

Submit 3 Copies  
to Appropriate  
District Office

District I

P. O. Box 1980, Hobbs, NM 88240

District II

811 South First St., Artesia, NM 88210

District III

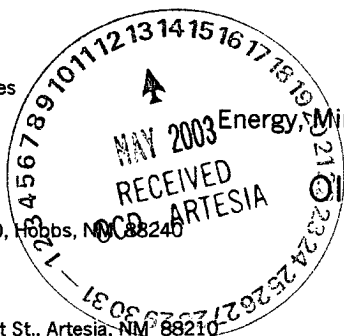
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-103

Revised 1-1-89



# OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

|  |
|--|
| WELL API NO.<br><b>30-015-30388</b>  |
| Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| State Oil & Gas Lease No.  |
| Lease Name or Unit Agreement Name<br><br><b>CANNON BALL "9" STATE COM.</b>                       |
| Well No.<br><b>#1</b>  |
| Pool name or Wildcat<br><b>WC CROW FLAT; MORROW SE GAS 96840</b>                                 |

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DIRLL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USA "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

|   |
|---|
| 1 Type of Well:<br>OIL <input type="checkbox"/> GAS <input type="checkbox"/><br>WELL <input type="checkbox"/> WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> |
|---|

|  |
|--|
| 2 Name of Operator<br><b>CHI OPERATING, INC.</b> |
|--|

|  |
|--|
| 3 Address of Operator<br><b>P.O. BOX 1799 MIDLAND, TEXAS 79702</b> |
|--|

|   |
|---|
| 4 Well Location<br>Unit Letter <b>K</b> : <b>1980</b> Feet From The <b>SOUTH</b> Line and <b>1980</b> Feet From The <b>WEST</b> Line<br>Section <b>9</b> Township <b>17S</b> Range <b>28E</b> NMPM <b>EDDY</b> County |
|---|

|   |
|---|
| 10 Elevation (Show whether DF, RKB, RT, GR, etc.)<br><b>3561'</b> |
|---|

|  |   |   |  |
|--|---|---|--|
| 11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data |   |   |  |
| NOTICE OF INTENTION TO:  |   | SUBSEQUENT REPORT OF:                               |  |
| PERFORM REMEDIAL WORK <input type="checkbox"/>                               | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/>              | ALTERING CASING <input type="checkbox"/>       |
| TEMPORARILY ABANDON <input type="checkbox"/>                                 | CHANGE OF PLANS <input type="checkbox"/>  | COMMENCE DRILLING OPNS. <input type="checkbox"/>    | PLUG AND ANBANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/>                                |   | CASING TEST AND CEMENT JOB <input type="checkbox"/> |  |
| OTHER <u>Recompletion</u> <input checked="" type="checkbox"/>                |   | OTHER <input type="checkbox"/>                      |  |

12 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.

Set blanking plug in pkr @ 9,841'. ND Tree & NU BOP. TOH w/tbg. RU WL. Perf additional Morrow B @ 9,812-824' @ 2spf (90 deg phased). PU pkr & RIH to swab & flow tst. Obtain 24 hr SI BHP. If Morrow B perfs are not depleted, RU WL & RIH to perf Morrow A @ 9732-64' @ 2spf. POOH, PU treating pkr w/2500 gals, 5% NeFe, w/1000 scf/bbl N2 dropping ballsealers for diversion. Swab back & flow tst. Evalutate for further stimulation. Fracture stimulate new Morrow perfs via 5 1/2" csg per design. Flow tst & cleanup. Lubricate Repeata B pkr in hole & set @ approx. 9650'. PU production tbg & RIH. Place in sale line. Retrieve blanking plug inlower pkr to commigle all Morrow zones. Note: If Morrow B zone @ 9812-824' show substantial depletion, a RBP will be set before tstg the Morrow A zone.

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

SIGNATURE Robert Askeu TITLE REGULATORY CLERK DATE 5/12/03

TYPE OR PRINT NAME Simon W. Green TELEPHONE NO 432-685-5001

APPROVED BY Simon W. Green TITLE District Supervisor DATE MAY 27 2003

CONDITIONS OF APPROVAL, IF ANY: