

MAY 12 2009

RM

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-111959
2. Name of Operator CHI OPERATING, INC.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 1799, MIDLAND, TX 79702	3b. Phone No. (include area code) 432-685-5001	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SEC. 30, T19S, R30E 1980 FNL & 1980 FWL		8. Well Name and No. #1
		9. APT Well No. 3001533790
		10. Field and Pool, or Exploratory Area WOLFCAMP
		11. County or Parish, State EDDY

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other TEST WOLFCAMP
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

MIRU DDP, NU BOP. SET BLANKING PLUG IN LOWER PROFILE NIPPLE. POOH W/PKR & TBG. RU PERFORATORS. RIH W/CSG GUNS TO PERF WOLFCAMP @ 9635-52'(2SPF). PU RBP, BALL CATCHER, & PKR ON TBG. RIBH ISOLATE WOLFCAMP PERFS. RU ACIDIZERS. PUMP 4000GAL 15% NEFE DROPPING BALL SEALERS FOR DIVERSION. FLOW BACK & EVALUATE. POSSIBLE TEST OF THE BONE SPRING @ 8432-8446'.

Procedure attached

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) ROBIN ASKEW	Title REGULATORY CLERK
Signature <i>Robin Askew</i>	Date 05/01/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date MAY 10 2009
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 entitle the applicant to conduct operations thereon.	Office	
		JAMES A. AMOS SUPERVISOR

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.

(Instructions on page 2)

AM

Freeway Federal #1
API# 30-015-
Eddy County, New Mexico

Test Wolfcamp

Location: 1980' FNL & 1980' FWL, Section 30, (W/2) T19S, R30E

Directions: Directions: From Carlsbad , east on Hwy 62-180 approx 17 miles to Hwy 360. Turn left (north) go approx 6 miles to CR-235. Turn left (west) for approx 3.8 miles. Turn right for .2 mile, right .15 mile to rig.

ELEVATION: G.L. 3344
K.B. 3361

SUPERVISORY PERSONNEL:

	Office	Home	Mobile
Sonny Mann			432-634-7062
Gary Womack	432-685-5001		432-634-8958

CURRENT WELLBORE:

KB: 17'
Surf Csg: @ 410' 13-3/8", 48#, J-55
Int Csg: @ 3610' 8 5/8", 32#, J-55
Prod Csg: @12118' 5 1/2". 17 & 20# N80 & P110
PBTID:
Packer: @11582'

Existing Perfs: Middle Morrow Blue 11785-11792' , 11752-11755' (1 spf) (13 holes)
Middle Morrow Purple Sand at 11658-11663' and 11692-11701' (all 4 spf)

Procedure: Test Wolfcamp

MIRU DDP. NU BOP.

Set blanking plug in lower profile nipple.

POOH w/pkr and tubing.

RU perforators.

RIH w/casing guns to perforate Wolfcamp at: 9635-52'. (2 spf)

Freeway Federal No. 1

PU RBP, ballcatcher, and pkr on tubing. RBIH isolate Wolfcamp perms.

RU acidizers. Pump 4000 gals 15% NeFe dropping ballsealers for diversion. Flow back and evaluate.

Bone Spring Perfs to be tested: 8432-8446'