

(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other in-
structions on
reverse side)

FORM APPROVED

OMB NO. 1004-0137

Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

NM - 012896

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL:

OIL WELL ☐ GAS WELL ☒ DRY ☐ Other ☐

b. TYPE OF COMPLETION:

NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other ☐

2. NAME OF OPERATOR

Chi Operating, Inc.

3. ADDRESS AND TELEPHONE NO.

P.O. Box 1799 Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

SHL: 760 FNL & 2380 FEL

BHL: 660 FSL & 660 FEL

At top prod, interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

12. COUNTY OR PARISH

13. STATE

EDDY

NEW MEXICO

15. DATE SPUDDED

6/3/2007

16. DATE T.D. REACHED

7/21/2007

17. DATE COMPL. (Ready to prod.)

11/2/2007

18. ELEVATIONS (DF, RKB, RT, GE, ETC.)*

GL-3282'; KB-3300'

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD, & TVD

11,960'

21. PLUG BACK TD, MD&TVD

11,810'

22. IF MULTIPLE COMPL.,

HOW MANY*
one

23. INTERVAL

DRILLED BY

ROTARY TOOLS

yes

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AN TVD)*

11,716-30'; 11836-40'

25. WAS DIRECTIONAL

SURVEY MADE

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

CBL/CC/GR

27. WAS WELL CORED

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13 3/8" J-55	48#	512'	17.5"	500SX, TO SURF	
9 5/8" J-55	40#	2142'	12 1/4"	800SX, TO SURF	
5 1/2" P-110	20#	11960'	8 3/4"	1232SX TOC @ 6940'	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN(MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"		11395'

31. PERFORATION RECORD (Interval, size and number)

11716-30'; 11836-40'

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC

DEPTH INTERVAL (MD)

AMOUNT AND KIND OF MATERIAL USED

A/32 bbls

Frac/ pmpd #49500 sand w/CO2

33.* PRODUCTION

DATE FIRST PRODUCTION 11/2/2007	PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) FLOWING						WELL STATUS (Producing or shut-in) Producing	
DATE OF TEST 11/6/2007	HOURS TESTED 24	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL - BBL. 0 BO	GAS - MCF 511 MCF	WATER - BBL. 30 BW	GAS-OIL RATIO	
FLOW. TUBING PRESS. 550#	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL.	GAS - MCF	WATER - BBL.	OIL GRAVITY - API (CORR.)		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold

TEST WITNESSED BY

Sonny Mann

35. LIST OF ATTACHMENTS:

Dev. Survey

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

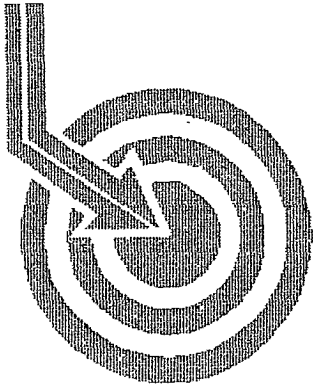
SIGNED

TITLE

Regulatory Clerk

DATE

1/3/2008



Scientific Drilling

CHI OPERATING

Field: Happy Valley
Site: Eddy County, NM
Well: Crozier 28 Fed #1
Wellpath: VH - Job #32K0607521
Survey: 06/16/07

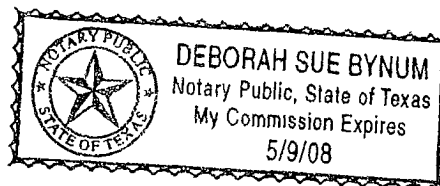
This survey is correct to the best of my knowledge
and is supported by actual field data.

Deborah S. Bynum.....Company Representative

Notorized this date 23rd of July, 2007.

Deborah S. Bynum

Notary Signature
County of Midland
State of Texas





Scientific
Drilling

Scientific Drilling International Survey Report

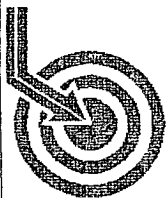
Company: CHI OPERATING
Field: Happy Valley
Site: Eddy County, NM
Well: Crozier 28 Fed #1
Wellpath: VH - Job #32K0607521

Date: 07/22/2007 Time: 20:14:18 Page: 1
Co-ordinate(N/E) Reference: Site: Eddy County, NM, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,46.82Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

Survey: 06/16/07 Start Date: 06/16/2007
KSRG 0"-4035'
Company: Scientific Drilling Internatio Engineer: Gonzales w/GeoGyro
Tool: Keeper;Keeper Gyro Tied-to: From Surface

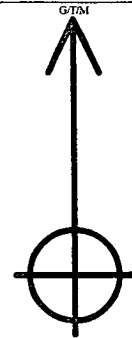
Survey

MD ft	Incl deg	Azim deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
0.00	0.00	359.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.37	304.17	100.00	-0.07	0.18	-0.27	0.37	0.32	304.17
200.00	0.54	297.87	200.00	-0.29	0.58	-0.95	0.18	1.12	301.51
300.00	0.43	323.15	299.99	-0.41	1.10	-1.59	0.24	1.94	304.72
400.00	0.45	356.76	399.99	-0.11	1.80	-1.84	0.26	2.57	314.31
500.00	0.42	23.56	499.99	0.48	2.52	-1.72	0.20	3.05	325.80
600.00	0.17	292.80	599.99	0.75	2.92	-1.71	0.46	3.38	329.69
700.00	0.62	266.00	699.98	0.27	2.94	-2.38	0.47	3.78	320.96
800.00	1.17	263.35	799.97	-0.97	2.78	-3.94	0.55	4.82	305.24
900.00	1.44	257.11	899.94	-2.87	2.38	-6.17	0.30	6.62	291.10
1000.00	1.34	247.90	999.92	-5.05	1.66	-8.48	0.24	8.64	281.09
1100.00	1.59	228.40	1099.88	-7.53	0.30	-10.60	0.55	10.61	271.63
1200.00	1.36	235.60	1199.85	-10.09	-1.29	-12.62	0.29	12.69	264.16
1300.00	1.29	233.19	1299.82	-12.38	-2.64	-14.50	0.09	14.74	259.70
1400.00	1.35	232.61	1399.80	-14.67	-4.02	-16.34	0.06	16.83	256.16
1500.00	1.63	220.48	1499.76	-17.25	-5.82	-18.20	0.42	19.11	252.26
1600.00	2.09	214.79	1599.71	-20.45	-8.40	-20.16	0.50	21.84	247.38
1700.00	2.28	213.18	1699.64	-24.17	-11.56	-22.29	0.20	25.11	242.58
1800.00	2.12	212.13	1799.56	-27.89	-14.79	-24.36	0.16	28.50	238.73
1900.00	2.04	215.22	1899.50	-31.42	-17.82	-26.37	0.14	31.83	235.96
2000.00	1.80	216.67	1999.44	-34.71	-20.53	-28.34	0.24	34.99	234.08
2100.00	1.68	220.18	2099.40	-37.71	-22.91	-30.22	0.16	37.92	232.84
2200.00	1.71	217.21	2199.35	-40.64	-25.22	-32.07	0.09	40.80	231.82
2300.00	1.67	219.62	2299.31	-43.56	-27.53	-33.90	0.08	43.67	230.92
2400.00	1.75	221.04	2399.26	-46.52	-29.80	-35.83	0.09	46.61	230.25
2500.00	2.05	225.74	2499.21	-49.83	-32.20	-38.12	0.34	49.90	229.81
2600.00	1.88	226.37	2599.15	-53.26	-34.58	-40.58	0.17	53.32	229.57
2700.00	1.96	226.17	2699.09	-56.61	-36.90	-43.00	0.08	56.66	229.37
2800.00	2.01	227.91	2799.03	-60.07	-39.26	-45.54	0.08	60.13	229.24
2900.00	2.02	229.82	2898.97	-63.59	-41.57	-48.19	0.07	63.64	229.22
3000.00	2.02	230.24	2998.91	-67.10	-43.83	-50.89	0.01	67.17	229.26
3100.00	2.05	233.29	3098.85	-70.64	-46.03	-53.68	0.11	70.71	229.39
3200.00	2.19	238.09	3198.78	-74.29	-48.11	-56.73	0.23	74.39	229.70
3300.00	2.79	248.49	3298.68	-78.43	-50.01	-60.62	0.75	78.59	230.48
3400.00	3.00	251.29	3398.56	-83.07	-51.74	-65.36	0.25	83.36	231.63
3500.00	3.06	252.93	3498.42	-87.85	-53.37	-70.39	0.11	88.34	232.83
3600.00	3.11	251.93	3598.27	-92.70	-54.99	-75.52	0.07	93.42	233.94
3700.00	3.32	252.21	3698.11	-97.77	-56.72	-80.86	0.21	98.77	234.95
3800.00	3.45	253.37	3797.94	-103.08	-58.46	-86.50	0.15	104.40	235.95
3900.00	3.65	251.20	3897.75	-108.67	-60.35	-92.40	0.24	110.36	236.85
4000.00	3.30	251.67	3997.56	-114.18	-62.28	-98.14	0.35	116.24	237.60
4035.00	3.15	243.52	4032.51	-116.02	-63.03	-99.96	1.38	118.17	237.77

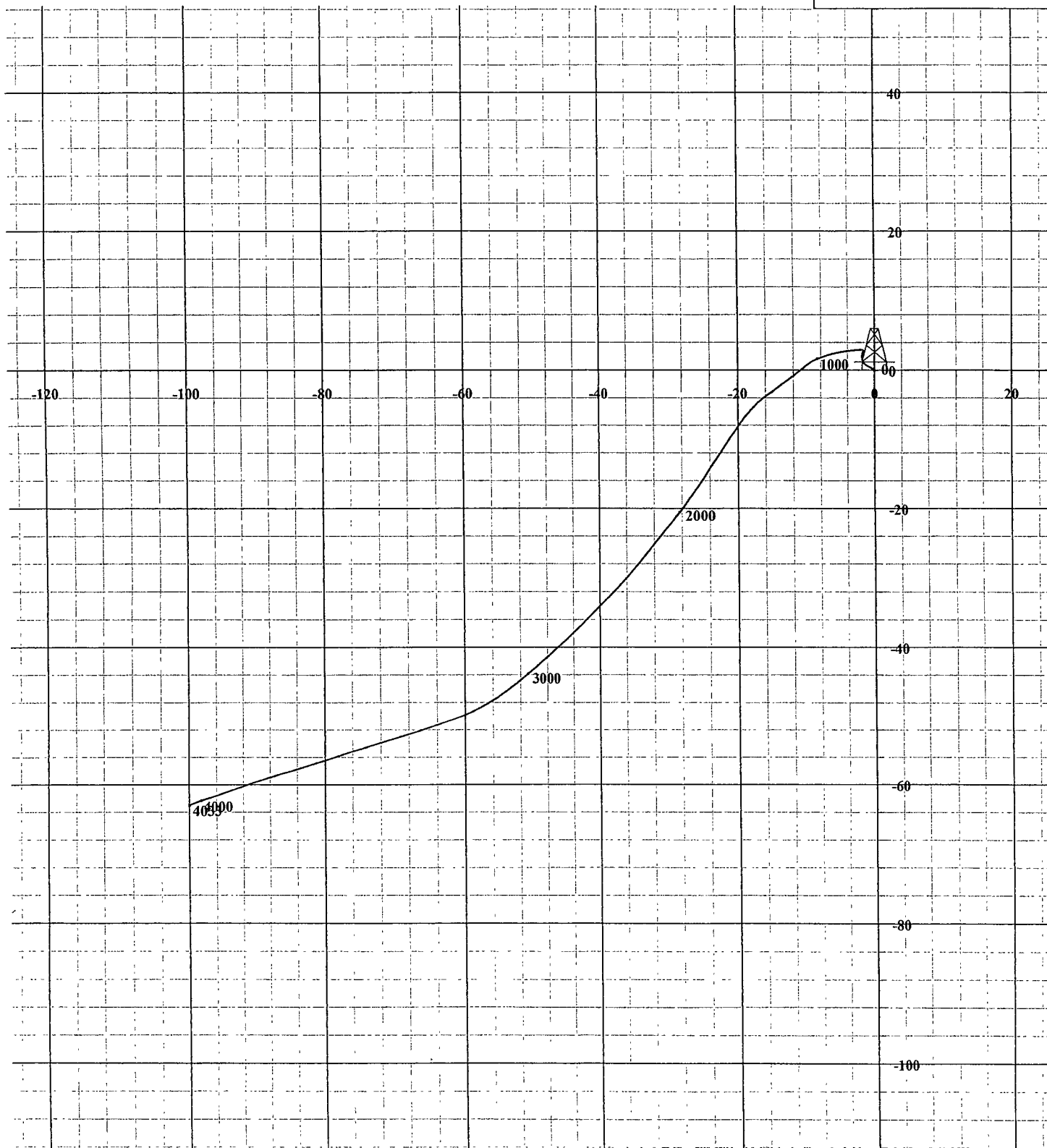


Scientific
Drilling

Field: Happy Valley
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Well: Crozier 28 Fed #1
Wellpath: VH - Job #32K0607521
Survey: 06/16/07



Azimuth to Grid Nor
True North 0.0
Magnetic North 0.0
Magnetic Fir
Strength 0r
Dip Angle 0.0
Date 07/22/08
Model grDEM



West(-)/East(+) [20ft/in]