Submit 3 Copies State of New Mexico Form C-103 Energy, Minerals and Natural Resources Department to Appropriate Revised 1-1-89 District Office OIL CONSERXATION DIV District I P. O. Box 1980, Hobbs, NM 88240 WELL API NO 30-015-30388 District II 811 South First St., Artesia, NM 88210 sIndicate Type of Lease STATE X FEE District III 6State Oil & Gas Lease No 1000 Rio Brazos Rd., Aztec, NM 87410 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DIRLL OR TO DEEPEN OR PLUG BACK TO A 7Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USA "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) :Type of Well: CANNON BALL "9" STATE COM. OIL GAS WELL WELL X OTHER 2Name of Operator sWell No. CHI OPERATING, INC. 3Address of Operator 9Pool name or Wildcat P.O. BOX 1799 MIDLAND, TEXAS 79702 WC CROW FLAT; MORROW SE GAS 96840 4Well Location : 1980 Unit Letter K Feet From The SOUTH Line and 1980 Feet From The WEST Section 9 **17S** 28E Township Range NMPM EDDY County oElevation (Show whether DF, RKB, RT, GR, etc.) 3561 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING **TEMPORARILY ABANDON** CHANGE OF PLANS COMMENCE DRILLING OPNS PLUG AND ANBANDONMENT **PULL OR ALTER CASING** CASING TEST AND CEMENT JOB OTHER OTHER 12Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. Spudded well on 2/15/99. Drilled 17.5" hole. Set 13 3/8', 48# @ 435'. Cmtd w/ 300 sks "C", 4%gel, 2% Cacl2. .25 pps CF. 150 sks "C", 2% Cacl2, .25 CF. Circ 100 sks. Cut csg off. Welded on csg head. WOC 18 hrs. Drilled out w/ 11" bit to 2052'. Logged CNDL, GR, DDL to 435'. Pulled GR to surface. Set 8 5/8" @ 2052'. Cemented with 400 sks BJ Lite+10% salt+2pps Gilsonite, 250 sks C+1% Cacl2. Circ. 137 sks. Cut off csg & welled on csg head. WOC 18 hrs. NU BOP & tested to 5000#. Drilled out w/ 7 7/8" bit to 10,150. Logged & evaluated. Ran 5 1/2-17# w/ F.Equip. & set @10.150" Cemented with 675 sack Super C Mod. + Additives Calculated TOC 6800'. Released rig 3/12/99 Will start completion ASAP I hereby certify that the information above is true and complete to the best of my knowledge and belief. 3/12/99 SIGNATURE TITLE ENGINEER DATE TYPE OR PRINT NAME TELEPHONE NO. (This space for State U District Sepervisor Sim W. Gum

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY: