Form 3160-5 (August 2007)

(Instructions on page 2)

UNITED STATES QCD-ARTESIA

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT FORM APPROVED OMB No 1004-0137 Expires July 31, 2010

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. 1 Type of Well 8 Well Name and No Oil Well Gas Well Other Munchkin Federal #15 2 Name of Operator Chi Operating Inc 9. API Well No. 30-015-38298 3a. Address 3b. Phone No. (include area code) 10 Field and Pool or Exploratory Area P O. Box 1799, Midland, Texas 79702 Benson Deleware Unit 432-685-5001 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) N-1-19S-30E 150' FSL & 1550' FWL 11 Country or Parish, State Eddy Co., NM 12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Production (Start/Resume) Water Shut-Off Acidize Deepen 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 Convert to Injection Plug Back Water Disposal Final Abandonment Notice 13. Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If 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 #15 is now the Benson Delaware Unit #15. **APPROVED** RECEIVED SUBJECT TO LIKE 2 2011 NOV APPROVAL BY STATE /s/ JD Whitlock Jr Accepted for record BUREAU OF LAND MANAGEMENT DEC 02 20 NMOCD / 1/2 CARLSBAD FIELD OFFICE 14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Dianna Bell Title 10/26/2011 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Title Conditions of approval, if any, are attached Approval of this notice does not warrant or certify Office that the applicant holds legal or equitable title to those rights in the subject lease which would 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