

Submit 3 Copies 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
Revised March 25, 1999

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

WELL API NO. 30-015-20838
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. K-3977
7. Lease Name or Unit Agreement Name: YATES STATE
8. Well No. 1
9. Pool name or Wildcat BURTON FLAT MORROW

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 type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator CHI OPERATING, INC.	
3. Address of Operator P.O. BOX 1799 MIDLAND, TEXAS 79702	
4. Well Location Unit Letter <u>K</u> : <u>1980</u> feet from the <u>SOUTH</u> line and <u>1980</u> feet from the <u>WEST</u> line Section <u>10</u> Township <u>21S</u> Range <u>27E</u> NMPM <u>EDDY</u> County	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3275' KB	

11. 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 COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input checked="" type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

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.

13. The following is the synopsis of events in an effort to get this well in compliance with 201.b (See attached reports of daily operations).

11/29/00-RU slickline & ran dip in, hole standing full of fluid. BHP @ 5336#.
Notified District office of re-completion plans to Bone Spring Carb. based on offset Oceans Energy well.
5/02/02-RU pulling unit, Based on well records of previous oper. - PBDT @ 11,435', Morrow perms-11,280-300', Pkr @ 11,195'. Found surface & wellhead problems, found 7" csg parted @ 3080'. On 5/22/02 finally set CIBP @ 10150', made 2 bail runs w/cement, tagged PBDT @ 10,111'. 5/26/02 shot cement hole @ 8650', 5/29/02 pumped 100 sks "H" w/additives. 5/31/02 set CIBP @ 3363', set rtn @ 3040', pmpd 350 sks "C" Lite w/additives, pmpd 150 sks "C" w/additives. Drilled out cmt from 3008'-3363', drilled cmt @ 7750' to PBDT @ 8600'. Ran CBL from 8595' to 2960'. 6/13/02 perforated Bone Spring Carb 8470-78'. Swb tstd slight gas 7 wtr. 6/20/02 acidized w/1000 gals 15% NeFe. Recovered slight cut & slight gas. Re-acidized w/3000 gals. Swb tstd w/some gas, some oil. 6/27/02 ran 95 hr. build up. BHP-390#. 7/01/02 SD.

SI waiting on evaluation for further operations. Request additional time to evaluate before T&A or P&A.

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

SIGNATURE [Signature] TITLE [Signature] DATE 6/17/03

Type or print name [Signature] Telephone No. [Signature]
(This space for State use)

APPROVED BY [Signature] TITLE [Signature] DATE [Signature]
Conditions of approval, if any:

**Drilling Report
Chi Operating, Inc.**

**Yates State No. 1
Eddy Co., New Mexico
API#-30-015-20838**

Location: 1980' FSL & 1980' FWL, Section 10, T21S, R27E

Directions: From Carlsbad, go north on Canal Street, cross railroad tracks. Continue north 2-3 miles. Turn right & take paved rd. to east. Go past gas plant (pavement ends), turn right to location.

<u>DATE:</u>	<u>DAY:</u>	<u>Ft/24 HRS:</u>	<u>OPERATIONS:</u>
11/29/00			<u>Oper @ Report Time:</u> RU Pro Well Testing. Will dip in & get BHP.
11/30/00	1		<u>Oper @ Report Time:</u> SD. 29 th -RU Pro. TIH w/gauge ring 2.125. Tgd up @ 11211' (11,195' w/kb). TOH. PU sinker bars & TIH. Tgd up @ 11365'. According to records Pkr set @ 11195' & PBTB @ 11435'. Current perms from 11280'-300'. TIH w/bombs stopping for gradients @ 0, 2000, 4000, 6000, 8000, 10000, 11000, 11200 & 11300'. SITP-12.241 psi. TOH. RD Pro. Data shows BHP @ 5336 psia & hole standing full of fld.
5/02/02			<u>Oper @ Report Time:</u> RU kill truck to determine well-head/communication problems.
5/03/02	2		<u>Oper @ Report Time:</u> RU kill truck & pmp die. 2 nd -Tied onto 7" annulus. Kicked in pmp & immediately got wtr out the 9 5/8"x13 3/8". 13 3/8" csg has 1.5" hole approx 6" below slip-on of "A" section. There is also a weld bead approx. 4" below slip-on, all the way around the 13 3/8" csg as if it had been cut & replaced once before. Tied on to 2 7/8" annulus, pmp 8 bbls before wtr coming out of 9 5/8"x13 3/8" csg. Tied on to tbg, pmp .25 bbls & 200#, no leaks. Psi up to 500 & had oil coming out of the 2 7/8" annulus. SDON. Will try and pmp die to see what it tells us in A.M.
5/04/02	3		<u>Oper @ Report Time:</u> Repair 13 3/8" csg. 3 rd -RU kill truck. Tied on 2 7/8" annulus, pmpd 3 bbls wtr & fld started coming out hole on side of 13 3/8". Pmpd 40 bbls die followed by 80 bbls of wtr dwn 2 7/8" annulus getting rtns out 9 5/8"x 13 3/8", dead oil? RU vacuum truck & pulled cellar dwn. Rtns turned to dead oil & black wtr, then black wtr. Never got die back. Dug out cellar around 13 3/8" csg., set 250 bbls tst tank. Gas level in cellar to high to patch, SDON.
5/05/02	4		<u>Oper @ Report Time:</u> SD. SICP-120# on 2 7/8"x7". 4 th -Got backhoe & dug a side out of the cellar. Gas meter shows ok, but set generator & fans for safety. Gas level in cellar-0. Weld patch of 14"-250 wall pie, 3' tall & spit vertically in two. SDON.

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<u>DATE:</u>	<u>DAY:</u>	<u>Ft/24 HRS:</u>	<u>OPERATIONS:</u>
5/06/02			<u>Oper @ Report Time:</u> SICP-100#, changing out tbg line on rig. 5 th -Opnd tbg annulus to tst tank & flwd live oil. Dwn to 80 # after 15 mins. SION.
5/07/02	5		<u>Oper @ Report Time:</u> Attempt to unset Pkr. SICP-60#. 6 th -Changed out tbg line on rig, Tbg annulus Sip-100#. Opnd to tst tank & flowed dwn to 0 psi in 30 mins. Recovered 3 BO, 4 BW. RU, ND tree, & NU BOP. SDON. Will have to replace studs on tree.
5/08/02	6		<u>Oper @ Report Time:</u> Cont TOH w/tbg. 7 th -Worked to unset pkr, no luck, Got pkr man out & worked pkr, no luck. Called WL, RU TIH w/free point. Free @ 9000', tool did not work @ 10,000'. TOH PU 2 nd free point & TIH. Free @ 11000', no sure @ 11240', saw pkr @ 11245'. TOH, PU tbg cut off. TIH. Saw pkr @ 11245', next collar up the hole @ 11216'. Cut tbg @ 11218'. TOH, RD WL. TOH w/tbg. Pld 35 stds, chgd back to 2 lines & SDON. (1 st -15 stds look good, next 15 stands progressively more pitted.)
5/09/02	7		<u>Oper @ Report Time:</u> PU bit & scraper. 8 th -Cont TOH w/ tbg. Got out w/357 jts plus 2' of jt # 358. RUWL, PU 5.75 gauge ring, TIH. Could not get below 3073'. Call for bit/scraper. SDON due to high wind. ECTD-\$15,100.
5/10/02	8		<u>Oper @ Report Time:</u> NDBOP & tbg spool & att. to pull 7". 9 th -PR 6" bit & scraper. TIH & tgd @ 3083'. Turned w/tongs & jumped. TOH w/bit & scraper. PU 5 7/8" imp. Blk. TIH, stacked out @ 3083'. PUH& hung @ +3078'. Wrkd & finally got free. TOH. Imp. showed definite csg part. Impression of a pin both on btm & top. Broke out spool, soaked slips, w/WD-40, put spool back on & NU BOP. SDON. ECTD-\$19,200.
5/11/02	9		<u>Oper @ Report Time:</u> SD 10 th -ND BOP. ND tbg spool. PR spear & pull on csg 140K while beating w/hammer to jar loose. No luck. Wrapped 6 times w/primer cord, w/100K pld, no luck. Wrap 10 times w/primer cord, w/120K pld, no luck. Cannot get csg jacks unit Monday, May 13, 2002. NU SDON. ECTD-\$23,900.
5/12/02			<u>Oper @ Report Time:</u> SD
5/13/02			<u>Oper @ Report Time:</u> RU csg jacks.
5/14/02	10		<u>Oper @ Report Time:</u> PU spear to get in top of fish & 3073'. Will attempt to back off 3 more jts of 7". 13 th -RU csg jacks. Pld 110K w/rig, pld 140K w/jacks. Pld slips. RD csg jacks. WO & RU csg crew. Started out of hole laying dwn csg. (connections very tight). Pld 18' jt. @ surface, 63 jts. of buttress, 37 jts. of 8rd. The last 4jts had severe erosion above each of the collars on the pins. RD csg crew. SDON. DC-\$10,367, ECTD-\$34,267.

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<u>DATE:</u>	<u>DAY:</u>	<u>Ft/24 HRS:</u>	<u>OPERATIONS:</u>
5/15/02	11		<p><u>Oper @ Report Time:</u> RUWL to back off tbg 1 jt above spear. 14th-PU spear TIH tightening all tbg connections to 1250 flbs. Speared into 7". Pld 10K. RU WL & TIH w/backoff shot. Shot csg collar @ 3184' w/350 gr. chrg. Attempt back off, but tbg backed off @ 900 flbs. TOH, tbg pin backed out @ 629' (fish-2454'). TIH w/tbg, worked to get into top of 7". Cont. in hole, found top of fsh @ 4216' (btm @ 6670'). Screwed into tbg fsh. Worked on getting spear loose while turning to right, no luck, SDON. DC-\$5,673 / ECTD-\$39,940.</p>
5/16/02	12		<p><u>Oper @ Report Time:</u> Attempt to circ possible debris off spear. 15th-RUWL, TIH & backed off tbg 1 jt above spear. TOH & RDWL. PU bumper sub, jars & TIH w/tbg. Some trouble getting into top of 7". Got on fsh, screwed in, & started jarring. No luck. RU swivel & held RH torque while jarring, no luck. RUWL & TIH w/5' string shot-2' out. TOH w/WL, cont' jarring w/no luck. SDON. DC-\$6,738 / ECTD-\$46,678.</p>
5/17/02	13		<p><u>Oper @ Report Time:</u> Clean boxes & pins on csg. Make slip jt. 16th-RU kill truck & pmpd 120 bbls wtr while working jars, no luck. Pmpd 250 gals 7.5% inhibited HCL acid & spotted over spear. SD & worked jars, spear free. PUH 30" Circ 390 bbls of wtr to circ any acid out of csg. TOH W/spear, slowly, some drag in places, got bank & had grapple broke. SDON. DC-\$3,862 / ECTD-\$50,540.</p>
5/18/02	14		<p><u>Oper @ Report Time:</u> RU csg crew to run slip jt & 7" in hole. 17th-Cleaned all boxes & pins on 7" csg to be re-run. SDON. Making 8'-8 5/8"-28#-J-55 piece of csg, slipped over 7" collar & welded. Cut guide on btm of slip jt. DC-\$3,595 / ECTD-\$54,132.</p>
5/19/02	15		<p><u>Oper @ Report Time:</u> SD 18th-Off load 287' (8 jts) w/threads of yellow band 7"-23#-N-80-8rd csg. Replaced 4 collars. RU csg crew, PU slip jt & 8 new jts of yellow band, then old csg. Tagged top of 7" & slipped over w/slight turn of 7". ND 10" BOP. Lndd csg w/ 50K on slips, 15K on slip jt. Cut off csg, had heck getting packing in place. Reset tbg spool, had heck getting sealed. Good tst of 1000#. NUBOP. SDON. DC-\$9,603 / ECTD-\$63,735.</p>
5/20/02			<p><u>Oper @ Report Time:</u> TIH w/6" bit & 4DC 19th-SD</p>
5/21/02	16		<p><u>Oper @ Report Time:</u> RU WL run MicroVertilog. 20th-PU 6" bit & 4 DC & TIH. Very lightly tag slip jt, turn right thru. Continue in hole to 10,300'-all completely clear. TOH-stand collars back in Derrick (worked bit thru slip jt. until we couldn't see it) Attempted to RU WL & shoot sqz holes, WL afraid of static elect. & setting off guns. SDON. DC-\$5,246 / ECTD-\$68,981.</p>

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DATE: **DAY:**
5/22/02 17

Ft/24 HRS:

OPERATIONS:

Oper @ Report Time: RU WL to shoot sqz/circ holes. 21st-RU WL TIH w/csg insp. Log. Pull log from 9530'-3075'. The log shows no holes in any jt., but does show 50-75% investigation depths the next 5 jts below the slip jt. The worst jt (class 4) is @ 5664-5696' w/85% invest. depth. The csg jts. below & above the zone of interest look good. TOH w/Micro Vertilog. RU & TIH w/WLCIBP. Set @ 10,150'. TOH & PU bailer & made 2 runs. Tgd PBTB @ 10111'. TOH to PU guns. WL oper. worried about static elec. while working on guns. SDON. DC-\$11,136 / ECTD-\$80,117.

5/23/02 18

Oper @ Report Time: TOH w/pkr. No fld gains or losses O/N 22nd-RUWL, TIH w/4" csg gun. Shot 8975-76'-4SPF. TOH & RD. PU 7" pkr & TIH w/tbg. Set pkr @ 8917'. RU reverse unit & attempt to est. circ. 7" stdg full. Press. up to 800# & started moving fld from 7" annulus, 5 mins later from 2 7/8" annulus. Closed tbg rams & cont. pmpg. Tbg psi crept up to 1450-1550# @ .25 bpm & stabilized, 0# on 2 7/8" annulus entire time. Cont' pmpg. Tbg psi climbed to 2900# @ 0 bpm. SD, psi holding. Bled psi off, got back approx 1/2 bbl. Resumed pmpg, rate stabilized @ 1/2 bpm @ 2300-2400#. Cont to pmp, SD, bleed off, etc. throughout the day. Appeared to help each time. Rtrns consistent throughout, w/inject. rate(s) as well as fall off rates when not pmpg & monitoring psi drop. Rtrns cleaned up, (f. wtr back) w/466 bbls pmpd (annular volume-413 bbl). Pmpd a total of 573 bbls. Final rate-1.75 bpm @ 2550#. Earlier when not pmpg & monitoring psi, it would take 2.5 mins to get tbg psi to stabilize. Final SD, 0 psi in 1 min. SDON. DC-\$4,751 / ECTD-\$84,868.

5/24/02 19

Oper @ Report Time: RU pmp truck. 23rd-TOH w/pkr & tbg. LD pkr. TIH w/SN & tbg. Swing @ 9100'. Closed tbg rams & circ 7" w/375 bbls f. wtr. TIH w/tbg. PU pkr & TIH. Set pkr @ 8917', attempt to est. circ. PSI up to 800# before fld movement. Press cont. to climb to 2900#. Unable to keep a consistent rate without going over 2500#. Reverse unit struggling, rated for 2500# max. Rtrns consistent w/injection rate & bleed off rates. SDON. DC-\$4,289 / ECTD-\$89,157.

5/25/02 20

Oper @ Report Time: Spot acid over sqz/circ holes @ 8970'. 24th-RU kill truck & pmpd f. wtr via tbg. 1/4 bpm @ 3000-3200#, returns also @ 1/4 bpm. Attempted surging many, many times with no chng. DC-\$3,139 / ECTD-\$92,296.

5/26/02 21

Oper @ Report Time: Cont TOH w/tbg. 25th-RU & spot 250 gals 7.5% DI HCL acid from 8976-8815'. PUH & set pkr @ 8666'. Displaced acid w/44 bbls wtr, no improvement. Pmpd to psi of 4000#, & surge repeatedly, no help, same returns as injecting. TOH w/pkr & LD. RUWL & TIH, perfd set of suicide sqz/circ hole @ 7970-71'-4 SPF. PU

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DATE: **DAY:** **Ft/24 HRS:**
Continued

OPERATIONS:

5/27/02	22	<p>rtmr & TIH. Set rtmr @ 8917'. RU kill trk & attempt to est. circ out hole 7970, .2 bpm @ 3000#, attempt to surge repeatedly, 4000#-surge repeatedly w/no help. Closed 2 7/8" annulus, checked 7" annulus, returns after 1/2 bbl pmpd out of 7" annulus. No psi on 2 7/8" annulus. Stung out of rtmr & TOH w/tbg. Got 70 stds out & SDON. DC-\$6,230 / ECTD-\$98,526.</p> <p><u>Oper @ Report Time:</u> 0# on tbg w/trickle. To circ hole w/10#. 26th-Cont TOH w/tbg. RUWL & TIH & perfd 8650-51'-4SPF. PU rtmr & TIH w/tbg. Set rtmr @ 8605'. RU kill trk & attempt to pmp in 8650' hole. Got 3 bpm @ 2500#, rtms only 1/4-1/2 bpm out 2 7/8" annulus. Backed rate down to 2 bpm @ 1900#, still getting 1/4-1/2 bpm rtms. Rtms never better than 1/2 bpm. Called for cmt. 16:00 hrs, RU cement crew. RD kill trk, tbg 1100#. Opnd tbg to pit & started flwg tbg down. Would not flw down. Flowg back +2 bpm. @ 17:00 hrs SI tbg, built up to 1500# in less than 1 min. Released cmt crew. Opnd back up & cont to flw. @ 18:00 hrs flwg 2-2 bpm @ FTP-0#, SI tbg & built to 500# in 39 seconds. Cont. to flwg, @ 20:00 hrs, SI tbg-1200# in 2 mins. Cont flwg, @ 22:00 hrs, SI tbg-1000# in 2:15 mins. Cont. flwg, @ 24:00 hrs-built to 400# in 5 mins. Cont flwg - 2 bpm @ 2:00 hrs-250# in 5 mins. Flwd to 4:00 hrs-75# in 5 mins. Flwg trickle @ 6:00 hrs w/0# on tbg, SI tbg-25# in 5 mins. No shows gas or oil. DC-\$8082 / ECTD-\$106,608.</p>
5/28/02	23	<p><u>Oper @ Report Time:</u> Stinging out of rtmr & TOH w/tbg. 27th-Tbg trickling. Sting out of rtmr, RU & circ. 7" w/350 bbls 10#. RUWL & TIH, tgd rtmr @ 8598'(tallied-8605'). Perfd new set of suicide holes @ 8380-81'-4SPF. TOH. TIH w/tbg & stung into rtmr @ 8605'. RU kill trk & attempt to circ. via tbg & up 2 7/8" annulus. Pmpg, 1 bpm @ 1700# w/no rtms, 2 bpm @ 1900# w/no rtms. 7" annulus built to 20# w/2 7/8" annulus opn. SD after pmpg total of 50 bbls 10# via tbg w/no rtms. Tbg bled down to 700# in 1 min.-stabilized, 2 7/8" annulus-0#, 7" annulus 20#. Opnd tbg & 7" annulus. 7" annulus flwd back est. 1/2-3/4 bpm for 30 mins to pit, down to trickle from 30-45 mins & 0 after 45 mins. Tbg flwd 30 bbls in 1 hr. to truck. SIT, put pmpg "T" back in & tbg built to 300#. Released kill truck. Opnd up tbg pit. Flwd 1:15 hrs, then stopped. No flw on 7" annulus or 2 7/8" annulus. SI in for 30 mins, built no psi. SDON. DC-\$5,274 / ECTD-\$111,882.</p>
5/29/02	24	<p><u>Oper @ Report Time:</u> RU to pmp acid thru perfs @ 8650' 28th-Stung out of rtmr. TOH w/tbg. PU pkr @ TIH. Set @ 8296'. RU kill truck & started pmpg 10# brine @ .25 bpm @ 2600-2800# & getting est .25 bpm rtms out 7" annulus. SI 7" annulus, monitored 2 7/8" annulus-no rtms. Unset pkr & PUH to 7864' & set. Pmpd 10# brine thru perfs @ 7970' @ 0 psi @</p>

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OPERATIONS:

5/30/02 25

2 bpm w/2 bpm rtns out 7" annulus. Unset pkr & TOH. PU stinger & TIH. Stung into rtnr. SDON. DC-\$4,494 / ECTD-\$116,376.

Oper @ Report Time: PU bit, TIH & tag cmt.

29th-RU kill truck & pmpd 10# brine thru perfs @ 8650', caught psi in 2 bbls, press. up to 3600# @ .25 bpm, got rtns out 9 5/8" after 6 bbls @ est. .25 bpm. No psi/rtns on 7". Bled psi off tbg in 2 1/2 mins. & no flow back. Pulled out of rtnr & attempt to circ via tbg. Press. up to 3200#, jarred, got what ever was in tbg loose. Started pmpg 750 gals 15% DI HCL acid (18 bbls) followed by 30 bbls of 10# brine. Sting into rtnr. Pmpd @ .25 bpm @ 2600#, after 8 bbls, broke back to 1300#. Pmpd 10 bbls @ .25 bpm & psi came dwn to 700# & returns from 9 5/8" @ est. .25 bpm. Increased rate to .5 bpm @ 900#, returns @ .5 bpm. Increased rate to .75 bpm @ 900#, returns @ .71 bpm. Increased rate to 1 bpm @ 900#, returns @ .5 bpm. Maintained 1 bpm @ 900#. Lost returns @ 64 flush pmps (49.9 bbls to rtnr), 12.4 bbls flush in 7" annulus. Backed rate dwn to .5 bpm @ 700#. Cont. pmpg. SD after pmpg 72 bbls of 10# brine flush (20.4 bbls out 7" annulus). ISIP-700#, 10 min-650#, 50 mins-500#. Bled tbg dwn w/no flw back. Tried pmpg into @ .25 bpm @ 700#. SD, bled psi & WOC. RU cement crew. Stung out of rtnr, pmpd 25 bbls f.wtr @ 2 bpm @ 40 psi, 20.5 bbls of cmt @ 1.7 bpm @ 300#, (100 sks "H"+1% BA-10+.3% CD-32+.1% R-3 mixed @ 15.6 ppg, 1.17 yd, FL-56 cc, PT-3:40 hrs), 27 bbls f.wtr @ 2 bpm @ 25#. Sting into rtnr, pmpd 5 bbls @ .25 bpm & psi climbed to 1935#. Incr. rate @ .5 bpm & psi incr. to 3640# in 2 bbls (7 total). PSI broke to 0# & immediately got rtn out 9 5/8" & psi on 2 7/8"x7". Increased rate to 2 bpm & displaced cmt to rtnr & psi incr. to 450#. SD. 9 5/8" cont. flow, SI. Psi incr to 129#. Monitored while pulling out of rtnr. Psi went 0#. Cont. TOH w/tbg to be able to run temp survey. Tbg slit @ 8169'. SDON. Appears returns from 7970' holes after tbg slip. Will TIH w/bit in A.M. DC-\$10,072 / ECTD-\$126,448.

5/31/02 26

Oper @ Report Time: Tstg 7" csg.

30th-PU 6" bit 4 DCs & TIH. Tgd cmt @ 7750'. LD 10 jts for drill out. RU Kelly & pmpd 12 bbls @ 2 bpm @ 200# via tbg & got returns coming up in cellar, 7" open, 9 5/8" closed w/gauge & no psi. RU vac truck & cleaned cellar out. Started pmpg via tbg & fld coming up in several diff places in cellar. TOH w/bit. PU pkr & TIH, set @ 3107, filled csg 7 bbls, 3 bbls to load tbg, psi up to 150-200# @ 1.5 bpm. After pmpg 8 more bbls of f. wtr, had fld coming over top of BOP. SD unset pkr & TIH to 3297', set pkr. Pmpd via tbg. & 1 pbpm @ 150-200#, fld running over BOP. Drpd stdg valve. Tstd tbg to 1500#-good. TIH w/10 stds & set pkr @ 3924'. Tstd tbg to

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1500#, TIH & retrieved stdg valve. Loaded 7" w/3 bbls. Tstd tbg/csg to 800#-good. Unset pkr, PUH 5 stds, set pkr @ 3611'. Loaded 7" w/3 bbls. Tstd tbg/csg to 800#-good. PUH 3 stds, set pkr @ 3363'. Loaded 7" w/1 bbls. Tstd tbg/csg to 600#-good. Unset pkr, LD 1 jt. set pkr @ 3329', load csg w/less than bbl, pmpd dwn tbg, ran over BOP. Moved pkr to 3325, repeat w/same result-ran over BOP. SI & SDON. DC-\$10,857 / ECTD-\$137,305.

6/01/02 27

Oper @ Report Time: SD

31st-Pkr still set @ 3325', Loaded csg w/3 ½ bbls. Pmpd dwn tbg, immediate rtns over top of BOP. Closed BOP & 7", pmpd 1 bbls @ 225 psi via tbg w/9 5/8" opn. After 1 bbls got rtns up 9 5/8". Opnd 7" & rolled pmp over, got rtns up 9 5/8" & 7". Closed 9 5/8", incr. rtns out 7". Closed 7", rolled pmp over & got rtns out of cellar, outside 13 3/8". Unset pkr, PUH & set @ 2981', tstd 7" to 800#-ok. TOH, PU 4 DC's for weight, TIH. Set pkr @ 3141'. Load csg w/3 bbls. Pmpd dwn tbg, got rtns over top of BOP. Unse pkr PUH & set @ 2979'. Worked on BOP. Pmpd 5 bbls @ 3 bpm via tbg @ 300-400# w/equal rtns out 9 5/8" & cellar. TOH, LD pkr, PU CIBP & TIH. Set CIBP @ 3363'. TOH, PU retainer & TIH. Set @ 3040'. RU cmt crew. Closed rams & 7" w/gauge in place. Opnd 9 5/8", pmpd 10 bbls f. wtr. & broke circ. @ 2 bpm @ 300#. Started Lead-350 sks "C" Lite (35:65:6)+5% salt (135 bbls) @ 2.5-3 bpm @ 50-60#. Good rtns out 9 5/8" & cellar. Start Tail-150 sks "C"+2% CaCl2 (35 bbls). 10 bbls into tail, lost rtns, STP-50-60# @ 2.5-3 bpm. Start flush (16 bbls) @ bbls into displ, STP-0#, slowed rate to 1 bpm & cont. displ. Psi back up to 30#. SD, stung out of retainer, tbg went on slight vac. & stopped. TOH w/tbg, SD. DC-\$12,550 / ECTD-\$149,855.

6/02/02

6/03/02

6/04/02

28

Oper @ Report Time: SD

Oper @ Report Time: RU to drl out cmt.

Oper @ Report Time: RU to drl out cmt.

3rd-PU 6" bit, 8- 3 3/8" DC, & TIH. Tgd cmt @ 3008'. Drilled out to 3085', good cmt. Cmt got soft, made 30'-3115' in 15 mins. Bit will take weight but soft. Drld to 3130', same condition. SDON. DC-\$3,022 / ECTD-\$152,877.

6/05/02

29

Oper @ Report Time: Drlg cmt.

4th-Cont drilling cmt., more firm to 3150', hard to btm of cmt @ 3356'-tstd csg to 300#-ok. Tgd CIBP @ 3363', drilled out. Cont in hole, tgd cmt @ 7750'. RU swivel & broke reverse circ. good returns from tbg (only). Cont. drlg on btm of CIBP, est. 3". SDON. DC-\$3,450 / ECTD-\$156,327.

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6/06/02	30		<u>Oper @ Report Time:</u> Drlg cmt. 5 th -Cont drilling cmt., took 3hrs to finish CIBP cone, Drilled down to 8009' tested to 350#-held good.(all this time of drilling, 9 5/8 has been open) Lay down 16 jts tbg to drill with. Continue drilling to 8203'-cement has gotten very hard. DC-\$3,425 / ECTD-\$159,752.
6/7/02	31		<u>Oper @ Report Time:</u> Drlg cmt. 6 th -Continue Drilling. Drill out of cement @ 8,270'. Test to 350#. OK. Tagged cement again @ 8474', drld out to 8600'. Tstd to 350#-OK. Circ hole w/350 bbls fresh H2O. SDON. DC- \$3,425 / ECTD - \$163,177.
6/8/02	32		<u>Oper @ Report Time:</u> SD. 7 th -Cont TOH w/tbg. RUWL & TIH w/CBL/CCL/GR. Logged PBTD-8595'. Tool not working. TOH & WO another tool. TIH w/tool, tgd up & pulled repeat 200' w/0 psi. PSI up to 400# & logged from 8595'-2960'. Some change in CBL w/psi. Cement present around zone of interest. Some 80%+ bond some less than 50%. We will attempt to perf & produce. DC- \$5592 / ECTD - \$168,769.
6/9/02			<u>Oper @ Report Time:</u> SD.
6/10/02			<u>Oper @ Report Time:</u> LD tbg, Will pick up TCP guns & TIH. Should correlate, swb dwn & be ready to drop bar in A.M.
6/11/02	33		<u>Oper @ Report Time:</u> Swbg tbg dwn. Will drop bar this A.M. 10 th -LD tbg. PU TCP guns & TIH. RUWL & tied in w/OH log. NDBOP, NU tree, set pkr @ 8410' w/18 pts. RU swb. Made 6 runs, FL @ 2100'. SDON. DC- \$18,115 / ECTD - \$186,884.
6/12/02	34		<u>Oper @ Report Time:</u> TOH w/tbg & guns. Will check obstruction in tbg, replace TCP & hydrotst tbg in hole. 11 th -Cont swbg. FL @ 4500', SD & changed out swb cups. TIH & tgd FL @ 3500', pulled a run & could detect no vac on csg. PU slickline & TIH w/2.31 blkg plug. Could not get below 7375'. TOH & RD slickline. ND tree & NU BOP. Unset Pkr & reset @ 8114', 4' lower. Load annulus (51 bbls FL @ 1688'), pmpd @ ½ bpm @ 250-300#.would not hold psi. Unset pkr & start out of hole. Got out w/15 stdns. SDON DC- \$3,878 / ECTD - \$190,762.
6/13/02	35		<u>Oper @ Report Time:</u> COH 12 th -Drpd 2.25 rabbit thru 5 stds on either side of 7375- went right thru. Pull up to Pkr, Pkr had 3 rubbers cut pretty bad, got exchange Pkr, changed profile nipple to 2.25, RU Pro Testers, test Tbg BIH, found leak @ 5420(also 1jt @ 8160 that had too many pits <u>inside</u> for cups to seat.) Got all the way back in , no more leaks. Will have Schlumberger out in a.m. to get back on depth. Hope to get all set, swbd dn. DC-\$4440 / ECTD-\$195,202.

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<u>DATE:</u>	<u>DAY:</u>	<u>Ft/24 HRS:</u>	<u>OPERATIONS:</u>
6/14/02	36		<p><u>Oper @ Report Time:</u> RU Schlumberger. 13th-Tie in w/open hole logs, space out guns-set Pkr. Load Csg(took 19bbbs)-test to 400#-all OK. ND BOP NU Tree. RU swab, swab dwn to 7500', drop bar & perfd 8470-78', blow after 1½ min, left open 1hr- no trickle. Blow will increase, then slack off, then increase again-RU swab. Swab: 1- 6900'-7500'-All H2O-Little Gas, 7500'-8400'-All H2O-Little Gas, 8400'-8400'-Slight Blow, SD 1hr, 8200'-8400'-Got out w/100' fluid. SD. RIH w/TCP as follows: BP, 4" guns, SS, FH, 2-10' subs, 8' sub, DS, MR @ 8427', 10' sub, pkr w/OO & 2.25" "F" npl. @ 8410'. 2 jts 2 7/8" tbgs, 6' sub, 267 jts 2 7/8" tbgs. DC-\$8795 / ECTD-\$203,997.</p>
6/15/02	37		<p><u>Oper @ Report Time:</u> TOH 14th-Swab-drop guns. 1st run . 7500-8400'-All dirty H2O-some gas in run. 2. 8400-8400 - Little gas. From here, did 1hr runs, only got 20-50' dirty H2O. RU BJ, spot 1bbl acid @ 8478'. Set Pkr back @ 8410', begin pump away acid-on H2O. Started cycling psi from 400-2000#, formation started taking fld. Pumped total of 8 bbbs wtr & got up to .5 BPM @ 2000#-SD. "J" off Pkr, pumped 35 bbbs acid, drop 20 balls in last 10 bbbs of acid-(total of 36 bbbs acid)-pump 3 bbbs flush, "J" back on pkr, resumed flush, returns up 7" csg immediately. Worked to get to seal, no luck-reverse acid out to pit, tried to get on-off to seal. Could PSI csg to 400-all OK, try to pump dwn tbgs-immediate returns up 7". SD. DC-\$9450 / ECTD-\$213,447.</p>
6/16/02	38		<p><u>Oper @ Report Time:</u> SD. No psi, no flow. 15th-"J" off Pkr, TOH. On-off seals cut bad. PU new on-off, TIH, RU Hughes, wash over O/O mandril, "J" on- PSI csg to 400#-OK. RU on tbgs, w/no PSI- got returns out Csg, unset Pkr, TOH, send Pkr in for repairs. Run in 2 stands & 1-10' sub, put on choke, on 12/64 to tank, SD. DC-\$3150/ ECTD-\$216,597.</p>
6/17/02			<p><u>Oper @ Report Time:</u> PU Fishing tools to fish guns.</p>
6/18/02	39		<p><u>Oper @ Report Time:</u> TOH, LD Tbg 17th-RU fishing tool, TIH, latch onto guns @ 8541'. TOH- LD gun assy. PU rebuilt Pkr, TIH, set @ 8410'- Psi csg to 400# - All OK. Psi tbgs, leaking getting rtns out 7". Seems to leak to 500# - tested @ 8414', still leaking, test @ 8398', still leaking. Start out of hole w/Pkr & tbgs - LD tbgs. LD 30 jts - SD. DC-\$4055/ ECTD-\$220,652.</p>
6/19/02	40		<p><u>Oper @ Report Time:</u> Tstg annulus & pmp dwn tbgs. tbgs. 18th-Cont TOH & LD tbgs. Pkr looks ok. Off loaded 263 jts 2 7/8"-J-55 tbgs-8552.76'. Loaded old 2 7/8" string, 7" csg. & hauled back in. Removed protectors, doped pins. Tally in w/pkr. Set pkr @ 8436'. SDON. DC-\$25,900/ ECTD-\$246,552.</p>
6/20/02	41		<p><u>Oper @ Report Time:</u> RU swb, tgd FL @ 7200', all wtr, & slight amount of gas in fld. Will attempt to acidize.</p>

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19th-RU pmp truck. Tstd csg to 400#-ok. RU on tbg, started pmpg, @ 600#, had rtms out 7". Bled psi off. SD 45 mins. for pmp truck repair. Press. up tbg to 400#-ok, increased to 1500-2000#, rate of .25-.5 bpm w/no rtms out 7". RU swb & swbd tbg dwn to npl.-8400'. SD 1 hr, went in & tgd fld @ 8200', milked & got out w/75' of wtr. SDON. DC-\$2,006 / ECTD-\$248,558.

6/21/02 42 Oper @ Report Time: FTP-30# on a 12/64, 0 BO, 0 BW. RU swb, IFL @ 6000', rec. 2 BO, 4 BW. Cont swbg. 20th-RU swb, IFL @ 7500', pld from 8430', all wtr, some gas in wtr. Cont plg from 8430', 20'-50' wtr w/each run while waiting on acid crew. RU crew, held safety meeting, pmpd 25.5 bbls 15% NeFe HCL acid, 21.1 flush, pres up. Worked pressure repeatedly from 1800-2000 psi to get acid on form. Worked from 2000-2500#, from started taking fld, slowly incr. rate to 2.5 bpm while finishing flush. Over flushed 2 bbls. AIR-2.5 bpm, ATP-1950#, ISIP-1424#, 5-1357#, 10-1357#, 15-1337#. RD acid crew. 35 mins after finished pmpg, SITP-1320#. Opnd to pit & bled off immediately & cont to flow while RU swb. 6th run, tbg @ 3500', pld from 5200' 7 started getting acid gas back. 7th run, tgd @ 2800, pld form 4600', load. 9th run, tgd @ 4200-5600', 10% cut & slight amount of nat. gas. 10th-4200-6000', 50% cut, turned to tst tank. 11th-5400'-7900', 3 BO, 2 BW, good gas, chng out swb cups to undersized to be able to get back in. 12th-7500'-8300', recvd on fld. Placed on 12/64 & left opn to tst tank o/n. SD. DC-\$5,200 / ECTD-\$253,758.

6/22/02 43 Oper @ Report Time: 0 fld overnight, IFL @ 7500, pld from 8400, 20% cut & gas in fld. Will cont to swb until acid crew arrives. 21st-FTP-30#, RU swb, IFL @ 6000', pld form 8000'. In 4 runs, 4 BO, 10 BW. SD 30 mins after 4th run. 5th run tgd @ 7800'- SN, cont to swb from SN. Made total of 8 runs recovered 6 BO, 14 BW. ND BOP, NU tree, built steel line to tst tank, left opn to tank on 16/64, SDON. DC-\$2,525 / ECTD-\$256,283.

6/23/02 44 (revised) Oper @ Report Time: Tbg dead, flwd 2 BO, 8 BW overnight, RU & swb. 22nd-Swbd until acid crew arrived. 1)7500-SN, 20% oil ,gas in fluid. 2)SN-SN 3)SN-SN. RU acid crew. Tagged acid. Acidize w/2898 gals 15% NEFE HCL acid. Start acid-2.6 bpm, 20-30 psi, tbg loaded w/55 bbls in. PSI up to 1530-1550#. Pmpd 1st 1500 gals acid, the remaining acid w/4 (1.3 sp.gr.) balls every 3 bbls of acid (total of 30 balls). End of pmpg acid-3 bpm @ 1525#. 1st balls on-1580#, 2nd balls on-1590#, 3rd balls on-1605#, 4th balls on-1620#, 5th balls on-1639#, 6th balls on-1651#, 7th balls on-1668#, last 2 balls-

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1675#. End of flush-3 bpm @ 1745#. AIR-3 bpm. ATP-NR. ISIP-1350#, 5 min-1286#, 10-1205#, 15-927#. TLTR-122 bbls. RD acid crew, 30 min after job finished-SITP-750 psi. Opnd to tank on 32/64 bled dwn in 5min. RU swab. 1)Surface-1400', 2) 1400-2800', 3)2000-3200', 4)2800-4200', 5)3200-4500', 6)3200-4500', All H2O. 7)2400-4000', 8)2400-4000', 9)1600-3500', acid load & acid gas. 10) 700-2200', natural gas & acid load, 11)1400-2800', natural gas & skim oil, 12)1200-2800'-1% oil/good gas 13) 900-2800'-flwd 20 min, 15% oil & H2O swbd/recoverd as of now-103 bbls load. 14) 800-3000'-flwd 30 min, 15% oil. 15)1200-3500'-flwg good, 30-40 psi-3/4 choke, TFR-116 BW & 23 BO. RLTR-6 bbls. RU & run tag log. put well on 16/64, psi up to 200 psi, run tag & temp sur. @ end of surv. FTP-20 psi, all gas. RU swab, 16) 4000-6500'-25% oil, good gas. 17) 300-600'-kicked hard flwd 40min, 30% oil-lots gas. 18) 6500-SN-scattered, out w/500' fluid, 10% oil, gas dwn. 19) 8200-SN', gas dwn bad, out w/20' fluid-50% oil. Too dark to swab more-SD-left on 32/64 to tank. TFR-119 BW & 29 BO. RLTR-3 bbls. DC-\$15,475 / ECTD-\$271,758.

6/24/02 45

Oper @ Report Time: Swbg.

23rd-Flwd 2 BO & 8 BW. RLTR- (-5 bbls). Tbg dead, RU swb IFL @ 8200'-SN, 5% cut, some gas in runs. Runs 2-7, milked, recvd 15-30' fld, 30% cut & little gas in runs. Getting inner phase in samples. Placed on 1/2" chk to tank overnight. DC-\$1075 / ECTD-\$272,833.

6/25/02 46

Oper @ Report Time: No prod overnight. RU swb.

24th- No prod overnight- no gas. RU Swab 1) 8200-SN, 80% oil-out w/100' fluid 2)SN-SN, Got sample-20' fluid, gas in run, 40% oil. Took sample to lab-H2O is spent acid, w/iron in it. Left on 32/64 to tank. Ran in hole w/bombs. SD. DC-\$1350 / ECTD-\$274,183.

6/26/02 47

Oper @ Report Time: SI for buildup.

25th-RU swb, IFL @ 8200, pld from SN-30% cut, gas in run. 2nd-SN-SN, 10% cut, out w/50' fld. 3rd-SN-SN, 50% cut, out w/25' fld. 4th-SN-SN, 30% cut, out w/20' fld. SD 30 mins. 5th, SN-SN, 30% cut, out w/25' fld. SI w/bombs in hole. Cleaned location, RD & released unit. DC-\$1245 / ECTD- \$275,428.

6/27/02

Oper @ Report Time: SI for buildup.

6/28/02

Oper @ Report Time: SI for buildup.

6/29/02

Oper @ Report Time: SI for buildup.

6/30/02

Oper @ Report Time: SI for buildup.

7/01/02

Oper @ Report Time: SD WOO.