

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
May 27, 2004

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

WELL API NO.	30-015-22739
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	V-2987
7. Lease Name or Unit Agreement Name	Zima
8. Well Number	1
9. OGRID Number	004378
10. Pool name or Wildcat	Malaga Bone Spring

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 TO DRILL" FORM 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>B</u> : <u>660</u> feet from the <u>North</u> line and <u>1,980</u> feet from the <u>East</u> line Section <u>16</u> Township <u>24-S</u> Range <u>28-E</u> NMPM County <u>Eddy</u>	11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,034' GL
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Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input checked="" type="checkbox"/>
Pit type <u>steel pit</u> Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: <u>steel</u> mil Below-Grade Tank: Volume <u>180</u> bbls; Construction Material _____

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"/>
OTHER: <input type="checkbox"/>	P AND A <input checked="" 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

13 3/8" csg @ 612' w/ 650 sx, circulated; 9 5/8" csg @ 2,450' w/ 1,700 sx, circulated; 7" @ 10,267, cut & pulled 4,738' when originally plugged in 1982. Ran 4 1/2" & cmt'd w/ 300 sx, TOC 4,850' calc. Open perforations 7,126 - 7,336' (Bone Springs).

07/31/06 Notified NMOCD, Van Barton. MIRU Triple N rig #22 & plugging equipment. POOH w/ rods & pump. NU BOP. SDFN.

08/01/06 POOH w/ production tubing. Set CIBP @ 7,095'. Circulated hole w/ mud and pumped 25 sx C cmt on CIBP 7,095 - 6,727'. Cut 4 1/2" @ 4,680'. Start out of hole w/ casing. SDFN.

08/02/06 Finished POOH w/ 4 1/2" casing. RIH w/ tbg to 4,796' (116' inside casing stub). Loaded hole and pumped 60 sx C cmt w/ 2% CaCl₂ @ 4,796'. WOC and tagged cmt @ 4,580'. PUH @ 2,500'. Loaded hole and pumped 70 sx C cmt @ 2,500'. POOH w/ tbg and SI well. SDFN.

08/03/06 RIH w/ tbg and tagged cmt @ 2,320'. PUH and pumped 45 sx C cmt @ 1,411'. WOC and tagged cmt @ 1,270'. Pumped 45 sx C cmt @ 665'. WOC and tagged cmt @ 520'. Circulated 20 sx C cmt 60' to surface. POOH w/ tubing, RDMO.

08/04/06 Cut off wellhead & anchors, install dry hole marker.

Approved as to plugging of the well bore. Liability under bond is retained until surface restoration, environmental remediation and final inspection is completed.

I hereby certify that the information above is true and complete to the grade tank has been/will be constructed or closed according to NMOCD guideline

at any pit or below-grade tank ☐

SIGNATURE James F. Newman, P.E. TITLE Engineer, Triple N Services, Inc. DATE 08/19/06

Type or print name James F. Newman, P.E. E-mail address: jim@triplenservices.com Telephone No. 432.687.1994

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APPROVED BY: Gerry Guye TITLE Deputy Field Inspector DATE AUG 24 2006
Conditions of Approval (if any): District II - Artesia