Submit to Appropriate
District Office
State Lease – 6 copies
Fee Lease – 5 copies
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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-105
Revised 1-1-89

WELL API NO. 30-015-28620

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

6. State Oil & Gas Lease No. V-3410 & B-10716

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

b. Type of Completion: NEW WELL [X] WORK OVER [ ] DEEPEN [ ] PLUG BACK [ ] DIFF RESVR [ ] OTHER

7. Lease Name or Unit Agreement Name: Palmilla State

2. Name of Operator: Chi Operating, Inc.

8. Well No. 1

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

9. Pool name or Wildcat: Winchester (Wolfcamp)

4. Well Location
Unit Letter N : 660' Feet From The South Line and 2040' Feet From The West Line

Section 26 Township 19S Range 28E NMPM Eddy County

10. Date Spudded	11. Date T.D. Reached	12. Date Compl. (Ready to Prod.)	13. Elevations (DF& RKB, RT, GR, etc.)	14. Elev. Casinghead
8-26-95	10-1-95	1-10-96	GL-3322' KB-3336'	3323'

15. Total Depth	16. Plug Back T.D.	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools	Cable Tools
11,350'	10,000'			xx	

19. Producing Interval(s), of this completion - Top, Bottom, Name: Top- 9070' Bottom- 9191' Wolfcamp

20. Was Directional Survey Made: Yes

21. Type Electric and Other Logs Run: DLL-GR-CDNL

22. Was Well Cored: Yes

23. **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	40#	360'	17 1/2"	375 sks	
8 5/8"	24#	2912'	11"	855 sks	
5 1/2"	17#	11,350'	7 7/8"	700 sks	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)
9070'-9074', 9126'-9130', 9168'-9175'
9178-9185', 9189-9191' 1 SPF.

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
9070-9191'	3500 gallons 20% HCL

28. **PRODUCTION**

Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)
1/11/96	Flowing	Producing

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
1/14/96	24	14/64		164	1034	0	6305/1

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
1050			164	1034	0	58

29. Disposition of Gas (Sold, used for fuel, vented, etc.): Sold

Test Witnessed By: Clif Mann

30. List Attachments: Logs

31. *I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief*

Signature [signature] Printed Name John W. Qualls Title Geologist Date 1/17/96

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quinnuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka 10,374	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand 3084'	T. Todilto	T.
T. Drinkard	T. Bone Springs 4024'	T. Entrada	T.
T. Abo	T. Morrow 10,934'	T. Wingate	T.
T. Wolfcamp 9022'	T.	T. Chinle	T.
T. Penn	T.	T. Permain	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from 9070' to 9191'
No. 2, from ..... to .....
No. 3, from ..... to .....
No. 4, from ..... to .....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from ..... to ..... feet .....
No. 2, from ..... to ..... feet .....
No. 3, from ..... to ..... feet .....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
3084	4024	940	Sand				
4024	6500	2476	LS & Dol				
6500	6694	194	Sand				
10934	11132	198	Sand & LS				