FORM APPROVED **UNITED STATES** Form 3160-5 Budget Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 (June 1990) BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals SUBMIT IN TRIPLICATE 7. If Unit or CA. Agreement Designation 1. Type of Well 8. Well Name and No. Munchkin Federal #3 2. Name of Operator CHI OPERATING, INC. 9. API Well No. 3001531796 3. Address and Telephone No. P.O. BOX 1799 MIDLAND, TEXAS 79702 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, T., R., M., or Survey Description) **BENSON BONESPRING** 2230 FSL & 1750 FWL 11. County or Parish, State SEC. 1-T19S-R30E Eddy CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 13. Describe Proposed or Completed Operations (Clearly state all pertinet details, and give pertinet dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markders and zones pertinent to this work.)* Re-enter and complete Munchkin Federal #3. See Attached. 14. I hereby certify that Signed Title Regulatory Clerk 7/11/05 Date (This space for Federal or State office use)

Title 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.

Approved by

Conditions of approval, if any:

Date

Renter and Complete Chi Operating, Inc. Munchkin Federal No.3 Eddy County, New Mexico

LEGALS/LOCATION:

2230 FSL & 1750 FWL, Section 1 - 19S - 30E

ELEVATION:

GL - 3523'

KB - 3535' - 12'.

LOCATED: From intersection of Hwy 360 & Co. Rd. 222, take Co. Rd 222 approx. 12 miles. Turn left/west on Co.Rd 250/blacktop. Go approx 2.5 miles. Turn left/south on lease rd. Go approx. ¼ mile & take right @ fork, cont' south approx. ½ mile. Turn right for approx. .2 mile, turn left/south for approx. ½ mile, turn right/west for approx. ¼ mile. Turn right/north to rig.

SURFACE/MINERAL OWNER

Surface: Federal

Mineral: Federal

BLM-Carlsbad 505-887-6544

Mobil-

505-369-2814

FIELD NAME/RULES:

Benson Delaware

Chi Operating Supervisor: Sonny Mann 432-634-7062

CASING/HOLE PROGRAM:

Hole Size	Casing	<u>Depth</u>	Cement	<u>TOC</u>
12 1/4"	9 5/8" - 36# - J-55	<u>500'</u>	<u>500</u> sks	Surface (Circ)
8 3/4"	Proposed 5-1/2" 17#	J55 @ 5200'		

Existing cement plugs:

1st plug: 6393'-6293'- 50sks "C" 2nd plug: 4105'-4005'- 45sks "C" 3rd plug: 2078'-1978'- 55sks "C" 4th plug: 550'-450'- 40sks "C" 5th plug: 60'-0'- 20sks "C"

- 1. RU DDPU. NU BOP. RU reverse unit and power swivel. NU BOP.
- 2. Drill out cement plugs and clean out to 5250'. Set casing shoe plug. Condtion hole for casing. POOH.

3. Cement as follows:

Stage 1: Preflush:

1000 gals. Mudclean.

Slurry No. 1:

375 sacks Super C Mod. .3% FL-52 + .2% SMS

Stage 2:

(Stage Tool @ 3800')

Preflush:

500 gals Mud Clean

Slurry No. 1:

650 sacks Class C + 15% Gel + 10% salt

Slurry No. 2:

50 sacks Super C Mod. .3% FL-52 + .2% SMS

4. Set slips (100%). Cut off set csg. Set wellhead.

Completion:

MIRU unit, pipe racks & tally tubing. Clean pins & boxes. NUBOP (screw on -2000#.)

TIH w/ 4¾" bit & 6 DC, on 2 7/8" tbg. RU reverse unit & swivel. Drill/Clean out w/F.W the DV. Continue to FC. (if tag within ±100' of FC-OK). Close BOP & pressure test to 1500 psi. Circulate hole with 2% KCL water. TOH, LD collars & bit.

RUWL (bring copy of open hole or get copy of logs from rig) TIH w/GR/CCL/CBL. Pull GR/CCL/CBL from PBTD to 4248'. (Pull repeat w/no psi) apply 1500# & pull to DV tool.

TIH w/4" gun w/packoff. Tie in & perforate the following intervals @ 2SPF-60 deg: 5004-5008', 4950-4990'. PU J Lok Pkr, (2 3/8 x 5½"), SN, XO, & TIH. Set Pkr @ +4933 RU & swb test while monitoring annulus.

Acidize/Frac as warranted. (See below).

If no entry, unset pkr & TIH to btm perf & spot 2 bbls of 7.5% NeFE acid from 5060-4976'. PUH to 4933' & reverse 2 bbls of 2% KCL & reset Pkr. (If there is fld. entry) Load & PSI annulus to 500# w/2% KCL. Monitor during treatment. Acidize w1000 gals of acid & 1000 gals of gelled pad @ 3 bpm @ an est. STP of 1300#, as follows:

Note: If acid spot is necessary do not get over zealous when breaking down.

- a). Pmp 333 gals of 7.5% NeFe Acid (200 gals if had to spot)
- b). Pmp 250 gals of gelled Pad w/250 lbs of 20/40 mesh sand.
- c.). Drop 15, 1.1 sp.gr. ball sealers.
- d). Repeat, a, b, & c.
- e). Repeat, a & b.

Flush to top perf. w/2% KCL. Recover load & tst. Evaluate for further stimulation.

If frac is <u>WARRANTED</u> have frac design run using 15,000 gals of Medallion 3000, 24000 lbs 16/30 white, 10000 lbs 16/30 CRS @ 9 bpm via tbg @ \pm 1800 STP as follows: 5000 gals pad, 1000 gals w/1 ppg, 1000 gals w/2 ppg, 3000 gals w/3 ppg, 3000 w/4 ppg, & 2000 gals w/5 ppg 16/30 CRS sand