

Submit 3 Copies To Appropriate District Office  
 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  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

WELL API NO. 30-015-31772
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name:  WC "3"
7. Well No. #2
8. Pool name or Wildcat Happy Valley 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

2. Name of Operator  
 Chi Operating, Inc. FEB 13 2004

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

4. Well Location  
 Unit Letter M : 990 feet from the South line and 990 feet from the West line  
 Section 3 Township: 22S Range: 25E NMPM Eddy County:

10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 GR - 3187'

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
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 PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <u>Extend Drilling Permit</u>	<input type="checkbox"/>		<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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Drd 8 3/4" hole to 10, 295'. Drd 7 7/8" hole to 11,467' w/5 1/2" prod. Csg 17/20# N80. Cmtd 1<sup>st</sup> Stage w/350sxs Super "C" Mod + 15:61:11, 2<sup>nd</sup> Stage- Lead 225sxs "C" + 15% Gel + 10% Salt + 1/4 # CF, Tail 300sxs "C" = 4% Gel + 5% Salt + 1/4 # CF. Released rig @ 7:00am, 1/16/04.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
 SIGNATURE Robin Askew TITLE REGULATORY CLERK DATE 2/11/04

Type or print name ROBIN ASKEW Telephone No. 432-685-5001  
 (This space for State use)

APPROVED BY FOR RECORDS ONLY TITLE \_\_\_\_\_ DATE FEB 16 2004

Conditions of approval, if any: