

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

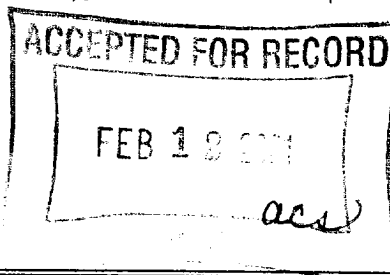
SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input 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) 1060' FSL & 2210' FWL, Section 1-T19S-R20E	8. Well Name and No. Munchkin Federal #1
	9. API Well No. 30-015-30715
	10. Field and Pool, or Exploratory Area Benson Bone Spring
	11. County or Parish, State Eddy

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

Spud on 1/5/01. Drilled 12 1/4" hole to 494'. Ran 9 5/8"-36#-J-55 Csg. Float Equip & centralizers Cmt'd w/Lead of 275 sks of "C"+4% gel+2% CaCl2+.25 pps CF. Tailed w/100 sks "C"+2% CaCl2+.25 pps CF. Circ 170 sks. Drilled 8 3/4" hole to 3200', drld 7 7/8" hole to 6707'. Set 5 1/2"-17#-J-55 @ 6707 & cmt'd w/1st stage 500 sks Super "C" Mod +.3% FL-52. 2nd stg @ 3471' w/500 sks "C"+15% gel+10% salt & 200 sks Super "C"+.3% FL-52. Released rig 1/23/01. Will RU & start completion ASAP.



14. I hereby certify that the foregoing is true and correct.	
Signed	Title
Date 1/26/2001	
(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