

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.	30-025-09991
5 Indicate Type of Lease	STATE ☐ FEE ☒
6 State Oil / Gas Lease No.	
7 Lease Name or Unit Agreement Name	MARK
8 Well No.	2
9 Pool Name or Wildcat	PENROSE SKELLY GRAYBURG

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	Unit Letter <u>B</u> : <u>454</u> Feet From The <u>NORTH</u> Line and <u>2086</u> Feet From The <u>EAST</u> Section <u>3</u> Township <u>22-S</u> Range <u>37-E</u> NMPM <u>LEA</u> COUNTY
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3424' GL

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: ☒ HORIZONTAL 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.

4-13-07: MIRU.

4-16-07: REL ANCHOR. TIH W/CIBP & SET @ 5900'.

4-17-07: RUN GR/CCL/CBL FR 5900-100' ABOVE TOC (APPR 2800') DUMP 35' CMT ON TOP OF CIBP @ 5900. TIH & SET CIBP @ 3664.

4-18-07: TIH W/123 JTS 2,3/8" TBG & TAG CIBP @ 3670'. RIG DOWN FOR HORIZONTAL RIG.

6-06-07: TIH W/CIBP & SET @ 3642'.

7-09-07: MIRU. NOTIFIED NMOC D @ 09:35 AM, SYLVIA DICKEY.

7-10-07: TAG CIBP @ 3645. (-2.76' CORRECTION TO 3642). RAN GYRO SURVEY. MILL WINDOW. TOW @ 3626 TO 3628.

7-11-07: MILL 3628-3634, 3637, 3657, 3687, 3720, 3917, 3932, 4073, 4092, 4152, 4171, 4230, 4255, 4273, 4325, 4353, 4515, 4530, 4610, 4628, 4656, 4706, 4712, 4800, 4814, 5005, 5020, 5080, 5142, 5152, 5164, 5336, 5344, 5415, 5430, 5498, 5585.

7-17-07: TIH W/1247' OF 4.5" 11.6#/FT, L-80 LINER. PUMP 38.5 BBLs SPACER, 25 BBL CHEM WASH, 130 SX CL C, .3% D167, .3% D65, 2% D174, .2% D46 CMT. DISPL W/43 BFW. PUMP PLUG. REV CIRC. 7-18-07: SET RBP @ 3000'. RELEASE RIG @ 1400 HRS.

10-03-07: MIRU. TIH TO 3656 TO LATCH ON/OFF TOOL. DID NOT LATCH. 10-05-07: TIH W/4 1/2" TBG. LATCH ON/OFF TOOL.

10-08-07: TAG CMT & START DRILLING @ 4753. DRILL TO 4805.

10-09-07: DRILL ON 2ND FC @ 4805. FELL OUT @ 4897. ON VAC. TAG TD @ 5596.

10-10-07: TIH W/BIT & TBG. TAG TD & PULL UP TO 5690. SPOT 2000 GALS ACID ACR OPEN HOLE.

10-12-07: FRAC W/9000 GALS 2% WTR SPACER, & 246,000 GALS YF 125.

10-15-07: TAG @ 4583. 10-17-07: C/O BRIDGE. TAG TD. NO FILL. 10-18-07: TAG TD @ 5590. RUN PRISM LOG FR 5590-3500. TIH W/PKR &

SET @ 3568. 10-19-07: SWAB. 10-23-07: SWABBING. 10-24-07: REL PKR. TAG @ 5591. 10-25-07: UNLATCH FROM ON/OFF TOOL. 10-26-

07: TIH W/2 7/8" TBG. TIH W/PMP & RODS. 10-29-07: RIG DOWN. FINAL REPORT. W/O COMPLETION TEST.

11-09-07: ON 24 HR OPT. PUMPING 34 OIL, 66 GAS, & 279 WATER. GOR-1971

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 11/14/2007

TYPE OR PRINT NAME Denise Pinkerton

Telephone No. 432-687-7375

(This space for State Use)

APPROVED Hayden Wink
CONDITIONS OF APPROVAL, IF ANY.

TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE

NOV 27 2007

DeSoto/Nichols 12-93 ver 1.0

2A Tubbs Oil & Gas (Pro Gas)

Results of Directional Survey

API number:	30-025-09991		
OGRID:		Operator:	CHEVRON U S A INC
		Property:	MARK OWEN # 2

surface	ULSTR:	B	03	T	22S	R	37E
			454	FNL	2086	FEL	

BH Loc	ULSTR:	G	03	T	22S	R	37E
			2272	FNL	2292	FEL	

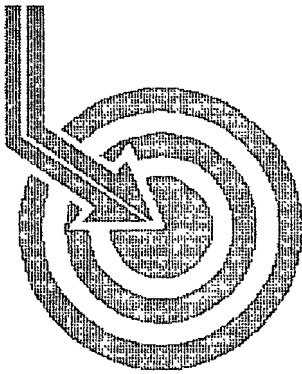
	MD	N/S	E/W	VD
	3592	18.08	29.20	3591.69
TOP PERFS/OH	3626	18.57	29.43	3625.68
	3626	18.57	29.43	3625.68
	3626	18.57	29.43	3625.68
BOT PERFS/OH	3634	16.51	28.96	3633.63
	3672	6.72	26.74	3671.38

NEXT TO LAST	5531	-1752.91	-199.38	3838.40
LAST READING	5585	-1806.66	-204.57	3838.94
TD	5596	-1817.61	-205.63	3839.05

Surface Location	454	FN	2086	FE
Projected BHL	2272	FN	2292	FE
Location of				
Top Perfs/OH	435	FN	2057	FE
Bottom Perfs/OH	437	FN	2057	FE

SUMMARY of Subsurface Locations

Surface Location	B-03-22S-37E	454	FN	2086	FE	Vert. Depth
Top Perfs/OH	B-03-22S-37E	435	FN	2057	FE	3625.68
Bottom Perfs/OH	B-03-22S-37E	437	FN	2057	FE	3633.63
Projected TD	G-03-22S-37E	2272	FN	2292	FE	3839.05



Scientific Drilling

SUR: B-3-22s-37e, 454/N & 2086/E
BHL: G-3-22s-37e, 2272/N & 2292/E
API # 30-025-09991

CHEVRON

Field: Mark Owen
Site: Lea County, NM
Well: Mark Owen #2H
Wellpath: DH - Job #32D0707567
Survey: 07/10/07-07/17/07

This survey is correct to the best of my knowledge
and is supported by actual field data.

Bharta.....Company Representative

Notorized this date 13th of August, 2007.

Deborah Sue Bynum

Notary Signature
County of Midland
State of Texas



Scientific Drilling International Survey Report

Company: CHEVRON	Date: 08/11/2007	Time: 10:16:41	Page: 1
Field: Mark Owen	Co-ordinate(NE) Reference:	Site: Lea County, NM, Grid North	
Site: Lea County, NM	Vertical (TVD) Reference:	SITE 0.0	
Well: Mark Owen #2H	Section (VS) Reference:	Well (0.00N,0.00E,186.81Azi)	
Wellpath: VH - Job #32K0707578	Survey Calculation Method:	Minimum Curvature	Db: Sybase

Survey: 07/10/07	Start Date: 07/10/2007
Company: KSRG 0'-3592'	Engineer: Rehders w/GeoGyro
Tool: Scientific Drilling Internatio	Tied-to: From Surface
Keeper;Keeper Gyro	

Survey

MD ft	Incl deg	Azim deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
0.00	0.00	359.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.65	332.15	100.00	-0.47	0.50	-0.26	0.65	0.57	332.15
200.00	0.83	339.57	199.99	-1.58	1.68	-0.78	0.20	1.86	335.04
300.00	0.42	21.11	299.98	-2.58	2.70	-0.90	0.59	2.85	341.51
400.00	0.33	31.26	399.98	-3.19	3.29	-0.62	0.11	3.35	349.29
500.00	0.28	38.59	499.98	-3.66	3.73	-0.32	0.06	3.74	355.09
600.00	0.31	40.49	599.98	-4.10	4.12	0.01	0.03	4.12	0.11
700.00	0.27	51.73	699.98	-4.49	4.48	0.37	0.07	4.49	4.70
800.00	0.05	48.94	799.98	-4.69	4.65	0.59	0.22	4.69	7.18
900.00	0.09	74.50	899.98	-4.75	4.70	0.69	0.05	4.75	8.41
1000.00	0.37	148.31	999.98	-4.53	4.45	0.94	0.36	4.54	11.94
1100.00	0.24	181.10	1099.97	-4.07	3.96	1.11	0.21	4.11	15.59
1200.00	0.20	143.32	1199.97	-3.73	3.61	1.21	0.15	3.81	18.46
1300.00	0.07	168.60	1299.97	-3.55	3.41	1.32	0.14	3.66	21.18
1400.00	0.16	159.00	1399.97	-3.36	3.22	1.38	0.09	3.51	23.25
1500.00	0.07	15.82	1499.97	-3.30	3.15	1.45	0.22	3.47	24.72
1600.00	0.21	85.15	1599.97	-3.40	3.23	1.65	0.20	3.62	27.10
1700.00	0.23	106.48	1699.97	-3.40	3.18	2.03	0.08	3.77	32.46
1800.00	0.47	97.23	1799.97	-3.37	3.08	2.62	0.25	4.04	40.48
1900.00	0.47	70.82	1899.97	-3.54	3.16	3.42	0.21	4.65	47.27
2000.00	0.55	71.39	1999.96	-3.93	3.45	4.26	0.08	5.48	51.03
2100.00	0.93	72.61	2099.95	-4.47	3.84	5.49	0.38	6.70	55.02
2200.00	1.13	68.47	2199.94	-5.27	4.45	7.18	0.21	8.45	58.24
2300.00	1.22	73.47	2299.92	-6.16	5.11	9.12	0.14	10.45	60.73
2400.00	1.34	63.06	2399.89	-7.23	5.94	11.18	0.26	12.66	62.01
2500.00	1.10	61.32	2499.87	-8.44	6.93	13.07	0.24	14.79	62.05
2600.00	1.10	67.71	2599.85	-9.46	7.76	14.80	0.12	16.71	62.33
2700.00	1.26	67.72	2699.83	-10.46	8.54	16.70	0.16	18.76	62.92
2800.00	1.19	66.74	2799.81	-11.52	9.37	18.67	0.07	20.89	63.36
2900.00	1.02	55.23	2899.79	-12.63	10.28	20.36	0.28	22.81	63.20
3000.00	1.00	57.83	2999.77	-13.77	11.26	21.83	0.05	24.56	62.72
3100.00	1.01	56.98	3099.76	-14.88	12.20	23.31	0.02	26.31	62.37
3200.00	1.00	54.33	3199.74	-16.03	13.19	24.76	0.05	28.05	61.95
3300.00	1.10	50.71	3299.73	-17.31	14.31	26.21	0.12	29.86	61.37
3400.00	0.99	39.09	3399.71	-18.74	15.59	27.49	0.24	31.61	60.45
3500.00	0.86	35.90	3499.70	-20.12	16.86	28.48	0.14	33.10	59.37
3592.00	0.91	25.62	3591.69	-21.42	18.08	29.20	0.18	34.35	58.23



Scientific Drilling International

Survey Report

Company: CHEVRON	Date: 08/11/2007	Time: 10:23:45	Page: 1
Field: Mark Owen	Co-ordinate(NE) Reference:	Site: Lea County, NM, Grid North	
Site: Lea County, NM	Vertical (TVD) Reference:	SITE 0.0	
Well: Mark Owen #2H	Section (VS) Reference:	Well (0.00N,0.00E,186.81Azi)	
Wellpath: DH - Job #32D0707567	Survey Calculation Method:	Minimum Curvature	Db: Sybase

Survey: 07/10/07-07/17/07	Start Date: 07/10/2007
MWD 3626'-5531' w/projection @ 5585'	
Company: Scientific Drilling Internatio	Engineer: Melendez/Foster/Graham/Boyd
Tool: MWD;MWD	Tied-to: From: Definitive Path

Survey

MD ft	Incl deg	Azim deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
3592.00	0.91	25.62	3591.69	-21.42	18.08	29.20	0.00	34.35	58.23
3626.00	0.91	25.62	3625.68	-21.93	18.57	29.43	0.00	34.80	57.75
3672.00	11.83	193.01	3671.38	-17.57	14.29	28.53	27.65	31.90	63.40
3701.00	19.30	193.46	3699.29	-9.84	6.72	26.74	25.76	27.57	75.89
3733.00	27.92	191.71	3728.59	2.90	-5.78	23.98	27.02	24.67	103.56
3764.00	37.73	188.58	3754.61	19.65	-22.31	21.09	32.11	30.70	136.61
3796.00	47.85	186.12	3778.06	41.36	-43.84	18.35	32.05	47.53	157.28
3828.00	58.13	184.51	3797.30	66.87	-69.25	16.01	32.37	71.08	166.98
3859.00	68.98	183.89	3811.09	94.55	-96.89	13.99	35.05	97.90	171.78
3891.00	79.84	184.32	3819.67	125.29	-127.59	11.79	33.96	128.14	174.72
3923.00	88.55	187.23	3822.91	157.09	-159.23	8.58	28.68	159.46	176.92
3954.00	90.00	187.16	3823.30	188.09	-189.98	4.70	4.68	190.04	178.58
3986.00	89.56	186.95	3823.42	220.09	-221.74	0.77	1.52	221.74	179.80
4018.00	89.09	186.78	3823.80	252.08	-253.51	-3.06	1.56	253.53	180.69
4049.00	88.76	186.78	3824.38	283.08	-284.29	-6.72	1.06	284.37	181.35
4080.00	89.50	185.75	3824.85	314.07	-315.10	-10.10	4.09	315.26	181.84
4112.00	91.04	185.99	3824.70	346.07	-346.93	-13.37	4.87	347.19	182.21
4143.00	91.68	186.30	3823.96	377.06	-377.74	-16.69	2.29	378.11	182.53
4175.00	93.49	188.12	3822.52	409.02	-409.45	-20.70	8.02	409.98	182.89
4206.00	94.03	188.41	3820.49	439.94	-440.07	-25.15	1.98	440.78	183.27
4238.00	92.93	187.65	3818.55	471.88	-471.69	-29.61	4.18	472.62	183.59
4270.00	91.14	187.08	3817.41	503.85	-503.41	-33.71	5.87	504.54	183.83
4301.00	91.11	186.82	3816.80	534.85	-534.17	-37.46	0.84	535.49	184.01
4333.00	90.17	186.98	3816.44	566.84	-565.94	-41.30	2.98	567.45	184.17
4365.00	88.25	187.80	3816.89	598.84	-597.67	-45.42	6.52	599.39	184.35
4397.00	88.05	188.21	3817.92	630.81	-629.34	-49.87	1.42	631.31	184.53
4428.00	87.48	187.33	3819.13	661.79	-660.03	-54.06	3.38	662.24	184.68
4460.00	87.31	186.43	3820.58	693.75	-691.77	-57.89	2.86	694.19	184.78
4492.00	87.88	186.78	3821.92	725.72	-723.53	-61.57	2.09	726.14	184.86
4523.00	89.23	186.55	3822.71	756.71	-754.31	-65.16	4.42	757.12	184.94
4555.00	89.90	187.83	3822.95	788.71	-786.06	-69.17	4.51	789.09	185.03
4586.00	90.13	186.33	3822.94	819.71	-816.82	-72.99	4.90	820.07	185.11
4617.00	90.00	187.44	3822.91	850.71	-847.59	-76.70	3.61	851.06	185.17
4649.00	88.79	188.12	3823.24	882.70	-879.30	-81.04	4.34	883.02	185.27
4681.00	88.15	187.65	3824.10	914.68	-910.98	-85.42	2.48	914.98	185.36
4712.00	87.78	188.15	3825.20	945.66	-941.67	-89.68	2.01	945.93	185.44
4744.00	87.01	188.36	3826.65	977.62	-973.30	-94.27	2.49	977.86	185.53
4775.00	86.60	187.88	3828.38	1008.56	-1003.95	-98.64	2.03	1008.78	185.61
4807.00	87.78	188.11	3829.95	1040.51	-1035.60	-103.09	3.76	1040.71	185.68
4838.00	89.23	188.01	3830.76	1071.49	-1066.28	-107.43	4.69	1071.68	185.75
4869.00	89.46	188.24	3831.11	1102.48	-1096.97	-111.82	1.05	1102.65	185.82
4901.00	89.76	188.08	3831.33	1134.48	-1128.64	-116.36	1.06	1134.62	185.89
4932.00	89.50	187.35	3831.53	1165.47	-1159.36	-120.52	2.50	1165.61	185.93
4964.00	89.87	186.92	3831.71	1197.47	-1191.11	-124.49	1.77	1197.60	185.97
4995.00	90.17	186.75	3831.70	1228.47	-1221.89	-128.18	1.11	1228.60	185.99
5027.00	90.71	189.18	3831.45	1260.46	-1253.58	-132.62	7.78	1260.57	186.04
5059.00	90.77	188.72	3831.04	1292.43	-1285.19	-137.59	1.45	1292.53	186.11
5091.00	90.71	188.90	3830.62	1324.41	-1316.81	-142.50	0.59	1324.49	186.18
5122.00	90.81	188.86	3830.21	1355.39	-1347.43	-147.28	0.35	1355.46	186.24



Scientific
Drilling

Scientific Drilling International Survey Report

Company: CHEVRON
Field: Mark Owen
Site: Lea County, NM
Well: Mark Owen #2H
Wellpath: DH - Job #32D0707567

Date: 08/11/2007 Time: 10:23:45 Page: 2
Co-ordinate(N/E) Reference: Site: Lea County, NM, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,186.81Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

Survey

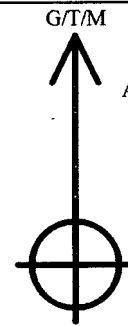
MD ft	Incl deg	Azim deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
5154.00	90.23	188.69	3829.92	1387.37	-1379.06	-152.16	1.89	1387.42	186.30
5185.00	89.26	187.84	3830.06	1418.36	-1409.73	-156.62	4.16	1418.41	186.34
5217.00	88.69	187.68	3830.63	1450.35	-1441.43	-160.94	1.85	1450.39	186.37
5248.00	88.49	187.92	3831.40	1481.33	-1472.14	-165.14	1.01	1481.37	186.40
5280.00	88.11	188.18	3832.34	1513.31	-1503.81	-169.62	1.44	1513.34	186.44
5311.00	88.12	188.72	3833.36	1544.28	-1534.46	-174.18	1.74	1544.31	186.48
5344.00	88.49	188.04	3834.34	1577.26	-1567.09	-178.98	2.35	1577.28	186.52
5375.00	88.59	186.89	3835.13	1608.24	-1597.82	-183.01	3.72	1608.26	186.53
5407.00	87.85	186.73	3836.12	1640.23	-1629.57	-186.80	2.37	1640.25	186.54
5438.00	88.99	185.90	3836.98	1671.21	-1660.37	-190.21	4.55	1671.23	186.54
5470.00	88.99	185.86	3837.54	1703.20	-1692.20	-193.49	0.12	1703.23	186.52
5502.00	89.19	185.40	3838.05	1735.19	-1724.04	-196.63	1.57	1735.22	186.51
5531.00	89.43	185.51	3838.40	1764.18	-1752.91	-199.38	0.91	1764.21	186.49
5585.00	89.43	185.51	3838.94	1818.17	-1806.66	-204.57	0.00	1818.20	186.46

↓ ↓
226' 229'



**Scientific
Drilling**

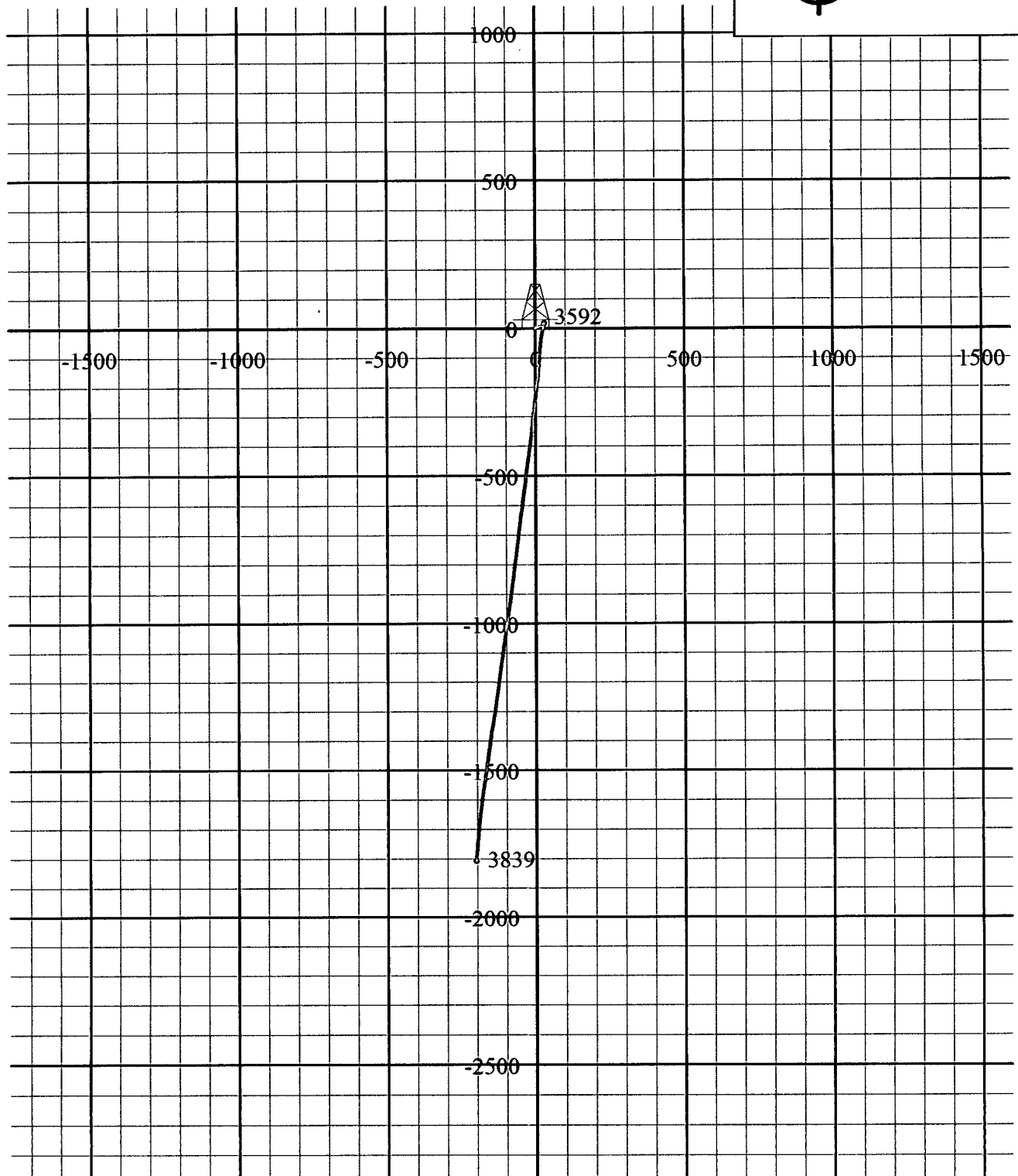
Field: Mark Owen
Site: Lea County, NM
Well: Mark Owen #2H
Wellpath: DH - Job #32D0707567
Survey: 07/10/07-07/17/07



Azimuths to Grid North
True North: 0.00°
Magnetic North: 0.00°

Magnetic Field
Strength: 0nT
Dip Angle: 0.00°
Date: 08/11/2007
Model: igrf2000

South(-)/North(+) [500ft/in]



West(-)/East(+) [500ft/in]

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-09991	² Pool Code 50350	³ Pool Name PENROSE SKELLY GRAYBURG
⁴ Property Code 2678	⁵ Property Name MARK	⁶ Well Number 2
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3424' GL

¹⁰ Surface Location

UL or lot no. B	Section 3	Township 22-S	Range 37-E	Lot Idn	Feet from the 454'	North/South line NORTH	Feet from the 2086'	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. G	Section 3	Township 22-S	Range 37-E	Lot Idn	Feet from the 2264'	North/South line NORTH	Feet from the 2291'	East/West line EAST	County LEA
¹² Dedicated Acres 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. 2212						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division Signature: <i>Denise Pinkerton</i> Date: 3-02-2007 11-14-2007 DENISE PINKERTON REGULATORY SPECIALIST Printed Name
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief Date of Survey Signature and Seal of Professional Surveyor Certificate Number