

DATE IN 11/23/09	SUSPENSE	ENGINEER Jones	LOGGED IN 11/23/09	TYPE DHC	APP NO. 0932753516
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RECEIVED
 NEW MEXICO OIL CONSERVATION DIVISION
 2009 NOV 23 PM 9:05
 1220 South St. Francis Drive, Santa Fe, NM 87505



Chi (4378)

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Robin Adew
Print or Type Name

Robin Adew
Signature

Regulatory Clerk
Title

11-23-09
Date

robina@chenergyinc.com
e-mail Address

RECEIVED

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
Yes ☐ No ☐

2009 NOV 20 AM 9 50

APPLICATION FOR DOWNHOLE COMMINGLING

DAC-4235

Operator Chi Operating, Inc. Address P.O. Box 1799, Midland, TX 79702
Sunrise State 25 #1 A-25-T18S-R37E LEA CO. NM
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 4378 Property Code _____ API No. 30-025-39007 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>Yates</u>		<u>Bowers Seven Rivers</u>
Pool Code	<u>73610</u>		<u>7220</u>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<u>2859-2937'</u>		<u>3242-3290</u>
Method of Production (Flowing or Artificial Lift)	<u>Art Lift - BPU</u>		<u>Art Lift - BPU</u>
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<u>34</u>		<u>34</u>
Producing, Shut-In or New Zone	<u>Producing</u>		<u>Shut in</u>
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: <u>8/2009</u> Rates: <u>4 BOPD</u> <u>267 MCFD</u>	Date: Rates:	Date: <u>12/2008</u> Rates: <u>6 BOPD</u> <u>2 MCFD</u>
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil <u>40</u> % Gas <u>99</u> %	Oil % Gas %	Oil <u>60</u> % Gas <u>1</u> %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Robin Askew TITLE Regulatory Clerk DATE 10-26-09
TYPE OR PRINT NAME Robin Askew TELEPHONE NO. (432) 685-5001

DISTRICT I
1825 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 7220	Pool Name Bowers Seven Rivers
Property Code	Property Name SUNRISE STATE 25	Well Number 1
OGRID No. 004378	Operator Name CHI OPERATING	Elevation 3662'

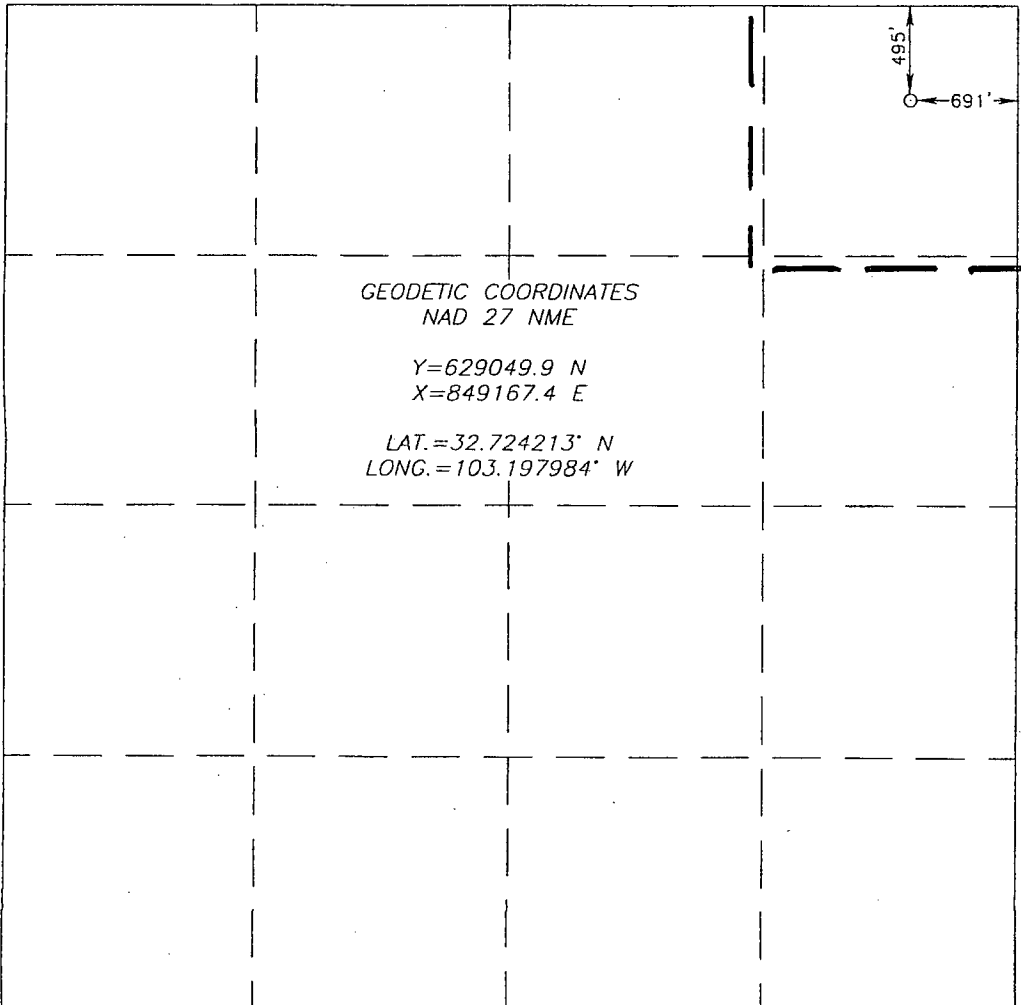
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	25	18-S	37-E		495	NORTH	691	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION <i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> Pan Corbett 6/11/08 Signature Date Pan Corbett Printed Name
	SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>
	Date Surveyed Signature & Seal of Professional Surveyor Ronald J. Eidson 3239 6/11/08
	Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239

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Energy, Minerals and Natural Resources Department

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1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-10
Revised October 12, 200
Submit to Appropriate District Office
State Lease - 4 Copie
Fee Lease - 3 Copie

DISTRICT IV
1820 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-39007	Pool Code 73610	Pool Name VATES	UNDOS BYERS
Property Code	Property Name SUNRISE STATE 25	Well Number 1	POOL
OGRID No. 4378	Operator Name CHI OPERATING	Elevation 3662'	

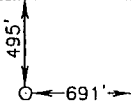
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	25	18-S	37-E		495	NORTH	691	EAST	LEA

Bottom Hole Location If Different From Surface

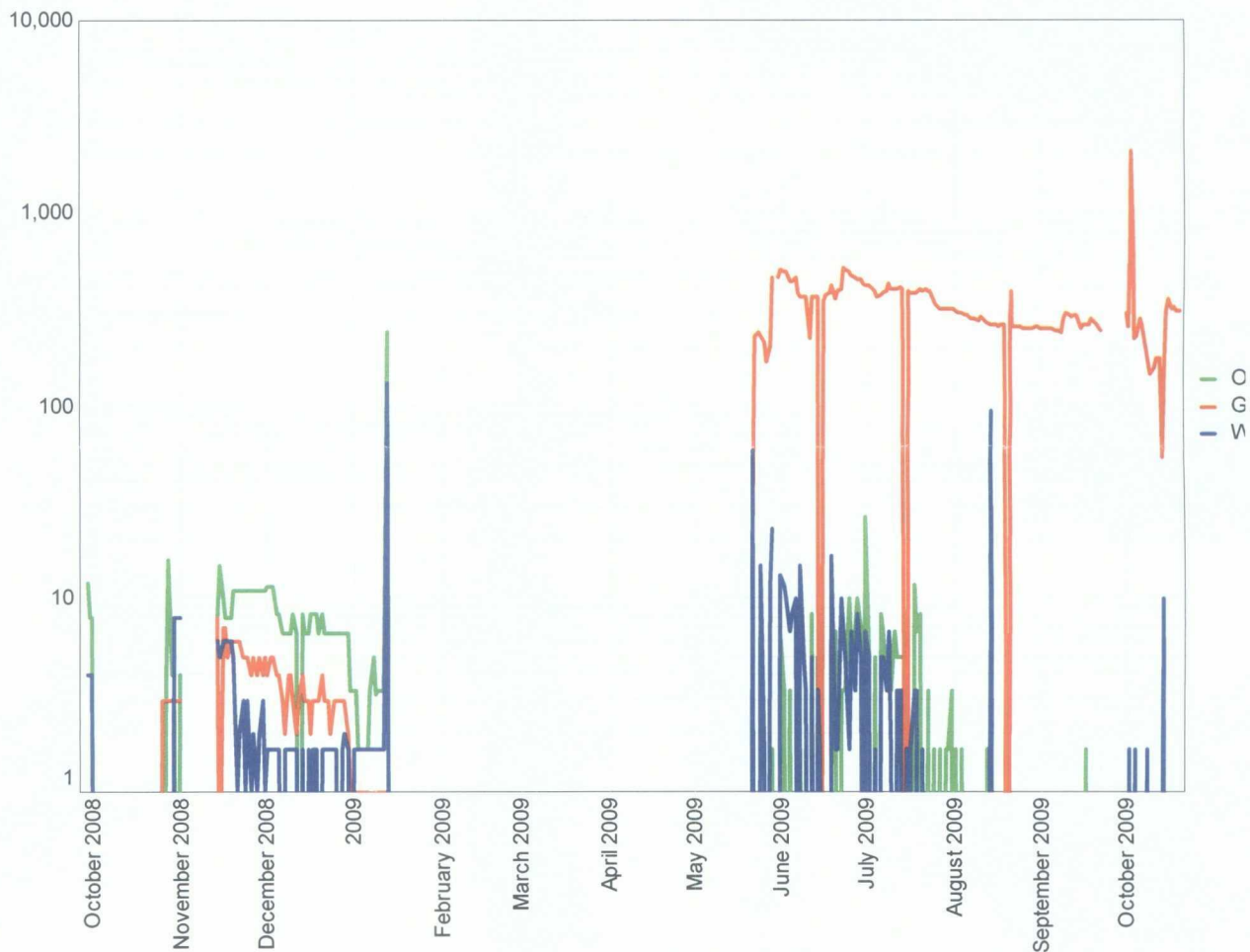
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

 <p>GEODETIC COORDINATES NAD 27 NME Y=629049.9 N X=849167.4 E LAT.=32.724213° N LONG.=103.197984° W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Pam Corbett</i> 9/22/09 Signature Date PAM Corbett Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>DATE SURVEYED SIGNATURE & SEAL OF PROFESSIONAL SURVEYOR 3239 <i>Ronald J. Eidson</i> 9/19/08 Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>
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Sunrise 25 State #1 - Request to Downhole Commingle

SUNRISE 25 STATE #1 - SUNRISE 25 STATE #1 Wh



Well Site	Year	Month	Oil	Gas	Water	Producing
SUNRISE 25 STATE #1	2008	2008/09	10	0	3	Bowers
		2008/10	1	1	1	Bowers
		2008/11	11	5	3	Bowers
		2008/12	7	3	1	Bowers
		Average	6	2	2	Bowers
	2009	2009/01	9	0	5	Bowers
		2009/02	0	0	0	Bowers
		2009/03	0	0	0	Bowers
		2009/04	0	0	0	Bowers
		2009/05	0	92	3	Yates Seve
		2009/06	3	403	1	Yates Seve
		2009/07	3	367	0	Yates Seve
		2009/08	4	267	3	Yates Seve
		2009/09	0	270	0	Yates Seve
		2009/10	0	336	1	Yates Seve