

District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87410
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

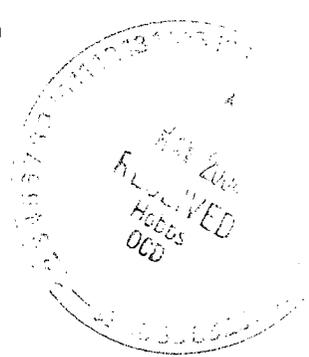
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

WELL API NO. 30-041-10435
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. 25970
7. Lease Name or Unit Agreement Name: State 5A
8. Well No. 2
9. Pool name or Wildcat Chavaroo San Andres

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 [X] Gas Well [] Injector []
2. Name of Operator Chi Operating, Inc
3. Address of Operator PO Box 1799, Midland, TX 79702
4. Well Location Unit Letter D : 660 feet from the N line and 660 feet from the W line
Section 5 Township 8S Range 33E NMPM County Roosevelt
10. Elevation (Show whether DR, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
MULTIPLE COMPLETION []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [X] ALTERING CASING []
COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT []
CASING TEST AND CEMENT JOB []
OTHER: [X]

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion of recompletion.
Repaired and placed back in service via casing swab



I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE [Signature] TITLE Supt. DATE 05-06-04
Type or print name Oren Albright Telephone No. 915/684-0504

(This space for State use)
APPROVED BY [Signature] TITLE OGD FIELD REPRESENTATIVE II / STAFF MANAGER DATE MAY 24 2004
Conditions of approval, if any