

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

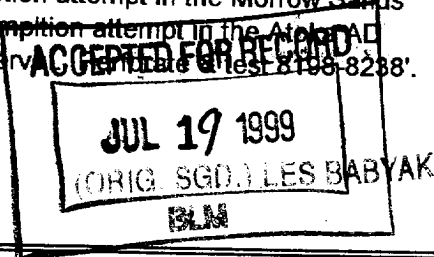
SUBMIT IN TRIPLICATE

| | |
|--|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | 5. Lease Designation and Serial No. NM-0560353 |
| 2. Name of Operator Chi Operating, Inc. | 6. If Indian, Allottee or Tribe Name |
| 3. Address and Telephone No. P.O. Box 1799 Midland, Texas 79702 | 7. If Unit or CA, Agreement Designation |
| 4. Location of Well (Footage, T., R., M., or Survey Description) 2300' FSL & 660 FEL Section 12, T19S, R30E | 8. Well Name and No. LANDRUSH "12" Fed. Com. No. 1 |
| | 9. API Well No. 30-015-30297 |
| | 10. Field and Pool, or Exploratory Area Wildcat |
| | 11. County or Parish, State Eddy, N. Mexico |

| 12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | |
|--|---|---|
| TYPE OF SUBMISSION | TYPE OF ACTION | |
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment | <input type="checkbox"/> Change of Plans |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Final Abandonment Notice | <input checked="" type="checkbox"/> Plugging Back | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Altering Casing | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Other | <input type="checkbox"/> Dispose Water |
| | | (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) |

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)
Following buildup the Atoka AD Sand, flowed/swabbed until 4/14/99. RU and acidized w/foamed 5% NEFE acid. Flowed back & swab tested. Recovered 245 bbls over load. Tested wet.

ASAP will be coming up hole & trying to complete in the Bone Springs + 8200'
Will RU kill well. TOH w/ PKR. TIH & retrieve blinkg. plug. TIH w/ tbg & retrieve second PKR.
RU Wireline & TIH w/ CIBP + 30' cmt & set @ $\pm 11,714$ above original completion attempt in the Morrow Sands @ - 11,852-11976'. TIH w/ 2nd CIBP + 30' cmt. & set $\pm 10,800'$ above 2nd completion attempt in the Atoka AD @ 11,314-342'. TIH & shoot holes @ $\pm 8510'$ & cmt. across Bone Springs interval. Estimated test 8198-8238'.



14. I hereby certify that the foregoing is true and correct.
Signed [Signature] Title Engineer Date 6/30/99
(This space for Federal or State office use)
Approved by _____ Title _____ Date _____
Conditions of approval, if any: _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions on Reverse Side