

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM

District III

88210 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

WELL API NO.

30-015-33181

5. Indicate Type of Lease

STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

MERLAND

RECEIVED

MAY 04 2004

7. Well No.

2

OCB-ARTESIA

8. Pool name or Wildcat

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.)

1. Type of Well:

Oil Well

Gas Well

Other

2. Name of Operator

Chi Operating, Inc.

3. Address of Operator

P.O. Box 1799 Midland, Texas 79702

4. Well Location

Unit Letter : 990 feet from the NORTH line and 1980 feet from the WEST line
Section 30 Township: 22S Range: 27e NMPM County: EDDY

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

GR -

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 ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

☐

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

Drld 7 7/8" hole to 11,815'. Ran 5 1/2" 20# L80 production csg. Cmtld 1stage w/785sxs 15-61-11 "C" + 8% BA-10A + 65% CD-32 + 35% FL-52 + 3% SMS. Cmtld 2 stage w/Lead 320sxs "C" + 15% Gel + 10% Salt + 1/4 CF, Tail 50sxs "C" + 2/10% SMS. Well control from 3/11/04 thru 3/26/04. Released Rig @ 18:00 hrs on 3/28/04.

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

SIGNATURE Robin Askeew TITLE Regulatory Clerk DATE 4/26/04

Type or print name ROBIN ASKEW

Telephone No. 432-685-5001

(This space for State use)

APPPROVED

BY FOR RECORDS ONLY

DATE MAY 04 2004

Conditions of approval, if any: