

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-33181

5. Indicate Type of Lease

STATE ☐ FEE ☐

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:

OIL WELL ☐ GAS WELL ☐ DRY ☐ OTHER ☐

b. Type of Completion:

NEW ☐ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF.WELL OVER BACK RESVR. ☐ OTHER ☐

2. Name of Operator Chi Operating, Inc.

3. Address of Operator

P.O. Box 1799 Midland, TX 79702

4. Well Location

Unit Letter : 990' Feet From The NORTH Line and 1980' Feet From The WEST Line

Section 30 Township 22S Range 27E NMPM County EDDY

10. Date Spudded

2/06/04

11. Date T.D. Reached

3/10/04

12. Date Compl. (Ready to Prod.)

4/11/04

13. Elevations (DF& RKB, RT, GR, etc.)

14. Elev. Casinghead

15. Total Depth

11,815'

16. Plug Back T.D.

11,773'

17. If Multiple Compl. How Many Zones?

18. Intervals Drilled By

Rotary Tools

Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name

10,324-347', Strawn

20. Was Directional Survey Made

21. Type Electric and Other Logs Run

Deviation survey, CDL & CNL

22. Was Well Cored

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	61#	376'	17 1/2"	Lead 420sxs, Tail 135sxs, circ 276sxs	
9 5/8"	40/36#	5304'	12 1/4"	1-Lead 740sxs, Tail 75sxs, circ 75sxs 2-500sxs, Tail 100sxs, circ 150sxs	
5 1/2"	20#	11,815'	7 7/8"	1-785sxs, 2-370sxs	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)

10,324-347'

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED

28. PRODUCTION

Date First Production

4/11/04

Production Method (Flowing, gas lift, pumping - Size and type pump)

Flwg

Well Status (Prod. or Shut-in)

Prod.

Date of Test

4/16/04

Hours Tested

24

Choke Size

36/64

Prod'n For Test Period

Oil - Bbl

37 BO

Gas - MCF

3670 MCF

Water - Bbl.

3 BW

Gas - Oil Ratio

Flow Tubing Press.

550#

Casing Pressure

Calculated 24-Hour Rate

Oil - Bbl.

Gas - MCF

Water - Bbl.

Oil Gravity - API - (Corr.)

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

Test Witnessed By

SONNY MANN

30. List Attachments

31 I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature

ROBIN ASKEW

Printed Name

ROBIN ASKEW

Title REGULATORY CLERK

Date 4/26/04

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Delaware Lm	1848'
Delaware	2000'
Bone Springs Lm	5240'
3 rd Bone Spings Sd	8350'
Wolfcamp	8863'
Strawn	10,117'
Atoka	10,486'
Morrow	10,865'
Morrow Clastics	11,216'

Northwestern New Mexico

T. Ojo Alamo	T. Penn. "B"
T. Kirtland-Fruitland	T. Penn. "C"
T. Pictured Cliffs	T. Penn. "D"
T. Cliff House	T. Leadville
T. Menefee	T. Madison
T. Point Lookout	T. Elbert
T. Mancos	T. McCracken
T. Gallup	T. Ignacio Otzte
Base Greenhorn	T. Granite
T. Dakota	T.
T. Morrison	T.
T. Todilto	T.
T. Entrada	T.
T. Wingate	T.
T. Chinle	T.
T. Permian	T.
T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
from.....to.....

No. 3,

OPERATOR: CHI ENERGY, INC
WELL/LEASE: MERLAND #2
COUNTY: EDDY, NM

622-0090

STATE OF NEW MEXICO
DEVIATION REPORT

209	1/2	7,739	2
376	3/4	7,835	1 3/4
585	3/4	7,994	2
886	2	8,120	2
976	2	8,247	2
1,066	2	8,374	2 1/2
1,157	2	8,565	2
1,251	1 3/4	8,692	2 1/4
1,347	1 1/2	8,819	2
1,445	1 1/2	8,979	2 1/4
1,539	1 1/2	9,107	1 1/2
1,665	1 1/4	9,253	1
1,793	1	9,362	1
1,942	1	9,521	1 1/2
2,111	1	9,681	2
2,271	3/4	9,806	1 3/4
2,460	3/4	9,966	2
2,652	3/4	10,093	1 3/4
2,843	1/2	10,253	2 3/4
3,033	3/4	10,380	2 1/4
3,256	1/2	10,539	2 1/2
3,480	1/2	10,667	2 1/2
3,702	1/2	10,794	1 3/4
3,926	3/4	10,951	1 3/4
4,181	1/2	11,111	1 1/2
4,436	3/4	11,270	1
4,691	1/2	11,618	1 1/4
4,913	3/4		
5,137	3/4		
5,300	1/2		
5,447	1/4		
5,702	3/4		
5,924	3/4		
6,146	3/4		
6,465	3/4		
6,624	1 1/4		
6,752	1		
6,912	1 1/4		
7,070	1		
7,166	1 1/4		
7,294	3/4		
7,421	3/4		
7,581	1		

RECEIVED

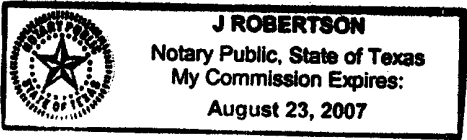
MAY 04 2004

OCB-ARTESIA

STATE OF TEXAS
COUNTY OF MIDLAND

By: Steve Moore

The foregoing instrument was acknowledged before me on this 31st day of March, 2004, by Steve Moore on behalf of Patterson-UTI Drilling Company LP, LLLP.



Robertson

My Commission Expires: 8/23/2007

Notary Public for Midland County, Texas