



C-108 APPLICATION FOR AUTHORIZATION TO INJECT ADMINISTRATIVE COMPLETENESS FORM

Well Name: _____

Applicant: _____

PO Number: _____

Admin. App. No: _____

C-108 Item	Description of Required Content	Yes	No
I. PURPOSE	Selection of proper application type.		
II. OPERATOR	Name; address; contact information.		
III. WELL DATA	Well name and number; STR location; footage location within section.		
	Each casing string to be used, including size, setting depth, sacks of cement, hole size, top of cement, and basis for determining top of cement.		
	Description of tubing to be used including size, lining material, and setting depth.		
	Name, model, and setting depth of packer to be used, or description of other seal system or assembly to be used.		
	Well diagram: Existing (if applicable).		NA
	Well diagram: Proposed (either Applicant's template or Division's Injection Well Data Sheet).		
IV. EXISTING PROJECT	For an expansion of existing well, Division order number authorizing existing well (if applicable).		NA
V. LEASE AND WELL MAP	AOR map identifying all wells and leases within 2 mile radius of proposed well, and depicting a 1/2 mile radius circle around any another projected injection well and a 1 mile radius circle around any other projected injection well in the Devonian formation.		
VI. AOR WELLS	Tabulation of data for all wells of public record within AOR which penetrate the proposed injection zone, including well type, construction, date drilled, location, depth, and record of completion.		
	Schematic of each plugged well within AOR showing all plugging detail.		
VII. PROPOSED OPERATION	Proposed average and maximum daily rate and volume of fluids to be injected.		
	Statement that the system is open or closed.		
	Proposed average and maximum injection pressure.		
	Sources and analysis of injection fluid, and compatibility with receiving formation if injection fluid is not produced water.		
	A chemical analysis of the disposal zone formation water if the injection is for disposal and oil or gas is not produced or cannot be produced from the formation within 1 mile of proposed well. Chemical analysis may be based on sample, existing literature, studies, or nearby well.		
VIII. GEOLOGIC DATA	Proposed injection interval, including appropriate lithologic detail, geologic name, thickness, and depth.		
	USDW of all aquifers <u>overlying</u> the proposed injection interval, including the geologic name and depth to bottom.		
	USDW of all aquifers <u>underlying</u> the proposed injection interval, including the geologic name and depth to bottom.		



C-108 (SWD) APPLICATION FOR AUTHORIZATION TO INJECT ADMINISTRATIVE COMPLETENESS FORM

Well Name: _____

Applicant: _____

PO Number: _____

Admin. App. No: _____

C-108 Item	Description of Required Content	Yes	No
IX. PROPOSED STIMULATION	Description of stimulation process or statement that none will be conducted.		
X. LOGS/WELL TESTS	Appropriate logging and test data on the proposed well or identification of well logs already filed with OCD.		
XI. FRESH WATER	Chemical analysis of fresh water from two or more fresh water wells (if available and producing) within 1 mile of the proposed well, including location and sampling date(s).		
XII. AFFIRMATION STATEMENT	Statement of qualified person endorsing the application, including name, title, and qualifications.		
XIII. PROOF OF NOTICE	Identify of all "affected persons" identified on AOR map in Section V, including all affected persons within 1/2 mile radius circle around any another projected injection well and a 1 mile radius circle around any other projected injection well in the Devonian formation.		
	Identification and notification of all surface owners.		
	BLM and/or NMSLO notified per 19.15.2.7(A)(8)(d) NMAC.		
	Notice of publication in local newspaper in county where proposed well is located with the following specific content:		
	<ul style="list-style-type: none"> Name, address, phone number, and contact party for Applicant; 		
	<ul style="list-style-type: none"> Intended purpose of proposed injection well, including exact location of a single well, or the section, township, and range location of multiple wells; 		
	<ul style="list-style-type: none"> Formation name and depth, and expected maximum injection rates and pressures; and 		
XIV. CERTIFICATION	Signature by operator or designated agent, including date and contact information.		

Review Date*:

Reviewer:

☐ Administratively COMPLETE

☐ Administratively INCOMPLETE

NOTES:

* The Review Date is the date of administrative completeness determination that commences the 15 day protest period in 19.15.26.8 (C)(2) NMAC.

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Chi Operating Inc. **OGRID Number:** 4378
Well Name: Benson Delaware Unit 25 **API:** 30-015-
Pool: Benson; Delaware (O) **Pool Code:** 97083

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☒ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☒ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☒ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐

Notice Complete

☐Application
Content
Complete

3) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Brian Wood

Print or Type Name

Signature

9-19-22

Date

505 466-8120

Phone Number

brian@permitswest.com

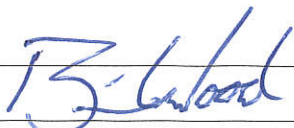
e-mail Address

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

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

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: XXX Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? XXX Yes No
- II. OPERATOR: CHI OPERATING, INC.
ADDRESS: P. O. BOX 1799, MIDLAND, TX 79702
CONTACT PARTY: BRIAN WOOD (PERMITS WEST, INC.) PHONE: 505 466-8120
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes XXX No
If yes, give the Division order number authorizing the project: R-13262
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including: **BENSON DELAWARE UNIT 25**
30-015-
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: BRIAN WOOD  TITLE: CONSULTANT
SIGNATURE: DATE: SEPT. 12, 2022
E-MAIL ADDRESS: brian@permitswest.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal:

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

Side 2

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

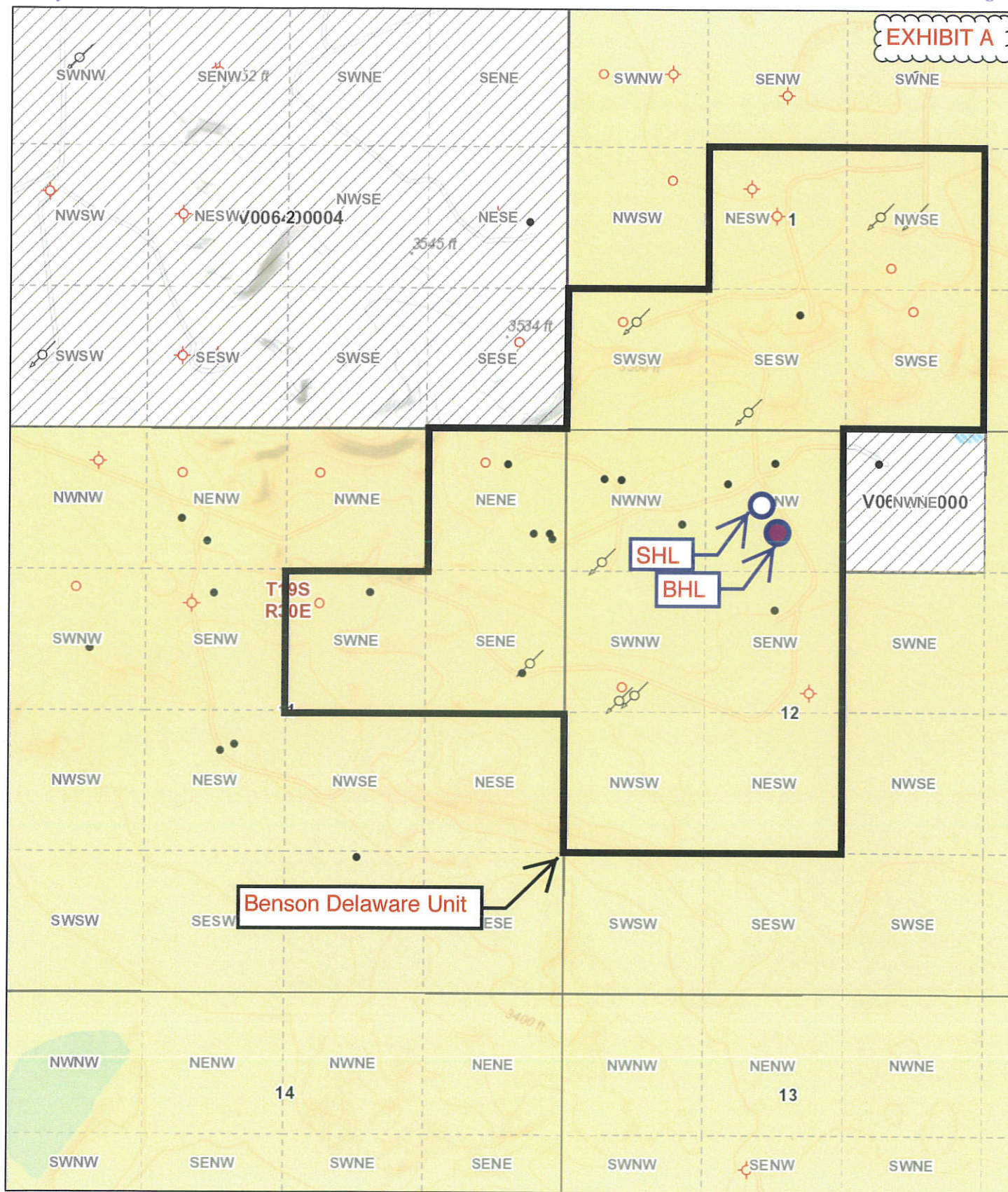
All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

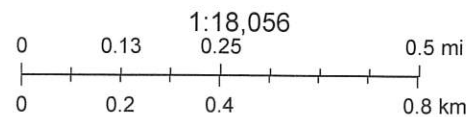
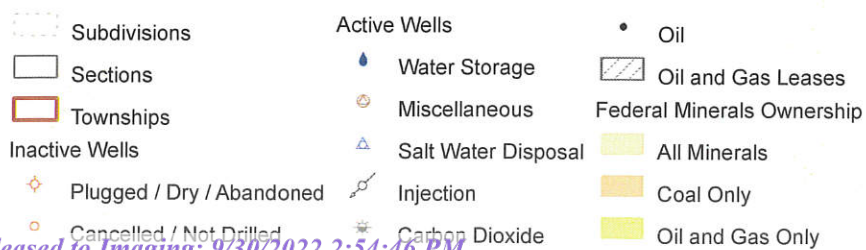
- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

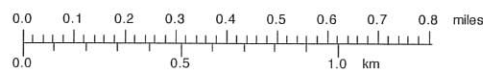
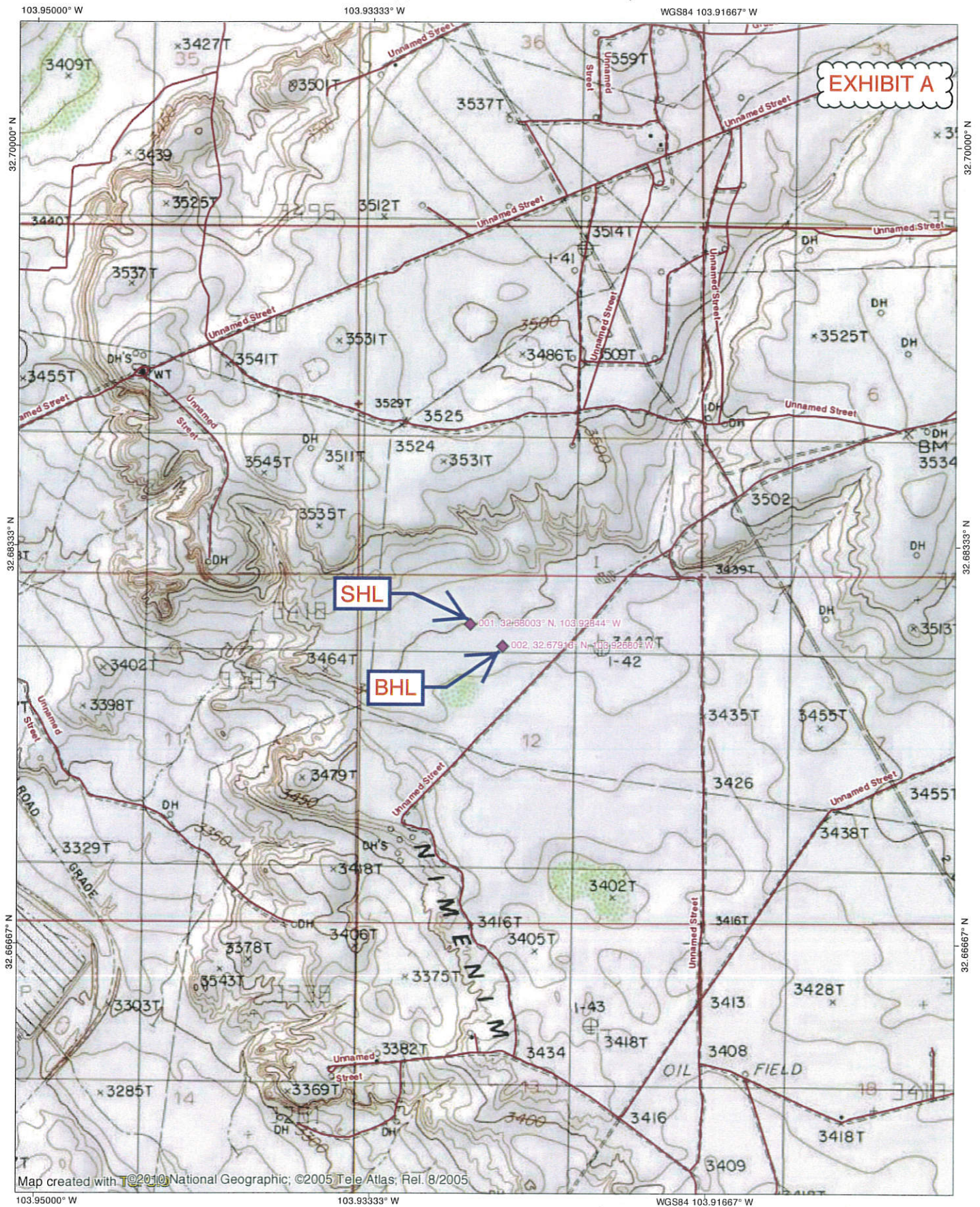


September 3, 2022



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

TOPOI map printed on 09/03/22 from "Untitled.tpo"



TN+MN
6.5°
09/03/22

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

EXHIBIT A

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-	² Pool Code 97083	³ Pool Name BENSON; DELAWARE (O)
⁴ Property Code 38663	⁵ Property Name BENSON DELAWARE UNIT	
⁷ OGRID No. 4378	⁸ Operator Name CHI OPERATING, INC.	⁶ Well Number 25
		⁹ Elevation 3453.4

¹⁰ Surface Location

UL or lot no. C	Section 12	Township 19 S	Range 30 E	Lot Idn	Feet from the 755	North/South line NORTH	Feet from the 1735	East/West line WEST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. C	Section 12	Township 19 S	Range 30 E	Lot Idn	Feet from the 1081	North/South line NORTH	Feet from the 2240	East/West line WEST	County EDDY
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¹² Dedicated Acres N/A	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-13262, R-13262-A
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

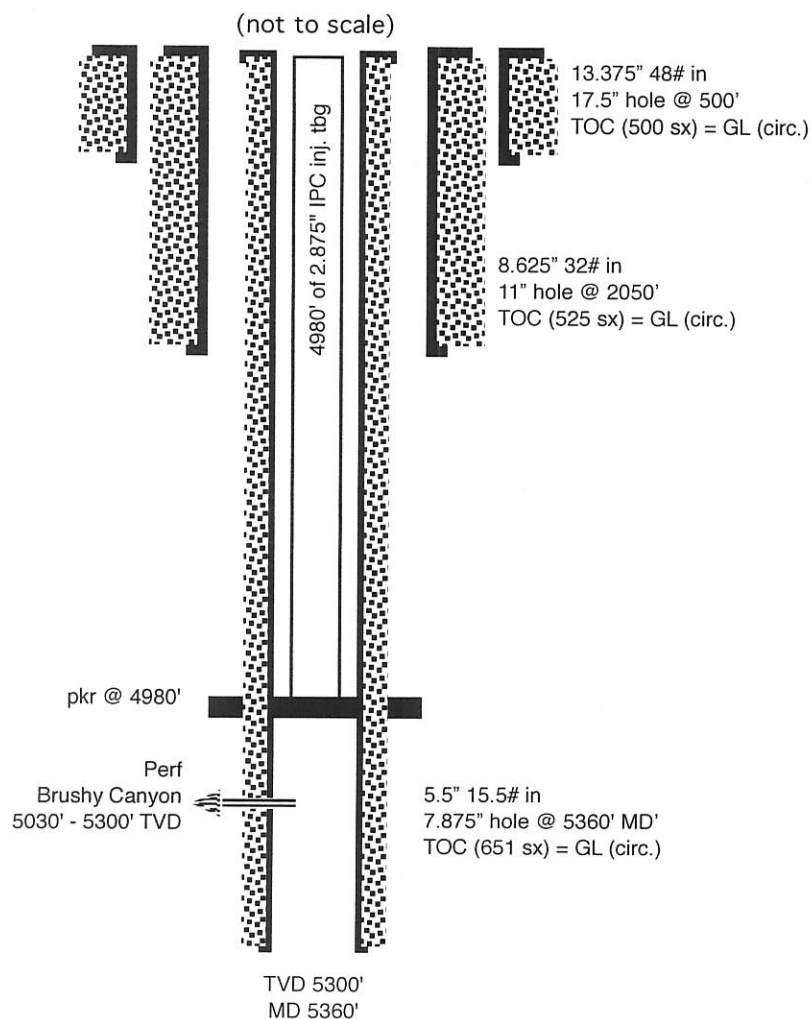
<p>N89°42'59"E 2640.54 FT</p> <p>N89°43'49"E 2639.54 FT</p> <p>SURFACE LOCATION</p> <p>755'</p> <p>1081'</p> <p>1735'</p> <p>2240'</p> <p>BOTTOM OF HOLE</p> <p>NW CORNER SEC. 12 LAT. = 32.6820995°N LONG. = 103.9340774°W NMSP EAST (FT) N = 612110.06 E = 664177.48</p> <p>W/4 CORNER SEC. 12 LAT. = 32.6748440°N LONG. = 103.9340824°W NMSP EAST (FT) N = 609470.41 E = 664185.89</p> <p>SW CORNER SEC. 12 LAT. = 32.6675913°N LONG. = 103.9340830°W NMSP EAST (FT) N = 606831.82 E = 664195.62</p> <p>S/4 CORNER SEC. 12 LAT. = 32.6675952°N LONG. = 103.9255119°W NMSP EAST (FT) N = 606843.25 E = 666833.15</p> <p>SE CORNER SEC. 12 LAT. = 32.6676012°N LONG. = 103.9169331°W NMSP EAST (FT) N = 606855.68 E = 669473.06</p> <p>E/4 CORNER SEC. 12 LAT. = 32.6748584°N LONG. = 103.9169273°W NMSP EAST (FT) N = 609495.96 E = 669464.47</p> <p>N/4 CORNER SEC. 12 LAT. = 32.6821078°N LONG. = 103.9254973°W NMSP EAST (FT) N = 612123.12 E = 666817.37</p> <p>NE CORNER SEC. 12 LAT. = 32.6821137°N LONG. = 103.9169204°W NMSP EAST (FT) N = 612135.54 E = 669456.26</p> <p>BENSON DELAWARE UNIT 25 ELEV. = 3453.4' LAT. = 32.6800305°N (NA083) LONG. = 103.9284411°W NMSP EAST (FT) N = 611363.91 E = 665914.52</p> <p>BOTTOM OF HOLE LAT. = 32.6791360°N LONG. = 103.9268011°W NMSP EAST (FT) N = 611040.40 E = 666420.35</p> <p>2640.28 FT</p> <p>2640.21 FT</p> <p>2639.24 FT</p> <p>2640.92 FT</p> <p>2640.11 FT</p> <p>2640.56 FT</p> <p>S89°45'06"W</p> <p>S89°43'49"W</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Brian Wood</i></p> <p>7-24-22</p> <p>Signature _____ Date _____</p> <p>BRIAN WOOD</p> <p>Printed Name _____</p> <p>brian@permitswest.com</p> <p>E-mail Address _____</p> <p>505 466-8120</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>MAY 27, 2022</p> <p>Date of Survey _____</p> <p><i>Philip F. Jaramila</i></p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number: 12797</p> <p>PHILIP F. JARAMILA PROFESSIONAL SURVEYOR NO. 9037A</p>
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Side 1

INJECTION WELL DATA SHEET

OPERATOR: CHI OPERATING, INC.WELL NAME & NUMBER: BENSON DELAWARE UNIT 25WELL LOCATION: SHL: 755' FNL & 1735' FWL
BHL: 1081' FNL & 2240' FWL

FOOTAGE LOCATION

UNIT LETTER CSECTION 12TOWNSHIP 19 SRANGE 30 EWELLBORE SCHEMATICWELL CONSTRUCTION DATASurface CasingHole Size: 17.5" Casing Size: 13.375"Cemented with: 500 sx. or _____ ft³Top of Cement: SURFACE Method Determined: CIRC.Intermediate CasingHole Size: 11" Casing Size: 8.625"Cemented with: 525 sx. or _____ ft³Top of Cement: SURFACE Method Determined: CIRC.Production CasingHole Size: 7.875" Casing Size: 5.5"Cemented with: 651 sx. or _____ ft³Top of Cement: SURFACE Method Determined: CIRC.Total Depth: TVD: 5300' & MD: 5360'Injection Interval5030 feet to 5300'

(Perforated or Open Hole; indicate which)

■■■■■■■■■■

INJECTION WELL DATA SHEETTubing Size: 2.875" 6.5# Lining Material: INTERNAL PLASTIC COATType of Packer: NICKEL OR STAINLESS STEEL INJECTIONPacker Setting Depth: ≈4980'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? xxx Yes _____ No

If no, for what purpose was the well originally drilled? _____

2. Name of the Injection Formation: BRUSHY CANYON

3. Name of Field or Pool (if applicable): BENSON; DELAWARE (O) (POOL CODE 97803)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. _____ NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

OVER: YATES (2128'), SEVEN RIVERS (2430'), QUEEN (3050'), & GRAYBURG (3100')UNDER: BONE SPRING (6220')

Affidavit of Publication

No. 26267

State of New Mexico

County of Eddy:

Danny Scott

being duly sworn says that he is the **Publisher**
of the Artesia Daily Press, a daily newspaper of General
circulation, published in English at Artesia, said county
and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said
Artesia Daily Press, a daily newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/day on the same

day as follows:

First Publication August 25, 2022

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

Seventh Publication

Subscribed and sworn before me this

25th day of August 2022

STATE OF NEW MEXICO
NOTARY PUBLIC
Latisha Romine
Commission Number 1076338
My Commission Expires May 12, 2023

Latisha Romine

Latisha Romine

Notary Public, Eddy County, New Mexico

Copy of Publication:**EXHIBIT J****Legal Notice**

Chi Operating Inc. will apply to directionally drill the Benson Delaware Unit 25 as a water injection well. The well will inject into the Brushy Canyon from 5,030' to 5,300'. It is located 9 air miles south-southeast of Loco Hills. SHL is 755' FNL & 1735' FWL. BHL is 1081' FNL & 2240' FWL. SHL & BHL are in Sec. 12, T. 19 S., R. 30 E., Eddy County. Maximum disposal rate will be 400 bwpd. Maximum injection pressure will be 860 psi. Interested parties must file objections or requests for hearing with the NM Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505, or ocd.engineer@state.nm.us, within 15 days. Additional information can be obtained by contacting: Brian Wood, Permits West, Inc., 37 Verano Loop, Santa Fe, NM 87508. Phone number is (505) 466-8120.

Published in the Artesia Daily Press, Artesia, N.M.,
Aug. 25, 2022 Legal No. 26267.



September 12, 2022

BLM
620 E. Greene St.
Carlsbad NM 88220

Chi Operating, Inc. is planning (see attached application) to directionally drill its Benson Delaware Unit 25 well as a water injection well. As required by NM Oil Conservation Division (NMOCD) Rules, I am notifying you of the following proposal. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Benson Delaware Unit 25 (BLM lease) proposed TVD: 5300'

Proposed Injection Zone: Brushy Canyon from 5030' to 5300'

Where:

SHL: 755' FNL & 1735' FWL Sec. 12, T. 19 S., R. 30 E., Eddy County, NM

BHL: 1081' FNL & 2240' FWL Sec. 12, T. 19 S., R. 30 E., Eddy County, NM

Approximate Location: 9 air miles south-southeast of Loco Hills, NM

Applicant Name: Chi Operating, Inc. (432) 685-5001

Applicant's Address: P. O. Box 1799, Midland, TX 79702

Submittal Information: Application for a water injection well will be filed with the NMOCD. If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The NMOCD Engineering Bureau address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone number is (505) 476-3441. E-mail address is: ocd.engineer@state.nm.us

Please call me if you have any questions.

Sincerely,

Brian Wood

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®

OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$ _____
<input type="checkbox"/> Return Receipt (electronic)	\$ _____
<input type="checkbox"/> Certified Mail Restricted Delivery	\$ _____
<input type="checkbox"/> Add'l Signature Required	\$ _____
<input type="checkbox"/> Add'l Signature Restricted Delivery	\$ _____

Postage

\$ _____

Total Postage and Fees

\$ _____

Sent To

Street and Apt. No., or P.O. Box
 1705 1st City Natl Bank
City, State, ZIP+4®
 Houston, TX 77002

PS Form 3800, April 2010 PSN 7530-01-000-9007 See Reverse for Instructions

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CERTIFIED MAIL® RECEIPT
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☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage \$
 Total Postage and Fees \$

Sent to

Street and Apt. No., or P.O. Box 906 S. St. Francis Dr.
 City, State, ZIP+4® Sanita Fe, NM 87501

Postmark Here
 SEP 15 2022
 CORONADO STATION
 SANITA FE, NM 87505

**U.S. Postal Service
CERTIFIED MAIL® RECEIPT**

Domestic Mail Only

For delivery information, visit our website at www.usps.com™

OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (attach box, and fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy) \$ _____	
<input type="checkbox"/> Return Receipt (electronic) \$ _____	
<input type="checkbox"/> Restricted Mail Restricted Delivery \$ _____	
<input type="checkbox"/> Certified Signature Required \$ _____	
<input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	

Postage \$ _____

Total Postage and Fees \$ _____

Sent To _____

Street and Apt. No., or P.O. Box _____
City, State, ZIP+4® _____

OIL & GAS CO
P.O. Box 155
Midland, TX 79702-155

CORONADO STATION
SEP 15 2022
SANTA FE NM 87505

See Reverse for Instructions

U.S. Postal Service[™]
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee
\$

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage
\$

Total Postage and Fees
\$

Sent To

Street and Apt. No., or PO Box
810 Staindland
City, State, ZIP+4®
Midland, TX 79705

PS Form 3800, April 2005 PSN 7530-02-000-9047 See Reverse for Instructions

SAVANA STATION
SEP 15 2002
NM 87505

U.S. Postal ServiceSM
CERTIFIED MAIL[®] EXHIBIT K
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OFFICIAL MAIL

CERTIFIED MAIL Fee

\$ _____

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$ _____	Postmark Here
<input type="checkbox"/> Return Receipt (electronic)	\$ _____	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$ _____	
<input type="checkbox"/> Adult Signature Required	\$ _____	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$ _____	

Postage

\$ _____

Total Postage and Fees

\$ _____

Sent To _____

Street and Apt. No., or P.O. Box _____

MANIN CLIFTON

302 Pearson Rd.

Laake, Santa ZIP+4[®] 00704

Lake Arthur, NM 88253

1-800-ASK-USA (1-800-778-7272) **Send Reverse for Instructions**

022 1670 0001 2404 1993

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Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Certified Mail Restricted	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage \$

Total Postage and Fees \$

Sent to _____

Street and Apt. No., PO Box, or Rural Route _____

City, State, ZIP+4® _____

5599 San Felipe St # 1200
Houston, TX 770562724

PS Form 3800, April 29, 2010 PSN 7530-02-000-9047

See Reverse for Instructions

SANTA FE NM 87505
SEP 15 2010
CORRESPONDENCE

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Certified Mail Fee
 \$

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$	Postmark Here
<input type="checkbox"/> Return Receipt (electronic)	\$	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	
<input type="checkbox"/> Adult Signature Required	\$	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	

Postage
 \$

Total Postage and Fees
 \$

Sent To

Street and Apt. No., or P.O. Box

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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Certified Mail Fee
\$ _____

<input type="checkbox"/> Extra Services & Fees (check box, add fee amount)	\$ _____
<input type="checkbox"/> Return Receipt (hardcopy) _____	\$ _____
<input type="checkbox"/> Return Receipt (electronic) _____	\$ _____
<input type="checkbox"/> Certified Mail Restricted Delivery _____	\$ _____
<input type="checkbox"/> Adult Signature Required _____	\$ _____
<input type="checkbox"/> Adult Signature Restricted Delivery _____	\$ _____

Postage
\$ _____

Total Postage and Fees
\$ _____

Sent To
\$ _____

Street and Apt. No., or P.O. Box
City, State, ZIP+4®

MRS. EXPLORERS RESOURCES LLC
5400 LB Fwy Ste 1500
Dallas, TX 75240

PS Form 3800, April 2012 PSN 7530-02-000-9042 See Reverse for Instructions

(Red circular postmark: SAN ANTONIO TEXAS SEP 5 2022)

2022 1200 0001 2804 2020

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CORONADO STATION
SEP 15 2022

Postmark Here

2022 1200 0001 2804 2020

PS Form 3800, April 2014 PSN 7530-0200-9047

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Certified Mail Fee	
extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$
Sent To	
Signed and Aired By, or Posible: HILSON OIL & GAS LLC	
City	541400

U.S. Postal Service[™]
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☐ Certified Mail Fee \$
☐ Extra Services & Fees (check box, with fee amount)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage \$
 Total Postage and Fees \$
 Sent To \$

Street and Apt. No., or PO BOX
 City, State, ZIP+4[®] PO Box 1148
 Santa Fe, NM 87504

PS Form 3800, April 2012 PSN 7530-02-000-9007 See Reverse for Instructions

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Certified Mail Fee \$
Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Certified Mail (microfilm)	\$
<input type="checkbox"/> Premium Postage Restricted Delivery	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage \$
Total Postage and Fees \$

Sent _____ M Per _____ Day _____
By _____

Coronado Station
San Diego, CA 92161
SEP 15 2022

U.S. Postal Service™
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—see for instructions

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Certified Mail Fee \$

Extra Services & Fees (check one, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage \$

Total Postage and Fees \$

Sent to _____

City, State, ZIP+4® _____

NEARBURG EXPLORATION CO LLC
5447 Glen Lakes Dr.
Dallas, TX 75231

PS Form 3809, April 2012 PSN 7530-02-000-9047

See Reverse for Instructions

1670 0001 2004 2057

SEP 15 2022

GOVADO STAT

Postmark
Harris

1670 0001 2004 2057

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Printed Mail Piece

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$	
<input type="checkbox"/> Return Receipt (electronic)	\$	0.40
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	
<input type="checkbox"/> Adult Signature Required	\$	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	

Postage

Total Postage and Fees

\$

Sent To

Street and Apt. No., **3323 Providence**
City, State, ZIP+4® **Midland, TX 79705**

PS Form 3800, April 2010 Edition PSN 7530-02-000-9001

See Reverse for Instructions

CORONADO
SEP 15 2022
POSTAL
HERE

70262L
Sent
10/28/02

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CERTIFIED MAIL® RECEIPT
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Coronado Station
SEP 15 2002

Postmark Here

Extra Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$ _____
- ☐ Return Receipt (electronic) \$ _____
- ☐ Certified Mail Restricted Delivery \$ _____
- ☐ Adult Signature Required \$ _____
- ☐ Adult Signature Restricted Delivery \$ _____

Postage \$ 0.00

Total Postage and Fees \$ 0.00

Sent To _____

Street and Apt. No., or P.O. Box _____

City, State, ZIP+4® _____ PO BOX 60476

Midland, TX 79710

PS Form 3800, April 2002 PSN 7530-02-000-9047 See Reverse for Instructions

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OFFICIAL USE

Certified Mail Fee
 \$ _____

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$ _____
<input type="checkbox"/> Return Receipt (electronic)	\$ _____
<input type="checkbox"/> Certified Mail Restricted Delivery	\$ _____
<input type="checkbox"/> Adult Signature Required	\$ _____
<input type="checkbox"/> Adult Signature Restricted Delivery	\$ _____

Postage
 \$ _____

Total Postage and Fees
 \$ _____

Sent To

Street and Apt. No., or P.O. Box

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

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OFFICIAL USE

Postpaid Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage

Total Postage and Fees

\$ Sent To

Street and Apt. No., **RED RIVER JOHN JR ESTATE**
PO Box 50895
City, State, ZIP+4® **Midland, TX 79710895**

PS Form 3800, April 20, 2010 • 4425-10-000-9047 See Reverse for Instructions

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OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Restricted	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage \$

Total Postage and Fees \$

Sent To

Street and Apt. No., P.O. Box, or other delivery point
 City, State, ZIP+4®

PS Form 3800, April 2013 PSN 7530-02-000-9047 See Reverse for Instructions

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OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To

Street and Apt. No., or P.O. Box, or **PUGMACK KIM**
1900 North I St
City, State, ZIP+4® Midland, TX 79705

PS Form 3800, April 2013 PSN 7530-020-9047 See Reverse for Instructions

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Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To

Street and Apt. No., or P.O. Box, or **PO BOX 2323**
City, State, ZIP+4® Roswell, NM 88202323

PS Form 3800, April 2013 PSN 7530-020-9047 See Reverse for Instructions

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Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To

Street and Apt. No., or P.O. Box, or **PO BOX CAROLYN BULOVAS**
600 N Wyoming
City, State, ZIP+4® Roswell, NM 88201

PS Form 3800, April 2013 PSN 7530-020-9047 See Reverse for Instructions

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Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

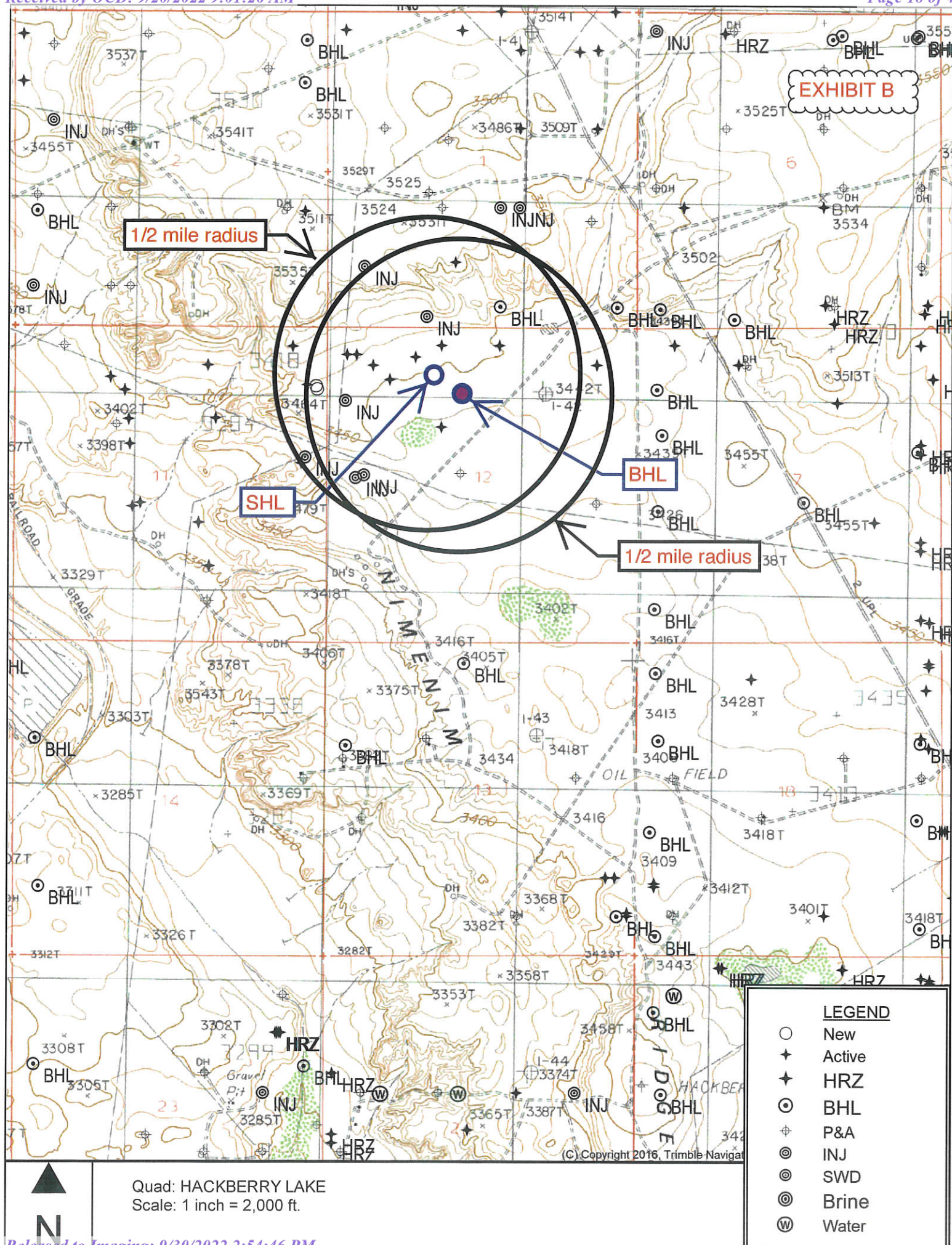
Postage \$

Total Postage and Fees \$

Sent To

Street and Apt. No., or P.O. Box, or **PO BOX STEVEN M**
PO Box 1933
City, State, ZIP+4® San Francisco, CA 94104

PS Form 3800, April 2013 PSN 7530-020-9047 See Reverse for Instructions

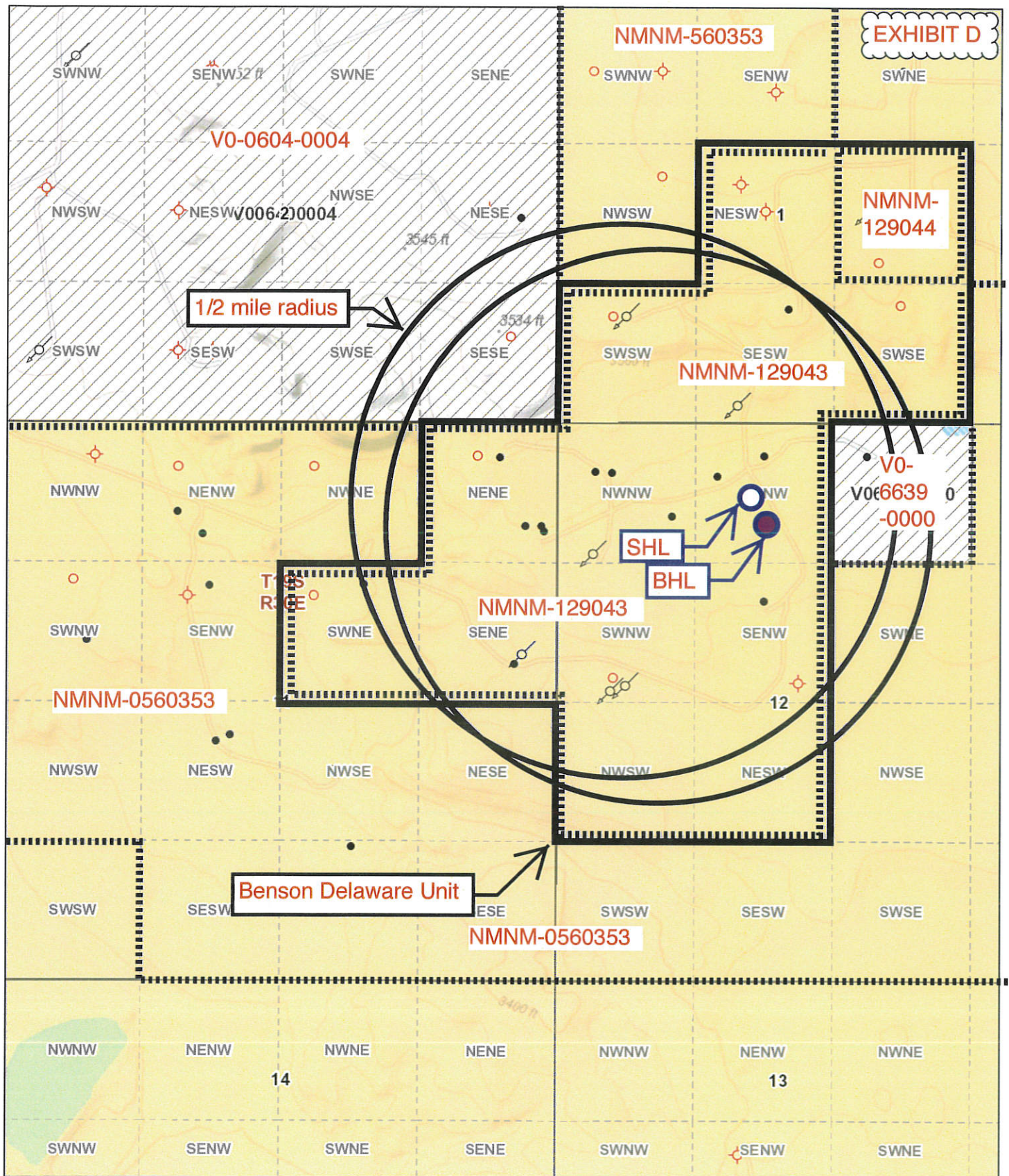


SORTED BY DISTANCE FROM BDU 25

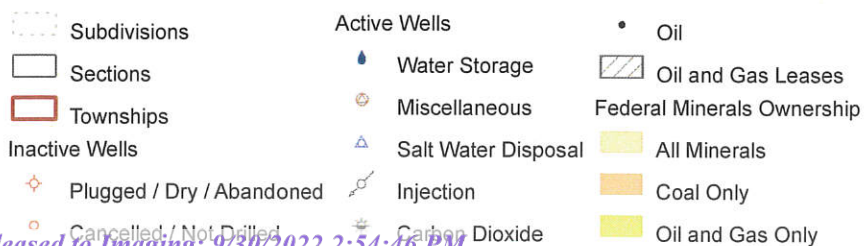
API	OPERATOR	WELL	WELL STATUS	UNIT-SECTION-T19S-R30E	TVD	ZONE @ TVD	FEET FROM BDU 25
3001540054	Cimarex	Crescent Hale12 Federal 002	O	C-12	9295	Bone Spring	568
3001533380	Chi	BDU 4	O	C-12	5526	Brushy Canyon	652
3001533725	Chi	BDU 5	O	F-12	5400	Brushy Canyon	733
3001537987	Chi	BDU 21	O	D-12	5270	Brushy Canyon	789
3001533881	Chi	BDU 6	O	D-12	5400	Brushy Canyon	1121
3001538298	Chi	BDU 15	I	N-1	5198	Brushy Canyon	1171
3001540837	Cimarex	Crescent Hale 12 Fed Com 003	O	B-12	8747	Bone Spring	1244
3001539025	Cimarex	Crescent Hale12 Federal 001	O	D-12	8728	Bone Spring	1442
3001533933	Chi	BDU 7	P&A	F-12	5366	Brushy Canyon	1561
3001538299	Chi	BDU 20	I	D-12	5250	Brushy Canyon	1564
3001537333	Chi	BDU 14	O	D-12	5256	Brushy Canyon	1596
3001534816	Chi	BDU 8	I	E-12	5299	Brushy Canyon	1961
3001542567	Chi	BDU 24	O	A-11	5284	Brushy Canyon	2017
3001542566	Chi	BDU 23	O	A-11	5265	Brushy Canyon	2041
3001530715	Chi	BDU 1	O	N-1	6707	Bone Spring	2061
3001535791	Chi	BDU 12	I	E-12	5415	Brushy Canyon	2088
3001534293	Chi	BDU 9	O	A-11	5233	Brushy Canyon	2192
3001531778	Chi	BDU 2	I	M-1	5350	Brushy Canyon	2313
3001538494	Cimarex	Crescent Hale 11 Federal 001	O	A-11	8676	Bone Spring	2517
3001535085	Chi	BDU 10	I	H-11	5258	Brushy Canyon	2540
3001537986	Chi	BDU 19	O	H-11	5450	Brushy Canyon	2650

EXHIBIT B





September 3, 2022



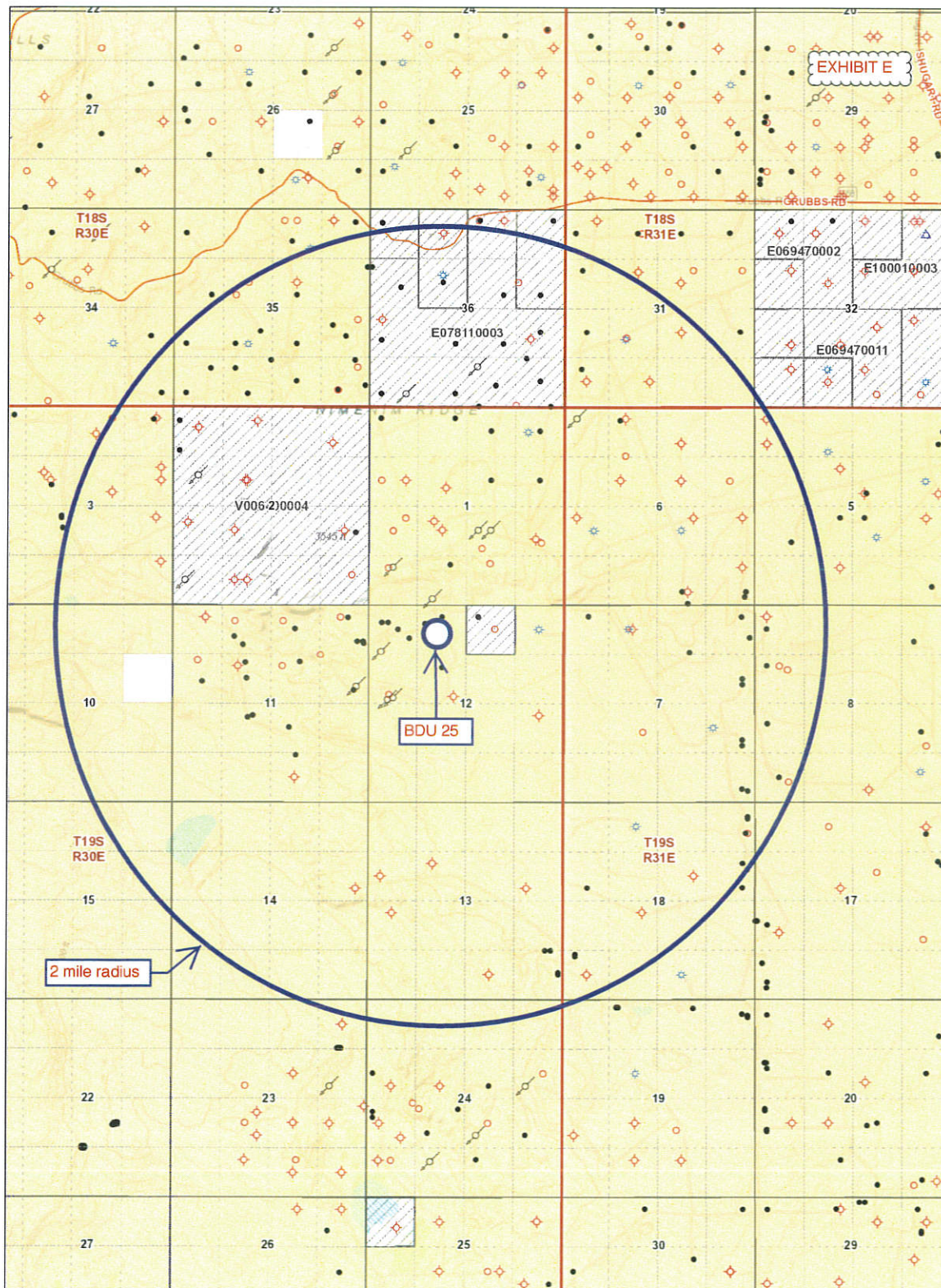
Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

BDU 25 AREA OF REVIEW LEASES

Aliquot Parts in Area of Review (T. 19 S., R. 30 E.)	Lessor	Lease	Lessee(s) of Record	Well Operators (all zones)
NESW, S2SW, & SWSE Sec. 1	BLM	NMNM-129043	Crescent Porter Hale	Chi, Cimarex
E2SE4 & SWSE Sec. 2	NMSLO	VO-0604-0004	Chevron USA	Chevron
E2NE4 & SWNE Sec. 11	BLM	NMNM-129043	Crescent Porter Hale	Chi, Cimarex
NWNE & NESE Sec. 11	BLM	NMNM-0560353	Crescent Porter Hale	Cimarex, Great Western
NWNE Sec. 12	NMSLO	VO-6639-0000	Featherstone	Cimarex
NW4 & N2SW4 Sec. 12	BLM	NMNM-129043	Crescent Porter Hale	Chi, Cimarex
SWNE & NWSE Sec. 12	BLM	NMNM-0560353	Crescent Porter Hale	Cimarex

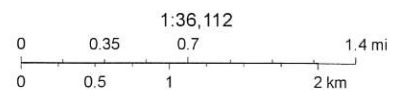
EXHIBIT D

Oil, Gas, and Minerals Leases and Wells



September 3, 2022

- | | | |
|---------------------------|---------------------|----------------------------|
| Subdivisions | Miscellaneous | Highway Mileposts |
| Sections | Salt Water Disposal | Oil and Gas Leases |
| Townships | Injection | Federal Minerals Ownership |
| Inactive Wells | Carbon Dioxide | All Minerals |
| Plugged / Dry / Abandoned | Gas | Coal Only |
| Cancelled / Not Drilled | Oil | Oil and Gas Only |
| Active Wells | Detailed Roads | Oil, Gas and Coal Only |
| Water Storage | | Other Minerals |



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

State Land Office
State of New Mexico

WELLS SORTED BY DISTANCE FROM BDU 25

WELL	SPUD	TVD	ZONE @ TVD	WELL STATUS	HOLE O.D.	CASING O.D.	SET @	CEMENT	TOC	HOW TOC DETERMINED
Crescent Hale 12 Federal 002	4/6/12	9295	Bone Spring	O	17.5	13.375	478	375 sx	Surface	Circ 45 sx
3001540054					12.25	9.625	4022	1860 sx	Surface	Circ 2 bbls
C-12-19S-30E					7.875	5.5	12880 MD	2000 sx	540	CBL
BDU 004	1/21/04	5526	Brushy Canyon	O	12.25	9.625	506	450 sx	Surface	Circ 300 sx
3001533380					8.75	5.5	5526	1050 sx	Surface	Circ 116 sx
C-12-19S-30E										
BDU 005	12/17/04	5400	Brushy Canyon	O	12.25	9.625	525	400 sx	Surface	Circ 108 sx
3001533725					7.875	5.5	5400	950 sx	Surface	Circ 199 sx
F-12-19S-30E										
BDU 021	7/20/10	5270	Brushy Canyon	O	17.5	13.375	506	500 sx	Surface	Circ 43 sx
3001537987					11	8.625	2069	800 sx	Surface	Circ 5 sx
D-12-19S-30E					7.875	5.5	5263	800 sx	200	No report

EXHIBIT F

WELLS SORTED BY DISTANCE FROM BDU 25

WELL	SPUD	TVD	ZONE @ TVD	WELL STATUS	HOLE O.D.	CASING O.D.	SET @	CEMENT	TOC	HOW TOC DETERMINED
BDU 006	1/1/05	5400	Brushy Canyon	O	12.25	9.625	510	400 sx	Surface	Circ 20 sx
3001533881					7.875	5.5	5400	1105 sx	Surface	Circ 125 sx
D-12-19S-30E										
BDU 015	7/29/11	5200	Brushy Canyon	I	17.5	13.375	504	600 sx	Surface	Circ
3001538298					12.25	8.625	2072	650 sx	Surface	Circ
N-1-19S-30E					7.875	5.5	5200	665 sx	72	no report
Crescent Hale 12 Fed Com 003	12/18/12	8747	Bone Spring	O	17.5	13.375	447	900 sx	Surface	Circ 22 bbls
3001540837					12.25	9.625	2418	1100 sx	Surface	Circ 116 sx
B-12-19S-30E					8.75	5.5	12989 MD	2700 sx	838	CBL
Crescent Hale 12 Federal 001	10/6/11	8728	Bone Spring	O	17.5	13.75	500	440 sx	Surface	Circ
3001539025					12.25	9.625	4090	2300 sx	Surface	Circ 6 bbls
D-12-19S-30E					8.75	5.5	12962 MD	1920 sx	Surface	Circ 183 sx

EXHIBIT F

WELLS SORTED BY DISTANCE FROM BDU 25

WELL	SPUD	TVD	ZONE @ TVD	WELL STATUS	HOLE O.D.	CASING O.D.	SET @	CEMENT	TOC	HOW TOC DETERMINED
BDU 007	9/16/06	5288	Brushy Canyon	P&A	12.25	9.625	526	600 sx	Surface	Circ 60 sx
3001533933					8.75	5.5	5366 MD	1000 sx	Surface	Circ 10 sx
F-12-19S-30E										
BDU 020	8/20/11	5250	Brushy Canyon	I	17.5	13.375	477	500 sx	Surface	Circ
3001538299					12.25	8.625	2065	785 sx	Surface	Circ
D-12-19S-30E					7.875	5.5	5250	350 sx	Surface	Circ
BDU 014	4/27/10	5256	Brushy Canyon	O	17	13.375	494	500 sx	Surface	Circ 225 sx
3001537333					11	8.625	2045	800 sx	Surface	Circ 98 sx
D-12-19S-30E					7.875	5.5	5230	500 sx	Surface	Circ 123 sx
BDU 008	4/15/06	5299	Brushy Canyon	I	17.5	13.375	511	500 sx	Surface	Circ 60 sx
3001534816					11	8.625	1910	505 sx	Surface	Circ 65 sx
E-12-19S-30E					7.875	5.5	5351 MD	1675 sx	Surface	Circ 17 sx

EXHIBIT F

WELLS SORTED BY DISTANCE FROM BDU 25

WELL	SPUD	TVD	ZONE @ TVD	WELL STATUS	HOLE O.D.	CASING O.D.	SET @	CEMENT	TOC	HOW TOC DETERMINED
BDU 024	9/15/15	5284	Brushy Canyon	O	17.5	13.375	484	425 sx	Surface	Circ
3001542567					11	8.625	2057	992 sx	Surface	Circ
A-11-19S-30E					7.875	5.5	5292 MD	1110 sx	1070	CBL
BDU 023	10/2/14	5220	Brushy Canyon	O	17.5	13.375	493	425 sx	Surface	Circ
3001542566					11	8.625	2064	992 sx	Surface	Circ
A-11-19S-30E					7.875	5.5	5265 MD	660 sx	500	CBL
BDU 001	1/5/01	6707	Bone Spring	O	12.25	9.625	494	375 sx	Surface	Circ 170 sx
3001530715					8.75 & 7.875	5.5	6707	1200 sx	330	CBL
N-1-19S-30E										
BDU 012	9/19/07	5415	Brushy Canyon	I	17.5	13.375	511	500 sx	Surface	Circ 10 sx
3001535791					11	8.625	2050	625 sx	Surface	Circ 165 sx
E-12-19S-30E					7.875	5.5	5415	675 sx	Surface	Circ 30 sx

EXHIBIT F

WELLS SORTED BY DISTANCE FROM BDU 25

WELL	SPUD	TVD	ZONE @ TVD	WELL STATUS	HOLE O.D.	CASING O.D.	SET @	CEMENT	TOC	HOW TOC DETERMINED
BDU 009	5/4/06	5233	Brushy Canyon	O	12.25	9.625	497	375 sx	Surface	Circ 129 sx
3001534293					8.75	5.5	5233	1500 sx	600	Calc
A-11-19S-30E										
BDU 002	5/12/01	5350	Brushy Canyon	I	12.25	9.625	483	425 sx	Surface	Circ 180 sx
3001531778					8.75 & 7.875	5.5	5350	1825 sx	1600	CBL
M-1-19S-30E										
Crescent Hale 11 Federal 001	3/3/11	8676	Bone Spring	O	17.5	13.375	533	520 sx	Surface	Circ 218 sx
3001538494					12.25	9.625	4170	1500 sx	Surface	Circ 342 sx
A-11-19S-30E					8.75	5.5	13015 MD	1920 sx	3800	Temp survey

EXHIBIT F

WELLS SORTED BY DISTANCE FROM BDU 25

WELL	SPUD	TVD	ZONE @ TVD	WELL STATUS	HOLE O.D.	CASING O.D.	SET @	CEMENT	TOC	HOW TOC DETERMINED
BDU 010	8/31/06	5258	Brushy Canyon	I	12.25	9.625	519	500 sx	Surface	Circ
3001535085					8.75 & 7.875	5.5	5258	1400 sx	Surface	Circ 187 sx
H-11-19S-30E										
BDU 019	5/12/10	5450	Brushy Canyon	O	17.5	13.375	500	500 sx	Surface	Circ 160 sx
3001537986					11	8.625	2058	800 sx	Surface	Circ 141 sx
H-11-19S-30E					7.875	5.5	5450	875 sx	Surface	Circ 115 sx



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

EXHIBIT H

(A CLW#### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has been
replaced,
O=orphaned,
C=the file is
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	Code	POD Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tw	Rng	X	Y	Distance	Depth	Well Depth	Water Column
CP 00647 POD1	O	CP	ED	4	2	2	15	19S	30E	598235	3614621*	2803	200	92	108
CP 00767 POD1		CP	ED	3	2	35	18S	30E	599300	3619158*	3064	500			

Average Depth to Water: 92 feet

Minimum Depth: 92 feet

Maximum Depth: 92 feet

Record Count: 2

UTM NAD83 Radius Search (in meters):

Easting (X): 600463

Northing (Y): 3616323

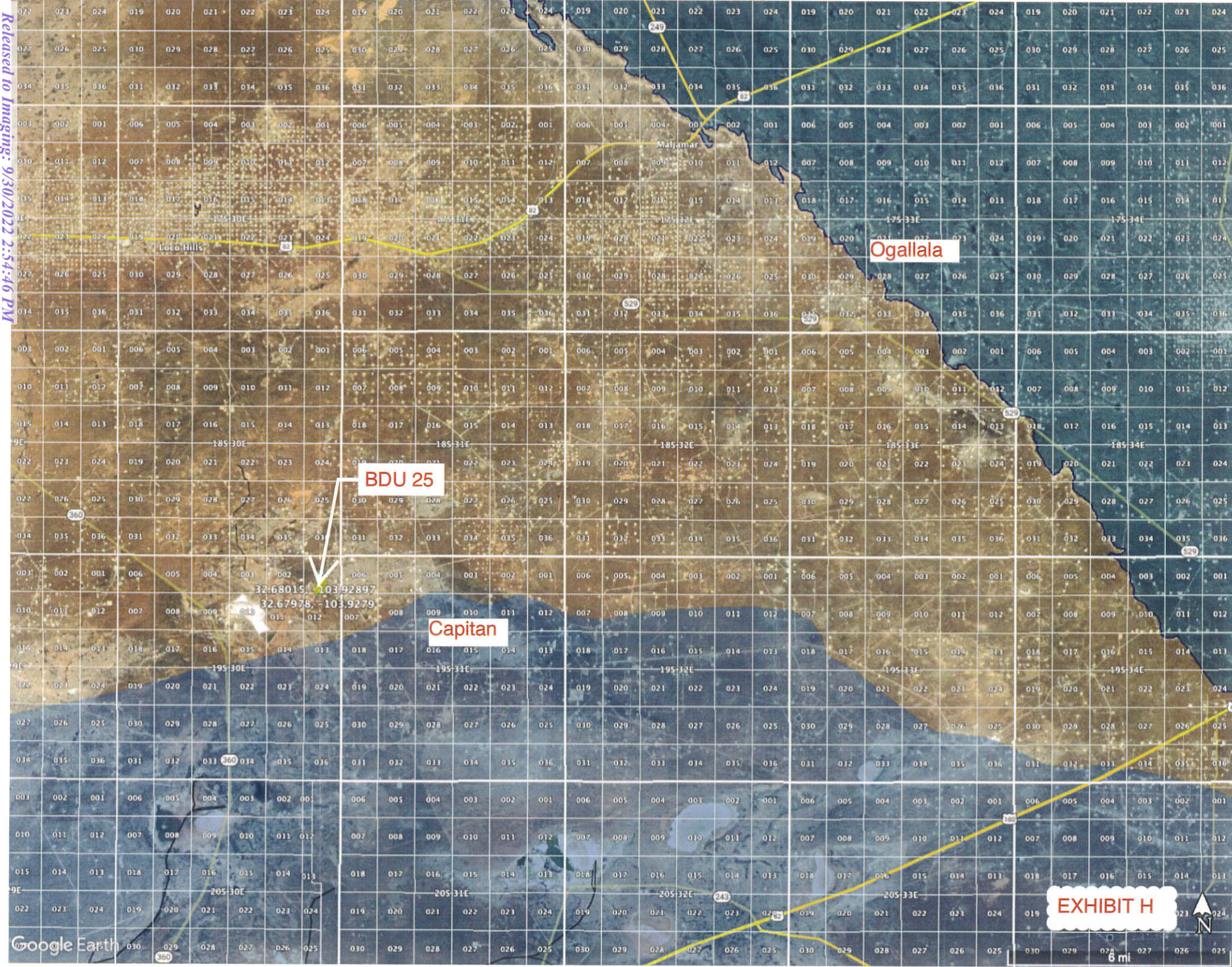
Radius: 3220

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

7/24/22 12:49 PM

WATER COLUMN/ AVERAGE DEPTH TO
WATER





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

Re: Geology Statement
Chi Operating Inc.
Benson Delaware Unit #25
Section 12, T. 19S, R. 30E
Eddy County, New Mexico

To whom it may concern:

Publicly available geologic and engineering data related to the proposed well have been thoroughly reviewed, and no evidence for open faults or any other hydrologic connection between the proposed Brushy Canyon injection zone and any underground sources of drinking water has been found. Please see the attached seismic risk assessment for additional information.

Sincerely,

Cory Walk
Geologist

EXHIBIT I

Seismic Risk Assessment
Chi Operating Inc.
Benson Delaware Unit #25
Section 12, Township 19 South, Range 30 East
Eddy County, New Mexico

Cory Walk, M.S.

A handwritten signature in black ink that reads "Cory Walk". The signature is written in a cursive style with a large initial "C" and a long horizontal stroke at the end.

Geologist
Permits West Inc.

September 06, 2022

Chi Operating Inc.
Benson Delaware Unit #25

SEISMIC RISK ASSESSMENT PAGE 1

EXHIBIT I

GENERAL INFORMATION

Benson Delaware Unit #25 is located in the NW ¼, section 12, T19S, R30E, about 9 miles south-southeast of Loco Hills, NM in the Delaware Basin of the greater Permian Basin. Chi Operating Inc. proposes to directionally drill a water injection well. The proposed injection zone is within the Brushy Canyon Formation through a cased hole from 5,030'-5,300' below ground surface. The Brushy Canyon is primarily a sandstone reservoir. This report assesses any potential concerns relating to induced seismicity along deep penetrating Precambrian faults or the connection between the injection zone and known underground potable water sources.

SEISMIC RISK ASSESSMENT

Historical Seismicity

Searching the USGS earthquake catalog resulted in no (0) earthquakes above a magnitude 2.5 within 6 miles (9.7 km) of the proposed injection site since 1970 (Fig 1). According to this dataset, the nearest historical earthquake occurred November 13, 2021 about 26.9 miles (~43.3 km) southeast and had a magnitude of 3.2.

Basement Faults and Subsurface Conditions

A structure contour map (Fig. 1) of the Precambrian basement shows the Benson Delaware Unit #25 is approximately 5.6 miles from the nearest basement-penetrating fault inferred by Ewing et al (1990) and about 30 miles from the nearest surface fault.

Snee and Zoback (2018) state, "In the western part of Eddy County, New Mexico, S_{Hmax} is ~north-south (consistent with the state of stress in the Rio Grande Rift; Zoback and Zoback, 1980) but rotates to ~east-northeast-west-southwest in southern Lea County, New Mexico, and the northernmost parts of Culberson and Reeves counties, Texas." Around the Benson Delaware Unit #25 site, Snee and Zoback indicate a S_{Hmax} direction of N060°E and an A_p of 0.65, indicating a normal faulting stress regime.

Induced seismicity is a growing concern of deep injection wells. Snee and Zoback (2018) show that due to its orientation, the nearest Precambrian fault has a low probability of slipping (Fig. 2). Also, the proposed injection zone is much shallower in the Brushy Canyon Formation and therefore would not affect the deep Precambrian faults. The vertical (approx. 9600') and horizontal (5.6 miles) separation between the proposed SWD injection zone and any deep Precambrian faults is large enough to infer that there is no immediate concern or potential of induced seismicity as a result from this injection well.

GROUNDWATER SOURCES

Quaternary Alluvium acts as the principal aquifer used for potable ground water near the Benson Delaware Unit #25 location (Hendrickson and Jones, 1952). Nicholson and Clebsch (1961) state, "Potable ground water is not available below the Permian and Triassic unconformity but, because this boundary is not easily defined, the top of the Rustler anhydrite formation is regarded as the effective lower limit of 'potable' ground water." Around the Benson Delaware Unit #25 well, the top of a thick anhydrite unit interpreted to represent the Rustler Formation lies at a depth of ~400 feet bgs.



Chi Operating Inc.
Benson Delaware Unit #25

SEISMIC RISK ASSESSMENT PAGE 2



STRATIGRAPHY

A thick permeability barrier (Rustler Anhydrite and Salado Fm; 1300+ ft thick) exists above the targeted Brushy Canyon injection zone. Well data indicates ~4,630 ft of rock separating the top of the injection zone from the previously stated lower limit of potable water at the top of the Rustler anhydrite formation.

CONCLUDING STATEMENT

All available geologic and engineering data evaluated around the Benson Delaware Unit #25 well show no potential structural or stratigraphic connection between the Brushy Canyon injection zone and any subsurface potable water sources. The shallow injection zone, spatial location and orientation of nearby faults also removes any major concern of inducing seismic activity.



Chi Operating Inc.
Benson Delaware Unit #25

SEISMIC RISK ASSESSMENT PAGE 3

EXHIBIT I

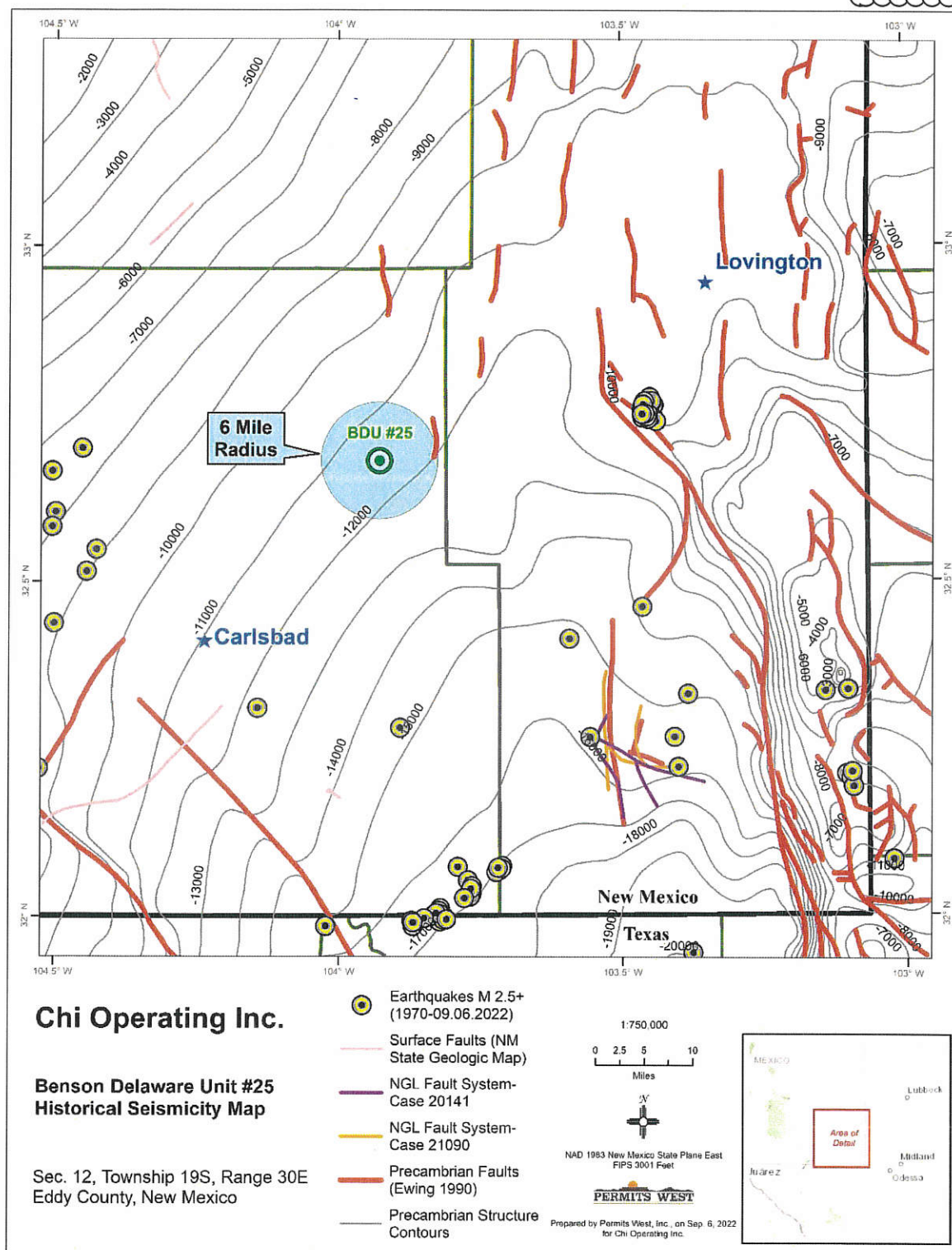


Figure 1. Structural contour map of the Precambrian basement in feet below sea level. Red lines represent the locations of Precambrian basement-penetrating faults (Ewing et al., 1990). The Benson Delaware Unit #25 well lies ~5.6 miles west of the closest deeply penetrating fault, ~30 miles from the nearest surface fault and ~26.9 miles from the closest historic earthquake.

Chi Operating Inc.
Benson Delaware Unit #25

SEISMIC RISK ASSESSMENT PAGE 4

EXHIBIT I

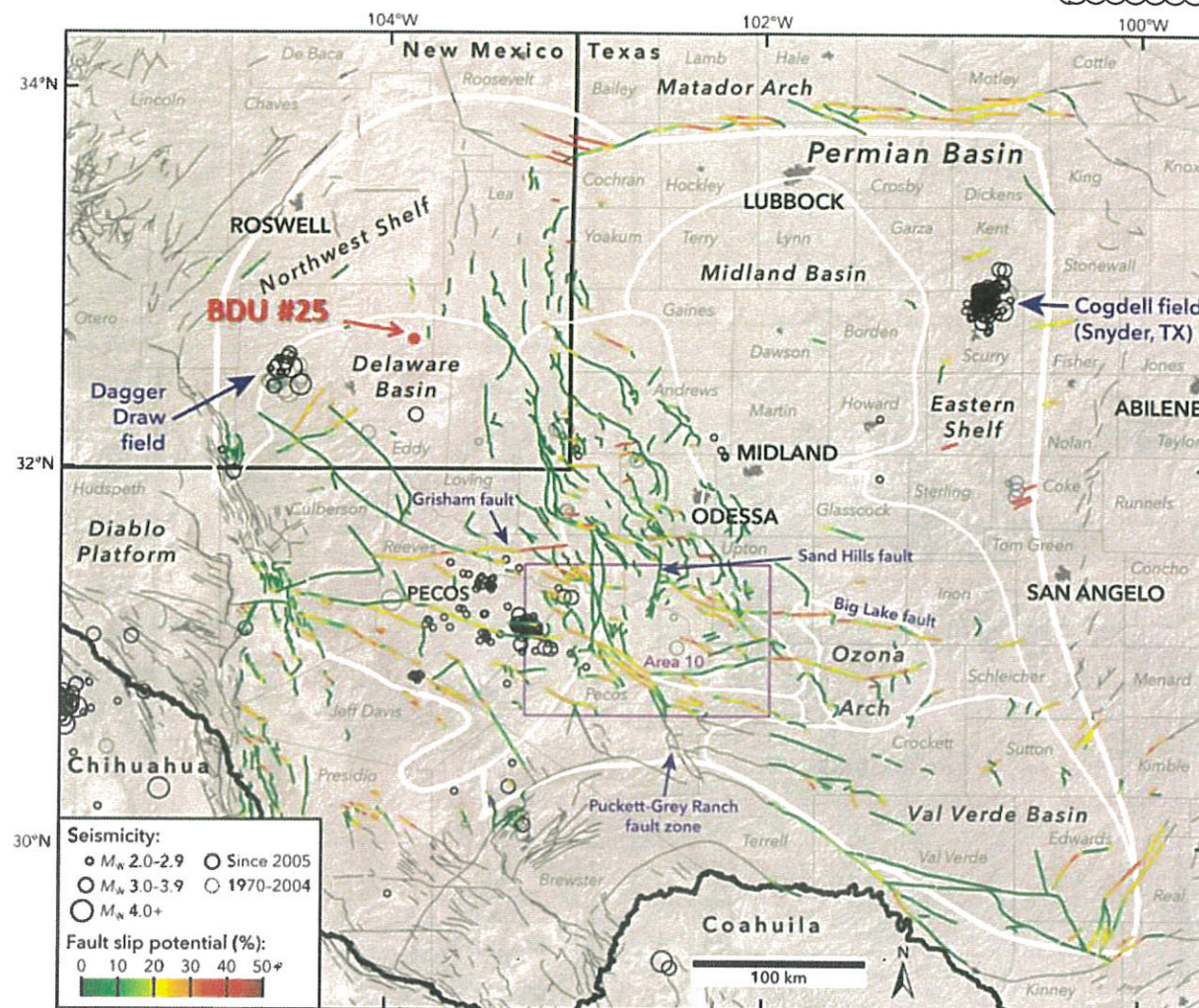
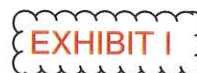


Figure 2. Modified from Snee and Zoback (2018). The nearest deep Precambrian fault lies ~5.6 miles east of the proposed SWD well and has a low probability (0%) of slip. Also, the proposed injection zone is much shallower in the Brushy Canyon and therefore removes any major concern of inducing seismicity on any known fault.

**Chi Operating Inc.
Benson Delaware Unit #25**

SEISMIC RISK ASSESSMENT PAGE 5



References Cited

- Ewing, T. E., 1990, The tectonic map of Texas: Austin, Bureau of Economic Geology, The University of Texas at Austin.
- Geologic Map of New Mexico, New Mexico Bureau of Geology and Mineral Resources, 2003, Scale 1:500,000.
- Hendrickson, G. E., and Jones, R. S., 1952, Geology and Ground-Water Resources of Eddy County, New Mexico: New Mexico Bureau of Mines and Mineral Resources, Ground-Water Report 3, 179 pp., 6 plates.
- Nicholson, A., Jr., and Clebsch, A., Jr., 1961, Geology and ground-water conditions in southern Lea County, New Mexico: New Mexico Bureau of Mines and Mineral Resources, Ground-Water Report 6, 123 pp., 2 plates.
- Snee, J.-E.L., Zoback, M.D., 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: Leading Edge, v. 37, p. 127–134.
- Zoback, M. L., and M. D. Zoback, 1980, State of stress in the conterminous United States: Journal of Geophysical Research, 85, no. B11, 6113–6156, <https://doi.org/10.1029/JB085iB11p06113>.



CHI OPERATING, INC.
BENSON DELWARE UNIT 25
SHL: 755' FNL & 1735' FWL
BHL: 1081 FNL & 2240 FWL
SEC. 12, T. 19 S., R. 30 E., EDDY COUNTY, NM

PAGE 1

- I. Goal is to drill a water injection well. The well will inject into the Brushy Canyon from 5030' (TVD) to 5300' (TVD). (The well is directional due to environmental concerns.) The Brushy Canyon is part of the Benson; Delaware (O) Pool (code = 97083). The well and zone are part of the Benson Delaware Unit (Order R-13262) that was established in 2010 by Chi.
- II. Operator: Chi Operating, Inc. (OGRID: 4378)
Operator phone number: (432) 685-5001
Operator address: P. O. Box 1799
Midland, TX 79702
Contact for Application: Brian Wood (Permits West, Inc.)
Phone: (505) 466-8120
- III. A. (1) Lease & Unit: BLM (NMNM-129043 & NMNM-126412X)
Lease Size: 520.00 acres (see Exhibit A for C-102 and maps)
Closest Lease Line: 905' (SHL) & 400' (BHL)
Lease Area: NW4 & N2SW4 Section 12, T. 19 S., R. 30 E. et al
Unit Size: 560.00 acres
Closest Unit Line: 905' (SHL) & 400' (BHL)
Unit Area: T. 19 S., R. 30 E.
Section 1: W2SE4, E2SW4, SWSW
Section 11: E2NE4, SWNES
Section 12: NW4, N2SW4
- A. (2) Surface casing (13.375", 48#, H-40) will be set at 500' in a 17.5" hole and cemented to GL with 500 sacks.
- Intermediate casing (8.625", 32#, K-55) will be set at 2050' in an 11" hole and cemented to GL with 525 sacks.
- Production casing (5.5" O. D., 15.5#, K-55) will be set at 5360' MD in a 7.875" hole and cemented to GL with 651 sacks.

CHI OPERATING, INC.
BENSON DELWARE UNIT 25
SHL: 755' FNL & 1735' FWL
BHL: 1081 FNL & 2240 FWL
SEC. 12, T. 19 S., R. 30 E., EDDY COUNTY, NM

PAGE 2

- A. (3) Tubing specifications are 2.875", 6.5#, and internally plastic coated. Setting depth will be \approx 4980'. (Top perforation will be 5030' TVD.)
- A. (4) A nickel or stainless-steel injection packer will be set at \approx 4980' (50' above the highest perforation of 5030').
- B. (1) Injection zone will be the Brushy Canyon. It is in the Benson; Delaware (O) Pool (code = 97083).
- B. (2) Injection interval will be 5030' (TVD) to 5300' (TVD). The well will be cased.
- B. (3) Well will be drilled as a Brushy Canyon water injection well.
- B. (4) Will perforate from 5030' (TVD) to 5300' (TVD).
- B. (5) There is no higher oil or gas zone within the area of review. However, there is Yates, Seven Rivers, Queen, Grayburg production/waterflood just northeast and outside of the area of review in NWSE 1-19s-30e. Next lower oil or gas zone within the area of review is the Bone Spring. Its estimated top is at 6200'.

IV. This is not a horizontal or vertical expansion of an existing injection project. The unit approval (R-13262) included the Brushy Canyon water flood. Four water flood expansions (WFX-875, -897, -898, and -943 have been approved since then. Closest unit boundary is 400' east. Six injection wells are within a half-mile radius (see Exhibit B).

V. Exhibit B shows and tabulates all 21 existing wells (14 producers + 6 injectors + 1 P&A) within a half-mile radius, regardless of depth. Exhibit C shows all 177 existing wells (114 oil or gas producing wells + 50 P & A wells + 11 water injection wells + 2 fresh-water wells) within a two-mile radius.

CHI OPERATING, INC.
BENSON DELWARE UNIT 25
SHL: 755' FNL & 1735' FWL
BHL: 1081 FNL & 2240 FWL
SEC. 12, T. 19 S., R. 30 E., EDDY COUNTY, NM

PAGE 3

Exhibit D shows and tabulates all leases (BLM and NMSLO) within a half-mile radius. Exhibit E shows all lessors (BLM, fee, and NMSLO) within a two-mile radius.

VI. Twenty-one existing wells are within a half-mile, and all penetrated the Brushy Canyon (top = 5027'). The penetrators include 14 oil wells, 6 water injectors, and 1 P&A well. Exhibit F tabulates the penetrators and diagrams the P&A well.

- VII. 1. Average injection rate will be \approx 250 bwpd. Maximum will be 400 bwpd.
2. System will be closed. A 787.16' long pipeline will be buried from the existing Unit battery.
3. Average injection pressure will be \approx 850 psi. Maximum injection pressure will be 860 psi as required by R-13262 (13).
4. Water source will be produced water from nearby Delaware and Bone Springs wells. There are 11 oil wells producing from the Brushy Canyon within a 1-mile radius. Seven Brushy Canyon water injection wells are within the same radius. All 18 wells are in the Unit.
5. Brushy Canyon produces in the Unit. Goal is to increase production.

VIII. The Unit produces from the Brushy Canyon sandstone. Porosity is $>18\%$. SHL is 565' north and outside of the potash boundary (R-111-P). BHL is 239' north and outside of the same boundary (Exhibit G). Notable formation tops (all TVD) are:

CHI OPERATING, INC.
BENSON DELWARE UNIT 25
SHL: 755' FNL & 1735' FWL
BHL: 1081 FNL & 2240 FWL
SEC. 12, T. 19 S., R. 30 E., EDDY COUNTY, NM

PAGE 4

Quaternary = 0'
Rustler = 400'
Salt top = 650'
Salt base = 1700'
Yates = 2128'
Seven Rivers = 2430'
Queen = 3050'
Cherry Canyon = 4170'
Brushy Canyon = 5027'
Injection interval = 5030' - 5300'
Total Depth = 5300'
(Bone Spring = 6220')

According to State Engineer records (Exhibit H), no water well is within a mile. Closest water well is 1.74 miles southwest. Deepest water well within 2-miles is 500'. No water wells were found during December 7, 2021, and September 1, 2022, field inspections. BDU 25 is 1 mile northwest of the Capitan Reef and 16 miles southwest of the Ogallala aquifer. No existing underground drinking water source is below the Brushy Canyon within a mile radius. Produced water has been injected into zones (Yates, Seven Rivers, Queen, Grayburg) above the Brushy Canyon within T. 19 S., R. 30 E. via 7 injection wells. Over 4,824,055 barrels of water have been injected in the Benson Delaware Unit to date.

- IX. The well will be stimulated with acid and sand to clean out scale or fill.
- X. GR-CAL-CNL-LDT, GR-CAL-DLL-MICRO, and CMR open holes logs will be run from TD through pay.
- XI. No fresh-water well is within a mile (see above).

CHI OPERATING, INC.
BENSON DELWARE UNIT 25
SHL: 755' FNL & 1735' FWL
BHL: 1081 FNL & 2240 FWL
SEC. 12, T. 19 S., R. 30 E., EDDY COUNTY, NM

PAGE 5

XII. Chi (Exhibit I) is not aware of any geologic or engineering data that may indicate the Brushy Canyon is in hydrologic connection with any underground source of water. There are 77 Delaware injectors and 120 Delaware disposal wells in New Mexico. Previously approved Unit water flood expansions are WFX-875, -897, -898, and -943.

XIII. A legal ad (see Exhibit J) was published on August 25, 2022. Notice (this application) has been sent (Exhibit K) to the surface owner (BLM), lessees of record (Chevron USA, Crescent Porter Hale, Featherstone), government lessors (BLM & NMSLO), all other well operators (Chevron, Cimarex, Great Western), and operating right holders within the ½ mile area of review.

EXHIBIT F

HOLE SIZE 12 1/4"
600 sx (Circ)

CASING SIZE 9 5/8" J-55
TD 529
HOLE SIZE 8 3/4"

550 sx (Circ)

Chi's BDU 7
F-12-19s-30e
30-015-33933
spud 9-16-06
PA 3-29-12

DVT
3733

450 sx 1st stage

CASING SIZE 5 1/2" J-55
TD 5500

PBTO 5435

Surf.
60'

GL - 456': 60 sx

456' - 1960': 160 sx

1960

3580' - 3810': 25 sx

4657' - 4904' 25 sx
4904': CIBP

SALT SECTIONS TOP 628

BASE 1910

RIMP 1/2

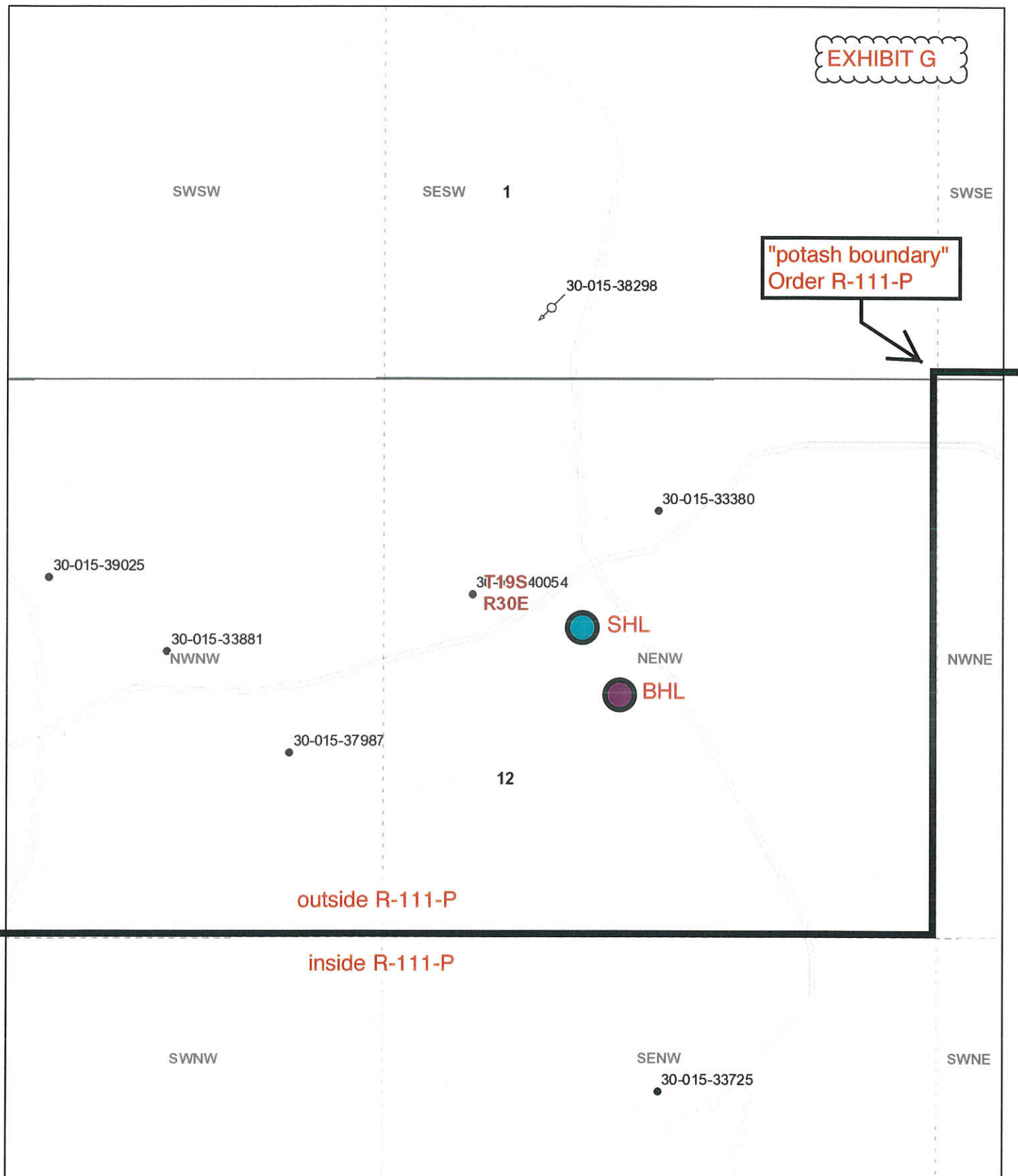
CAVE/KARST

SPEC WATER

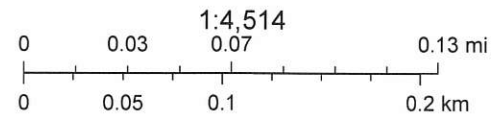
1481' plus FORMATIONS
R.I.I.-P

Yat.s	1904/224
7-R.M.s	23/882
Qu	300/50
Del.	4535/4120

PERFORATIONS 4993 - 5002 (14)



September 4, 2022



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 144813

CONDITIONS

Operator: CHI OPERATING INC P.O. Box 1799 Midland, TX 79702	OGRID: 4378
	Action Number: 144813
	Action Type: [C-108] Fluid Injection Well (C-108)

CONDITIONS

Created By	Condition	Condition Date
drose	None	9/29/2022