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DEC 15 2009 MJB. 1/19/2010

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DEC 11 2009
NMOCD ARTESIA

Submit One Copy 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
March 18, 2009

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

WELL API NO. 30-025-38186
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name ELKAN
8. Well Number 24
9. OGRID Number 4378
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 ☒ 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 **H** : **2088** feet from the **North** line and **699** feet from the **East** line
Section **11** Township **14S** Range **34E** NMPM County **LEA**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4098

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data
GPS LAT. 33.12066759730 LONG. -103.47520268

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A</p>
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☒ 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 Askew TITLE Regulatory Clerk DATE 12-7-09

TYPE OR PRINT NAME ROBIN ASKEW E-MAIL: robina@chienergyinc.com PHONE: 432-685-5001

For State Use Only

APPROVED BY: Maury Brown TITLE Compliance Officer DATE 1/19/2010

Conditions of Approval (if any):

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HOBBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-38186

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
Elkan

8. Well Number 2Y

9. OGRID Number

004378

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

PO BOX 1799 MIDLAND, TX 79702

4. Well Location

Unit Letter H : 2088 feet from the NORTH line and 699 feet from the EAST lineSection 11 Township 14S Range 34E NMPM Lea County

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

4098

Pit or Below-grade Tank Application ☐ or Closure ☐

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 ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐OTHER: ☐

SUBSEQUENT REPORT OF:

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

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.

Drilled 7 7/8 hole t/10,870', RU loggers, tgd btm @ 10,865'. RD loggers. Circ & cond wellbore. Pmp #1 plug-25sxs, cmt plug on btm, Pmp & spot #2 plug 30 sxs @ 7950'-8050', POH & LD 67 jts DP, Pmp & spot #3 plug 30 sxs @ 5850'-5950', POH & LD 49 jts DP-, Pmp & spot #4 plug 30 sxs @ 4350'-4450', WOC POH 5 stds f/tg TOC, circ, RIH & tg TOC @ 4245' POH & LD 69 jts DP, Pmp & spot #5 plug 30 sxs @ 2150'-2250', POH & LD 56 jts DP, Pmp & spot #6 plug 30 sxs @ 410'-520', POH & LD 15 jts DP, Pmp & spot #7 plug 16 sxs @ 0'-60', POH & LD 2 jts DP, Jet pits, prep t/move rig, release rig @ 6:00 AM 1/4/07.

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: _____ TITLE: REGULATORY CLERK DATE 1/08/07

Type or print name: ROBIN ASKEW E-mail address: _____ Telephone No: 432-685-5001

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____