

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

District I

P. O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

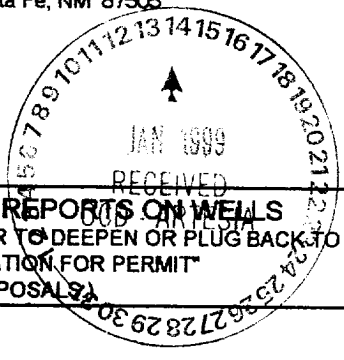
District II

811 South First St., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.	30-015-30513
Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.	
Lease Name or Unit Agreement Name	Giblet State
Well No.	# 1
Pool name or Wildcat	Turkey Track; Morrow 86480



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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER
2 Name of Operator CHI OPERATING, INC.
3 Address of Operator P.O. Box 1799 Midland, Texas 79702
4 Well Location Unit Letter : 660 Feet From The North Line and 1650 Feet From The West Line Section 1 Township 19S Range 29E NMPM County Eddy
5 Elevation (Show whether DF, RKB, RT, GR, etc.) 3420' - GR

11 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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER <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.

We spudded this well on 12/10/98. Dry drilled to 320'.
 Set 13 3/8" surface pipe @ 320'. Cmtd w/ 100 sks of Thixofil + 215 sks of Lead, C+4%gel+addv.+ 100 sks of tail, C+addv.. Did not circ. Ran 1" to 120', & 6 separate attempts to cmt to surface w/ 400 sks. Called NMOCD, got approval to try readymix. Dumped 40 yds & Cmt @ surface. WOC 18 hrs.
 Set 8 5/8" intermediate @ 3010'. Cmt w/ 700 sks lead & 200 sks, tail. Circ 102 sks. WOC 18 hrs. Tstd. BOP to 5000#.
 We are presently drilling @ 11,010'. The original APD was approved to 11,900', a Morrow test. After further evaluation, we would like to drill to the Mississippian, a new TD of 12,200'.
 If approved we can continue with our operations without delay.

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

SIGNATURE John W. Wolf TITLE Engineer DATE 1/12/99
 TYPE OR PRINT NAME John W. Wolf TELEPHONE NO 915-685-5001
 (This space for State Use)

**ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR**

APPROVED BY BGM TITLE _____ DATE 1-12-99
CONDITIONS OF APPROVAL, IF ANY: