

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No 1004-0135
Expires November 30, 2000**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 ☐ Other

2. 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)

900' FNL & 1100' FWL, Sec. 12-T19S-R30E surface location

480 370

5. Lease Serial No.

NM-0560353

6. If Indian, Allottee or Trust Name

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

8. Well Name and No.

Munchkin Federal, # 14

9. API Well No.

3001537333

10. Field and Pool, or Exploratory Area

Benson Delaware

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 type="checkbox"/> Other <u>Change BOP</u>
	<input checked="" 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	

3. 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 preparing to drill the above captioned well and the drilling rig has requested that the BOP be changed to a 2M system. A copy of the 2M system, which is a Hydril Type "GK" Annular Blowout Preventer will be used to drill this well. The evacuated BHP will be 2393 psi and the Surface pressure will be 1.341 psi.

All stipulations in COA for BOP will be enforced.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

George R. Smith

Title Agent for Chi Operating, Inc.

Signature

Date April 23, 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

Name

(Printed/Typed)

Title

Office

APR 28 2010

Date

/s/ Dustin Winkler

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.

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Continued on next page)

2000 psi System

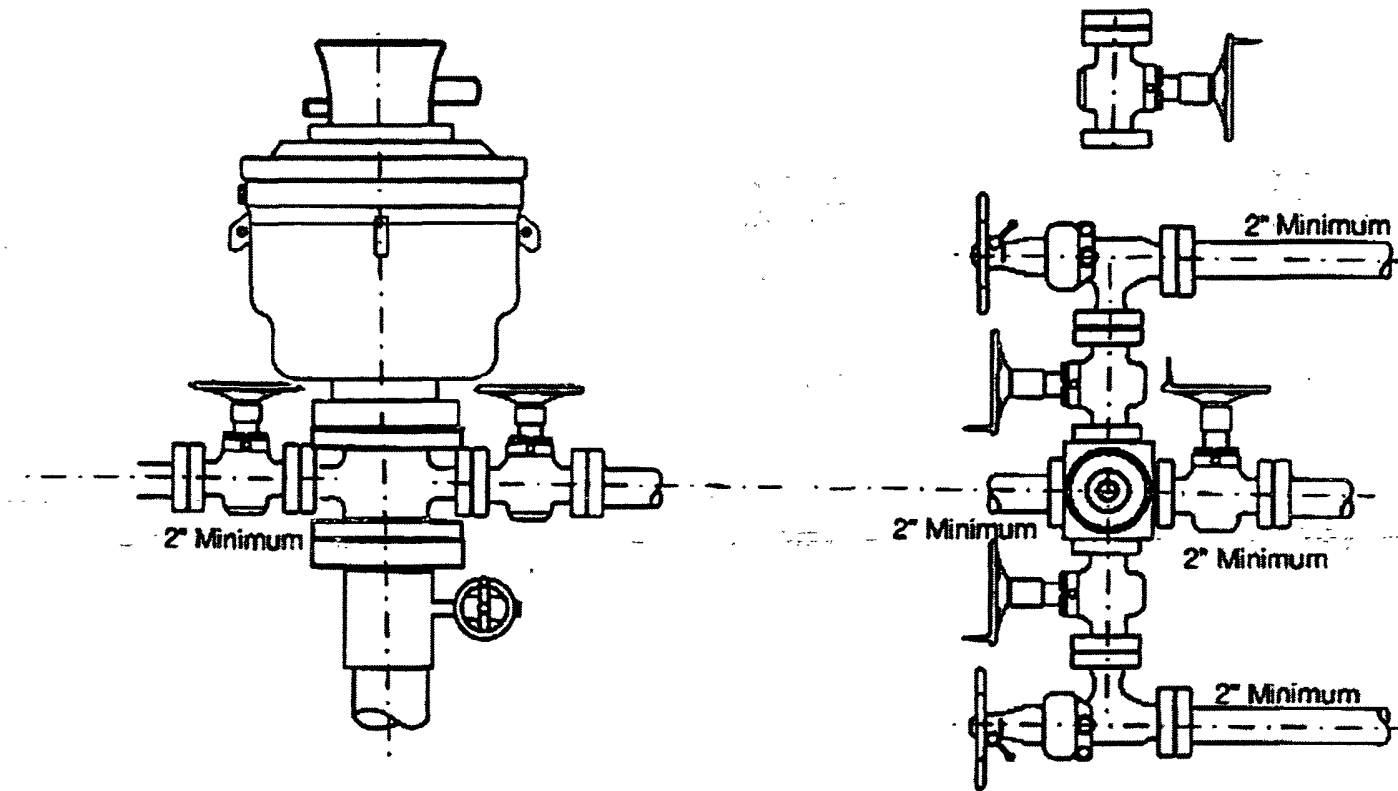


Figure 3-1A