

Submit 1 Copy 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

Form C-103
October 13, 2009

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

WELL API NO. 30-015-33019
5. Indicate Type of Lease STATE ☐ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STEPHENS "A"
8. Well Number 2
9. OGRID Number 4378
10. Pool name or Wildcat MORROW

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	RECEIVED FEB 12 2010 NMOCD ARTESIA
2. Name of Operator CHI OPERATING, INC.	
3. Address of Operator P.O. Box 1799, Midland, Texas 79702	
4. Well Location Unit Letter _____ P: 550 feet from the SOUTH line and 1065 feet from the EAST line Section 7 Township 23S Range 27E NMPM County EDDY	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GL - 3210'	

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ADD MORROW PAY ☒

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

CHI OPERATING, INC. is planning to perf an additional Morrow zone.

Procedure & wellbore schematic attached.

Spud Date: 11/13/03

Rig Release Date: 5/7/04

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

SIGNATURE Robina Askew TITLE REGULATORY CLERK DATE 2/1/10

Type or print name ROBINA ASKEW E-mail address: _robina@chienergyinc.com PHONE: 432-685-5001
For State Use Only

APPROVED BY: [Signature] TITLE Geologist DATE 2/16/2010
Conditions of Approval (if any):

Chi Operating, Inc.
Add Morrow Pay
Stephens "A" #2
API# 30-015-33019
Eddy County, New Mexico

Location: 500' FSL & 1065' FEL, Section 7(S/2) – T23S – R27E

Directions: Take Hwy 62-180. South out of Carlsbad, N.M. Turn left on Derrick Rd. Go approx. 2½ miles. Turn right (south) 2 mile to location.

SUPERVISORY PERSONNEL:

	Office	Home	Mobile
Sonny Mann			432-634-7062
Gary Womack	432-685-5001	432-682-5315	432-634-8958

CURRENT WELLBORE:

KB:	16'	
Int Csg:	@ 5386'	9 5/8", 40#, K-55 (DV tool @ 1884')
Prod Csg.:	@ 12,049'	5½ "-20 & 17# - N80 & P110 - LT&C
ID:	4.778"	
Drift:	4.653"	
Capacity:	20# @ .0222 bbls/ft. 17# @ .0232 bbls/ft	

Prod Tbg: 2 3/8"-4.7#-N-80, 8rd.

Packer: ?? (4" TCP assembly, 8' pup jt., 1.81 R nipple, 2 3/8"x 5½"-10K Pkr, inverted on/off w/1.87 "F" nipple, tbg)

Gun Release: **11,600'**

Existing Perfs: 11,718-11,730' (4 spf-90 deg phased.)

Procedure:

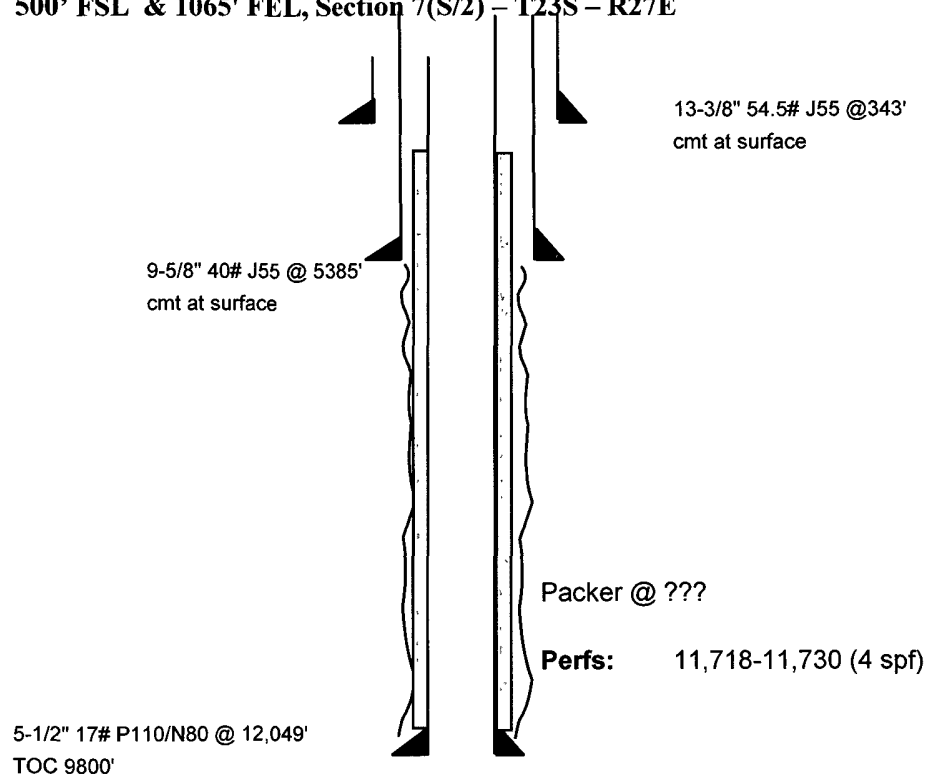
RU wireline w/full lubricator. PU GR CCL. RIH and locate packer and gun release. PU 1-11/16" thru tubing guns to perforate interval at 11,622-41' (4 spf) Correlate to Baker Atlas OH logs dated 12/29/03.

Flow back and test.

Stephens "A" #2

API# 30-015-33019

Location: 500' FSL & 1065' FEL, Section 7(S/2) - T23S - R27E



Additional Zones to Perf: see detail written by G. Davis

Below are my recommended intervals:

11622-11641 (this interval has been recommended by Cimarex)

11685-11692