

Submit 3 Copies To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM

District III

88210 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, NM 87505

Form C-103

Revised March 25, 1999

WELL API NO.

30-015-33181

5. Indicate Type of Lease

STATE

FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

MERLAND

7. Well No.

2

8. Pool name or Wildcat

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

RECEIVED

2. Name of Operator

Chi Operating, Inc.

MAR 15 2004

3. Address of Operator

P.O. Box 1799 Midland, Texas 79702

OCD-ARTESIA

4. Well Location

Unit Letter : 990 feet from the NORTH line and 1980 feet from the WEST line
Section 30 Township: 22S Range: 27e NMPM County: EDDY

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

GR -

11. 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 COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

☐

12. 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 recompilation.

Spud well 2/6/04 @ 6am. Drld 17½" hole to 376'. Ran 13 3/8" 61# J55 surface csg. Cmted w/2 Leads 180sxs "H" + 10 % A-10 + 2% Cacl2 + ½ # CF + 4# LCM + 240sxs "C" + 4% Gel + 2% Cacl2 + 4# LCM, Tail 135sxs "C" + 2% Cacl2 + ¼ # CF. Circ 276sxs. WOC 18 hrs. Drld 12¼" hole to 5304'. Ran 9 5/8" 40/36# J55 csg. Cmted 1st Stage: Lead-740sxs "C" + 4% Gel + 10% salt + 1pps LCM-1. Tail-75sxs "C" + .25pps CF + .2% SMS, circ 75sxs. Cmted 2nd Stage w/Lead 500sxs "C" + 15% Gel + 10% salt + 1pps LCM-1, Tail-100sxs "C" + 1% Cacl2 + .25pps CF, circ 150sxs. WOC 18 hrs.

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 3/01/04

Type or print name ROBIN ASKEW

Telephone No. 432-685-5001

(This space for State use)

APPROVED

FOR RECORDS ONLY

MAR 16 2004

BY TITLE DATE

Conditions of approval, if any: