Oil Cons. N.M. DIV-Dist. 2 1301 W. Grand Avenue

Form 3160-5

Artesia, NM 88210 FORM APPROVED **UNITED STATES** Budget Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 (June 1990) **BUREAU OF LAND MANAGEMENT** 5. Lease Designation and Serial No. NM-12232 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian Allottee or Tribe Name 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 7. If Unit or CA, Agreement Designation 1. Type of Well RECEIVED 8. Well Name and No. USA "9" Federal Com. #2 2. Name of Operator MAR 1 5 2004 CHI OPERATING, INC. 9. API Well No. 30-015-30935- *3*2202. 3 Address and Telephone No. **OCD-ARTESIA** P.O. BOX 1799 MIDLAND, TEXAS 79702 10. Field and Pool, or Exploratory Area Canyon, North Burton Flat ANGEL DRAW! 4. Location of Well (Footage, T., R., M., or Survey Description) 11. County or Parish, State 4 /PENN GAS 660' FNL & 660' FEL Sec 9-20S-28E Eddv CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Conversion to Injection Final Abandonment Notice Alterina Casino 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 pertinet details, and give pertinet dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measeured and true vertical depths for all markders and zones pertinent to this work.)* Spud well 7/29/03. Drld 17 1/2" hole to 372'. Cmtd w/10bbl GW-27, 325xxs Class "C" + 4% Gel + 2% CaCL2 + 1pps Gils, Tail 100sxs Class "C" + 2% CaCL2 + .25pps CF. WOC 18 hrs. Drld 11" hole to 3267'. Cmtd w/ 660sxs Class "C" + 15% Gel + 10% Salt + 1pps LMC-1 & 225SXS Class "C" + 1% CaCL2 + .25pps CF, Circ 32sxs. WOC 18 hrs. Drld 7 7/8" hole to 11,400'. Cmtd 1st Stage w/230sxs 15:61:11 + 8% BA-10+.65% CD32 + .35% FL52 + .3% SMS, 200sxs Class "C" + 15% Gel + 10% Salt, 380sxs 15:61:11 + .8% BA-10 + .65% CD32 + .35% FL52 + .3% SMS, Cmtd 2nd Stage w/400sxs 35:65:6 + .25% CF + .3% FL52. 100sxs "C' + .2% SMS. ND BOP & tst. Released rig 9/10/03 @ 7:00pm. **REGULATORY CLERK** 10/31/03 **ACCEPTED FOR RECORD** (This space for Federal or State office use) Approved by Date Conditions of approval, if any: MAR - 9

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 latest fictitious or fraudulents

statements or representations as to any matter within its jurisdiction.