

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## 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  
☐ Oil Well ☐ ☒ Gas Well ☐ Other2. Name of Operator  
**CHI OPERATING, INC.**3a. Address  
**P. O. BOX 1799, MIDLAND, TX 79702**3b. Phone No. (include area code)  
**432-685-5001**4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SHL: 760' FNL & 2380' FEL; BHL: 1045' FSL & 660' FEL  
SHL: 33-T21S-R26E; BHL: 28-T21S-R26E**FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

5. Lease Serial No.

NM 0265356A

6. If Indian Allotment or Tribal Name

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No

**CROZIER 28 FEDERAL #1**

9. API Well No.

**30-015-35573**

10. Field and Pool, or Exploratory Area

**WOLFCAMP**

11. County or Parish, State

**EDDY, NM**

## 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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 recompleat 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 recompleat 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.)

**CHI OPERATING, INC. is planning to abandon the Morrow zone of this well and perforate the Wolfcamp zone.**

Procedure attached.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)**ROBIN ASKEW**Title **REGULATORY CLERK**

Signature

Date

**02/03/2010****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

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 entitle the applicant to conduct operations thereon.

Office

**FEB 18 2010****Is/ Chris Walls**  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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)

Crozier

**Chi Operating, Inc.  
Plugback to Wolfcamp  
Procedure**

**Crozier 28 Federal No. 1**

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Location: 1045 FSL & 660 FEL, Section 28, T21S R26E, Eddy County, NM

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**ELEVATION:**

**SUPERVISORY PERSONNEL:**

	<b>Office</b>	<b>Home</b>	<b>Mobile</b>
Sonny Mann			432-634-7062

**CURRENT WELLBORE:**

GL:	3282'	
KB:	18.0	
Int Csg @:	2142'	9 5/8", 36#, J-55
Prod Csg. @:	11,960'	5-1/2" 20# P110

Packer: Baker Lok-Set w/ on/off tool set @ 10,792'

Tubing: 2-3/8" 4.7# N80

Current Perfs: 11716-11730, 11836-11840'

Packer: 11,395'

**Completion Procedure: Canyon and Cisco**

Contact BLM 4hrs before beginning plugback procedure.

RU DDPU. Release packer. POOH. PU CIBP and set at approximately 11,700. Dump 2 sx cmt on top to abandon Morrow.

PU casing guns w/GR. Correlate to Schlumberger log (measured depth) & tie in.

Perforate Wolfcamp at 10198-10,214' 9624-9632, and 9234-9238 (4 spf).

POOH. PU RBP, ballcatcher, packer and RIH.

Set RBP @ approximately 10260'. PU set packer and test plug. Unset packer PUH to 10180'. Set packer. RU acidizers, pump 2500 gals 20% HCL at 4-6 bpm . Swab back and test.

**Crozier**

Release packer. Retrieve RBP and PUH to approximately 10000' to set RBP. PUH and set packer at approximately 9100' to acidize upper perms w/2500 gals 20% NEFE HCL. Swab back and test.

Load w/ 2% KCL 8.4 ppg. Release packer, retrieve RBP and POOH. PU production packer and RBIH to approximately 9100'. Flow test and report.

BOP: 3000# double ram manual

Closed Loop System: Yes

H2S not expected but will have monitoring equipment.

Pad site will not be expanded or altered.

**Crozier 28 Federal 1  
30-015-35573  
Chi Operating Inc.  
February 17, 2010  
Conditions of Approval**

- 1. Contact BLM 575-361-2822 a minimum of 4 hours prior to setting CIBP above Morrow.**
- 2. A 210' plug must be set across the top of the Morrow at 11,402', either now or at final abandonment.**
- 3. Surface disturbance beyond the existing pad must have prior approval.**
- 4. Closed loop system required.**
- 5. A minimum of a 3M BOP is required and must be tested prior to setting CIBP over Morrow perforations. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.**
- 6. Subsequent sundry with a wellbore schematic and completion report required.**

**CRW 021710**