811 : "ST ST. ARTESIA, 88210-2834

SUBMIT IN TA (Other instructions on

_ICATE reverse side)

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

UNITED STATES DEPARTMENT OF THE INTERIOR

5. LEASE DESIGNATION AND SERIAL NO. **BUREAU OF LAND MANAGEMENT** NMLC -057674 6. IF INDIAN, ALLOTTED OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN 1a. TYPE OF WORK 7. UNIT AGREEMENT NAME DRILL X DEEPEN 🗌 b. TYPE OF WELL SINGLE WELL X MULTIPLE ARTT ळ 8. FARM OR LEASE NAME, WELL NO Little Hammer 2. NAME OF OPERATOR 915/685-5001 Chi Operating, 3. ADDRESS AND TELEPHONE NO. P. O. Box 1799 Midland, Texas 79702 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. 11. SEC., T., R., M., OR BLE 860' FSL & 2105' FWL AND SURVEY OR AL At proposed prod. zone Sec. 3-T17S-R27E Same 12. COUNTY OR PARISH | 18. STATE 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE. Eddy New Mexico 10 road miles NE of Artesia, NM 15. DISTANCE FROM PROPOSED* 17. NO. OF ACRES ASSIGNED TO THIS WELL 16. NO. OF ACRES IN LEASE LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) 320 535' 240 18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS Rotary 196′ 9,200 22. APPROX. DATE WORK WILL START* 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3490' Sept. 21, 1998 GL 23 PROPOSED CASING AND CEMENTING PROGRAM SIZE OF ROLE WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT GRADE, SIZE OF CASING 1/2" 400 sx $\pi C \pi$ 13 3/8"H-40 48.0# STC 4001 17 SSrc. 1,500 _11 <u>C</u>11 5/8"K-55 700 sx 24.0# STC Circ. 1/2"N-80 9,200' Tieback 700 sx "H" 11.6# LTC ROSWELL CONTROLLED WATER BASIN Mud Wt. - W/L Control **Mud Program** - Vis. No W/L control 350': Fresh water Gel/Lime: 8.6-9.0 ppg 34 - 36 350' - 1,500': Cut Brine: 10.0-10.2 ppg 28 - 29No W/L.control 1,500' - 8,500': Cut Brine, seep. control: 10.0-10.2 ppg 28 - 29No W/L control W/L control 10cc+/ 8,500' - 9,200': Cut Brine, seep. control: 10.0-10.5 ppg 36 - 40**BOP Program:** A 11" 5000 psi wp Shaffer Type LWS BOP will installed on the 13 3/8" casing. Casing and BOP will be tested before drilling out with 11" 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. Agent for: Sept. 4, 1998 Chi Operating, SIGNED (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: Assistant Field Office Manager,

*See Instructions On Reverse Side

Acting

Lands and Minerals

YORIG. SGD.) ARMANDO A. LOPEZ

APPROVED BY

District I PO Box 1980, Hobbs, NM 88241-1988 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rie Brusse Rd., Aston, NM 87418

District TV

State of New Mexico Energy, Mastrals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies

Fee Lease - 4 Copies

AMENDED REPORT

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EXHIBIT "E"
CHI OPERATING, INC.
Little Hammer Federal Com., Well No. 1
BOP Specifications