Submit 3 Copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-015-25056

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. OG-535968

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.)

7. Lease Name or Unit Agreement Name: EMPIRE 16 STATE COM

1. Type of Well: OIL WELL [ ] GAS WELL [X] OTHER

2. Name of Operator: CHI OPERATING, INC.

8. Well No. 1

3. Address of Operator: P.O. BOX 1799 MIDLAND, TX 79702

9. Pool name or Wildcat: EMPIRE SOUTH

4. Well Location
Unit Letter E : 1980 Feet From The NORTH Line and 660 Feet From The WEST Line

Section 16 Township 18S Range 29E NMPM EDDY County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3521.5 GR

11. 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 PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [ ]
PULL OR ALTER CASING [ ]		CASING TEST AND CEMENT JOB [ ]	
OTHER: RETURN TO PRODUCTION [X]		OTHER: [ ]	

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.

RETURN WELL TO PRODUCTION THROUGH STRAWN PERFORATIONS 10,087 - 10,~~284~~ 417. ANTICIPATED START DATE IS 6/17/96.

RECEIVED
JUN 14 1996
OIL CON. DIV.
DIST. 2

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

SIGNATURE [signature] TITLE GEOLOGIST DATE 6/10/96

TYPE OR PRINT NAME MIKE FOWLER TELEPHONE NO. 915-685-5001

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY TIM W. GUM DISTRICT II SUPERVISOR TITLE DATE ~~6/18/96~~ 7-8-96

CONDITIONS OF APPROVAL, IF ANY: