

CHI ENERGY, INC.
P.O. BOX 1799
MIDLAND, TEXAS 79702

September 15, 2005

Chris Williams
NMOCD District 1
1625 N. French Dr.
Hobbs, NM 88240

Re: September 2005, Compliance Report

Dear Mr. Williams,

Per the Agreed Compliance Letter, signed by Chi Operating 7-10-04, there have been 49 wells brought back to compliance. We are currently waiting on money in order to start another series of wells.

Sincerely,


Oren Albright
cc: WRB

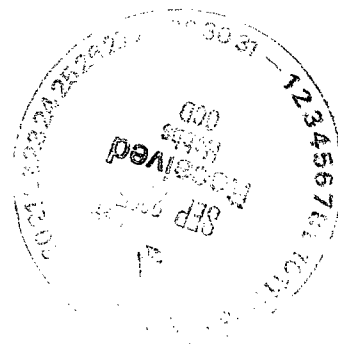


Exhibit "A"
Chi Operating
OGRID 4378
Blanket Bond \$50,000

Updated - '09-15-05

API #	District	Type	Last Production/ Injection	Well Name and Number	Operator	ULSTR	FNS	FEW	Dpth	
30-005-10091-00-00	HOBBS	O	02-2001	GARRETSON FEDERAL #002	CHI OPER G-25-08S-32E	1980N	1980E	9160 F		
30-005-10236-00-00	HOBBS	O	04-1989	STATE I #001	CHI OPER 4-04-08S-33E	660N	660W	4500 S		
30-005-10240-00-00	HOBBS	O	10-1990	STATE 5-8-33 #001	CHI OPER 2-05-08S-33E	660N	1980E	4420 S		Reported '09-07-04
30-005-10409-00-00	HOBBS	O	03-1987	STATE 5-8-33 #002	CHI OPER 1-05-08S-33E	660N	660E	4416 S		Reported '09-07-04
30-005-10433-00-00	HOBBS	O	01-1996	HALEY CHAVEROO SA UNIT #032	CHI OPER 1-03-08S-33E	660N	660E	4480 S		Reported '9-15-05
30-005-10434	HOBBS	O	06-1990	STATE 5 A #001	CHI OPER 3-05-08S-33E	660N	1980W	4430 S		
30-005-10435	HOBBS	O	07-2001	STATE 5 A #002	CHI OPER 4-05-08S-33E	660N	660W	4435 S		Rec @ OCD '5-24-04
30-005-10440	HOBBS	I	11-1992	HALEY CHAVEROO SA UNIT #033	CHI OPER 2-03-08S-33E	660N	1980E	4491 S		
30-005-10451	HOBBS	O	09-1988	STATE 6 #002	CHI OPER 5-06-08S-33E	1980N	660W	4405 S		Reported '10-5-04
30-005-10467	HOBBS	I	10-1997	HALEY CHAVEROO SA UNIT #037	CHI OPER H-03-08S-33E	1980N	660E	4490 S		
30-005-10470	HOBBS	O	01-1996	STATE 6 #006	CHI OPER F-06-08S-33E	1980N	1980W	4408 S		
30-005-10486	HOBBS	O	11-1992	HALEY CHAVEROO SA UNIT #036	CHI OPER G-03-08S-33E	1980N	1980E	4456 S		Rec @ OCD '5-24-04
30-005-10490	HOBBS	I	10-1997	HALEY CHAVEROO SA UNIT #035	CHI OPER F-03-08S-33E	1980N	1980W	4480 S		Reported '9-15-05
30-005-10541	HOBBS	I	11-1992	HALEY CHAVEROO SA UNIT #039	CHI OPER J-03-08S-33E	1980S	1980E	4476 S		
30-005-10582	HOBBS	O	01-2003	CHAVES STATE #001	CHI OPER G-01-08S-32E	1980N	1980E	4340 S		Reported '10-5-04
30-005-20026	HOBBS	O	10-1992	HALEY CHAVEROO SA UNIT #041	CHI OPER O-03-08S-33E	990S	1980E	9190 S		Rec @ OCD '5-03-04
30-005-20052	HOBBS	O	12-1993	HALEY CHAVEROO SA UNIT #038	CHI OPER I-03-08S-33E	1980S	660E	4410 S		Rec @ OCD '5-24-04
30-005-20285	HOBBS	O	04-1989	STATE I #003	CHI OPER K-04-08S-33E	1980S	1980W	4418 S		
30-005-20311	HOBBS	O	06-2002	MWJ STATE #001	CHI OPER 1-02-08S-32E	660N	380E	4420 S		
30-005-20516	HOBBS	O	03-1992	SIGNAL STATE #005	CHI OPER I-01-08S-32E	1980S	660E	4475 S		
30-005-20518	HOBBS	O	09-1985	LEVICK 6 STATE #001	CHI OPER K-06-08S-33E	1980S	1980W	4450 S		
30-005-20535	HOBBS	O	07-1991	STATE 5-8-33 #006	CHI OPER H-05-08S-33E	1980N	660E	4485 S		
30-005-20537	HOBBS	O	03-1991	STATE 5-8-33 #009	CHI OPER J-05-08S-33E	1980S	1980E	4545 S		
30-005-20547	HOBBS	O	07-1990	STATE 5-8-33 #004	CHI OPER F-05-08S-33E	1980N	1980W	4525 S		
30-005-20552	HOBBS	O	05-1991	STATE 5-8-33 #010	CHI OPER I-05-08S-33E	1980S	660E	4450 S		
30-005-20563	HOBBS	O	07-1990	STATE 5-8-33 #011	CHI OPER P-05-08S-33E	660S	660E	4520 S		
30-005-20567	HOBBS	O	07-1990	STATE 6 #011	CHI OPER H-06-08S-33E	1650N	330E	4500 S		
30-005-20568	HOBBS	O	07-1990	SIGNAL STATE #007	CHI OPER O-01-08S-32E	660S	1980E	4456 S		
30-005-20570	HOBBS	O	12-1993	STATE 6 #012	CHI OPER I-06-08S-33E	2310S	330E	4505 S		
30-005-20590	HOBBS	O	04-1989	STATE I #004	CHI OPER L-04-08S-33E	1980S	660W	4485 S		
30-005-20792	HOBBS	O	07-1991	HALEY CHAVEROO SA UNIT #040	CHI OPER K-03-08S-33E	1980S	1980W	4500 S		
30-041-10023	HOBBS	O	09-1985	STATE 32-7-33 UNIT #010	CHI OPER C-32-07S-33E	660N	1980W	4380 S		
30-041-10025	HOBBS	O	09-1985	STATE 32-7-33 UNIT #012	CHI OPER G-32-07S-33E	1980N	1980E	4385 S		

30-041-1003 5	HOBBS	O	03-1983	STATE 32-7-33 UNIT #006	CHI OPER O-32-07S-33E	660S	1980E	4480 S	
30-041-1013 7	HOBBS	I	05-2001	HALEY CHAVEROO SA UNIT #014	CHI OPER F-33-07S-33E	1980N	1980W	4460 S	Rec @ OCD '7-02 -04
30-041-1013 8	HOBBS	I	05-2001	HALEY CHAVEROO SA UNIT #018	CHI OPER J-33-07S-33E	1980S	1980E	4480 S	Rec @ OCD '7-01 -04
30-041-1014 0	HOBBS	I	05-2001	HALEY CHAVEROO SA UNIT #012H	CHI OPER H-33-07S-33E	1980N	660E	4475 S	
30-041-1014 1	HOBBS	O	11-1992	HALEY CHAVEROO SA UNIT #004	CHI OPER A-33-07S-33E	660N	660E	4475 S	
30-041-1014 2	HOBBS	O	01-1996	HALEY CHAVEROO SA UNIT #009	CHI OPER G-34-07S-33E	1980N	1980E	4475 S	
30-041-1014 3	HOBBS	O	12-1993	HALEY CHAVEROO SA UNIT #013	CHI OPER G-33-07S-33E	1980N	1980E	4475 S	
30-041-1014 6	HOBBS	I	05-2001	HALEY CHAVEROO SA UNIT #016	CHI OPER L-33-07S-33E	1980S	660W	4486 S	
30-041-1016 4	HOBBS	I	05-2001	HALEY CHAVEROO SA UNIT #025	CHI OPER N-33-07S-33E	660S	1980W	4510 S	
30-041-1017 1	HOBBS	O	05-1995	HALEY CHAVEROO SA UNIT #017	CHI OPER K-33-07S-33E	1980S	1980W	4470 S	Rec @ OCD '5-03 -04
30-041-1017 3	HOBBS	O	10-1991	HALEY CHAVEROO SA UNIT #024	CHI OPER M-33-07S-33E	660S	660W	4500 S	
30-041-1017 6	HOBBS	O	07-1991	HALEY CHAVEROO SA UNIT #011	CHI OPER E-34-07S-33E	1980N	660W	4529 S	
30-041-1021 3	HOBBS	I	07-1997	HALEY CHAVEROO SA UNIT #012	CHI OPER L-34-07S-33E	1980S	660W	4425 S	
30-041-1021 8	HOBBS	I	05-2001	HALEY CHAVEROO SA UNIT #005	CHI OPER D-34-07S-33E	660N	660W	4475 S	
30-041-1023 1	HOBBS	O	09-1988	LAUCK FEDERAL #004	CHI OPER O-29-07S-33E	660S	1980E	4454 F	Reported '10-5-04
30-041-1023 2	HOBBS	I	11-1992	HALEY CHAVEROO SA UNIT #022	CHI OPER J-34-07S-33E	1980S	1980E	4475 S	
30-041-1024 2	HOBBS	O	06-1991	HALEY CHAVEROO SA UNIT #006	CHI OPER C-34-07S-33E	660N	1880W	4450 S	
30-041-1040 8	HOBBS	O	01-1996	JENNIFER CHAVEROO SA UNIT #046	CHI OPER M-26-07S-33E	660S	660W	4400 F	
30-041-1041 3	HOBBS	I	05-2001	HALEY CHAVEROO SA UNIT #008	CHI OPER H-34-07S-33E	1980N	660E	4480 S	
30-041-1042 1	HOBBS	I	11-1992	HALEY CHAVEROO SA UNIT #031	CHI OPER P-34-07S-33E	660S	660E	4480 S	
30-041-1043 5	HOBBS	O	08-1986	LAUCK FEDERAL #007	CHI OPER F-29-07S-33E	1980N	1980W	4430 F	
30-041-1043 6	HOBBS	O	11-1997	LAUCK FEDERAL #008	CHI OPER E-29-07S-33E	1980N	660W	4430 F	
30-041-1043 9	HOBBS	O	01-1996	JENNIFER CHAVEROO SA UNIT #015	CHI OPER D-25-07S-33E	660N	660W	4388 S	
30-041-1044 2	HOBBS	O	04-1990	STATE 32-7-33 UNIT #007	CHI OPER N-32-07S-33E	660S	1980W	4480 S	
30-041-1045 0	HOBBS	I	07-1997	HALEY CHAVEROO SA UNIT #029	CHI OPER N-34-07S-33E	990S	1980W	4500 S	
30-041-1045 7	HOBBS	O	07-2001	MORGAN B FEDERAL #005	CHI OPER C-26-07S-33E	660N	1980W	4427 F	
30-041-1045 8	HOBBS	O	07-1993	MORGAN B FEDERAL #006	CHI OPER B-26-07S-33E	660N	1980E	4425 F	
30-041-1046 7	HOBBS	O	12-1988	JENNIFER CHAVEROO SA UNIT #049	CHI OPER B-35-07S-33E	660N	1980E	4397 S	Reported '9-15-05
30-041-1046 8	HOBBS	O	11-1992	JENNIFER CHAVEROO SA UNIT #062	CHI OPER J-35-07S-33E	1980S	1980E	4500 S	
30-041-1047 8	HOBBS	O	01-1990	JENNIFER CHAVEROO SA UNIT #063	CHI OPER I-35-07S-33E	1980S	660E	4452 S	
30-041-1047 9	HOBBS	O	07-1994	MORGAN B FEDERAL #003	CHI OPER G-26-07S-33E	1980N	1980E	4450 F	
30-041-1048 0	HOBBS	O	12-1991	HALEY CHAVEROO SA UNIT #030	CHI OPER O-34-07S-33E	990S	1980E	4500 S	
30-041-1048 9	HOBBS	O	05-1990	JENNIFER CHAVEROO SA UNIT #048	CHI OPER C-35-07S-33E	660N	1980W	4500 S	Reported '10-5-04
30-041-1049 0	HOBBS	O	11-1988	JENNIFER CHAVEROO SA UNIT #017	CHI OPER B-25-07S-33E	660N	1980E	4395 S	Reported '02-05
30-041-1049 3	HOBBS	O	07-1988	JENNIFER CHAVEROO SA UNIT #016	CHI OPER C-25-07S-33E	660N	1980W	4430 S	Reported '06-05
30-041-1049 6	HOBBS	O	07-1990	JENNIFER CHAVEROO SA UNIT #050	CHI OPER A-35-07S-33E	660N	660E	4500 S	
30-041-1050 1	HOBBS	O	10-1991	LAUCK FEDERAL #013	CHI OPER N-29-07S-33E	660S	1980W	4455 F	Reported '10-5-04
30-041-1050 4	HOBBS	O	12-2000	TKL 27 FEDERAL #003	CHI OPER A-27-07S-33E	660N	660E	4395 F	Rec @ OCD '5-24 -04
30-041-1050 6	HOBBS	O	06-1994	FEDERAL 24 #002	CHI OPER J-24-07S-33E	1980S	1980E	4300 F	Reported '10-5-04
30-041-1050 7	HOBBS	O	06-1994	FEDERAL 24 #003	CHI OPER F-24-07S-33E	1980N	1980W	4400 F	Reported '06-05
30-041-1051 0	HOBBS	O	06-1994	FEDERAL 24 #006	CHI OPER C-24-07S-33E	660N	1980W	4340 F	
30-041-1051 1	HOBBS	O	06-1994	FEDERAL 24 #007	CHI OPER B-24-07S-33E	660N	1980E	4370 F	Reported '06-05
30-041-1051 2	HOBBS	O	06-1994	FEDERAL 24 #008	CHI OPER A-24-07S-33E	660N	660E	4340 F	Reported '06-05
30-041-1051 3	HOBBS	O	07-1994	FEDERAL 21 #001	CHI OPER M-21-07S-33E	660S	660W	4400 F	

30-041-1051 4	HOBBS	O	01-1996	FEDERAL 21 #002	CHI OPER N-21-07S-33E	660N	1980W	4375 F	Reported '06-05
30-041-1051 5	HOBBS	G	01-1996	FEDERAL 21 #003	CHI OPER O-21-07S-33E	660S	1980E	4373 F	
30-041-1052 0	HOBBS	O	01-1996	JENNIFER CHAVEROO SA UNIT #031	CHI OPER L-26-07S-33E	1980S	660W	4405 F	Reported '02-05
30-041-1052 2	HOBBS	O	01-1996	JENNIFER CHAVEROO SA UNIT #045	CHI OPER N-26-07S-33E	660S	1980W	4380 F	Reported '02-05
30-041-1052 3	HOBBS	O	01-1996	JENNIFER CHAVEROO SA UNIT #033	CHI OPER J-26-07S-33E	1980S	1980E	4394 F	Reported '02-05
30-041-1052 4	HOBBS	O	01-1996	JENNIFER CHAVEROO SA UNIT #044	CHI OPER O-26-07S-33E	660S	1980E	4380 F	Reported '02-05
30-041-1052 5	HOBBS	O	01-1996	JENNIFER CHAVEROO SA UNIT #034	CHI OPER I-26-07S-33E	1980S	660E	4400 F	Reported '9-15-05
30-041-1052 6	HOBBS	O	01-1996	JENNIFER CHAVEROO SA UNIT #043	CHI OPER P-26-07S-33E	1980S	660E	4376 F	
30-041-1052 9	HOBBS	O	11-1993	FEDERAL 23 #003	CHI OPER O-23-07S-33E	660S	1980E	4400 F	Reported '06-05
30-041-1053 3	HOBBS	O	09-1992	FEDERAL 23 #007	CHI OPER J-23-07S-33E	1980S	1980E	4300 F	
30-041-1053 4	HOBBS	O	10-1993	FEDERAL 23 #008	CHI OPER I-23-07S-33E	1980S	660E	4450 F	
30-041-1053 6	HOBBS	O	01-1989	FEDERAL 23 #010	CHI OPER G-23-07S-33E	1980N	1980E	4300 F	
30-041-1053 8	HOBBS	O	01-1989	FEDERAL 23 #012	CHI OPER A-23-07S-33E	660N	660E	4350 F	Rec @ OCD '5-24-04
30-041-1054 0	HOBBS	O	12-2002	TKL 22 FEDERAL #001	CHI OPER B-27-07S-33E	660N	1980E	4375 F	Reported '9-30-04
30-041-1054 4	HOBBS	O	07-1993	TKL 22 FEDERAL #005	CHI OPER L-22-07S-33E	1980S	660W	4350 F	Reported '9-30-04
30-041-1054 5	HOBBS	O	12-1985	JENNIFER CHAVEROO SA UNIT #047	CHI OPER D-35-07S-33E	660N	660W	4500 S	
30-041-1055 3	HOBBS	I	04-1990	JENNIFER CHAVEROO SA UNIT #042	CHI OPER M-25-07S-33E	660S	660W	4430 S	
30-041-1055 6	HOBBS	O	08-1990	JENNIFER CHAVEROO SA UNIT #056	CHI OPER H-35-07S-33E	1980N	660E	4440 S	Reported '9-15-05
30-041-1055 7	HOBBS	O	12-1992	JENNIFER CHAVEROO SA UNIT #068	CHI OPER O-35-07S-33E	660S	1980E	4500 S	
30-041-1055 8	HOBBS	O	12-1988	JENNIFER CHAVEROO SA UNIT #051	CHI OPER D-36-07S-33E	660N	660W	4460 S	
30-041-1056 8	HOBBS	O	12-1993	JENNIFER CHAVEROO SA UNIT #067	CHI OPER P-35-07S-33E	660S	660E	4500 S	
30-041-1057 1	HOBBS	O	11-1990	JENNIFER CHAVEROO SA UNIT #071	CHI OPER 3-19-07S-34E	1980S	660W	4340 S	
30-041-1058 1	HOBBS	O	02-1990	JENNIFER CHAVEROO SA UNIT #052	CHI OPER C-36-07S-33E	660N	1980W	4458 S	
30-041-1058 8	HOBBS	S	NONE	MIDWEST MORGAN FEDERAL #001	CHI OPER I-13-07S-33E	1980S	660E	4340 F	
30-041-1059 3	HOBBS	I	NONE	JENNIFER CHAVEROO SA UNIT #072	CHI OPER I-25-07S-33E	1980S	660E	4498 S	
30-041-1061 1	HOBBS	O	11-1990	JENNIFER CHAVEROO SA UNIT #010	CHI OPER I-19-07S-34E	1650S	990E	4410 S	Rec@ OCD '1-21-05
30-041-1061 2	HOBBS	O	03-1987	JENNIFER CHAVEROO SA UNIT #012	CHI OPER P-19-07S-34E	660S	990E	4420 S	Rec@ OCD '1-21-05
30-041-1061 7	HOBBS	O	07-1990	JENNIFER CHAVEROO SA UNIT #028	CHI OPER 2-30-07S-34E	1981N	763W	4385 S	Rec@OCD '1-21-05
30-041-1062 5	HOBBS	O	08-1990	JENNIFER CHAVEROO SA UNIT #064	CHI OPER L-36-07S-33E	1980S	660W	4490 S	
30-041-1062 7	HOBBS	O	12-1990	JENNIFER CHAVEROO SA UNIT #054	CHI OPER F-36-07S-33E	1980N	1980W	4480 S	
30-041-1063 0	HOBBS	O	01-1996	JENNIFER CHAVEROO SA UNIT #005	CHI OPER E-20-07S-34E	1980N	660W	4448 F	Reporte '02-05
30-041-1063 5	HOBBS	O	03-1988	JENNIFER CHAVEROO SA UNIT #037	CHI OPER 3-30-07S-34E	2314S	660E	4400 S	
30-041-1063 9	HOBBS	O	01-1986	JENNIFER CHAVEROO SA UNIT #001	CHI OPER O-18-07S-34E	660S	2151E	4340 F	
30-041-1064 0	HOBBS	O	08-1982	JENNIFER CHAVEROO SA UNIT #038	CHI OPER J-30-07S-34E	2310S	1980E	4500 S	
30-041-1064 6	HOBBS	O	12-1988	JENNIFER CHAVEROO SA UNIT #022	CHI OPER D-29-07S-34E	330N	467W	4435 S	
30-041-1066 0	HOBBS	O	11-1982	JENNIFER CHAVEROO SA UNIT #023	CHI OPER C-29-07S-34E	330N	1650W	4478 S	
30-041-1066 7	HOBBS	O	01-1996	JENNIFER CHAVEROO SA UNIT #0051	CHI OPER F-20-07S-34E	1980N	1980W	4387 F	Reported '9-15-05
30-041-2004 4	HOBBS	O	01-1996	JENNIFER CHAVEROO SA UNIT #065	CHI OPER K-36-07S-33E	2310S	1650W	4481 S	
30-041-2006 6	HOBBS	S	02-1995	HONDO STATE #001	CHI OPER F-31-07S-33E	1980N	1980W	4424 S	Rec @ OCD '6-18-04
30-041-2041 8	HOBBS	O	06-1990	STATE 32-7-33 UNIT #014	CHI OPER M-32-07S-33E	660S	660W	4461 S	
30-041-2067 3	HOBBS	O	10-1984	FEDERAL 21 B #001	CHI OPER K-21-07S-33E	1980S	1980W	4450 F	
30-041-2072 0	HOBBS	O	04-1998	METZGER #004	CHI OPER H-17-07S-34E	1980N	853E	4518 P	
30-041-2073 0	HOBBS	O	11-2001	METZGER #006	CHI OPER A-17-07S-34E	660N	853E	4550 P	
30-041-2080 3	HOBBS	O	11-2001	HASELOFF FEDERAL #001	CHI OPER M-13-07S-33E	1310S	1310W	4400 F	Reported '09-07-04

Wells from Original List of '05-04-04

30-015-29007	Hagerman #1	Reported '9-07-04
30-041-10543	TKL Federal 22 #4	Reported '9-30-04
30-041-10542	TKL Federal 22 #3	Reported '9-30-04
30-041-10608	Milford 22 Federal #1	Reported '06-02-04
30-041-10609	Milford 22 Federal #2	Reported '06-02-04
30-005-10240	State '5-8-33 #1	Reported '05-24-04
30-005-10409	State '5-8-33 #2	Reported '05-24-04