# JAMES BRUCE ATTORNEY AT LAW

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October 7, 1999

#### Via Fax and U.S. Mail

Michael E. Stogner Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Re: Case No. 12245; application of Chi Energy, Inc.

Mr.S

Dear Mr. Stogner

As requested at the hearing today, enclosed is a copy of the APD for the well involved in the above case, which also includes its API number.

Very truly yours,

James Bruce

Attorney for Chi Energy, Inc.

Form 3160-3 01 (July 1992)

#### ARTESIA, NIMARO 110-980 LICATE

(Other instructions on reverse side)

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

#### **UNITED STATES** DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT								5. LEASE DESIGNATION AND SERIAL NO. NM-012896			
APPL	ICATION FOR P				PEN		6. IF INDIAN,	ALLOTTER OR T	BIBB NAMB		
1a. TYPE OF WORK	RILL 🖫	DEEPEN					7. UNIT AGRE	IMBRT NAMB			
b. TIPE OF WELL							1 24	1889			
WELL .	WELL X OTHER		SING ZON		MULTIF	'. <b>"</b>	8. FARM OR LEASE		1		
2. NAME OF OPERATOR		~		015	/co=	-001		rain Fed	deral e		
Chi Operat:		378		915/	685-	2001	9. API WELL NO.	٠,٠٠	7//		
P. O. Box 1		Mi	dland	, Texas	797	02	10. FIBLD AND	5 30	169		
	Report location clearly and						WC Crow F	lat; Mor	row SE g		
990 At proposed prod. zo	' FSL & 990'	FWL					11. SEC., T., R., AND SURVE	, M., OR BLK. DY OR ARBA			
nt proposed prod. 20	Same	() h15	$\mathcal{M}$				Sec.	10-T175	5-R28E		
14. DISTANCE IN MILES	AND DIRECTION FROM NEA	REST TOWN OR POS	T OFFICE*				12. COUNTY OR	PARISH   18.	STATE		
17 road m	iles E. of Ar	tesia, NM				•	Eddy	Nev	w Mexic		
10. DISTANCE FROM PROP LOCATION TO NEARES PROPERTY OR LEASE	IT Lin <b>e, f</b> t.	330′		OF ACRES IN 1	Lease		OF ACRES ASSIGN HIS WELL	320			
(Also to nearest dr) 18. DISTANCE FROM FROM TO NEAREST WELL, I	POSED LOCATION® DRILLING, COMPLETED.	300' P&A	19. rror	OSED DEPTH		20. ROTA	RY OR CABLE TOO	)1.8			
OR APPLIED FOR, ON TH	TIS LEADS, PT.			10.400		63.	Rotary	DATE WORK WI			
	ether DF, RT, GREEN	tell com	WLLE	S WATE	rae r	in.	1	st 30.			
3530′ 23.	GL					<del> </del>	Augus	3L 3U	1999		
	30	PROPOSED CASI	NG AND C			·					
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FO		SETTING DE			QUANTITY				
17 1/2"	13 3/8"H-40	48.0#		425		Circ.		"C" ♣5			
<u>12 1/4"</u> 7 7/8"	8 5/8"J-55 5 1/2"N-80	32.0# 17.0#		2,000		Circ.	. 650 sx sx "H" to	_			
7 770	3 1/2 1 00	1 -7.0"		10,100					43		
						GENE	OVAL SUBJ	ECTTO			
						COLO	RAL REQUI	REMENT:	3 ANL		
							AL SIDHII	ATIONS			
	rogram:	a		lud Wt.	- Vis.	Ser - Dates	HEDITTO				
0'				- 8.7 ppg	32 - 34		W/L control				
	- 2,000': Brine mud:			-10.2 ppg	28 - 29		W/L control				
•	<ul><li>6,600': Fresh water</li><li>9,100': Cut Brine r</li></ul>			- 8.4 ppg -10.0 ppg	28 - 29		W/L control W/L control				
•	- 9,500': Cut Brine r			-10.0 ppg -10.0 ppg	32 - 3		control 10CG	<del>! +/</del>			
•	- 10,400': Cut Brine r			-10.0 ppg -10.0 ppg	42 - 4		control 812	5167770			
7,500	rogram: 5000 psi wp Shaffer Ty		,,,	74.4 PPB			1213	, 10°	202022324		
BOP P	rogram:						10		13/		
A 12" 5	000 psi wp Shaffer Ty	pe LWS Double	Gate BO	P will be in	stalled o	n the 13 3	Secasing C	asing	22		
and Bo	OP will be tested before	e drilling out wit	th 12 1/4'	and will be	tested d	aily.	1 0 0 C	CEIVEU	23		
							10 Kr	ARIES			
IN ABOVE SPACE DESCRIE deepen directionally, give pert	BE PROPOSED PROGRAM: If inent data on subsurface location	proposal is to deepen, p ns and measured and tr	give data on ue vertical d	present produc epths. Give bloo	kive zone a Nout preven	nd proposed ter program,	it suature	one. If proposal	AS STATE OF		
24.	<u> </u>		Δα	ent for	· ·		(c)	12	<del>7/</del>		
Ded	suf Ami	H		i Opera		, Inc.	DATE :	Argust .	16, 199		
RIGNED	J. J										
(This space for Fede	eral or State office use)										
PERMIT NO.				PROVAL DATE.				<del></del> _			
	not warrant or certify that the app	olicant holds legal or eq			the subject l	ease which we	ould entitle the applic	cant to conduct op	erations thereon.		
CONDITIONS OF APPROVA	L IF ANY:		Acti								
/9/	ARRY D. BRAY		Ass	istant Field	l Office	Manage	r,	120	S		
APPROVED BY		тп.е	Lan	ds and Mi	nerals		DATE	-15-1			

District I PO Box 1988, Hobin, NM 2025-1988

PO Drawer DD. Artenia. NM SEELI-0719

District III

1000 Rie Brume Rd., Attec., 104 27410

District IV

PO Box 2008, Sama Fc. NM SEM4-2008

## State of New Mexico Large, Minerali & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088
Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Revised February 10, 1994
Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lesse - J Copies

\_\_ AMENDED REPORT

'API Neme	<sup>2</sup> Prof Code			WC Crow Flat; Morrow SE Gas								
* Property Code	TID A TAY	* Property Name						* Well Number				
'OGZID Ne.	LKAIN	TRAIN FEDERAL COM  'Operator Name						' Erraina				
	PERATING, INC.							3530.				
<u> </u>					ace	Location	·		. <del> </del>			
UL or lot so.   Sestion	Townsip   1	Range	iot lda	Feet from	Übe	North/Senta Sac	Feel frem the	the   East/West fine		County		
M - 10		28-E	فيتنساك ليسمونه	990		SOUTH	990 WES		ST	EDDY		
11 Bottom Hole Location If Different From Surface												
UL or lot so. Section	UL or lot so. Section Township R.		Lange Lot idn Fost from		the	North/South line	Fest from the East/West		ile	Councy		
<sup>12</sup> Decirated Acres <sup>15</sup> Joint 320	erfeeld " Can	C	Code 0	roor No.	··			<u>'                                    </u>		<del></del>		
NO ALLOWABLE	WELL BE AS		TO THE	S COMPL	<b>E110</b>	N UNTIL AL'	NTERESTS H	AVE BEE	N CON	ISOLIDATED		
	OR A NO	ATS-NC	NDARD	UNTT HA	S BE	EN APPROVED.	BY THE DIVI	NOIZ				
16	17 OPERATOR CER						CERT	IFICATION				
										comminus herein is tnominise and being		
									or of why	onoange das sezze:		
					<del></del>	Dec	Dearget Smith					
					-	•	George	George R. Smith, agent for:				
							Printed Name					
					Ì		()	Chi Operating, Inc. Time August 16, 1999				
							August					
					-	v .; · ·	Desc		•			
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NM-012896							1111	0.0199		#		
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2		1					Sen To		(My)			
			عربات المالية			·	NM PER	PS NO	1	2		

### RIG #22

#### BLOWOUT PREVENTOR ARRANGEMENT

II SHAFFER TYPE LWS, 5000 psi WP
II CAMERON SPHERICAL, 5000 psi WP
I20 GALLON, 5 STATION KOOMEY ACCUMULATOR
5000 psi WP CHOKE MANIFOLD

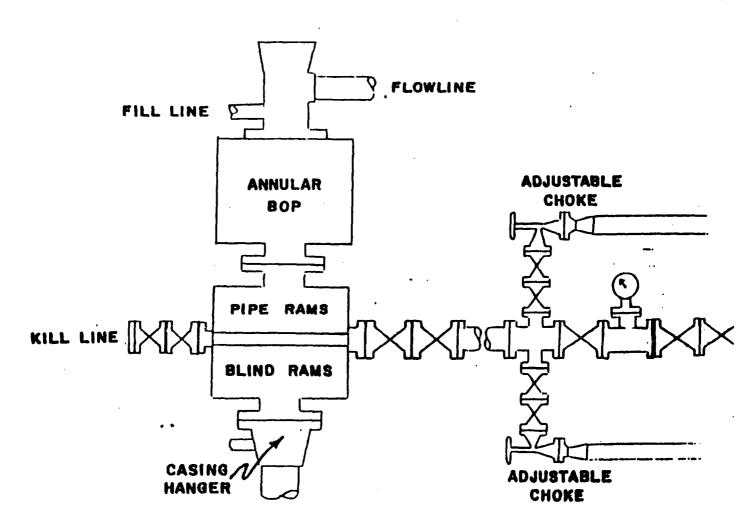


EXHIBIT "E"
CHI OPERATING, INC.
Coal Train Federal Com., Well No. 1
BOP Specifications