

Submit 1 Copy To Appropriate District Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised August 1, 2011

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

|   |
|---|
| WELL API NO.<br>30-015-39214  |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.  |
| 7. Lease Name or Unit Agreement Name<br>West Shugart 32 State Com                                   |
| 8. Well Number 2H   |
| 9. OGRID Number 004378  |
| 10. Pool name or Wildcat<br>Hackberry; Bone Spring, North   |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>3572'   |

|  |  |
|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS<br>(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 type="checkbox"/> Other Injection <input type="checkbox"/>   |  |
| 2. Name of Operator<br>CHI Operating, Inc.   |  |
| 3. Address of Operator<br>P.O. Box 1799 Midland, TX 79702  |  |
| 4. Well Location<br>Unit Letter <u>C</u> : <u>330</u> feet from the <u>N</u> line and <u>2110</u> feet from the <u>W</u> line<br>Section <u>32</u> Township <u>18S</u> Range <u>31E</u> NMPM Eddy County |  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>3572'  |  |

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

| NOTICE OF INTENTION TO:                        | SUBSEQUENT REPORT OF:                            |
|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/>           |
| TEMPORARILY ABANDON <input type="checkbox"/>   | ALTERING CASING <input type="checkbox"/>         |
| PULL OR ALTER CASING <input type="checkbox"/>  | COMMENCE DRILLING OPNS. <input type="checkbox"/> |
| DOWNHOLE COMMINGLE <input type="checkbox"/>    | P AND A <input type="checkbox"/>                 |
| OTHER: <input type="checkbox"/>                | CASING/CEMENT JOB <input type="checkbox"/>       |
|  | OTHER: <input checked="" 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., is requesting to change the following

Proposed Depth: 13,189'  
Spud Date: 3/7/2013

Proposed Casing and Cement Program:

| Type  | Hole Size | Csg Type | Casing Wt/ft | Setting Depth | Sacks cement | Estimated TOC |
|-------|-----------|----------|--------------|---------------|--------------|---------------|
| Surf  | 17.5      | 13.375   | 48           | 574           | 560          | 0             |
| Int 1 | 12.25     | 9.625    | 36           | 2050          | 565          | 0             |
| Int 2 | 8.75      | 7        | 26           | 8789          | 955          | 0             |
| Prod. | 6.125     | 4.5      | 11.6         | 13189         | 0            | Open hole     |

Spud Date:

Rig Release Date:

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

SIGNATURE Pam Corbett TITLE Clerk DATE 3/6/13

Type or print name Pam Corbett E-mail address: pamc@chienergyinc.com PHONE: 432-685-5001

For State Use Only

APPROVED BY: J. C. Shepard TITLE Geologist DATE 3/7/2013

Conditions of Approval (if any):

