

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, 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-101  
March 4, 2004

CEMENT TO COVER ALL OIL,  
GAS AND WATER BEARING  
ZONES

RECEIVED

JUN 10 2004

OB-ARTESIA

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address CHI OPERATING, INC. P.O. BOX 1799 MIDLAND, TEXAS 79702		<sup>2</sup> OGRID Number 004378
		<sup>3</sup> API Number 30 - 015-33493
<sup>4</sup> Property Code	<sup>5</sup> Property Name PEACEKEEPER STATE	<sup>6</sup> Well No. 1

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	25	19S	29E		990	NORTH	660	EAST	EDDY

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>9</sup> Proposed Pool 1

Under Turkey Track; Morrow

<sup>10</sup> Proposed Pool 2

Drilling Pit Location and Other Information

UL or lot no. SAME	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Depth to ground water 110'			Distance from nearest fresh water well within 1000' NA			Distance from nearest surface water within 1000' NA			
<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G		<sup>13</sup> Cable/Rotary R		<sup>14</sup> Lease Type Code STATE		<sup>15</sup> Ground Level Elevation 3349'		
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 12,100		<sup>18</sup> Formation MORROW		<sup>19</sup> Contractor NA		<sup>20</sup> Spud Date ASAP		

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	54.5#	300'	350 SKS	SURFACE
11"	8 5/8"	32#	3700'	600 SKS	"
7 7/8"	5 1/2"	20/17#	12100'	500 SKS	COVER PROD. ZONE(S)
Set surface casing above Salado. Refer to offset logs					

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. MIRU. DRILL 17 1/2" SURFACE WITH F.WTR, SET 13 3/8" W/F. EQUIP & CMT TO SURFACE. WOC 18 HRS. TST HEAD & ANNULAR TO 1000#. DRILL 11" HOLE WITH 10# BRINE TO 3700'. SET 8 5/8" W/F. EQUIP. & CMT TO SURFACE. WOC 18 HRS, WHILE WOC, NUBOP/MANIFOLD & TST 5000#. DRILL 7 7/8" HOLE TO TD WITH F. WTR/BRINE MUD. LOG/EVALUATE. SET 5 1/2" & CMT AS DEEMED NECESSARY.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature:

Printed name: JOHN W. WOLF

Title:

E-mail Address:

Date: 6/7/04

Phone: 432-685-5001

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: JUL 08 2004

Expiration Date: JUL 08 2004

Conditions of Approval:

Attached ☐

NOTIFY OCD OF SPUD & TIME TO  
WITNESS CEMENTING OF  
SURFACE & INTERMEDIATE  
CASING

NOTIFY O.C.D. PRIOR  
TO CONSTRUCTION OF  
PIT(S).

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811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, N M 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name <b>PEACEKEEPER STATE</b>	Well Number <b>1</b>
OGRID No. <b>004378</b>	Operation Name <b>CHI OPERATING, INC.</b>	Elevation <b>3349</b>

Surface Location

UL or Lot No. <b>A</b>	Section <b>(N/2) 25</b>	Township <b>19-S</b>	Range <b>29-E</b>	Lot Idn.	Feet from the	North/South line <b>NORTH</b>	Feet from the <b>660</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
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Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>3.20</b>	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION	
	I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.	
	Signature <b>John W. Weller</b>	
	Printed Name	
	Title	
Date <b>6/8/04</b>		
SURVEYOR CERTIFICATION		
I HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS PLAT WAS PLOTTED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.		
Date of Survey <b>MAY 21, 2004</b>		
Signature and Seal of Professional Surveyor		

Phone (915) 685-5001

*Chi Operating, Inc.*

Fax (915) 687-2662

P.O. Box 1799  
Midland, TX 79702

6/08/04

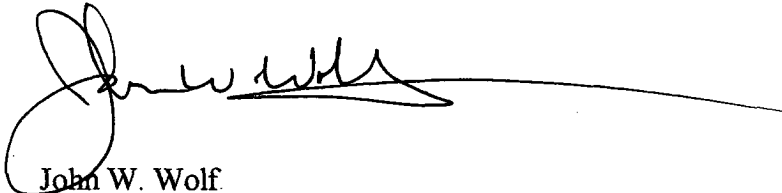
State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1301 W. Grand Avenue  
Artesia, New Mexico 88201

Re: OCD Rule 118  
Peacekeeper State #1  
Sec 25-T19S-R29E  
Eddy County, NM

Mr. Bryan Arrant;

To the best of my knowledge there will not be H<sub>2</sub>S in >100 ppm.

Respectfully;

A handwritten signature in black ink, appearing to read 'John W. Wolf', followed by a long horizontal line extending to the right.

John W. Wolf

Copy/file



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
Acting Director  
Oil Conservation Division

June 25, 2004  
Bureau of Land Management  
620 East Greene St.  
Carlsbad, NM 88220-6292  
Attn: Craig Cranston or To Whom It May Concern

**RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA**

**OPERATOR:** Chi Operating, Inc.  
**LEASE NAME:** Peacekeeper State # 1  
**LOCATION:** SEC. 25 TOWNSHIP 19 SOUTH, RANGE 29 EAST,  
990' FNL & 660' FEL  
EDDY COUNTY, NM, NMPM

**PROPOSED DEPTH: 12,100'**  
Dear Craig or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of-Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.  
Thank you for your assistance.

Sincerely,

**Bryan G. Arrant**  
PES, District II Artesia NMOCD

In LMR	Yes _____	No <u>X</u>
In Buffer Zone	Yes _____	No <u>X</u>

**Comments:**

THE LOCATION IS 3775 FEET FROM OPEN MINE WORKINGS  
OF THE ABANDONED HORIZON ARTESIA MINE

**Signature:** Craig P. Cranston **Date:** 7-6-04





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**BILL RICHARDSON**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
Acting Director  
Oil Conservation Division

June 25, 2004  
New Mexico State Land Office  
310 Old Santa Fe Trail  
P.O. Box 1148  
Santa Fe, NM 87504-1148  
Attn: Joe Mraz or To Whom It May Concern



**RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA**

**OPERATOR:** Chi Operating, Inc.  
**LEASE NAME:** Peacekeeper State # 1  
**LOCATION:** SEC. 25 TOWNSHIP 19 SOUTH, RANGE 29 EAST,  
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EDDY COUNTY, NM, NMPM

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Thank you for your assistance.

Sincerely,

**Bryan G. Arrant**  
PES, District II Artesia NMOCD

In LMR	Yes <input type="checkbox"/>	No <input type="checkbox"/>
In Buffer Zone	Yes <input type="checkbox"/>	No <input type="checkbox"/>

*Not within  
R-111-P order  
JRM 6/28/04*

**Comments:**

**Signature:** *[Signature]* **Date:** 6/28/04