

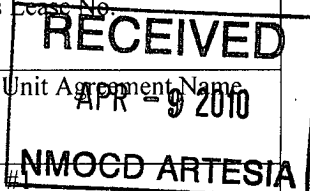
Submit 1 Copy To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
October 13, 2009

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

WELL API NO. 30-015-33493
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name PEACEKEEPER
8. Well Number
9. OGRID Number 4378
10. Pool name or Wildcat DELAWARE



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 <input checked="" type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator CHI OPERATING, INC.	
3. Address of Operator P.O. BOX 1799, MIDLAND, TX	
4. Well Location Unit Letter <u>A</u> : <u>990</u> feet from the <u>NORTH</u> line and <u>660</u> feet from the <u>EAST</u> line Section <u>25</u> Township <u>19S</u> Range <u>29E</u> NMPM <u>EDDY</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3349' GL	

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> OTHER: PLUGBACK TO THE DELAWARE <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
---	---

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

CHI Operating Inc. planning to abandon the Morrow & unproductive Wolfcamp zones of the Peacekeeper #1 well and perforate the Delaware zone.

Procedure attached.

Spud Date: 5/06/05 Rig Release Date: 6/29/05

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 4/1/10

Type or print name ROBIN ASKEW E-mail address: robina@chienergyinc.com PHONE: 432-685-5001

For State Use Only

APPROVED BY: Acqui Reyes TITLE Geologist DATE 4/15/2010
Conditions of Approval (if any):

Chi Operating, Inc.
Peacekeeper State No. 1
Plugback to Delaware
Eddy County, New Mexico
API #30-015-33493

Location: 990' FSL & 660' FWL, Unit-A, Sec. 25, T19S, R29E

DIRECTIONS: From intersection of Hwy 62-180, North on Hwy 360 for approx. 6 miles.
Turn left on CR-235 for approx 4 miles. Turn right, go north to location.

ELEVATION:

G.L.	3349
K.B.	3366

SUPERVISORY PERSONNEL:

Sonny Mann	575-365-2338	432-634-7062
------------	--------------	--------------

CURRENT WELLBORE:

KB:	17'	
Surf Csg:	@ 320'	13-3/8", 48#, J-55
Int Csg:	@ 3699'	8 5/8", 32#, J-55
Prod Csg:		
	1	Flt shoe 5 1/2" 1.30'
	2	Jt csg 5 1/2" 17#P-110 LTC 78.44'
	1	Flt Collar 5 1/2" 8 rd 1.20'
	70	Jts csg 5 1/2" 17# P110 LTC
	126	Jts csg 5 1/2" 17#N80 LTC 7757.0'
	1	DV Tool 5 1/2" 8 rd 2.2'
	106	Jts csg 5 1/2" 17#N80 LTC 4230.0'
		TOTAL PIPE 12070.0'
		LESS CUTOFF 28.00'
		PLUS KB 18.00'
		12060.0'

DV Tool @ 4222'

CURRENT PERFS:

Morrow: 11,595-11,603', 11670-11678', 11724-11728', 11796-11798'
Wolfcamp: 9556-9570'

Procedure: Test Delaware

Notify NMOCD of intent to rig up.

Peacekeeper State No. 1

MIRU DDP. NU BOP.

POOH w/pkr and tubing.

Set CIBP over Morrow at approximately 11565' and dump 35' of cement on top

Set CIBP over Wolfcamp at approximately 9540' and dump 35' of cement on top

RIH w/casing guns to perforate Delaware at: 6130-6150'. (2 spf)

PU pkr on tubing. RBIH to approximately 5900' and swab test.

Acidize/Frac as warranted. (See below).

If no entry, unset pkr & TIH to btm perf & spot 7.5% NeFe acid.. PUH & reverse acid and & reset Pkr. (If there is fld. entry) Load & PSI annulus to 500# w/2% KCL. Monitor during treatment. Acidize w/1500 gals of acid & 1500 gals of gelled pad @ 3 bpm @ an est. STP of 1300#, as follows:

Note: If acid spot is necessary do not get over zealous when breaking down.

- a). Pmp 500 gals of 7.5% NeFe Acid
- b). Pmp 500 gals of gelled Pad w/750 lbs of 20/40 mesh sand.
- c.). Drop 10, 1.1 sp.gr. ball sealers.
- d). Repeat, a, b, & c.
- e). Repeat, a & b.

Flush to top perf. w/2% KCL. Recover load & tst. Evaluate for further stimulation.