

Submit 3 Copies To Appropriate District Office
District I
1625 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

MAR 04 2009

Form C-103
June 19, 2008

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

WELL API NO. 3001536432
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name <u>Wallace State Corn</u>
8. Well Number <u>4H</u>
9. OGRID Number <u>4378</u>
10. Pool name or Wildcat <u>Logan Draw; Wolfcamp (air)</u>

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>
2. Name of Operator CHI OPERATING, INC.
3. Address of Operator P.O. BOX 1799, MIDLAND, TEXAS 79702
4. Well Location SHL Unit Letter <u>I</u> : <u>2180</u> feet from the <u>SOUTH</u> line and <u>10</u> feet from the <u>EAST</u> line BHL <u>L: 2310' FSL & 330' FWL</u> Section <u>9</u> Township <u>17S</u> Range <u>27E</u> NMPM County <u>EDDY</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GL: 3375'

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 ☒

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.
- 8-21-08 Spud 17½" hole. Ran 13 3/8" 48# J55 csg to 398'. Cmt Lead w/165sx C + 4%D20+0.2%D46+2%SI, Tail w/200sx C + 2%SI. Didn't circ cmt to surface Temp Survey TOC @ 105'. Got OK from NMOC to pour ready mix dwn backside, WOC 17hrs. Tst csg t/1000psi for 30min, OK.
- 8-25-08 Drid a 12¼" hole to 1809'. Ran 9 5/8" 36# J55 csg. Cmt Lead w/760sx C + 4%D20+0.2%D46+2%SI; Tail w/200sx C + 1% SI Circ 145sx to pit, WOC 15½ hrs, Tst csg t/1000psi, OK.
- 9-7-08 Drid a 8¾" to 5891' (Pilot hole). Ran 7" 29/39# P110 csg. Cmt Lead w/375sx 50-50 PAX C + 5% D44+10%D20+0.2%D46+0.125#SI 30+2#D42, Tail w/200sx C + 0.2%D13 WOC 21hrs. Drill rubber plug, cmt in Shoe jts to 5896'.
- 9-9-08 Start slide drill from 5894' to 10,700'. MD @ 10,700': TVD @ 5911'
- 9-28-08 Ran 4½" 11.6# P110 csg to 10,475', w/ Peak system pkrs & ports spaceout. Brk cird w/mud displace hole w/Brine 2% KCL to 4000' +- set pkrs. Hang liner, test liner hanger t/1500psi, 5min-OK. Liner top @ 5695'.
- 9-29-08 Released rig.

Spud Date: 8-21-08

Rig Release Date: 9-29-08

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 2-2-09
Type or print name Robin Askew E-mail address: robina@chienergyinc.com PHONE: 432-685-5001
For State Use Only

APPROVED BY: [Signature] TITLE Geologist DATE 3/6/09
Conditions of Approval (if any):