

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 and Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

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.)		WELL API NO. 30-015-30935
1. Type of Well: Oil Well Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> RECEIVED		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Chi Operating, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 1799 Midland, Texas 79702		7. Lease Name or Unit Agreement Name: USA "9" Federal Com.
4. Well Location Unit Letter : 660 feet from the NORTH line and 660 feet from the EAST line Section 9 Township: 20S Range: 28E NMPM County: EDDY		7. Well No. #2
10. Elevation (Show whether DR, RKB, RT, GR, etc.) GL - 3275'		8. Pool name or Wildcat Golden Lane; Delaware, South

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 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 checked="" 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.

Spud well 7/29/03. Drld 17½" hole to 372'. Cmtld w/10bbl GW-27, 325sxs Class "C" + 4% Gel + 2% CaCl2 + 1pps Gils, Tail 100sxs Class "C" + 2% CaCl2 + .25pps CF. WOC 18 hrs. Drld 11" hole to 3267'. Cmtld w/ 660sxs Class "C" + 15% Gel + 10% Salt + 1pps LCM-1 & 225sxs Class "C" + 1% CaCl2 + .25pps CF, Circ 32sxs. WOC 18 hrs. Drld 7 7/8" hole to 11,440'. Cmtld 1st Stage w/230sxs 15:61:11 + 8% BA-10 + .65% CD32 + .35% FL52 + .3% SMS, 200sxs Class "C" + 15% Gel + 10% Salt, 380sxs 15:61:11 + .8% BA 10 + .65% CD32 + .35% FL52 + .3% SMS, Cmtld 2nd Stage w/400sxs 35:65:6 + .25% CF + .3% FL52, 100sxs "C" + .2% SMS. ND BOP & tst. Released rig 9/10/03 @ 7:00 pm

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

SIGNATURE Robin Askew TITLE REGULATORY CLERK DATE 10/31/03

Type or print name ROBIN ASKEW Telephone No. 915-685-5001

(This space for State use)

APPROVED BY FOR RECORDS ONLY - Federal Well DATE NOV 12 2003

Conditions of approval, if any: