

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  
May 27, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office

☒ AMENDED REPORT

MAY 10 2005

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

Operator Name and Address CHI OPERATING, INC P.O. BOX 1799 MIDLAND, TEXAS 79702		OGRID Number 004378
Property Name HENRY GRANDI		API Number 30 - 015 - 34112
Property Code 34848	Well No. 1	
Proposed Pool 1 Otis; Morrow		Proposed Pool 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	26(S/2)	22S	27E		1650	SOUTH	990	EAST	EDDY

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

Additional Well Information

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 3077'
Multiple	Proposed Depth 12400	Formation MORROW	Contractor	Spud Date ASAP
Depth to Groundwater 30' 30 points		Distance from nearest fresh water well 1000' +		Distance from nearest surface water Cement irrigation ditch 300' north.
Liner: Synthetic <input checked="" type="checkbox"/> Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

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"	48.5# J-55	±250' <i>MLA</i>	±400	SURFACE/Circ
12 1/4"	9 5/8"	40/36# J-55	±5600'	±1000	SURFACE/Circ
8 3/4"	7" (CONTINGENCY)	26# N-80	±10,800'	±400	±8000'
6 1/8" (If 7" is set)	4 1/2" Liner	11.6# N-80	12,300'	As deemed neccessary	500' above productive
7 7/8" (If 7" is not set)	5 1/2"	20/17# N-80	12,400'	As deemed necessary	zones

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.

Drill surface hole to 250', run csg & cement to surface. NU annular & tst. Drill intermediate to base of Delaware ±5600'. Cement to surface. NUBOP/Coke manifold & test 5000# while WOC-18 hrs. Test csg and drill 8 3/4" hole to ±10600'. If necessary, set 7" psi string & cement. Tst If 7" is set, drill out with 6 1/8" bit to TD. Log/evaluate, set liner & cement. (If 7" is not set, continue with 7 7/8" hole to TD. Log/evaluate, set csg & cement.)

(Pipe rams be function tested daily and blinds will be function tested on all trips)  
(No H2S anticipated, monitoring will be in place)

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 ☐.

OIL CONSERVATION DIVISION

Approved by:

TIM W. GUM

Printed name: John W. Wolf

Title:

DISTRICT II SUPERVISOR

Title:

Approval Date:

MAY 16 2005

Expiration Date:

MAY 16 2006

E-mail Address:

Date: 5/09/05

Phone: 432-685-5001

Conditions of Approval Attached

As per Guidelines, a detailed closure plan must be submitted prior to closure.

Fax 687 2662

3015 79.8

District I  
7525 N. French Dr. Hobbs, NM 88249

District II  
811 South First, Artesia, NM 88210

District III  
1600 N. M. Hrazos 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

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

For Lease - 3 Copies

☒ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name <b>HENRY CRANDI</b>	Well Number <b>1</b>
OGRID No. <b>004378</b>	Operation Name <b>CHI OPERATING, INC.</b>	Elevation <b>3077</b>

## Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>26</b>	<b>22-S</b>	<b>27-E</b>		<b>1650</b>	<b>SOUTH</b>	<b>990</b>	<b>EAST</b>	<b>EDDY</b>

## 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.
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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

<p style="text-align: center;"><b>RECEIVED</b> <b>MAY 10 2005</b> <b>OOD-ARTESIA</b></p> <p style="text-align: center;">LAT N32°21'39.1" LON W104°08'43.7"</p> <p style="text-align: center;">990'</p> <p style="text-align: center;">1650'</p>	<p><b>OPERATOR CERTIFICATION</b> I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p>
	<p>Signature <i>[Signature]</i> Printed Name <b>JOHN W. WOLF</b> Title <i>[Signature]</i> Date <b>5/9/05</b></p>
	<p><b>SURVEYOR CERTIFICATION</b> 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.</p>
	<p><b>MAY 9, 2005</b> Date of Survey Signature and Seal of Registered Surveyor <i>[Signature]</i> <b>NEW MEXICO</b> <b>5412</b> <b>NMO PEAP# 5412</b> Certificate No.</p>