

New Mexico Oil Conservation Division, District I
UNITED STATES 1625 N. French Drive
DEPARTMENT OF THE INTERIOR NM 88240
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-96243
2. Name of Operator Chi Operating, Inc. Fax 432-687-2662	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P. O. Box 1799, Midland, Texas 79702 432-685-5001	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 1980' FEL T-22S-R-33E-Section 1	8. Well Name and No. Mesa Verde Fed #1
	9. API Well No. 30-025-37701
	10. Field and Pool, or Exploratory Area Exploratory
	11. County or Parish, State Lea Co., New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Set Conductor Pipe
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

2-23-06 & 2-24-06
Build Location.

2-27-06

Move in Rig. Drill 24" hole to 40' Run 20" conductor casing.

Lease NM-96243 Will Be Withheld From
Expiration For 30 Days From 02/28/2006
In Order To Move A Rotary Rig In And Drill
To The Morrow At A Total Depth Of
Approximately 15200 Feet.



14. I hereby certify that the foregoing is true and correct

Signed

David R. Glass

Title Vice-president

Date 2-27-06

(This space for Federal or State office use)

Approved by

DAVID R. GLASS

Title

PETROLEUM ENGINEER

Date

MAR 02 2006

Conditions of approval, if any:

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Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side