL C @ 14.8 PPG, 1.34 YIELD, 6.09 H2O. DISPL 29 BFW. BUMP PLUG TO 1200#. FLOATS HELD. CIRC 189 SX TO SURF. PLUG DOWN @ 13:00 CST. WOC.
5-05-07: TAG CMT @ 440. DRLG 485-1023, 1343, 1503, 2014, 2045, 2525, 2749, 2908, 3228, 3250, 3505, 3611, 3624, 3648, 3670, 3675, 3805, 3824, 4027, 4154, 4186, 4300.
5-09-07: TD @ 0425 HRS. WIPE LAST 15 JTS. WASH TO BTM. RUN 102 JTS OF 5 1/2" 15.5#, K-55, LTC CSG TO 4300. FC @ 4253. TOP OF 10' FLAG JT @ 1841. WASH DN LAST 2 JTS. CIRC. PMP 56 CF (10 BBLS) H2O AHEAD, 112 CF (20 BBLS) CW100, 56 CF (10 BBLS) H2O, 550 SX LEAD CMT OF 35:65 POZ CL C, 6% D020 GEL, 5% D044(NACL), 0.4% D112 (FLUID LOSS ADDITIVE), 0.25 PPS D29(CELLOFLAKE), 0.2% D46, 12.4 PPG DENSITY, 2.15 YIELD, 570 SX TAIL CMT OF 50:50 POZ CL C, 2% D020 GEL, 5% D044 (NACL), 2% D20 GEL, 0.25 PPS D29 CELLOFLAKE, 0.2% D46, 14.2 PPG DENSITY, 1.36 CFS YIELD. DISPL W/569 CF (101.3 BBLS) H2O. CIRC 101 BBLS (264 SX) TONSURF. SET SLIPS, CUT OFF CSG. RELEASE RIG @ 2300 HRS. W/O COMPLETION RIG.
5-21-07: MIRU. TIH W/2 7/8" TBG & TAG @ 4253. 5-22-07: RAN GR/COMP NEUTRON/CCL LOG FR 4253-2300. RAN GR/CBL/CCL FR 4253-300.
5-23-07: PERF 3644-46, 3654-60, 3667-70, 3674-78, 3685-87, 3691-94, 3698-3701, 3705-07, 3713-18, 3721-22, 3725-30, 3733-40, 3744-47, 3749-51, 3760-61, 3764-70, 3774-75, 3780-83, 3797-3805, 3808-13, 3817-18, 3821-26, 3832-35, 3838-47, 3852-60, 3864-72, 3875-83, 3886-95, 3902-11, 3914-15, 3925-29, 3931-40, 3945-52. 5-24-07: TIH W/PPI PKRS TO TD. PUH & MARK SETTINGS. SET PKRS. TREAT PERFS 3644-3952' W/6000 GALS 15% HCL. REL PKR. PUH ABOVE PERFS & SET PKR @ 3625. 5-25-07: REL PKRS. TIH W/PERF SUB, RBP SET @ 3790. PUH. SET PKR @ 3595. SET PSI BOMB IN SN @ 3595. 5-29-07: TIH W/SLICK LINE. PULL PRONG & PLUG. LATCH ONTO RBP. TOH W/PKR & RBP. 5-31-07: FRAC W/88,000 GALS YF125 & SAND. 6-01-07: TIH W/BIT & TAG SAND @ 3872'. PUH W/WS TO 3550'. 6-04-07: TAG SAND @ 3870'. C/O SAND FR 3870-4253'. TIH W/PKR & SET @ 3603'. 6-05-07: SWABBING. 6-06-07: REL PKR. TIH W/BPMAJ, PERF, SN, TBG. 6-07-07: TIH W/PMP & RODS. LOAD & TEST. RIG DOWN. FINAL REPORT WAIT ON COMPLETION TEST.
6-16-07: ON 24 HR OPT. PUMPING 36 OIL, 246 GAS, & 183 WATER. GOR-6926

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 7/17/2007
TYPE OR PRINT NAME Denise Pinkerton Telephone No. 432-687-7375

(This space for State Use)

APPROVED Chris Williams DISTRICT SUPERVISOR/GENERAL MANAGER
CONDITIONS OF APPROVAL, IF ANY: TITLE

DATE AUG 08 2007