District I 1625 N. French District II 1301W. Grand District III 1000 Rio Brazz	Dr., Hobbs	s, NM 88240	2002122232	4 24 Energ	State of Sta	of New Mosard Nat	exico tural Resou	nrces	Re	Form C-101 evised March 17, 1999		
District III 1000 Rio Brazz District IV 2040 South Pac	1	in this	EGSIA E	25 I	ervation I South Pac Fe, NM 8	checo	Sub	omit to appropriate District Office State Lease - 6 Copies Fee Lease - 5 Copies				
2040 Souui Fa		15	RECY,	ARIL		ŕ				ENDED REPORT		
 	APPL	ICATION	FOR PERMI Operator Name an	LIUDK	HLL, RE-E	NTER, D	EEPEN, PL	UGBACK, OR	ADD A ZO	NE		
			CHI OPERATIN	d Agaress IG, INC.				004378	² OGRID Numbe	r		
			P.O. Box 1'					- <i>1</i>				
³ Propert	T	Midland, Texas	19702	⁵ Property Na	me		30-0 / 5 -	30-0 / 5 - 3 28 5 6 Well No.				
					VERTAIL ST		<u>COM</u> 1					
		,	<u> </u>	,	Surface L	ocation		1	т			
UL or lot no.	Section	Township	Range	Lot Idn Fee		from the North/South line		Feet from the	East/West line	County		
О	36	16S	28E		66	0	SOUTH	1650	EAST	EDDY		
	(E/2)											
			Proposed B	ottom H	ole Location	on If Di						
UL or lot no.	Section	Township	1		Feet fro	i i	Cemen	Cement to cover all oil, gas and louny				
								water bearing zones.				
Crow F	lais		Proposed Pool 1				-					
11 Work T	ype Code		12 Well Type Code	,	13 Cable	/Rotary 14 Lease Type Code			15 Ground Level Elevation			
N 16 Mu	W	G		I		₹		S		3670'		
Mu	imple		¹⁷ Proposed Depth 10500'	h 18 Form MORF				19 Contractor		²⁰ Spud Date 7/1/03		
			²¹ P	roposed	Casing and		t Program			77.11.03		
Hole Si	ze	Casi	ing Size		g weight/foot Setting Depth			Sacks of Cement		Estimated TOC		
17 ½'	,	13 3/8"		48#J-55		350'		450 EST	Γ	CIRC.		
11"		8 5/8"		24#J-55		2000'		500 ES		CIRC.		
7 7/8"		5 1/2"		17#N-80		10500°		500 SKS E		Cover prod. zone(s)		
-												
			s application is to l			give the data	on the present	productive zone and				
MIRU. DRILL	. 17½" SUR	FACE W/F.	WTR, SET 13 3/8	"/F. EQUIP &	&CMT TO SU	RFACE. W	OC 18 HRS OF	R (OPTION 2, 8 HR	S OR 500# C. S	TRENGH). TST		
HEAD & ANN	ULAR TO 1	000#. DRII	L 11" HOLE W/1	.0# BRINE T	TO 2000'. SET	8 5/8"WF.	EQUIP. CMT	TO SURFACE. W	HILE WOC (SA	ME AS BEFORE)		
NUBOP/MANI	FOLD & TS	ST 5000#. D	RILL 7 7/8" HOL	E TO TD W	/F. WTR/BRI	NE. LOG/E	VALUATE. SI	ET 5½" & CMT AS	DEEMED NEC	ESSARY.		
· · · · <u>- · · · · · · · · · · · · · · ·</u>						de	***					
²³ I hereby certif my knowledge	11	formation giv	ven above is true as	nd complete t	o the best of		OIL CO	ONSERVATI	ON DIVIS	ION		
Signature:		<u> </u>	W W	N		Approved b	y:	From le	J. Gu	لعنور		
Printed name:	OHN W. W	OLF			>	Title:		Kuluit	Superis	THE STATE OF THE S		
)				Approval D	ate:	0 2 2002 Ex	piration Date:	0 2 200		
Date: 6/17/03	<u>, </u>		Phone: 915-6	 885-5001		Conditions of		- CONS	er v rie			
			1		g.	Conditions of	ı Approvar:			ľ		

<u>District |</u> 1625 N. French Dr. Hobbs, NM 88240

District II 811 South First, Artesia, NM 88210

District III 1000 Rio Brazos Rd., Aztec NM 87410

District IV 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, N M 87505

Form C-102 Revised March 17, 1999 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

	W	LLL	LOCA	HION	4 Y	AND A	.CRE	LAGE	DEDICA	HON	PL	ΑI	
API	Number			Pool Code	e				Pool	Name		***	
Property Co.	de					Property						Well N	lumber
	:				BEA	VER TA	ML S	STATE	COM.			1	
OGRID No.						Operation	n Name					Elevation	
				CHI	OPERA	4TIN	G, INC	Y			3676	9	
Surface Location													
UL or Lot No.	1	Township Range			Lot kin.	i	Feet from the North/South line Feet		Feet from th	e Eq	East/West line County		
0 36		16	16-S 28		g		1 6	60	SOUTH	1650	E	AST	EDDY
			Bottom	Hole	ء ا د	cation	lf Dit	ferent	From Su	rface			
UL or Lot No.	Section	To	wnahip	Range		Lot Idn.		et from the	North/South line		ie Ea	st/West line	County
Dedicated Acres	5 Joint or	Infill	Consolidatio	n Code	Ord	er No.			J	<u></u>			
<u> </u>	1		· · · · · · · · · · · · · · · · · · ·										
NO ALLO	WABLE	WILL	BE ASS	SIGNE) T) THIS	СОМ	PLETION	UNTIL A	LL INTE	REST	HAVE	BEEN
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		1						1		JUN	E 12	2, 2003	3
		J								Date of	Survey		
					7					Signature		A Fromogo	ndi Surveyor
		† 		i						1/	JEM.	MEXICO	\ \
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Phone (915) 685-5001

Chi Operating, Inc.

Fax (915) 687-2662

P.O. Box 1799 Midland, TX 79702

6/27/03

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1301 W. Grand Avenue
Artesia, New Mexico 88201

Re: OCD Rule 118

Beavertail State Com. #1

Sec 36-T16S-R28E

Eddy County, NM

Mr. Bryan Arrant;

As per your request, this drill site, to the best of my knowledge will not have H2S > 100 ppm, thus rule 118 does not apply.

Respectfully;

John W. Wolf

Copy/file