

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
May 27, 2004

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

| |
|---|
| WELL API NO. 30-025-38525 |
| 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 ELKAN |
| 8. Well Number 2 |
| 9. OGRID Number 004378 |
| 10. Pool name or Wildcat CERCA UPPER PENN |

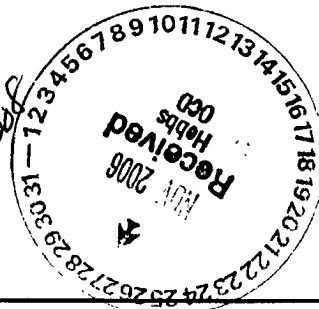
| | |
|---|--|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | |
| 2. Name of Operator CHI OPERATING, INC | |
| 3. Address of Operator PO BOX 1799 MIDLAND, TX 79702 | |
| 4. Well Location Unit Letter <u>H</u> : <u>1980</u> feet from the <u>NORTH</u> line and <u>660</u> feet from the <u>EAST</u> line Section <u>11</u> Township <u>14S</u> Range <u>34E</u> NMPM LEA County <u>LEA</u> | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4099' GR | |
| GR Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> | |
| Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ | |
| Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ | |

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"/> 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"/> |
|--|--|

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 well on 11/10/06. Drld 17 1/2" hole to 451'. Set 13 3/8"-61#-J-55 @ 451'. Cmtld w/300 sxs "C"+4% GEL+2#SXLCLM-1+2%CACL2 & 100 sks "C"+2%CACL2+.25#SXCF, circ 131 sks to pit. Cutoff, NUBOP-tstd-1200#, WOC 26 1/4 hrs. 11/12/06 - drld out plug and cmt. Tstd csg-750#. Cont. drlg interm. hole.

DO NOT
RELEASE
MW 3 11/12/2006



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE: John W. Wolf TITLE: _____ DATE: 11/21/06

Type or print name: JOHN W. WOLF E-mail address: _____ Telephone No: 432-685-5001
For State Use Only

APPROVED BY: John W. Wolf DATE: JAN 3 1 2007
Conditions of Approval (if any): _____ DISTRICT SUPERVISOR/GENERAL MANAGER