

Energy, Minerals and Natural Resources

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

Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

WELL API NO. 30-015-32856
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Beavertail State Com
8. Well Number 001
9. OGRID Number 4378
10. Pool name or Wildcat SE Crow Flats Morrow
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3670'

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 O : 660 feet from the South line and 1650 feet from the East line
Section 36 Township 16S Range 28E NMPM Eddy County

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 ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

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

Notify OCD 24 hrs. prior to any work done

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Chi Energy Inc. respectfully proposes to plug and abandon this well. The proposal is to set cement plugs following the procedure below.

MIRU PU Unseat pkr and POOH w/pkr & tbg. spot 25 sx cl H cmt - T of Morrow - WOC & tag
Set CIBP @ 10,100'. Spot ~~3X~~ of class H cmt on top to abandoned perfs. Circ hole w/mud laden fluid.
Free point and attempt to cut 5-1/2" csg @ 9,100'. POH LD csg.
Spot 150' class H cmt plug half in and half out @ 9,100'. WOC and tag.
Spot 150' class C cmt plug @ 6800'. Tag. 7000' - Must tag at 6850' - T Wolfcamp
Spot 150' class C cmt plug @ 3800'. Tag. Must tag @ 3650' - T Glorieta spot cmt 5820' - Must tag @ 5600' - T Abo
Spot 400' class C cmt plug from 2230' to 1830' across 8-5/8" casing shoe. Tag. Spot 30 sx cmt 1590' - 1490' - T Queen
Spot 100' class C cmt plug from 275-175'. Tag. Spot 30 sx cmt 800' - 700' - T. of Yates
Spot ~~XX~~ class C cmt surface plug. Confirm cmt to surface.

30 sx

Spud Date:

Rig Release Date:

****SEE ATTACHED COA's****

MUST BE PLUGGED BY 12/20/2023

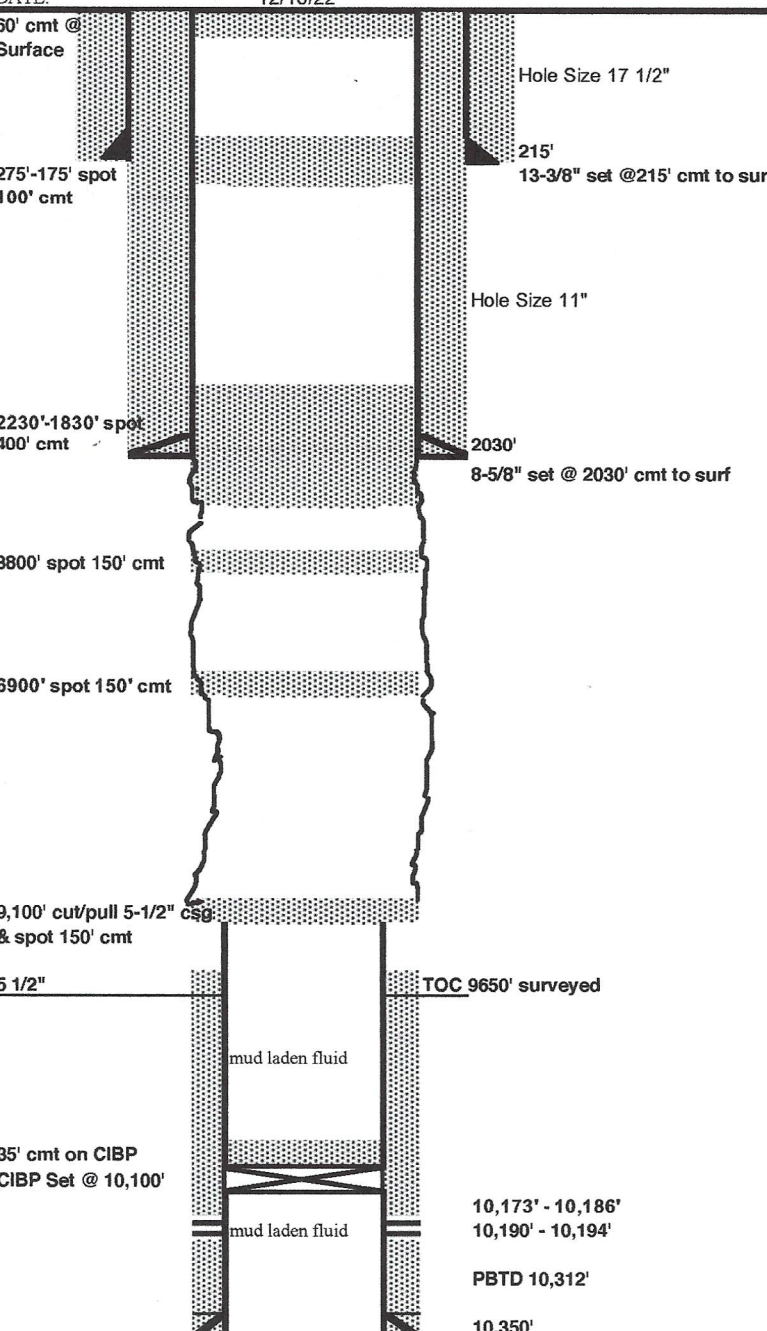
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Susan B. Maunders TITLE: Regulatory Consultant DATE: 12/18/22

Type or print name Susan B. Maunders E-mail address: SMaunders@protonmail.com PHONE: 432-556-6501
For State Use Only

APPROVED BY: [Signature] TITLE: Staff Manager DATE: 12/20/22
Conditions of Approval (if any):

CURRENT WELLBORE SCHEMATIC		LEASE: Beavertail State Com. #1	
DATE:	12/18/22	OPER: CHI Operating, Inc. API 30-015-32856	
Hole Size 17 1/2" 215' 13-3/8" set @215' cmt to surf Hole Size 11" 2030' 8-5/8" set @ 2030' cmt to surf TOC 9650' surveyed 2-3/8" tbg set at 10,101' 10,173' - 10,186' 10,190' - 10,194' PBTD 10,312' 10,350' 5 1/2"		LOCATION: 660' FSL & 1650' Sec. 36, T16S, R28E, Eddy Co., NM	
		TD 10,350' PBD 10,312' KB 3,584' DF 3,583'	
		COD DOD GL 3,670'	
		CASING/TBG: DEPTH CMT ID DRIFT BURST TENS	
		SURF. 13 3/8" 68# 215' 500 sx	
		INTER.	
		PROD. 8 5/8" 32# 2030' 650 sx	
		LINER	
		TBG 5 1/2" 20/17# 10,350' 150 sx Circ.	
		PERFS:	
10,173' - 10,186' 10,190' - 10,194'			
TUBING BREAKDOWN		ROD BREAKDOWN	
Tbg Hd			
2-3/8" tbg set at 10,101'			
ART. LIFT			
UNIT		SPM	RT
MOTOR		SL	
NOTES			
13 3/8" 68#, cmt to surf. 8 5/8" 32#, cmt to surf 5 1/2" 20/17" cmt to 9060' surveyed			
By:			

PROPOSED WELLBORE SCHEMATIC		LEASE: Beavertail State Com. #1							
DATE: 12/18/22		OPER: CHI Operating, Inc. API 30-015-32856							
 The schematic shows a wellbore profile with various casing and tubing sections. Key features include: - Surface casing: 60' cmt @ Surface, Hole Size 17 1/2" - Intermediate casing: 275'-175' spot 100' cmt, 13-3/8" set @ 215' cmt to surf, Hole Size 11" - Production casing: 2230'-1830' spot 400' cmt, 8-5/8" set @ 2030' cmt to surf - Additional casing: 3800' spot 150' cmt, 6900' spot 150' cmt - Bottom hole assembly: 9,100' cut/pull 5-1/2" csg & spot 150' cmt, 5 1/2" TOC 9650' surveyed - Fluid levels: mud laden fluid indicated at two points - Wellbore depth markers: 10,173' - 10,186', 10,190' - 10,194', PBTD 10,312', 10,350'		LOCATION: 660' FSL & 1650' Sec. 36, T16S, R28E, Eddy Co., NM TD 10,350' PBD 10,312' KB 3,584' DF 3,583' COD DOD GL 3,670'							
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		<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">TUBING BREAKDOWN</th> <th style="width: 50%;">ROD BREAKDOWN</th> </tr> </thead> <tbody> <tr> <td>Tbg Hd</td> <td></td> </tr> <tr> <td colspan="2">2-3/8" tbg pulled for P&A</td> </tr> </tbody> </table>		TUBING BREAKDOWN	ROD BREAKDOWN	Tbg Hd		2-3/8" tbg pulled for P&A	
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NOTES									
13 3/8" 68#, cmt to surf. 8 5/8" 32#, cmt to surf 5 1/2" 20/17" cmt to 9060' surveyed CIBP set @ 10,100' w/35' class H cmt above 5 1/2" csg cut & pulled w/ 150' class H cmt; 1/2 in and 1/2 outside 150' class C cmt @ 6900' 150' class C cmt @ 3800' 400' class C cmt @ 2230'-1830' across shoe 100' class C cmt @ 275'-175' across shoe 60' class C cmt @ surface									
By:									

CONDITIONS FOR PLUGGING AND ABANDONMENT

OCD - Southern District

The following is a guide or checklist in preparation of a plugging program, this is not all inclusive and care must be exercised in establishing special plugging programs in unique and unusual cases, **Notify NMOCD District Office II at (575)-748-1283 at least 24 hours before beginning work. After MIRU rig will remain on well until it is plugged to surface. OCD is to be notified before rig down. Company representative will be on location during plugging procedures.**

1. A notice of intent to plug and abandon a wellbore is required to be approved before plugging operations are conducted. A cement evaluation tool is required in order to ensure isolation of producing formations, protection of water and correlative rights. A cement bond log or other accepted cement evaluation tool is to be provided to the division for evaluation if one has not been previously run or if the well did not have cement circulated to surface during the original casing cementing job or subsequent cementing jobs. Insure all bradenheads have been exposed, identified and valves are operational prior to rig up.
2. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to a permitted disposal location.
3. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall be able to produce a copy upon request of an NMOCD Field inspector.
4. Filing a subsequent C-103 will serve as notification that the well has been plugged.
5. A final C-103 shall be filed (and a site inspection by NMOCD Inspector to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to Meet NMOCD standards) before bonding can be released.
6. If work has not begun within 1 Year of the approval of this procedure, an extension request must be file stating the reason the well has not been plugged.
7. Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.
8. Produced water **will not** be used during any part of the plugging operation.
9. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
10. All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
11. Class 'C' cement will be used above 7500 feet.
12. Class 'H' cement will be used below 7500 feet.
13. A cement plug is required to be set 50' above and 50' below, casing stubs, DV tools, attempted casing cut offs, cement tops outside casing, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged
14. All Casing Shoes Will Be Perforated 50' below shoe depth and Attempted to be Squeezed, cement needs to be 50' above and 50' Below Casing Shoe inside the Production Casing.

16. When setting the top out cement plug in production, intermediate and surface casing, wellbores should remain full at least 30 minutes after plugs are set
17. A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.
18. A CIBP with 35' of cement may be used in lieu of the 100' plug if set with a bailer. This plug will be placed within 100' of the top perforation, (WOC 4 hrs and tag).
19. No more than 3000' is allowed between cement plugs in cased hole and 2000' in open hole.
20. Some of the Formations to be isolated with cement plugs are: These plugs to be set to isolate formation tops
 - A) Fusselman
 - B) Devonian
 - C) Morrow
 - D) Wolfcamp
 - E) Bone Springs
 - F) Delaware
 - G) Any salt sections
 - H) Abo
 - I) Glorieta
 - J) Yates.
 - K) Cherry Canyon - Eddy County
 - L) Potash---(In the R-111-P Area (Page 3 & 4), a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, WOC 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.
21. If cement does not exist behind casing strings at recommended formation depths, the casing can be cut and pulled with plugs set at recommended depths. If casing is not pulled, perforations will be shot and cement squeezed behind casing, WOC and tagged. These plugs will be set 50' below formation bottom to 50' above formation top inside the casing

DRY HOLE MARKER REQUIREMENTS

The operator shall mark the exact location of the plugged and abandoned well with a steel marker not less than four inches in diameter, 3' below ground level with a plate of at least ¼" welded to the top of the casing and the dry hole marker welded on the plate with the following information welded on the dry hole marker:

1. Operator name 2. Lease and Well Number 3.API Number 4. Unit Letter 5. Quarter Section (feet from the North, South, East or West) 6. Section, Township and Range 7. Plugging Date 8. County (SPECIAL CASES)-----AGRICULTURE OR PRARIE CHICKEN BREEDING AREAS

In these areas, a below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to NMOCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)

SITE REMEDIATION DUE WITHIN ONE YEAR OF WELL PLUGGING COMPLETION

R-111-P Area

T 18S – R 30E

Sec 10 Unit P. Sec 11 Unit M,N. Sec 13 Unit L,M,N. Sec 14 Unit C -P. Sec 15 Unit A G,H,I,J,K,N,O,P. Sec 22 Unit All except for M. Sec 23, Sec 24 Unit C,D,E,L, Sec 26 Unit A-G, Sec 27 Unit A,B,C

T 19S – R 29E

Sec 11 Unit P. Sec 12 Unit H-P. Sec 13. Sec 14 Unit A,B,F-P. Sec 15 Unit P. Sec 22 Unit A,B,C,F,G,H,I,J K,N,O,P. Sec 23. Sec 24. Sec 25 Unit D. Sec 26 Unit A- F. Sec 27 Unit A,B,C,F,G,H.

T 19S – R 30E

Sec 2 Unit K,L,M,N. Sec 3 Unit I,L,M,N,O,P. Sec 4 Unit C,D,E,F,G,I-P. Sec 5 Unit A,B,C,E-P. Sec 6 Unit I,O,P. Sec 7 – Sec 10. Sec 11 Unit D, G—P. Sec 12 Unit A,B,E-P. Sec 13 Unit A-O. Sec 14-Sec 18. Sec 19 Unit A-L, P. Sec 20 – Sec 23. Sec 24 Unit C,D,E,F,L,M,N. Sec 25 Unit D. Sec 26 Unit A-G, I-P. Sec 27, Sec 28, Sec 29 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 32 Unit A,B,G,H,I,J,N,O,P. Sec 33. Sec 34. Sec 35. Sec 36 Unit D,E,F,I-P.

T 19S – R 31E

Sec 7 Unit C,D,E,F,L. Sec 18 Unit C,D,E,F,G,K,L. Sec 31 Unit M. Sec 34 Unit P. Sec 35 Unit M,N,O. Sec 36 Unit O,P.

T 20S – R 29E

Sec 1 Unit H,I,P. Sec 13 Unit E,L,M,N. Sec 14 Unit B-P. Sec 15 Unit A,H,I,J,N,O,P. Sec 22 Unit A,B,C,F,G,H,I,J,O,P. Sec 23. Sec 24 Unit C,D,E,F,G,J-P. Sec 25 Unit A-O. Sec 26. Sec 27 Unit A,B,G,H,I,J,O,P. Sec 34 Unit A,B,G,H. Sec 35 Unit A-H. Sec 36 Unit B-G.

T 20S – R 30E

Sec 1 – Sec 4. Sec 5 Unit A,B,C,E-P. Sec 6 Unit E,G-P. Sec 7 Unit A-H,I,J,O,P. Sec 8 – 17. Sec 18 Unit A,B,G,H,I,J,O,P. Sec 19 Unit A,B,G,H,I,J,O,P. Sec 20 – 29. Sec 30 Unit A-L,N,O,P. Sec 31 Unit A,B,G,H,I,P. Sec 32 – Sec 36.

T 20S – R 31E

Sec 1 Unit A,B,C,E-P. Sec 2. Sec 3 Unit A,B,G,H,I,J,O,P. Sec 6 Unit D,E,F,J-P. Sec 7. Sec 8 Unit E-P. Sec 9 Unit E,F,J-P. Sec 10 Unit A,B,G-P. Sec 11 – Sec 36.

T 21S – R 29E

Sec 1 – Sec 3. Sec 4 Unit L1 – L16,I,J,K,O,P. Sec 5 Unit L1. Sec 10 Unit A,B,H,P. Sec 11 – Sec 14. Sec 15 Unit A,H,I. Sec 23 Unit A,B. Sec 24 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 25 Unit A,O,P. Sec 35 Unit G,H,I,J,K,N,O,P. Sec 36 A,B,C,F – P.

T 21S – R 30E

Sec 1 – Sec 36

T 21S – R 31E

Sec 1 – Sec 36

T 22S – R 28E

Sec 36 Unit A,H,I,P.

T 22S – R 29E

Sec 1. Sec2. Sec 3 Unit I,J,N,O,P. Sec 9 Unit G – P. Sec 10 – Sec 16. Sec 19 Unit H,I,J. Sec 20 – Sec 28. Sec 29 Unit A,B,C,D,G,H,I,J,O,P. Sec 30 Unit A. Section 31 Unit C – P. Sec 32 – Sec 36

T 22S – R 30E

Sec 1 – Sec 36

T 22S – R 31E

Sec 1 – Sec 11. Sec 12 Unit B,C,D,E,F,L. Sec 13 Unit E,F,K,L,M,N. Sec 14 – Sec 23. Sec 24 Unit C,D,E,F,K,L,M,N. Sec 25 Unit A,B,C,D. Sec 26 Unit A,BC,D,G,H. Sec 27 – Sec 34.

T 23S – R 28E

Sec 1 Unit A

T 23S – R 29E

Sec 1 – Sec 5. Sec 6 Unit A – I, N,O,P. Sec 7 Unit A,B,C,G,H,I,P. Sec 8 Unit A – L, N,O,P. Sec 9 – Sec 16. Sec 17 Unit A,B,G,H,I,P. Sec 21 – Sec 23. Sec 24 Unit A – N. Sec 25 Unit D,E,L. Sec 26. Sec 27. Sec 28 Unit A – J, N,O,P. Sec 33 Unit A,B,C. Sec 34 Unit A,B,C,D,F,G,H. Sec 35. Sec 36 Unit B,C,D,E,F,G,K,L.

T 23S – R 30E

Sec 1 – Sec 18. Sec 19 Unit A – I,N,O,P. Sec 20, Sec 21. Sec 22 Unit A – N, P. Sec 23, Sec 24, Sec 25. Sec 26 Unit A,B,F-P. Sec 27 Unit C,D,E,I,N,O,P. Sec 28 Unit A – H, K,L,M,N. Sec 29 Unit A – J, O,P. Sec 30 Unit A,B. Sec 32 A,B. Sec 33 Unit C,D,H,I,O,P. Sec 34, Sec 35, Sec 36.

T 23S – R 31E

Sec 2 Unit D,E,J,O. Sec 3 – Sec 7. Sec 8 Unit A – G, K – N. Sec 9 Unit A,B,C,D. Sec 10 Unit D,P. Sec 11 Unit G,H,I,J,M,N,O,P. Sec 12 Unit E,L,K,M,N. Sec 13 Unit C,D,E,F,G,J,K,L,M,N,O. Sec 14. Sec 15 Unit A,B,E – P. Sec 16 Unit I, K – P. Sec 17 Unit B,C,D,E, I – P. Sec 18 – Sec 23. Sec 24 Unit B – G, K,L,M,N. Sec 25 Unit B – G, J,K,L. Sec 26 – Sec 34. Sec 35 Unit C,D,E.

T 24S – R 29E

Sec 2 Unit A, B, C, D. Sec 3 Unit A

T 24S – R 30E

Sec 1 Unit A – H, J – N. Sec 2, Sec 3. Sec 4 Unit A,B,F – K, M,N,O,P. Sec 9 Unit A – L. Sec 10 Unit A – L, O,P. Sec 11. Sec 12 Unit D,E,L. Sec 14 Unit B – G. Sec 15 Unit A,B,G,H.

T 24S – R 31E

Sec 3 Unit B – G, J – O. Sec 4. Sec 5 Unit A – L, P. Sec 6 Unit A – L. Sec 9 Unit A – J, O,P. Sec 10 Unit B – G, K – N. Sec 35 Unit E – P. Sec 36 Unit E,K,L,M,N.

T 25S – R 31E

Sec 1 Unit C,D,E,F. Sec 2 Unit A – H.

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 168354

CONDITIONS

Operator: CHI OPERATING INC P.O. Box 1799 Midland, TX 79702	OGRID: 4378
	Action Number: 168354
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
gcordero	None	12/20/2022