

Submit 3 Copies To Appropriate District Office
District I
1025 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

MAY -7 2009

Form C-103
June 19, 2008

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)		WELL API NO. 30-015-22814
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator CHI OPERATING, INC.		6. State Oil & Gas Lease No.
3. Address of Operator P.O. BOX 1799, MIDLAND, TEXAS 79702		7. Lease Name or Unit Agreement Name State 23 A
4. Well Location Unit Letter <u>L</u> : <u>1980</u> feet from the <u>SOUTH</u> line and <u>660</u> feet from the <u>WEST</u> line Section <u>23</u> Township <u>19S</u> Range <u>29E</u> NMPM County <u>EDDY</u>		8. Well Number #1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3135' GR		9. OGRID Number
		10. Pool name or Wildcat TURKEY TRACK BONE SPRING

12. 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 ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

**Notify OCD 24 hrs. prior
To any work done.**

OTHER: ☐

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Set CIBP @ 7900' w/3sx cmt on top (Bone Spring Plug)

Set CIBP @ 3800' w/3sx cmt on top (Grayburg Plug)

Perforate 5 1/2 csg @ 3100' (Intermediate Shoe) *

* Attempt to circ cmt to surf, if no circ, spot cmt plug 60' below perms & 60' above perms.

Perforate 5 1/2 csg @ 1200' (50' below Rustler top), attempt to circ cmt, if no circ, spot cmt plug 60' below perms & 60' above perms.

Spot cmt plug 50' below & 50' above perms. TAG, IF NO CIRC.

Pump 60' surface plug.

Install dry hole marker.

* R-111 P. area (Potash). a solid cmt plug across Sat. (1570' - 1300'). IF NOT CIRC. from 3100' To Surface

Spud Date: 11/13/1992

Rig Release Date: 12/2/1992

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

SIGNATURE Robin Askew TITLE REGULATORY CLERK DATE 5-5-09

Type or print name ROBIN ASKEW E-mail address: robina@chienergyinc.com PHONE: 432-685-5001

For State Use Only

APPROVED BY Phil Askew TITLE _____ DATE 5/14/09

Conditions of Approval (if any):

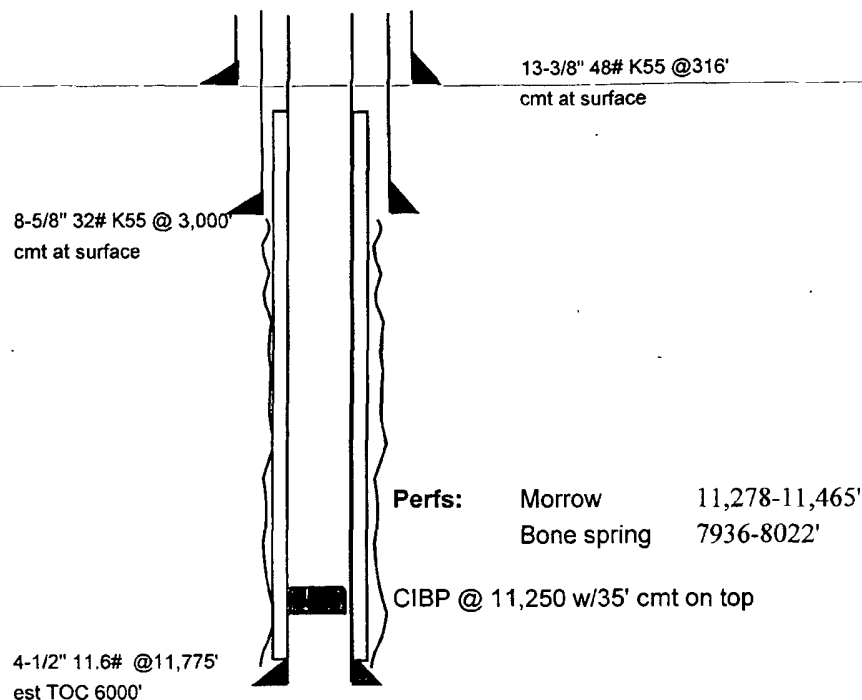
Approval Granted providing work
is complete by 5/14/09

State 23 A No. 1

(current wellbore)

30-015-22814

L-23-19S-29E



R-111-P
(Potash)

Proposed Plugging Procedure:

Set CIBP@7900' w/3sx cmt on top (Bone Spring Plug)

Set CIBP@3800' w/sx cmt on top (Grayburg Plug)

Perforate 5-1/2 casing at 3100' (Intermediate shoe)

Attempt to circulate cement to surface

If no circulation, spot cement plug 60' below perfs and 60' above perfs

Perforate 5-1/2 casing at 1200' (50' below Rustler top) Attempt to circulate cement

If no circulation, spot cement plug 60' below perfs and 60' above perfs

Spot cement plug 50' below and 50' above perfs

Pump 60' surface plug

Install dry Hole marker

(*) TAC All CMT Plugs That DO
NOT CIRC. TO Surface.

(*) R-111-P Area (Potash) a solid CMT Plug across Salt (1570'-1300')
IF NOT Circ. from 3100' To Surface.