FORM APPROVED **UNITED STATES** Budget Bureau No. 1004-0135 Form 3160-5 (June 1990) DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT Lease Designation and Serial No. 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 Well Name and No. RECEIVEL Freeway Federal #1 2. Name of Operator CHI OPERATING, INC. API Well No. APR 0 4 7005 30-015-33790 3. Address and Telephone No. P.O. BOX 1799 MIDLAND, TEXAS 79702 OUD:MATERIA 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, T., R., M., or Survey Description) 11. County or Parish, State 1980' FNL & 1980' FWL , Sec.30, T19S, R30E Eddv 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 Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Conversion to Injection 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.)* Drid 7 7/8" hole t/12,115'. Ran 5 1/2" 17# csg, Cmtd 1st stage w/900sx "C" + Lead 15:61:11 + .8% BA-10 + .35% FL, Tail 52 + .65% CD-32 + .3% SMS. 2nd stage w/Lead 450sx "C" + 50:50:2 + .7% FL-25 + 1% Salt + .2% SMS + 1/4# CF. Tail w/550sxs "C" + 2% SMS. Released rig. 14. I hereby certify Regulatory Clerk Signed 3/3/05 Date (This space for Federal or State office use) Approved by Conditions of approval, if any:

Title 18 U. S. C. Section 1001, makes 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.



DRILLING INC. Oil Well Drilling Contractor

Post Office Box 160 • Artesia, NM 88211-0160 • Office (505) 748-8704 • Fax (505) 748-8719

February 7, 2005

Chi Operating Inc 212 N Main, Suite 200 Midland, Tx 79704

Attn: John Wolf

Re: Freeway Fed #1 Sec. 30,T-19-S, R-30-E Eddy County, New Mexico

The following is a Deviation Survey on the referenced well:

RECEIVEL

APR 0 4 2005

134' - 1/2°	2871' - 1 1/ 4 °	7431' - 1/2°
410' - 3/4°	3345' - 1 3/4°	7802' - 1/2°
561' - 1 1/2 °	3557' - 1 1/2°	8288' - 3/4°
711' - 1°	3831' - 1°	8766' - 1°
1009' - 1 1/4°	4310' - 3/4°	9244' - 1 1/4°
1254' - 2°	4723' - 1°	9722' - 1 1/2°
1326' - 1 1/2°	5201' - 1 1/2°	10200' - 1 1/2°
1534' - 1°	5647' - 1/4°	10628' - 1 3/4°
1750' - 1 3/4°	6126' - 1/4°	11121' - 1°
1903' - 1°	6540' - 1/2°	11586' - 3/4°
2371' - 3/4°	6986' - 1/2°	12067' - 1°

Sincerely

Jerry W. Wilbanks President

STATE OF NEW MEXICO)

COUNTY OF CHAVES

The foregoing was acknowledged before me this 7th day of February, 2005 by Jerry W. Wilbanks.

MY COMMISSION EXPIRES

June 19th, 2007

NOTARY PUBLIC Long