

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

(See other instructions on reverse side)

OMB NO. 1004-0137

Expires: February 28, 1995

OPERATOR'S COPY

(See other instructions on reverse side)

 5. LEASE DESIGNATION AND SERIAL NO.
 NM - 012896

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL:

 OIL WELL ☐ GAS WELL ☐ DRY ☒ Other ☐

b. TYPE OF COMPLETION:

 NEW WORK DEEP- PLUG DIFF. ☐ RESVR. ☐
 WELL ☒ OVER ☐ IN ☐ BACK ☐

c. NAME OF OPERATOR

Chi Operating, Inc.

d. ADDRESS AND TELEPHONE NO.

P.O. Box 1799 Midland, Texas 79702

e. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

660 FSL, 990 FWL, Sec 10, T17S, R28E EDDY COUNTY, NEW MEXICO

At top prod, interval reported below

At total depth

10200

14. PERMIT NO.

DATE ISSUED

9/13/99

12. COUNTY OR PARISH

Eddy

13. STATE

NM

5. DATE SPUDDED

1/14/00

16. DATE T.D. REACHED

2/9/00

17. DATE COMPL. (Ready to prod.)

2/28/00

18. ELEVATIONS (DF, RKB, RT, GE, ETC.)*

3530'

19. ELEV. CASINGHEAD

6. TOTAL DEPTH, MD, & TVD

10,200'

21. PLUG BACK TO, MD & TVD

10,200'

22. IF MULTIPLE COMPL.,

HOW MANY*

one

23. INTERVAL

DRILLED BY

ROTARY TOOLS

yes

CABLE TOOLS

4. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AN TVD)*

9870-76, 9895-99 - 4SPF

Morrow Sands

25. WAS DIRECTIONAL

SURVEY MADE

Yes

5. TYPE ELECTRIC AND OTHER LOGS RUN

GR-CAL-CNL, LDT, DDL, MSFL

27. WAS WELL CORED

NO

CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13 3/8 H-40	48	426'	17 1/2"	0', CIRC. 100 SKS.	
8 5/8 J-55	24	2078'	11"	0', CIRC. 56 SKS.	
5 1/2 N-80	17	10,200'	7 7/8"	5450' 1st stage - CBL	
				1660' 2nd stage - CBL	

LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 7/8" 2200	9853'	9853'

TUBING RECORD

1. PERFORATION RECORD (Interval, size and number)

9870-76 - 4SPF

9895-99 - 4SPF

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)

9870-76 - 4SPF

9895-99 - 4SPF

AMOUNT AND KIND OF MATERIAL USED

Acidized together w/ 1000 gals. 7.5% & CO2

Fractured together w/ 34500 gals. & 38500 lbs.

PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump)	WELL STATUS (Producing or shut-in)
2/29/00	Flowing	Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL - BBL	GAS - MCF	WATER - BBL	GAS-OIL RATIO
3/04/00	24	15/64		38	1364	6	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL	GAS - MCF	WATER - BBL	OIL GRAVITY - API (CORR.)	
1000	C#						

DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold

TEST WITNESSED BY

Sonny Mann

LIST OF ATTACHMENTS

Dev. Survey

I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE Engineer

DATE 3/8/00

*(See instructions and spaces for Additional Data on Reverse Side)

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals; and all

drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and

 CANCELLED
 BUREAU OF LAND MANAGEMENT

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.

38. GEOLOGICAL MARKERS			38. GEOLOGICAL MARKERS		
NAME	TOP		NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH		MEAS. DEPTH	TRUE VERT. DEPTH
Atoka	9330'	9330'			
L. Atoka	9700'	9700'			
Morrow	9890'	9890'			

WELL NAME AND NUMBER Coal Train Federal Com #1
LOCATION Section 10, T-17-S, R-28-E, Eddy County, New Mexico
OPERATOR Chi Energy Inc., 212 N. Main, Suite 200, Midland, Texas 79701
DRILLING CONTRACTOR TMBR/Sharp Drilling, Inc., P. O. Drawer 10970, Midland, TX 79702

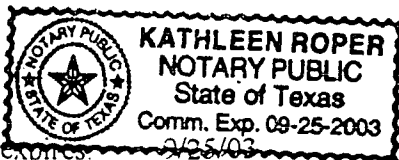
The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

Degrees @ Depth	Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
.50 @ 247'	1.75 @ 4,137'	2.00 @ 8,294'	
.25 @ 528'	1.00 @ 4,294'	1.50 @ 8,545'	
.50 @ 831'	1.25 @ 4,575'	1.75 @ 9,044'	
.25 @ 1,132'	1.25 @ 4,883'	1.25 @ 9,440'	
.25 @ 1,445'	1.25 @ 5,197'	1.25 @ 9,899'	
.75 @ 1,750'	1.25 @ 5,479'	.25 10,220'	
.75 @ 2,036'	1.75 @ 5,792'		
1.25 @ 2,201'	1.75 @ 6,104'		
.75 @ 2,421'	2.25 @ 6,449'		
.75 @ 2,725'	2.00 @ 6,718'		
1.00 @ 3,011'	2.25 @ 7,000'		
1.00 @ 3,293'	2.25 @ 7,157'		
1.75 @ 3,605'	1.25 @ 7,313'		
1.25 @ 3,731'	1.00 @ 7,594'		
1.25 @ 4,014'	1.25 @ 7,881'		

TMBR/Sharp Drilling, Inc.

By Jeffrey D. Phillips
Jeffrey D. Phillips, Vice President

Subscribed and sworn to before me this 17th day of February 2000



Commission expires 9/25/03

Kathleen Roper
Notary Public Kathleen Roper

Midland County, Texas

PO Box 2000, Santa Fe, NM 87504-2000

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

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

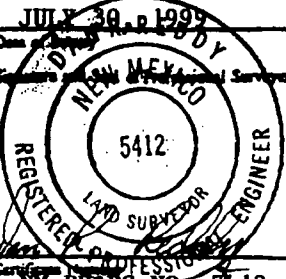
1 AFI Number		2 Pool Code		3 Pool Name	
				WC Crow Flat; Morrow SE Gas	
4 Property Code		5 Property Name			6 Well Number
COAL TRAIN FEDERAL COM					
7 OGRID No.		8 Operator Name			9 Elevation
CHI OPERATING, INC.					3530.

UL or lot no.	Section	Township	Range	Lot lds	Feet from the	North/South line	Feet from the	East/West line	County
M	10	17-S	28-E		990	SOUTH	990	WEST	EDDY

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
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" Dedicated Acres	" Joint or Split	" Commencement Code	" Order No.
320		C	

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

16				<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.</p> <p><i>George R. Smith</i></p> <p>Signature George R. Smith, agent for:</p> <p>Printed Name Chi Operating, Inc.</p> <p>Title August 16, 1999</p> <p>Date</p>
				<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plan 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>JULY 30, 1999</p> <p>Date of Survey</p> <p>Signature of Professional Surveyor</p> <p></p>
NM-012896 Burlington Res. & Enron Oil & Gas 990'				



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm



IN REPLY REFER TO:

NM132224

3105.2 (P0220)

Reference:

Coal Train Fed Com 1

T. 17 S., R. 28 E.,

Section 10: S/2

Eddy County, NM

August 25, 2014

CHI Operating, Inc.

P.O. Box 1799

Midland, TX 79702

RECEIVED OGD
2014 SEP -2 P 2:59

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM132224 involving 80 acres of Federal land in lease LC028053(A), 120 acres of Federal land in lease LC068712, 40 acres of Federal land in lease NM012896, 80 acres Federal land in lease NM59035 Eddy County, New Mexico, which comprises a 320 acre well spacing unit.

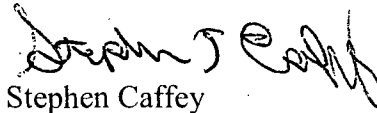
The agreement communitizes all rights to all producible hydrocarbons from the Morrow formation beneath S/2 of sec. 10, T. 17 S., R. 28 E., NMPM, and is effective 2/1/2000. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Edward G. Fernandez, Petroleum Engineer at (575) 234-2220.

- Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



Stephen Caffey
Associate Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

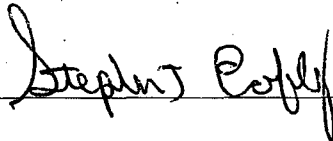
NM (P0220-CFO, File Room)

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the beneath the S/2 of sec. 10, T. 17 S., R. 28 E., NMPM, as to all producible hydrocarbons from the Morrow formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:



Authorized Officer

Effective 2/1/2000

Contract No.: Com. Agr. NM132224



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



In Reply Refer to
NM132224
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM132224

Date of Completion:	2/28/00
Date of First Production:	2/29/00
Field:	Crow Flats Morrow
Operator, Well Name & No, API Number:	CHI Operating; Coal Train Fed Com 1; 30-015-30764
Surface Location:	S/2 sec. 10, T. 17 S., R. 28 E.
Total Depth:	10,200' MD; ' TVD
Surface Elevation:	3,530' GL
Producing Formation:	Morrow (9870-76' – 9895-99)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 38 BBL; Gas 1364 MCF; Water 6 BBL
Current Status:	Producing Gas Well

Remarks: CA NM132224, effective 2/1/2000, communitizes production of all gas and fluid hydrocarbons in the Morrow formation beneath the S/2 of section 10, T. 17 S., R. 28 E., NMPM, and comprises 80 acres of Federal land in lease LC028053A, 120 acres of Federal land in lease LC068712, 40 acres of Federal land in lease NM012896, 80 acres of Federal land in lease NM59035 for a 320 acres spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Arthur Morrison at ajmorrison@blm.gov.

/S/ Arthur Morrison
August 25, 2014

cc:
ONRR-MS 63230B
First Production File
LLNM (P0220, File Room)