

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

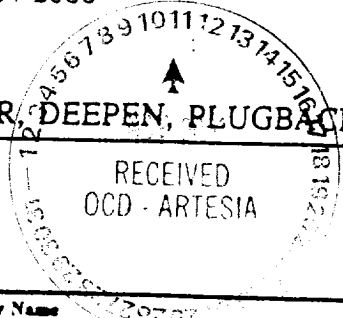
OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

*CIS
BGM
JP*

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE



Operator Name and Address: Chi Operating, Inc. P. O. Box 1799 Midland, Texas 79702		OGRID Number 004378
Property Code 28051	Property Name WC: "3"	API Number 30-0 15-31772
		Well No. 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County
M	3	22-S	26-E		990	South	990	West	Eddy

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	No	County
Proposed Pool 1 Happy Valley; Meaneu							

NOTIFY OCD SPUD & TIME TO WITNESS WATER PROECTION STRING

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code /P	Grossed Level Elevation 3187'
Multiple N	Proposed Depth 11,900'	Formation Morrow	Contractor	Spud Date 7-01-01

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	54.5#	500'	400	Surface
12-1/2"	9-5/8" 8 5/8"	36#	1900' 1900' 22cc	900	Surface
8-3/4"	5-1/2"	26#	11,900'	1200	1900'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

MIRU Drig Contractor. Drill 17-1/2" hole to 500'. Run 13-3/8" - 54.5# w/float equip & cmt to surface w/400sks. WOC 18 hrs. NU BOP & Test. Drill 12-1/2" hole to 1900'. Run 9-5/8" -36# w/float equip & cmt to surface. WOC 18 hrs. NU BOP & Test. Drill 8-3/4" hole to TD. Log TD to 1900' w/gr/cnl/lld/dll/msfl/cal. Log 1900' to surface w/gr/cnl. Run 11,900' 5-1/2" 26#. Cmt w/1200 skd to 1900'. Release rig & complete.

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

Signature: *John W. Qualls*
Printed Name: John W. Qualls
Title: Geologist
Date: May 9, 2001
Phone: 915-685-5001

OIL CONSERVATION DIVISION

Approved by: **ORIGINAL SIGNED BY TIM W. GUM** *BGM*
Title: **DISTRICT II SUPERVISOR**
Approval Date: **MAY 14 2001** Expiration Date: **MAY 14 2002**
Conditions of Approval: Attached

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised March 17, 1999

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name			⁶ Well Number
W C "3"					2
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation
		CHI OPERATING INC.			3187.

¹⁰ Surface Location

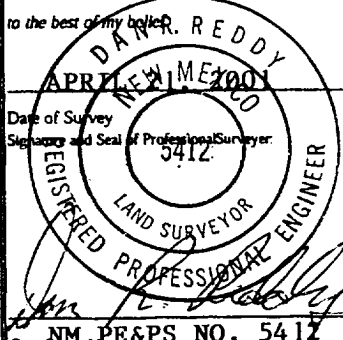
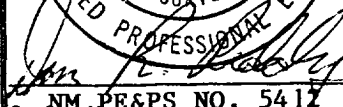
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	3	22-S	26-E		990	SOUTH	990	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				¹⁷ OPERATOR CERTIFICATION	
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
				Signature <i>John W. Qualls</i>	
				Printed Name John W. Qualls	
			Title Geologist		
			Date May 9, 2001		
			¹⁸ SURVEYOR CERTIFICATION		
			I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.		
			Date of Survey APR 21, 2001		
			Signature and Seal of Professional Surveyor		
990'					
990'					
			NM 87505 NO. 5412		