

DATE IN <b>6-3-10</b>	SUSPENSE	ENGINEER <b>DB.</b>	LOGGED IN <b>6-3-10</b>	TYPE <b>NSL</b>	APP NO <b>PTGW 1015451721</b>
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



**6723**  
**Ch**  
**Munchkin Fed. #19**

**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

*Eddy, Co.*

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

*R-13262*

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

[D] Other: Specify \_\_\_\_\_

2010 JUN -3 A 11:45  
 RECEIVED OCD

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

**[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] 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.

James Bruce  
 P.O. Box 1056  
 Santa Fe, New Mexico 87504

*James Bruce*  
 \_\_\_\_\_  
 Signature

Attorney for Applicant *6/3/10*  
 \_\_\_\_\_  
 Title Date  
 jamesbruc@aol.com  
 \_\_\_\_\_  
 e-mail Address

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

June 3, 2010

Mark E. Fesmire, P.E.  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to Division Rule NMAC 19.15.15.13, Chi Operating, Inc. applies for approval of an unorthodox oil well location for the following well:

<u>Well name:</u>	Munchkin Fed. Well No. 19
<u>Surface location:</u>	2300 feet FNL & 400 feet FEL
<u>Bottom hole location:</u>	1300 feet FNL & 1000 feet FEL
<u>Well unit:</u>	NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 11, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico

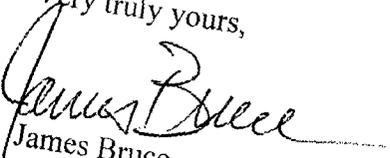
The well will be drilled to test the Delaware formation (Benson-Delaware Pool). Under the Division's statewide rules, spacing in the Delaware formation is 40 acres, with wells to be at least 330 feet from a quarter-quarter section line.

Please note that this well is in the Benson-Delaware Unit, recently approved by the Division by Order No. R-13262. **Exhibit A**. The well will initially be a producer, and will later be converted to injection.

The E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 11 is covered by Federal Lease NM 0560353. Interest ownership (royalty overriding royalty, and working interest) in the well unit and in the offsetting acreage is uniform as to the subject depths. **Exhibit B** (this is part of Exhibit B to the Unit Agreement). Therefore, there is no adversely affected offset owner.

Please call me if you have any questions concerning this application.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Chi Operating, Inc.

**IT IS FURTHER ORDERED THAT:**

(9) Chi Operating, Inc. (Operator) is hereby authorized to institute secondary recovery operations within the Unit Area initially by the injection of water into the Unitized Formation of the Benson-Delaware Pool, in the interval from 4470 to 5200 feet below the surface, through the following nine wells to be located in Township 19 South, Range 30 East, NMPM, in Eddy County, New Mexico:

<u>Well Name</u>	<u>Surface Location</u>	<u>Bottom Hole Location</u>
Munchkin #22W	900 FNL & 1980 FWL, C-12	930 FNL & 2620 FWL, C-12
Munchkin #21W		1050 FNL & 1150 FWL D-12
Munchkin #20W	1400 FNL & 400 FWL, D-12	1350 FNL & 20 FWL, D-12
Munchkin #19W	2300 FNL & 400 FEL, B-11	1300 FNL & 1000 FEL, A-11
Munchkin #18W		1500 FSL & 2200 FEL, J-1
Munchkin #17W		1700 FSL & 1500 FWL, K-1
Munchkin #16W		300 FSL & 1650 FEL, O-1
Munchkin #15W		300 FSL & 1550FWL, N-1
Munchkin #14W	330 FNL & 500 FWL, D-12	330 FNL & 330 FWL, D-12

(10) No fresh water shall be used as make-up water or otherwise injected pursuant to the injection authorization herein provided.

(11) Operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(12) Injection into each of the wells identified above shall be accomplished through 2 7/8 inch plastic lined or fiberglass lined tubing installed in a packer located within 100 feet of the uppermost injection perforations or casing shoe. The casing-tubing annulus shall be filled with an inert fluid, and a gauge or approved leak-detection device shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(13) The injection wells or pressurization system shall be equipped with a pressure control device or acceptable substitute that will limit the surface injection pressure to no more than 860 pounds per square inch.

(14) The Division Director may administratively authorize a pressure limitation in excess of the above upon a showing by the operator that such limitation will not result in the fracturing of the injection formation.

(15) The Division Director may authorize the injection of water into the injection wells within the Unit Area as provided in

EXHIBIT

**A**

l injection

4.

Brazos Limited Partnership  
5.00%

Gene Shumate  
1.33%

Chi Energy, Inc.  
14.50%

Murchison Oil & Gas, Inc.  
10.00%

McCombs Energy, Ltd.  
64.92%

Westbrook Energy, Inc.  
0.50%

Pocahontas Oil Co., Inc.  
0.50%

John W. Qualls  
0.50%

Ken Seligman  
0.50%

Rio Lobo Resources  
0.75%

Gary Green  
1.50%

Brazos Limited Partnership  
5.00%

Gene Shumate  
1.33%

Crescent Porter  
Hale Foundation  
15.00%

Chi Royalty Pool  
1.50%

Crescent Porter  
Hale Foundation  
100%

12 1/2%

NM 0560353  
HBP

160.00 acres

19S-30E  
§1: NE 1/4 SW 1/4  
§11: E 1/2 NE 1/4  
§12: SW 1/4 NW 1/4

2A

EXHIBIT **B**

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

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Application Acronyms:

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- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

NSL  NSP  SD

*Amended Application*

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

DHC  CTB  PLC  PC  OLS  OLM

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

WFX  PMX  SWD  IPI  EOR  PPR

[D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A]  Working, Royalty or Overriding Royalty Interest Owners

[B]  Offset Operators, Leaseholders or Surface Owner

[C]  Application is One Which Requires Published Legal Notice

[D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E]  For all of the above, Proof of Notification or Publication is Attached, and/or,

[F]  Waivers are Attached

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2010 JUN - 7 A 10: 01

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504

*James Bruce*  
Signature

Attorney for Applicant  
Title Date

*6/7/10*

jamesbruc@aol.com  
e-mail Address

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

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(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

June 3, 2010

Mark E. Fesmire, P.E.  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Amended application

Dear Mr. Fesmire:

Pursuant to Division Rule NMAC 19.15.15.13, Chi Operating, Inc. applies for approval of an unorthodox oil well location for the following well:

<u>Well name:</u>	Munchkin Fed. Well No. 19
<u>Surface location:</u>	2310 feet FNL & 320 feet FEL
<u>Delaware entry point:</u>	1900 feet FNL & 650 feet FEL (approx. 4170 feet deep)
<u>Bottom hole location:</u>	1300 feet FNL & 1000 feet FEL
<u>Well unit:</u>	E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 11, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico

The well will be drilled to test the Delaware formation (Benson-Delaware Pool). Under the Division's statewide rules, spacing in the Delaware formation is 40 acres, with wells to be at least 330 feet from a quarter-quarter section line. A Form C-102 is attached as **Exhibit A**.

The well is in the potash area, and the BLM severely restricts well locations in that area. Please note that this well is in the Benson Delaware Unit, recently approved by the Division by Order No. R-13262. **Exhibit B**. The well will initially be a producer, and will later be converted to injection. The bottom hole location was selected for its location as an injector.

The E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 11 is covered by Federal Lease NM 0560353. Interest ownership (royalty overriding royalty, and working interest) in the well unit and in the offsetting acreage is uniform as to the subject depths. **Exhibit C** (this is part of Exhibit B to the Unit Agreement). Therefore, there is no adversely affected offset owner.

Please call me if you have any questions concerning this application.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Chi Operating, Inc.

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I  
1626 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II  
1901 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 Rio Brasos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 97083	Pool Name Benson Delaware
Property Code 27108	Property Name MUNCHKIN FEDERAL	Well Number 19
OGRID No. 4378	Operator Name CHI OPERATING	Elevation 3426'

Surface Location

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
H	11	19-S	30-E		2300 <sup>2310</sup>	NORTH	400 <sup>320</sup>	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
A	11	19-S	30-E		1300	NORTH	1000	EAST	EDDY

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
-----------------------	-----------------	--------------------	-----------

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>GEODEIC COORDINATES NAD 27 NME SURFACE LOCATION Y=609747.2 N X=622605.3 E</p> <p>LAT.=32.675662' N LONG.=103.934877' W</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>George R. Smith 8/17/09 Signature Date</p> <p>George R. Smith, agent Printed Name</p>
<p>BOTTOM HOLE LOCATION</p> <p>Y=610745.9 N X=622002.3 E</p>	<p>DETAIL</p>	<p><b>SURVEYOR CERTIFICATION</b></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>Ronald J. Eidson Date Surveyed W.M.E. 05/19/09 AR Signature &amp; Seal of Professional Surveyor</p>
<p>EXHIBIT <b>A</b></p>		<p>Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>

**IT IS FURTHER ORDERED THAT:**

(9) Chi Operating, Inc. (Operator) is hereby authorized to institute secondary recovery operations within the Unit Area initially by the injection of water into the Unitized Formation of the Benson-Delaware Pool, in the interval from 4470 to 5200 feet below the surface, through the following nine wells to be located in Township 19 South, Range 30 East, NMPM, in Eddy County, New Mexico:

<u>Well Name</u>	<u>Surface Location</u>	<u>Bottom Hole Location</u>
Munchkin #22W	900 FNL & 1980 FWL, C-12	930 FNL & 2620 FWL, C-12
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Munchkin #20W	1400 FNL & 400 FWL, D-12	1350 FNL & 20 FWL, D-12
Munchkin #19W	<del>2300</del> FNL & <del>400</del> FEL, B-11	1300 FNL & 1000 FEL, A-11
Munchkin #18W	<del>2310</del>	1500 FSL & 2200 FEL, J-1
Munchkin #17W		1700 FSL & 1500 FWL, K-1
Munchkin #16W		300 FSL & 1650 FEL, O-1
Munchkin #15W		300 FSL & 1550 FWL, N-1
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(10) No fresh water shall be used as make-up water or otherwise injected pursuant to the injection authorization herein provided.

(11) Operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(12) Injection into each of the wells identified above shall be accomplished through 2 7/8 inch plastic lined or fiberglass lined tubing installed in a packer located within 100 feet of the uppermost injection perforations or casing shoe. The casing-tubing annulus shall be filled with an inert fluid, and a gauge or approved leak-detection device shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(13) The injection wells or pressurization system shall be equipped with a pressure control device or acceptable substitute that will limit the surface injection pressure to no more than 860 pounds per square inch.

(14) The Division Director may administratively authorize a pressure limitation in excess of the above upon a showing by the operator that such limitation will not result in the fracturing of the injection formation.

(15) The Division Director may authorize the injection of water into the wells within the Unit Area as provided in

EXHIBIT

**B**

Injection

2A

19S-30E  
§1: NE¼SW¼  
§11: E¼NE¼  
§12: SW¼NW¼



160.00 acres

NM 0560353  
HBP

12½%

Crescent Porter  
Hale Foundation  
100%

Crescent Porter  
Hale Foundation  
15.00%

Chi Royalty Pool  
1.50%

Brazos Limited Partnership  
5.00%

Gene Shumate  
1.33%

Chi Energy, Inc.  
14.50%

Murchison Oil & Gas, Inc.  
10.00%

McCombs Energy, Ltd.  
64.92%

Westbrook Energy, Inc.  
0.50%

Pocahontas Oil Co., Inc.  
0.50%

John W. Qualls  
0.50%

Ken Seligman  
0.50%

Rio Lobo Resources  
0.75%

Gary Green  
1.50%

Brazos Limited Partnership  
5.00%

Gene Shumate  
1.33%

EXHIBIT

C

**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Monday, June 07, 2010 3:27 PM  
**To:** 'jamesbruc@aol.com'  
**Subject:** Munchkin Fed #19; NSL Application

Dear Jim

I have now received the amended application and the C-102 for this well.

It seems that the encroachment is toward the NW/4 NE/4 and the SW/4 NE/4 of Section 11. The SW/4 NE/4 is part of the unit, but the NE/4 NW/4 is not part of the unit, nor is it included in the lease to which you refer (according to the information sheet attached to your original application). Does your statement that interest ownership is identical refer to the NW/4 NE/4?

Sincerely

David

**JAMES BRUCE**  
Attorney at Law  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
Telephone: (505) 982-2043  
Fax: (505) 982-2151  
[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

RECEIVED OGD  
2010 JUN -8 P 3:05

DELIVER TO: David K. Brooks

COMPANY: Oil Conservation Division

CITY: Santa Fe, New Mexico

FAX NUMBER: (505) 476-3462

PAGES: 4 (including cover sheet)

DATE: 6/8/10

MEMO: David: Notice re: Chl unorthodox location application.

CONFIDENTIALITY NOTICE

This transmission contains information which may be confidential or legally privileged. The information is intended only for the named recipient. If you are not the intended recipient, copying or distribution of the information is prohibited. If you have received this transmission in error, please call us and return the document to us. Thank you.

**JAMES BRUCE**  
**ATTORNEY AT LAW**

**POST OFFICE BOX 1056**  
**SANTA FE, NEW MEXICO 87504**

**369 MONTEZUMA, NO. 213**  
**SANTA FE, NEW MEXICO 87501**

**(505) 982-2043 (Phone)**

**(805) 660-6612 (Cell)**

**(505) 982-2151 (Fax)**

**[jamesbruce@aol.com](mailto:jamesbruce@aol.com)**

June 8, 2010

Certified Mail - Return Receipt Requested

To: Persons on Exhibit 1

Ladies and gentlemen:

Chi Operating, Inc. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the Delaware formation in the E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 11, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. **The well is unorthodox by 10 feet.** You offset the well. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Chi Operating, Inc.

EXHIBIT 1

Great Western Drilling, Ltd.  
P.O. Box 1659  
Midland, Texas 79702

Jo Ann Ryan  
P.O. Box 1503  
Midland, Texas 79702

Cimarex Energy Co.  
Suite 600  
600 North Marienfeld  
Midland, Texas 79701

Attention: Mike Wallace

7008 0500 0001 4594 1059

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

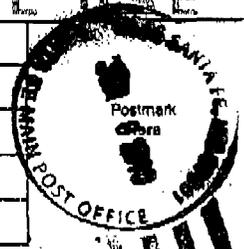
For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To: Cimarex Energy Co.  
 Suite 600  
 Street, Apt. No., or PO Box No.: 600 North Marienfeld  
 City, State, ZIP+4: Midland, Texas 79701

PS Form 3800, August 2006 See Reverse for Instructions



7008 0500 0001 4594 1042

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

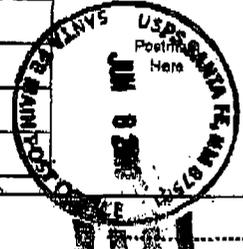
For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To: Jo Ann Ryan  
 P.O. Box 1503  
 Street, Apt. No., or PO Box No.: Midland, Texas 79702  
 City, State, ZIP+4:

PS Form 3800, August 2006 See Reverse for Instructions



7008 0500 0001 4594 1035

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

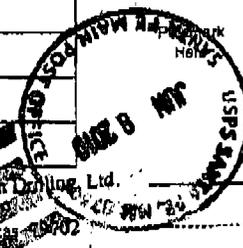
For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To: Great Western Drilling, Ltd.  
 P.O. Box 16  
 Street, Apt. No., or PO Box No.: Midland, Texas 79702  
 City, State, ZIP+4:

PS Form 3800, August 2006 See Reverse for Instructions



JAMES BRUCE  
Attorney at Law  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
Telephone: (505) 982-2043  
Fax: (505) 982-2151  
[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

DELIVER TO: David K. Brooks

COMPANY: Oil Conservation Division

CITY: Santa Fe, New Mexico

FAX NUMBER: (505) 476-3462

PAGES: 2 (including cover sheet)

DATE: 6/22/10

MEMO: David: See attached waiver re: Chi Operating unorthodox location filed earlier today. Any expediting you could give to this application is appreciated.

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## Brooks, David K., EMNRD

---

**From:** Brooks, David K., EMNRD  
**Sent:** Monday, June 07, 2010 11:55 AM  
**To:** 'jamesbruc@aol.com'  
**Subject:** RE: Chi Operating/Munchkin No. 19 unorthodox location application

Dear Jim,

I have now received the referenced NSL application, but there is not a C-102 attached. Please furnish form C-102.

David

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**From:** jamesbruc@aol.com [mailto:jamesbruc@aol.com]  
**Sent:** Thursday, June 03, 2010 2:07 PM  
**To:** Brooks, David K., EMNRD  
**Subject:** Chi Operating/Munchkin No. 19 unorthodox location application

David: I filed the application this a.m., and realized I'd forgotten to tell you the reason for the location: This acreage is in the potash area, and the BLM severely restricts surface locations.

Jim