Submit 3 Copies To Appropriate District Office

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88
District III
1000 Rio Brazos Rd., Aztec, NM 874
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO.
30-015-28825

5. Indicate Type of Lease
STATE ☒   FEE ☐

6. State Oil & Gas Lease No.
00648

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.)

1. Type of Well: Oil Well ☐   Gas Well ☒   Other

2. Name of Operator
Chi Operating, Inc.

3. Address of Operator
P.O. Box 1799   Midland, Texas 79702

7. Lease Name or Unit Agreement Name
Atlantic State

8. Well Number
1

9. OGRID Number
004378

10. Pool name or Wildcat
Winchester; Morrow, North Gas Pool

(stamp: Month - Year   FEB 20 2007   OCD - ARTESIA, NM)

4. Well Location
Unit Letter___E___ : __960__ feet from the ____West____ line and ___1,980___ feet from the ___North___ line
Section   14   Township   19-S   Range   28-E   NMPM   County   Eddy

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3,449' GR

Pit or Below-grade Tank Application ☐ or Closure ☒

Pit type_____ steel _____Depth to Groundwater_____Distance from nearest fresh water well_____ Distance from nearest surface water_____

Pit Liner Thickness: steel   mil   Below-Grade Tank: Volume ___180____ bbls;   Construction Material ____ steel____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐		
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐		
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐		

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐	ALTERING CASING ☐		
COMMENCE DRILLING OPNS. ☐	P AND A ☒		
CASING/CEMENT JOB ☐			

OTHER: ☐

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

07/18/06 Notified NMOCD. MIRU Triple N plugging equipment, set steel pit. SDFN.

07/19/06 Notified NMOCD, Phil Hawkins. NU BOP and POOH w/ 2⅜" production tubing. RIH w/ CIBP.

07/20/06 Set CIBP @ 8,817'. Circulated hole w/ mud and pumped 25 sx C cmt 8,817 – 8,571'. CIBP not set. Pumped an additional 30 sx C cmt on 8,817 - 8,514'. Pumped 25 sx C cmt @ 6,087'. SDFN.

07/21/06 Tagged cmt @ 5,821'. Cut and pulled 3,026' 5½" casing and SD for weekend.

07/24/06 Pumped 75 sx C cmt @ 3,075'. WOC and tagged cmt @ 3,075'. Pumped 75 sx C cmt @ 3,075'. Tagged cmt @ 2,854'. Pumped 35 sx C cmt @ 847'. WOC and tagged cmt @ 730'. Pumped 35 sx C cmt @ 439'. SDFN.

07/25/06 Tagged cmt @ 320'. ND BOP, pumped 15 sx C cmt 60' to surface, RDMO. **Plugging of the well bore.**

Cut off wellhead & anchors, installed dry hole marker.

Liability under bond is retained until surface restoration, environmental remediation and final inspection is completed.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.**

SIGNATURE_____ TITLE_____engineer, Triple N Services, Inc._____DATE___ 07/27/06 _

Type or print name: James F. Newman, P.E.   E-mail address: jim@triplenservices.com   Telephone No. 432-687-1994

For State Use Only

APPROVED BY:_____   ~~accepted for record NMOCD~~ TITLE_____   DATE_____
Conditions of Approval (if any):

Daily Activity Report

TRIPLE N SERVICES INC.
MIDLAND, TX

Chi Operating
Atlantic State #1
Eddy County, New Mexico

(stamp: Month-Year FEB 2 0 2007 OCD - ARTESIA, NM)

Job #5368

07/18/06 Tuesday
Notified NMOCD. MI, set steel rig mat, RU Triple N rig #22 & plugging equipment. Set steel pit (TFH). Flowed back tubing 1 hr, ~50 bbls water. SI unable to get transport to empty pit. SI well, SDFN.
RT: 7:00 – 4:00 9.0 hrs   CRT: 9.0 hrs

07/19/06 Wednesday
Notified NMOCD, Phil Hawkins. Flowed back tubing, ~3 BPM to pit. RU cementer, SITP 725 psi. Killed tubing w/ 130 bbls b/w. ND wellhead, NU BOP. Released packer and POOH w/ 305 jts (9,571') 2⅜" production tubing. RIH w/ HM tbg-set CIBP on tubing to 8,723'.
RT: 9:00 – 7:30 10.5 hrs   CRT: 19.5 hrs

07/20/06 Thursday
Continued in hole w/ CIBP to 8,817'. RU cementer and set CIBP @ 8,817'. Circulated hole w/ 170 bbls mud and pumped 25 sx C cmt on CIBP 8,817 – 8,571'. POOH w/ tubing (dragging). RIH w/ sandline, tagged @ ~6,150', POOH w/ sandline. RIH w/ tubing, pushing CIBP to 8,817' (did not set initially). Loaded hole and pumped 30 sx C cmt on CIBP 8,817 - 8,514'. POOH w/ tubing to 6,087' and pumped 25 sx C cmt @ 6,087'. POOH w/ tubing (dragging to ~2,900'). SDFN.
RT: 7:30 – 7:30 12.0 hrs   CRT: 31.5 hrs

07/21/06 Friday
Flowed down 8⅝ x 13⅜" annulus. Changed wellhead valves. RIH w/ wireline and tagged cmt @ 5,821', PUH and cut 5 ½" casing @ 3,026', POOH w/ wireline. ND BOP and wellhead (3 hrs). PU on casing, free. RU casing tongs and POOH w/ 77 jts 5 ½" casing. RD casing tools, NU BOP, SI well, and SD for weekend.
RT: 7:30 – 5:00 9.5 hrs   CRT: 41.0 hrs

07/24/06 Monday
RIH w/ tubing to 3,075'. Loaded hole and pumped 75 sx C cmt w/ 2½% CaCl₂ @ 3,075'. POOH w/ 20 stands and WOC 2½ hrs. RIH w/ tubing, tagged cmt @ 3,075'. Pumped 75 sx C cmt w/ 2% CaCl₂ @ 3,075'. POOH w/ 20 stands and WOC 2½ hrs. RIH w/ tubing, tagged cmt @ 2,854'. POOH w/ tubing w/ tubing to 847'. Pumped 35 sx C cmt w/ 3% CaCl₂ @ 847'. POOH w/ tubing and WOC. RIH w/ wireline and tagged cmt @ 730', POOH w/ wireline. RIH w/ tubing to 439' and pumped 35 sx C cmt @ 439'. POOH w/ tubing, will tag in a.m.
RT: 10:00 – 8:00 10.0 hrs   CRT: 51.0 hrs

07/25/06 Tuesday
RIH w/ wireline and tagged cmt @ 320'. ND BOP, pumped 15 sx C cmt 60' to surface, RDMO.
RT: 7:00 – 9:00 2.0 hrs   CRT: 53.0 hrs

Final Report