Submit 3 Copies to Appropriate District Office

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-103
Revised 1-1-89

RECEIVED
AUG 29 1996
OIL CON. DIV.

WELL API NO. 30-015-28825

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

6. State Oil & Gas Lease No. 648

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: ATLANTIC STATE

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: ~~WILDCAT~~ Millman (WOLFCAMP)

4. Well Location
Unit Letter E : 960 Feet From The WEST Line and 1980 Feet From The NORTH Line

Section 14 Township 19S Range 28E NMPM EDDY County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3449-GL 3461'-KB

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	[X]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[ ]
PULL OR ALTER CASING	[ ]			CASING TEST AND CEMENT JOB	[ ]		
OTHER:	[ ]			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.

1) PERFORATE MORROW 11,196 - 11,204. COMPLETE FLOWING 5-3-96. UNECONOMICAL. SET CIBP @ 11,180 w/ 4SXS CMT ON TOP. (6-11-96).

2) TEST 11,141-11,147 & 10,923-10,928 (MORROW). ACIDIZE w/ 1680 gals & 3800 gals CO_2. UNECONOMICAL. SET CIBP @ 10,850' w/ 4SXS CMT ON TOP.

3) TEST 10,449-10,459 (ATOKA). ACIDIZE w/ 2000 gals. UNECONOMICAL. SET CIBP @ 10,400 w/ 4SXS CMT ON TOP.

4) TEST 9886-9895. ACIDIZE w/ 2000 gals. PERF 9732-9783, FLOWED WATER. SET CIBP @ 9630' w/ 4SXS CMT ON TOP. (PENN)

5) PERF 8858-8932. ACIDIZE w/ 10,000 gals 20% HCL. START PRODUCING 7/11/96. TEST 8-1-96. WOLFCAMP COMPLETION.

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

SIGNATURE [signature] TITLE GEOLOGIST DATE 8-28-96

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 SEP 16 1996

CONDITIONS OF APPROVAL, IF ANY: