Submit 3 Copies to Appropriate District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-103
Revised 1-1-89

WELL API NO. 30-025-32747

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. E-7824-1

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.)

7. Lease Name or Unit Agreement Name: Chukar State

1. Type of Well: OIL WELL [ ] GAS WELL [ ] OTHER

2. Name of Operator: Chi Operating, Inc

8. Well No. 1

3. Address of Operator: P.O. Box 1799, Midland TX 79702

9. Pool name or Wildcat: Wildcat

4. Well Location
Unit Letter O : 330 Feet From The South Line and 2310 Feet From The East Line
Section 16 Township 19S Range 34E NMPM Lea County

10. Elevation (*Show whether DF, RKB, RT, GR, etc.*) 3767 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [ ]
PULL OR ALTER CASING [ ]		CASING TEST AND CEMENT JOB [ ]	
OTHER: [ ]		OTHER: Plug Back + Recomplete [X]	

12. 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.

1) Commence operations 1/16/95. POH w/ CA. Set CIBP @ 6130' KB w/ 20' cement. Test same to 1000 psi. OK.
2) Perforate Penrose 4875-4888 w/ 2spf.
3) TIH + set PKR @ 4750' KB. Acidize w/ 1000 gal 15% NeFe. Frac with 12,800 gal gel + 25,000 # 16/30 sand.
4) Swab test. Well swabbing down w/ show of oil + gas, will place on test with pumping unit to determine whether well is commercial. (1/24/95)

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [signature] TITLE Operations Manager DATE 2/7/95

TYPE OR PRINT NAME David C. Myers TELEPHONE NO. 915/685-5001

(This space for State Use)

TITLE _____ DATE _____