

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

Form C-103
May 27, 2004

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

WELL API NO. 30-015-22739
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-2987
7. Lease Name or Unit Agreement Name Zima
8. Well Number 1
9. OGRID Number 004378
10. Pool name or Wildcat Malaga Bone Spring

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 ☐

2. Name of Operator
Chi Operating, Inc.

3. Address of Operator
P.O. Box 1799 Midland, Texas 79702

4. Well Location
Unit Letter B : 660 feet from the North line and 1,980 feet from the East line
Section 16 Township 24-S Range 28-E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,034' GL

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type steel pit Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: steel mil Below-Grade Tank: Volume 180 bbls; Construction Material _____

12. 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 checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

13 3/8" csg @ 612' w/ 650 sx, circulated; 9 5/8" csg @ 2,450' w/ 1,700 sx, circulated; 7" @ 10,267, cut & pulled 4,738' when originally plugged in 1982. Ran 4 1/2" 10.5/11.6 J-55 to 8,430', cmt'd w/ 300 sx, TOC 4,850' calculated. Previous perforations 6,166 - 6,834' squeezed prior to original P&A; open perforations 7,126 - 7,336' (Bone Springs). 2 3/8" tubing & packer @ 7,017'
Notify NMOCD 24 hrs prior to move in, and 4 hrs prior to plugs, hold daily tailgate safety meetings w/ crews. Set steel pit prior to MI

1. POOH w/ production equipment. Set CIBP @ 7,076'. Circulate hole w/ mud and pump 25 sx C cmt on CIBP.
 2. Pump 25 sx C cmt @ 6,116'
 3. Cut & pull 4 1/2" casing based on stretch measurements, estimated 4,700'
 4. Pump 60 sx C cmt @ ~ 4,750' 50' inside casing stub WOC & TAG
 5. Pump 60 sx C cmt @ 2,500' intermediate casing shoe WOC & TAG
 6. Pump 35 sx C cmt @ 1,410' (base of salt @ 1,360') — TAG
 7. Pump 35 sx C cmt @ 662' shoe plug (top of salt @ 1,090') — TAG
 8. Pump 15 sx C cmt 50' to surface. — TAG
- Cut off wellhead & anchors, install dry hole marker.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE James F. Newman TITLE Engineer, Triple N Services, Inc. DATE 05/05/06

Type or print name James F. Newman, P.E. E-mail address: jim@triplenservices.com Telephone No. 432.687.1994
For State Use Only

APPROVED BY: [Signature] TITLE _____ DATE MAY 09 2006
Conditions of Approval (if any): _____

30-015-22739-00-00

ZIMA No. 001

Company Name: CHI OPERATING INC

Location: Sec: 16 T: 24S R: 28E Spot:

Lat: 32.223592681682 Long: -104.090527021099

Property Name: ZIMA

County Name: Eddy

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	612	13.375		
SURF	612	13.375	99	612
HOL2	2450	9.625		
I1	2450	9.625	36	2450
I2	10267	7	23	10267
HOL3	10267	7		
HOL4	8430	4.5		
PKR	7017	4.5		5
PROD	8430	4.5	10.5	8430
T1	7012	2.375		7012

Surface: 13.375 in. @ 612 ft.

Cement from 612 ft. to surface

Intermediate: 9.625 in. @ 2450 ft.

Hole: 13.375 in. @ 612 ft.

Cement from 2450 ft. to surface

Production: 4.5 in. @ 8430 ft.

Hole: 9.625 in. @ 2450 ft.

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
I1	2450	0	C	1200
I2	10267	0	C	750
PROD	8430	0	C	300
SURF	612	0	C	650

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Sqz
7126	7336			

Formation Information

St Code	Formation	Depth
Psal	Salado	655
Pbslt	Base of Salt	2350
Plals	Lamar Limestone	2550
Pbc	Bell Canyon	2600
Pcc	Cherry Canyon	3550
Pbrc	Brushy Canyon	4632
Pbs	Bone Spring	6505
Pbs3sd	3rd Bone Spring Sand	8865
Pwc	Wolfcamp	9373
Ppund	Pennsylvanian	10980
PPst	Strawn	11170
Ppat	Atoka	11375
Ppmorl	Morrow Limestone	12018
Ppmorc	Morrow Clastics	12270

Cement from 8430 ft. to surface

Cement from 10267 ft. to surface

Packer: 4.5 in. @ 7017 ft.

Tubing: 2.375 in. @ 7012 ft.

Intermediate: 7 in. @ 10267 ft.

Hole: 7 in. @ 10267 ft.

TD:

TVD: 8430

PBTD:

*7" stub @ 4738'**TOC
4858' ALC
4 1/2" CS9
to
8430'*