

625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S St Francis Dr., Santa Fe, NM

87505

State of New Mexico
Energy, Minerals and Natural ResourcesOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

June 19, 2008

WELL API NO.

3001536432

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Wallace State

8. Well Number 4H

9. OGRID Number

10. Pool name or Wildcat

Logan Draw, Wolfcamp

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

4. Well Location

SHL Unit Letter I : 2180 feet from the SOUTH line and 10 feet from the EAST

BHL L : 2310' FSL & 330' FWL

Section 9

Township 17S

Range 27E

NMPM

County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

GL: 3375'

Notify OCD 24 hrs. prior
to any work done.

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐TEMPORARILY ABANDON ☐PULL OR ALTER CASING ☐DOWNHOLE COMMINGLE ☐PLUG AND ABANDON ☒CHANGE PLANS ☐MULTIPLE COMPL ☐OTHER: ☐

SUBSEQUENT REPORT OF:

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

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.

CHI Operating, Inc. is planning to Plug and Abandon the Wallace State 4H well, procedure & wellbore attached.

Spud Date:

8-21-08

Rig Release Date:

9-29-08

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

SIGNATURE

Robin Askeew

TITLE

REGULATORY CLERK DATE 4/07/10

Type or print name ROBIN ASKEW

E-mail address: robina@chienergyinc.com PHONE: 432-685-5001

For State Use Only

APPROVED BY

Robin Askeew

TITLE

DATE 4/15/2010

Conditions of Approval (if any):

Approval Granted providing work
is complete by 7/20/2010

Wallace State No. 4H

API# 30-015-36432

Plug and Abandon

Casing: 13-3/8 48# J55 @ 398'
9-5/8 36# J55 @ 1809'
7" 29# P110 liner from 5695-10763'

Procedure:

1. RU DDP
2. PU 2-7/8 WS and RIH.
3. Latch to liner packer and unset.
4. Determine freepoint in 4-1/2 liner.
5. Cut and pull 4-1/2 liner.
- * 6. Set 200' cement plug in/out of 7" casing shoe at 5891'. - Tag
- * 7. Set CIBP at 1800' and dump 35' cement on top.
- * 8. Set surface cement plug. 60' surface Plug.
9. Install dry hole marker.

* 100' cement Plug @ 3391'

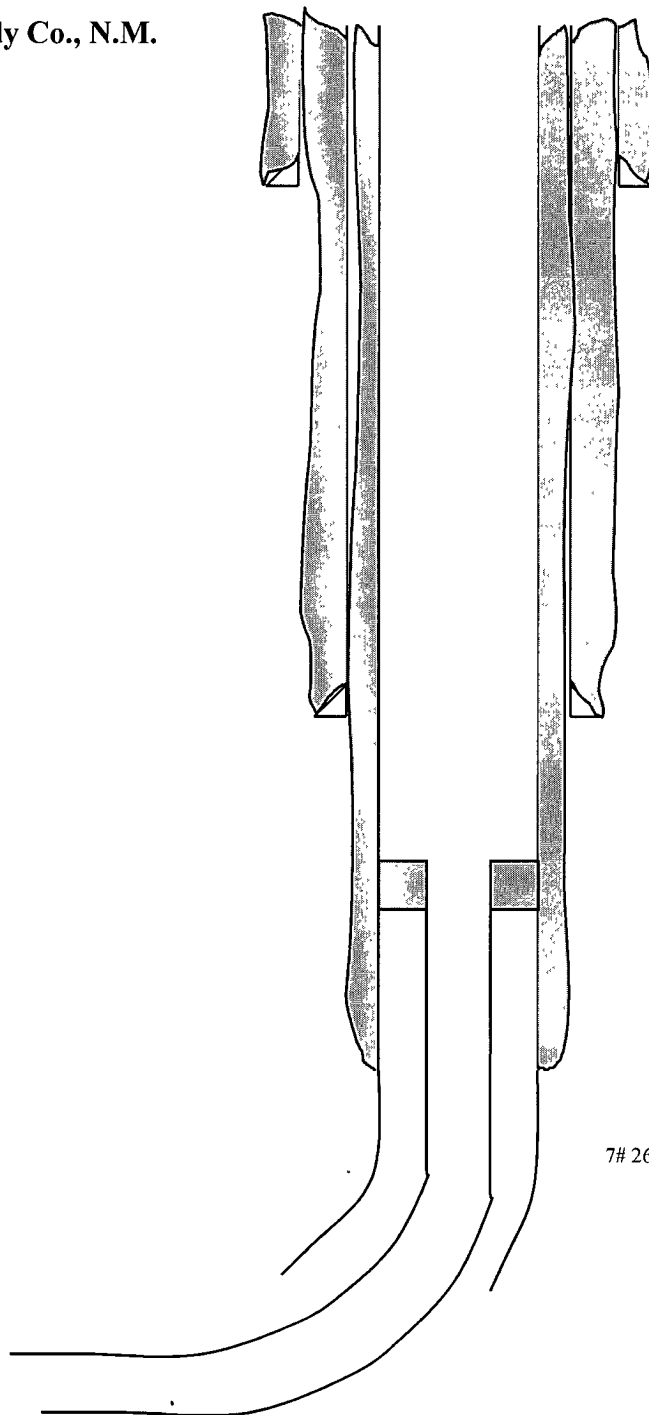
* 100' cement Plug @ 348'-448' w/o Tag.

Chi Operating, Inc

Wallace State 4H

Sec. 9, T17S, R27E

Eddy Co., N.M.



60' cmt surface Plg.

13 3/8 @ 398' *

100' cmt Plg - 348' - 448'

WOC TAG

9 5/8" 24# @1800'

7" x 4-1/2# Baker ZXP Liner Packer @ 5600'

7# 26# P110 @ 5800'