

Submit One Copy To Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
March 18, 2009

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

RECEIVED

DEC 15 2009

MOBBSUCD

CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-38402
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SALADO FEDERAL
8. Well Number 1
9. OGRID Number 4378
10. Pool name or Wildcat

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 ☐ Gas Well ☐ Other ☒

2. Name of Operator
CHI OPERATING, INC.

3. Address of Operator
P.O. BOX 1799, MIDLAND, TX 79702

4. Well Location
Unit Letter **K** : **2310** feet from the **South** line and **1850** feet from the **West** line
Section **8** Township **26S** Range **34E** NMPM County **LEA**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3370' GL

12. 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 ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

☒ Location is ready for OCD inspection after P&A

- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
☐ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
☐ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
☐ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
☐ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
☒ All other environmental concerns have been addressed as per OCD rules.
☐ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE **Robin Asken** TITLE **REGULATORY CLERK** DATE **12-7-09**
TYPE OR PRINT NAME **ROBIN ASKEN** E-MAIL: **rbina@chienergyinc.com** PHONE: **432-685-5001**
For State Use Only
APPROVED BY: **Mark Whitman** TITLE **Compliance Officer** DATE **12/17/2009**
Conditions of Approval (if any):

RECEIVED

Form 3160-3
(April 2004)
DEC 15 2009
HOBBSCOCD

UNITED STATES **OCD-HOBBS**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.		5. Lease Serial No. NM 98137 98831
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator CHI Operating, Inc.		7. If Unit or CA/Agreement, Name and/or No
3a. Address P.O. Box 1799, Midland, Texas 79792	3b. Phone No. (include area code) 432-685-5001	8. Well Name and No Salado Fed. #1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2310' FSL & 1850' FWL Sec. 8-T26S-R34E Unit K		9. API Well No. 30-025-38402
		10. Field and Pool, or Exploratory Area Wildcat Delaware
		11. County or Parish, State Lea Co., New Mexico

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

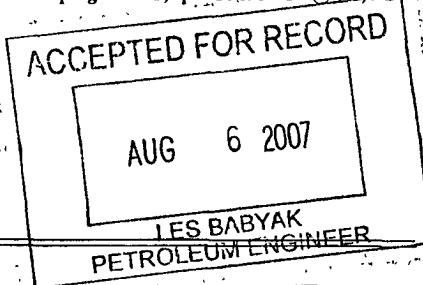
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamatoin, have been completed, and the operator has determined that the site is ready for final inspection.)

5/29/07 Spud well(notified BLM). Drld a 12 3/4" hole to 928'. Ran 8 5/8" J55 24# surface csg. Cmted w/Lead 35:65 POZ "C" 305sx 6% GEL + 2% CACL + 3#LCM. Tail 150sx "C" 2% CACL + .125#CF, Circ 113sx t/pit. WOC 21 hrs. NU, Tst BOP, Tst csg t/2000#-all ok.

Drld a 7 7/8" hole to 5580' TD. Circ. for open hole logs. Log depth @ 5580'. TIH w/ 4 1/2" open end DP tg up @ 5580'. Spot 100 sxs.cmt ball plug @ 5560', tg plug @ 5190', circ. hole spot CBP 100 sxs "C"+add @3290', WOC, tg plug @ 3113', circ., spot,CBP'100'sxs "C"+add@1143', WOC, TIH tg @ 1020', spot 75 sxs CBP "C"+add @ 984', WOC, TIH tg plug @ 804', TOH to spot surf plug. WOC, spot 10 sxs "C" @ 60', ND BOP, RD and release rig.

Approved as to plugging of the well bore.
Liability under bond is retained until
Surface restoration is completed.



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) PAM CORBETT		Title Regulatory Clerk
Signature <i>Pam Corbett</i>		Date 7/5/07
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon	Office _____	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

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