

District I

PO Box 1980, Hobbs, NM 88241-1980

District II

811 South First, 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 & Natural Resources Department

Form C-101

Revised October 18, 1994

Instructions of back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, NM 87505

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1 Operator Name and Address CHI OPERATING, INC. P.O. BOX 1799 MIDLAND, TEXAS 79702		2 OGRID Number 4378
4 Property Code 23640		3 API Number 30-015-30388
5 Property Name CANNON BALL STATE COM.		6 Well No. #1

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
1	9	17S	28E		1980	SOUTH	1980	WEST	EDDY

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
9 Proposed Pool 1 WC Crow Flats; Morrow SE GAS 96840					10 Proposed Pool 2				

11 Work Type Code N	12 Well Type Code G	13 Cable/Rotary R	14 Lease Type Code S	15 Ground Level Elevation 3561
16 Multiple	17 Proposed Depth 10,400	18 Formation MORROW	19 Contractor	20 Spud Date

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48	425' ±	200 & 200	SURFACE
11"	8 5/8"	32	2000' ±	350 & 200	SURFACE
7 7/8"	5 1/2"	17	10,400'	475	8000' ±

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

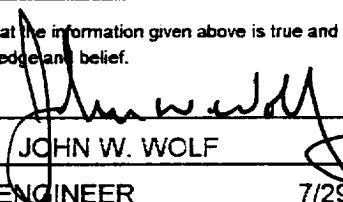
1) MIRU CONTR. DRILL SURFACE HOLE, RIH W/ CASING/FLOAT EQUIP. & CEMENT. WOC. NU CASING HEAD & BOP. TEST TO 1000 PSI.

2) DRILL INTERMEDIATE HOLE, RIH W/ CASING/FLOAT EQUIP. & CEMENT. WOC. NU CASING HEAD & BOP & TEST TO 5000 PSI.

3) DRILL PRODUCTION HOLE, LOG & EVALUATE. RIH W/ CASING/FLOAT EQUIP. & CEMENT

(SURVEY PLAT TO BE DELIVERED TO NMOCD OFFICE BY DAN REDDY)

Post ID-1
9-4-98
API & Loc

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief.	OIL CONSERVATION DIVISION
Signature: 	Approved By: ORIGINAL SIGNED BY TIM W. GUM 36X
Printed Name: JOHN W. WOLF	Title: DISTRICT II SUPERVISOR
Title: ENGINEER	Approval Date: 8-31-98
7/29/98	Expiration Date: 8-31-99