

N. M. Oil Cons. Division

815-848-5115 LOCATE

ARTESIA, NM 87021-1834

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2-10-97 AM

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-93469	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Chi Operating, Inc. 4378 915/685-5001		7. UNIT AGREEMENT NAME 205622	
3. ADDRESS AND TELEPHONE NO. P. O. Box 1799 Midland, Texas 79702		8. FARM OR LEASE NAME, WELL NO. CV "22" Federal #1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State regulations) At surface 1980' FSL & 460' FEL At proposed prod. zone Same UNIT I		9. API WELL NO. 30-015-29414	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 17 miles NE of Artesia, NM		10. FIELD AND POOL, OR WILDCAT 17940 Dog Canyon Grayburg	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1980'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 22-T16S-R27E	
16. NO. OF ACRES IN LEASE 960		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE New Mexico	
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1731'		14. DIST. 2	
19. PROPOSED DEPTH 2000'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3516' GL		22. APPROX. DATE WORK WILL START* March 15, 1997	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8 K-55	24.0#	300'	Circ. 300 sx "C" to surface
7 7/8"	5 1/2 K-55	15.5#	1500' 2000'	Circ. 425 sx "C" to surface

MUD PROGRAM:

0' - 300': Fr/Wtr w/gel & lm:
300' - 1500': Brine mud w/lm:

2000

MUD WT.

8.4- 9.0 ppg
9.5-10.0 ppg

VIS.

32-38
30-35

W/L Control

No W/L control.
W/L cont. 10cc.

BOP PROGRAM:

A 10" 3000 psi wp Schaffer Type E double hydraulic BOP will be installed on the 8 5/8" casing. Casing and BOP will be tested before drilling out with 7 7/8". The BOP will be used as a 2000 psi wp system and will be tested daily.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED George A. Smith TITLE Agent for: Chi Operating, Inc. DATE Feb. 10, 1997

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY (ORIG. SGD.) TONY L. FERGUSON TITLE ADM, MINERALS DATE FEB 28 1997

*See Instructions On Reverse Side