

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
 June 19, 2008

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



WELL API NO. 30-015-36231
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name ARTHUR
8. Well Number #1
9. OGRID Number 004378
10. Pool name or Wildcat CARLSBAD, SOUTH DELAWARE

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

2. Name of Operator
CHI OPERATING, INC.

3. Address of Operator
P.O. BOX 1799, MIDLAND, TEXAS 79702

4. Well Location
 Unit Letter F : 1980 feet from the NORTH line and 1650 feet from the WEST line
 Section 30 Township 22S Range 27E NMPM EDDY County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 GL:3185' KB:3196'

12. 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 COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <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"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/>
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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.

Spud 9:30 9/12/08. Drld 12 1/4" hole to 377', Ran 8 5/8" 24# J55 csg. Cmtd surf csg w/250 C+2%CACL2 circ 5 bbls cmt t/surf. WOC 22hrs, tst surf csg t/500 psi, ok. Drld 7 7/8" hole to 5340', Ran 5 1/2" 15.5# J-55 prod csg. Cmtd 1100 sxs lead slurry & 600 sxs tail slurry displace & pump plug @ 1330 cmt t/surf. ND BOP, set slips, jet & clean pits. Released rig 9/29/08.

ACCEPTED FOR RECORD

DEC 22 2008

Gerry Guye, Deputy Field Inspector
 NMOCD-District II ARTESIA

Spud Date: 9/12/2008

Rig Release Date: 9/29/2008

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 11/03/2008

Type or print name ROBIN ASKEW E-mail address: robina@chienergy PHONE: 432-685-5001
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): _____