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

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160 - 3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

5. Lease Serial No.
NM-84851

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
26494

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Carbon Valley "15" Fed #1

2. Name of Operator **Chi Operating, Inc.**

9. API Well No.
30-015-31281

3a. Address **P.O. Box 1799 Midland, Texas 79702**

3b. Phone No. *(include area code)* **432-685-5001**

10. Field and Pool, or Exploratory Area
Maljamar Grayburg-San Andres

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Unit Letter A, 660 FNL & 660 FEL, Section 15, T-16-S, R-27-E

11. County or Parish, State
Eddy, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☑ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

8-5/8" csg @ 1,578' w/ 600 sx, circ.; 5½" 17# csg @ 8,900' w/ 600 sx on 1st stage, TOC @ 6,025' CBL, 400 sx on 2nd stage, TOC 2,120' by CBL. DV tool 3,397'; Open perfs 8,622 – 8,640'. 2-7/8" tubing & packer @ 8,541'

Notify BLM & NMOCD 24 hrs prior to move in, and 4 hrs prior to plugs, hold daily tailgate safety meetings w/ crews. Set steel pit prior to MI

1. **POOH w/ production packer. Set CIBP @ 8,572'. Circulate hole w/ mud and pump 25 sx C cmt on CIBP.**
2. **Pump 25 sx C cmt @ 6,000'**
3. **Pump 25 sx C cmt @ 3,397' (DV tool)**
4. **Cut & pull 5½" casing from ~ 2,000'**
5. **Pump 45 sx C cmt @ 2,050' (casing stub) WOC & TAG**
5. **Pump 50 sx C cmt @ 1,628' (surface casing shoe)**
6. **Pump 35 sx C cmt @ 400'**
7. **Pump 10 sx C cmt 50' to surface**

Cut off wellhead & anchors, install dry hole marker

RECEIVED
MAR 3 1 2006
OCD-ARTESIA

Accepted for record - NMOCD

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* **James F. Newman, P.E.**

Title **Engineer, Triple N Services, Inc. 432-687-1994**

Signature

Date **03/28/2006**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (ORIG. SGD.) DAVID R. GLASS

Title PETROLEUM ENGINEER

Date MAR 3 0 2006

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)