Form 3160-5 (August 2007)

(Instructions on page 2)

# OCD-ARTESIA

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OMB No 1004-0137 Expires July 31, 2010

FORM APPROVED

5. Lease Serial No NMNM0560353

6 If Indian, Allottee or Tribe Name

# SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an

abandoned well. Use Form 3160-3 (APD) for such proposals. 7 If Unit of CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on page 2 Benson Delaware NM 1264/28 1. Type of Well 8 Well Name and No MUNCHKIN FEDERAL #9 Oil Well Gas Well Other 2 Name of Operator CHI Operating, Inc. 9 API Well No 30-015-34293 10 Field and Pool or Exploratory Area 3a. Address 3b Phone No (include area code) P O Box 1799 Midland, TX 79702 Benson Delaware Unit 432-685-5001 4. Location of Well (Footage, Sec., T,R,M, or Survey Description) 11 Country or Parish, State Eddy Co., NM A-11-19S-30E 990 FNL & 300 FEL 12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Well Integrity Alter Casing Fracture Treat Reclamation Other Well Name Change Casing Repair New Construction Recomplete ✓ Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Plug Back Water Disposal Final Abandonment Notice Convert to Injection 13 Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection ) Chi Operating, Inc.'s, Benson Delaware Unit Agreement (NM126412X) was approved and effective April 4, 2011, as a result the former well Munchkin Federal #9 is now the Benson Delaware Unit #9. Accepted for record - NMOCD ACCEPTED FOR RECORD 11-P-0 KC SEE ATTACHED FOR MAY 1 9 2011 CONDITIONS OF APPROVAL /s/ JD Whitlock . BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE 14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) PAM CORBETT pamc@chienergyinc.com 432-685-5001 Title Regulatory Clerk Date 04/12/2011 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Date Conditions of approval, if any, are attached Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would Office entitle the applicant to conduct operations thereon Title 18 U S C Section 1001 and Title 43 U S C Section 1212, make 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

NEW PROPERTY CODE 38663



#### BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

## **Conditions of Approval**

### CHI Operating, Inc.

- 1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
- 2. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
- 3. Submit for approval of water disposal method.
- 4. Submit updated facility diagrams as per Onshore Order #3
- 5. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 6. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
- 7. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
- 8. Subject to like approval by NMOCD.