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

WELL API NO. 30-015-21789

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

6. State Oil & Gas Lease No. K-6010

APR 15 1994

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: SILVER BULLET

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

2. Name of Operator: Chi Operating, Inc

8. Well No. 1

3. Address of Operator: PO Box 1799 Midland TX 79702

9. Pool name or Wildcat: Undesignated Bone Spring

4. Well Location
Unit Letter J : 1650 Feet From The South Line and 1980 Feet From The East Line

Section 16 Township 24S Range 28E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3023 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:	[ ]			OTHER: Re-entry			[X]

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) MIRU Workover unit 3/23/94. NU BOP's. POH w/ TBG.
2) Perf 2nd Bonespring 7910-8085 w/ 15 shots.
3) Acidize w/ 2000 gal 7-1/2% NEFE + Frac w/ 83,000 gal X-link 221,000 lb 16/30 Ottawa, + 44,000 lb 16/30 RC
4) TIH w/ PKR on 2-3/8" Tbg. Set PKR @ 7792'.
5) Swab test.

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

SIGNATURE [signature] TITLE Operations Manager DATE 4/14/94

TYPE OR PRINT NAME David C Myers TELEPHONE NO. 915 685 5001

(This space for State Use)

APPROVED BY SUPERVISOR, DISTRICT II TITLE DATE APR 25 1994

CONDITIONS OF APPROVAL, IF ANY: