

(July 1992)

UNITED STATES **SUBMIT IN DUPLICATE***
DEPARTMENT OF THE INTERIOR **Oil Cons.**
BUREAU OF LAND MANAGEMENT **N.M. Div-Dist. 2**
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED

OMB NO. 1004-0137

Expires: February 28, 1995

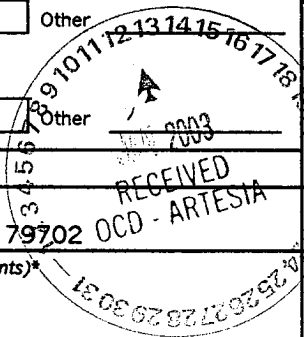
5. LEASE DESIGNATION AND SERIAL NO.
 NM-0560353

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL:		OIL <input type="checkbox"/> WELL		GAS <input type="checkbox"/> WELL		<input checked="" type="checkbox"/> DRY		<input type="checkbox"/> Other	
b. TYPE OF COMPLETION:		NEW <input type="checkbox"/> WELL		WORK <input checked="" type="checkbox"/> OVER		DEEP <input type="checkbox"/> EN		PLUG <input type="checkbox"/> BACK	
				DIFF. <input type="checkbox"/> RESVR.				<input type="checkbox"/> Other	
2. NAME OF OPERATOR Chi Operating, Inc.									
3. ADDRESS AND TELEPHONE NO. P.O. Box 1799 Midland, Texas 79702									
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*									
At surface N-660' FNL & 660' FEL									
At top prod, interval reported below									
At total depth									
14. PERMIT NO.					DATE ISSUED				
15. DATE SPUDDED 5/30/2002					16. DATE T.D. REACHED 7/7/2002				
17. DATE COMPL. (Ready to prod.) 11/6/2002					18. ELEVATIONS (DF, RKB, RT, GE, ETC.)* 3441' GR				
19. ELEV. CASINGHEAD									
20. TOTAL DEPTH, MD, & TVD 12,260'					21. PLUG BACK TD, MD & TVD 11,945'				
22. IF MULTIPLE COMPL., HOW MANY*					23. INTERVAL DRILLED BY				
					24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AN TVD)* 11,882-887', 11,856-860', 11,819-832' MIDDLE MORROW SAND				
25. WAS DIRECTIONAL SURVEY MADE Y					26. TYPE ELECTRIC AND OTHER LOGS RUN GR/CAL/CNL/LDT GR/CAL/DLL/MSFL				
27. WAS WELL CORED									
28. CASING RECORD (Report all strings set in well)									
CASING SIZE/GRADE		WEIGHT, LB./FT.		DEPTH SET (MD)		HOLE SIZE		TOP OF CEMENT, CEMENTING RECORD	
13 3/8"		48#		475'		17 1/2"		L/300sxs, T/200sxs, Circ 164sxs	
8 5/8"		32#		3210'		11"		1415sxs, Plgd Dwn did not circ	
5 1/2"		20/17#		12,260'		7 7/8"		1" w/400sks, Circ 8sx	
								1450sxs, Circ 54sxs	
29. LINER RECORD									
SIZE		TOP (MD)		BOTTOM (MD)		SACKS CEMENT*		SCREEN (MD)	
								2 3/8"	
30. TUBING RECORD									
SIZE		DEPTH SET (MD)		PACKER SET (MD)					
				11694'					
31. PERFORATION RECORD (Interval, size and number)									
11,882-887', 11,856-860', 11,819-832' 6 SPF									
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.									
DEPTH INTERVAL (MD)					AMOUNT AND KIND OF MATERIAL USED				
Acidize w/2000 gals 7.5%, Frac w/48,000 gal Foam & 53,000 20/40 Inter prop									
33.* PRODUCTION									
DATE FIRST PRODUCTION 11/6/2002		PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) Flowing						WELL STATUS (Producing or shut-in) P	
DATE OF TEST #####		HOURS TESTED 24		CHOKE SIZE 48/64		PROD'N FOR TEST PERIOD		OIL - BBL. 7	
						GAS - MCF 342		WATER - BBL. 4	
FLOW. TUBING PRESS. 80#		CASING PRESSURE 0#		CALCULATED 24-HOUR RATE		OIL - BBL.		GAS - MCF	
						WATER - BBL.		OIL GRAVITY - API (CORR.)	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold									
35. LIST OF ATTACHMENTS									
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records									
SIGNED <i>Robert D. Shaw</i>					TITLE REGULATORY CLERK				
					DATE 12/31/2002				
					PETROLEUM ENGINEER				

*(See Instructions and Spaces for Additional Data on Reverse Side)

file



ACCEPTED FOR RECORD

JAN 10 2003

12/31/2002

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
RUSTLER	510		
BASE SALT			
YATES	2066		
SEVEN RIVERS	2382		
QUEEN	3176		
PENROSE	3414		
GREYBURG	3478		
PREMIER	3780		
CAPITAN	4106		
CHERRY CANYON	4496		
BRUSHY CANYON			
BONE SPRING CARB	6082		
1ST BONE SPRING SAND	7650		
2ND BONE SPRING SAND	8546		
3RD BONE SPRING SAND	9318		
WOLFCAMP	9788		
WOLFCAMP SHALE	10199		
STRAWN	10882		
ATOKA	11198		
MORROW LIME	11598		
MORROW CLASTICS	11800		
LOWER MORROW	12008		
MISSISSIPPIAN			

38. GEOLOGICAL MARKERS			38. GEOLOGICAL MARKERS		
NAME	TOP		NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH		MEAS. DEPTH	TRUE VERT. DEPTH

WELL NAME AND NUMBER Landrush "12" Fed Com #2

LOCATION Section 12, T-19-S, R-30-E, Eddy County, New Mexico

OPERATOR Chi Energy Inc., 212 N. Main, Suite 200, Midland, Texas 79701

DRILLING CONTRACTOR TMBR/Sharp Drilling, Inc., P. O. Drawer 10970, Midland, TX 79702

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

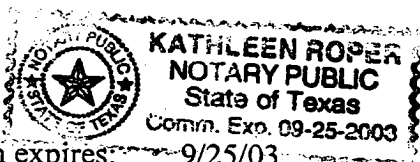
Degrees @ Depth	Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
.50 @ 293'	1.00 @ 4,212'	1.75 @ 6,435'	1.00 @ 9,251'
1.00 @ 475'	1.25 @ 4,461'	1.75 @ 6,560'	.75 @ 9,376'
1.50 @ 668'	1.25 @ 4,586'	2.00 @ 6,748'	.50 @ 9,515'
1.00 @ 848'	1.25 @ 4,743'	1.75 @ 6,842'	.75 @ 9,815'
1.25 @ 1,153'	1.50 @ 4,900'	1.75 @ 6,967'	1.00 @ 10,128'
1.00 @ 1,433'	1.50 @ 5,057'	1.50 @ 7,091'	.50 @ 10,347'
1.00 @ 1,714'	2.00 @ 5,213'	1.00 @ 7,279'	.50 @ 10,680'
1.00 @ 2,058'	2.00 @ 5,276'	.75 @ 7,527'	.50 @ 10,906'
.50 @ 2,370'	1.50 @ 5,339'	.75 @ 7,778'	.75 @ 11,156'
.50 @ 2,623'	1.75 @ 5,464'	.25 @ 8,028'	1.25 @ 11,407'
1.00 @ 2,966'	2.00 @ 5,589'	.25 @ 8,210'	1.25 @ 11,658'
1.00 @ 3,210'	2.00 @ 5,714'	.50 @ 8,435'	1.25 @ 11,845'
.75 @ 3,426'	2.00 @ 5,839'	.50 @ 8,654'	.50 @ 12,260'
1.00 @ 3,739'	1.75 @ 5,996'	1.00 @ 8,906'	
1.00 @ 3,991'	1.75 @ 6,215'	1.25 @ 9,125'	

Drilling Contractor TMBR/Sharp Drilling, Inc.

By

Jeffrey D. Phillips
Jeffrey D. Phillips, President

Subscribed and sworn to before me this 17th day of July 2002



Kathleen Roper
Notary Public

Kathleen Roper

Commission expires: 9/25/03

Midland

County, Texas

