N.M. Oil Cons. DIV-Dist, 2 1301 W. Grand Avenue Artasia, NM 88210

FORM APPROVED **UNITED STATES** Budget Bureau No. 1004-0135 Form 3160-5 DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 (June 1990) BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. LC-D2899D A SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals SUBMIT IN TRIPLICATE 7. If Unit or CA, Agreement Designation 1. Type of Well 8. Well Name and No. Shugart West "13" Federal #1 2. Name of Operator CHI OPERATING, INC. 9. API Well No. 30-015-33577 3. Address and Telephone No. P.O. BOX 1799 MIDLAND, TEXAS 79702 10. Field and Pool, or Exploratory Area Bone Spring 4. Location of Well (Footage, T., R., M., or Survey Description) 11. County or Parish, State Sec. 13, T-18-S, R-30-E 678' FSL & 1667' FEL Eddy Co., NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion New Construction Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Discose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 13. Describe Proposed or Completed Operations (Clearly state all pertinet details, and give pertinet dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markders and zones pertinent to this work.)\*

1/23/05 Unloaded 2 7/8" tbg, tst csg t/2000#-1/2 hr. Run CBL, PBTD @ 8742', TOC @ 6580', DV Tool @ 4303'. Perf 8640-44', 8670-76'; P/1000gal 7 1/2% HCL Acid. Set pkr @ 8530'. Perf 8219-25', 8170-76', 8160-66', 8152-56'; P/5000gals 15% NeFe Acid. RD 3/21/05.

| 14. I hereby certify that the torreguing by true and correct Signed  | Title               | Regulatory Clerk                            | Date            | <u> </u>                                | 4/11/05                   |            |                 |
|--|---------------------|---|-----------------|---|---------------------------|------------|-----------------|
| (This space for Federal or State office use)   |                     |   |                 |   |                           |            |                 |
| Approved by  | Title               |   | Data            |   | CEPTED FO                 | OR RECC    | )RD             |
| Conditions of approval, if any:  |                     |   | Date            |   |                           |            | 7-              |
|  |                     |   |                 | -                                       | 100 07                    | 7 _2005    |                 |
|  | _                   |   |                 |   | AIR Z /                   | 2003       |                 |
| Title 18 U.S.C. Section 1001, makes it a crime for any person k  | nowingly and willfu | illy to make to any department or agency of | the United Stat | es any [                                | false, fictitious or frau | dulent acc | $\mathcal{P}^-$ |
| statements or representations as to any matter within its jurisdiction.  *See Instructions on Reverse Side |                     |   |                 | ALEXIS C. SWOBODA<br>PETROLEUM ENGINEER |                           |            |                 |
|  | See instr           | actions on Keverse 5108                     |                 |   |                           |            | ·               |