

8/18/06

District I
1420 N. French Drive, Santa Fe, NM 87505District II
1301 W. Central Avenue, Aurora, NM 87001District III
1600 N. French Drive, Santa Fe, NM 87505District IV
1200 S. B. French Dr., Santa Fe, NM 87505State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505Form C-107A
Revised June 10, 2003

APPLICATION TYPE

Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

CHI OPERATING, LLC. 212 N. MAIN, MIDLAND, TX 79701

Operator: PEACEKEEPER STATE #1 Address: A-25-T195, R29E EDDY
County: Eddy
OGRID No. Property Code API No. 30-D15-33493 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE WILPCAT	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wolfcamp		H6 MONDW
Pool Code			72400
Top and Bottom of Pay Section (Produced or Open-Hole Interval)	9556-9570'		11,595-11,798'
Method of Production (Flowing or Artificial LIFT)			FWG
Bottomhole Pressure (Note: Pressure data will not be reported if the bottom formation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing Shut-In or New Zone			
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Testing Rates: Wolfcamp	Date: Rates:	Date: 10/5/05 Rates: 1780 130MCF
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or assumptions will be required.)	Oil Gas will be supplying later % %	Oil Gas % % %	Oil Gas % % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒If this well is on, or commingled with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application?Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for common interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE: Pam Corbett TITLE: Regulatory Clerk DATE: 8/18/06
TYPE OR PRINT NAME: Pam Corbett TELEPHONE NO.: 432 6855001
E-MAIL ADDRESS: Pamc@chenegyinc.com

Well:	PEACEKEEPER STATE			No.:	1	
Operator:	CHI OPERATING INC			API:	3E+09	
Township:	19.0S		Range:	29E		
Section:	25		Unit:	A		
Land Type:	S		County:	Eddy	True Vertical	12606
Year:	2006					
Pool Name:	HG:MORROW (GAS)					
Month	Oil(BBLS)	Gas(MCF)	Water(BBL)	Days Produced	Accum. Oil(BBL)	Accum. Gas(MCF)
January	245	19467	980	31	245	19467
February	13	4849	297	28	258	24316
March	5	3963	248	31	263	28279
April	15	3939	245	30	278	32218
May	0	1924	232	31	278	34142
June	0	0	0	0	278	34142
July	0	0	0	0	278	34142
August	0	0	0	0	278	34142
September	0	0	0	0	278	34142
October	0	0	0	0	278	34142
November	0	0	0	0	278	34142
December	0	0	0	0	278	34142
Total	278	34142	2002	151		

District 1
1625 N. French Dr. Hobbs, NM 88240

State of New Mexico
Energy, Minerals & Natural Resources

Revised March 17, 1999
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

~~District~~
811 South First, Artesia, NM 88210

1000 PG Bronze Rd., Astoria NJ 07410

~~District IV~~
2040 South Pasadena, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, N M 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name PEACEKEEPER STATE		Well Number 1
GRID No. 004378	Operation Name CHI OPERATING, INC.		Elevation 3349

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
A	(N2) 25	19-S	29-E		990	NORTH	660	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 320	Joint or Infr	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

990'

860'

LATN 32° 38' 12.8"
LON W 104° 01' 19.0"

OPERATOR CERTIFICATION
I HEREBY CERTIFY THAT THE INFORMATION
STATED IS TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

Signature *John W. Weller*
Printed Name John W. Weller
Title _____
Date 6/2/04

SURVEYOR CERTIFICATION
I HEREBY CERTIFY THAT THE WELL LOCATION
SHOWN ON THIS PLAN WAS PLACED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY
ME OR UNDER MY SUPERVISION AND THAT
THE SAME IS TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

MAY 21, 2004
Date of Survey

Signature and Seal of Professional Surveyor
John W. Weller
NEW MEXICO
5412
REGISTERED PROFESSIONAL SURVEYOR
COUNCIL OF PROFESSIONAL SURVEYORS