

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

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| WELL API NO. | 30-025-36020 |
| 5. Indicate Type of Lease | STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil / Gas Lease No. | |
| 7. Lease Name or Unit Agreement Name | STATE "S" |
| 8. Well No. | 10 |
| 9. Pool Name or Wildcat | PENROSE SKELLY GRAYBURG |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) | 3450' GL |

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| 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 PERMIT (FORM C-101) FOR SUCH PROPOSALS. | |
| 1. Type of Well: | OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> |
| 2. Name of Operator | CHEVRON USA INC |
| 3. Address of Operator | 15 SMITH ROAD, MIDLAND, TX 79705 |
| 4. Well Location | Unit Letter <u>B</u> : <u>330'</u> Feet From The <u>NORTH</u> Line and <u>1930'</u> Feet From The <u>EAST</u> Line Section <u>15</u> Township <u>21-S</u> Range <u>37-E</u> NMPM <u>LEA</u> COUNTY |
| 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data | |

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| NOTICE OF INTENTION TO: | SUBSEQUENT REPORT OF: |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | COMMENCE DRILLING OPERATION <input type="checkbox"/> |
| OTHER: <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| | CASING TEST AND CEMENT JOB <input type="checkbox"/> |
| | OTHER: <input checked="" type="checkbox"/> ADD PERFS & FRAC GRAYBURG |

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.

1-29-04: MIRU KEY #176.
1-30-04: TIH W/BIT TO 3992.
2-02-04: TIH W/GR/CBL/CCL. SET DN @ 3960. PULL UP TO 3600. GO BACK DN TO 3960 & GOT STUCK. TAG TOF @ 3940. PUSH LOGGING TOOL TO COTD @ 3986. TIH W/RBP & SET @ 3835. TIH W/GR/CBL/CCL.
2-03-04: TIH W/RBP RETR HEAD. ENGAGE & REL RBP @ 3635. PERF 3744-50, 3765-69, 3772-76, 3784-86, 3814-22, 26' & 104 HOLES. TIH W/PKR & SET IN BLANK PIPE.
2-04-04: ACIDIZE GRAYBURG PERFS 3744-3953 W/3400 GALS 15% ANTI-SLUDGE HCL. SET PPI PKR @ 3716. RU SWAB. 5 HR TEST.
2-05-04: 9 HR SWAB TEST.
2-06-04: FLOW & SWAB FOR 7 HRS. REL PPI PKR @ 3716. TOH W/PKR.
2-09-04: FRAC GRAYBURG PERFS 3744-3953 W/100,750 GALS 10 PPG BW & 30,000# 14/30 LITEPROP 125 & 2000# 20/40 BRADY SAND.
2-10-04: TAG PROPPANT FILL @ 3544. D/O PROPPANT BRIDGE TO 3546. WASH DN TO 2ND BRIDGE @ 3900. D/O BRIDGE DN TO 3905. WASH DN TO 3986. D/O FILL DN TO 3990 & CMT DN TO 4000.
2-11-04: RUN GR/AFTER FRAC/CCL LOG FR 3995-3500. SET TAC @ 3721. PU 2 1/2"X2"X16' PUMP & RODS.
2-12-04: NO OPERATIONS.
2-13-04: NO OPERATIONS.
2-16-04: PU RODS. LOAD TBG. PUMP WELL UP TO 500 PSI. OK. RIG DOWN. TURN WELL OVER TO PRODUCTION TO HOOK UP WH & FLOWLINE.
FINAL REPORT

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Denise Leake TITLE Regulatory Specialist DATE 2/17/2004
TYPE OR PRINT NAME Denise Leake Telephone No. 915-687-7375

(This space for State Use)

APPROVED Harry W. Wink OC FIELD REPRESENTATIVE II/STAFF MANAGER
CONDITIONS OF APPROVAL, IF ANY: TITLE DATE FEB 25 2004
DeSoto/Nichols 12-03 ver 1.0