

N. M. Oil Cons. Division

811 S. 1ST ST.
ARTESIA, NM 87003
SUBMIT (Other reveal side) DATEFORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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-012896	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <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 24889	
3. ADDRESS AND TELEPHONE NO. P. O. Box 1799 Midland, Texas 79702		8. FARM OR LEASE NAME, WELL NO. #1 Coal Train Federal Com	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 990' FSL & 990' FWL At proposed prod. zone Same		9. API WELL NO. 30-015-30764	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 17 road miles E. of Artesia, NM		10. FIELD AND POOL, OR WILDCAT WC Crow Flat; Morrow SE gas 96840	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 330'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 10-T17S-R28E	
16. NO. OF ACRES IN LEASE 200		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		13. STATE New Mexico	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 300' P&A		20. ROTARY OR CABLE TOOLS Rotary	
19. PROPOSED DEPTH 10,400'		22. APPROX. DATE WORK WILL START August 30, 1999	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3530' GL		ROSWELL CONTROLLED WATER BASIN	

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"H-40	48.0# STC	425'	Circ. 350 sx "C"
12 1/4"	8 5/8"J-55	32.0# STC	2,000'	Circ. 650 sx "C"
7 7/8"	5 1/2"N-80	17.0# LTC	10,400'	475 sx "H" to 8,000'

Mud Program:

0' - 425': Fresh water Gel/Lime:
425' - 2,000': Brine mud:
2,000' - 6,600': Fresh water mud:
6,600' - 9,100': Cut Brine mud:
9,100' - 9,500': Cut Brine mud:
9,500' - 10,400': Cut Brine mud:

Mud Wt.

8.4 - 8.7 ppg
10.0-10.2 ppg
8.3 - 8.4 ppg
9.6-10.0 ppg
9.6-10.0 ppg
9.6-10.0 ppg

- Vis.

32 - 34
28 - 29
28 - 29
28 - 29
32 - 36
42 - 48

- W/L control

No W/L control
No W/L control
No W/L control
No W/L control
W/L control 10C
W/L control 8C

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

BOP Program:

A 12" 5000 psi wp Shaffer Type LWS Double Gate BOP will be installed on the 13 3/8" casing and BOP will be tested before drilling out with 12 1/4" and will be tested daily.

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. George R. Smith Agent for: Chi Operating, Inc. DATE August 16, 1999

(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:

Acting

Assistant Field Office Manager,
Lands and Minerals

/S/LARRY D. BRAY

APPROVED BY _____

TITLE _____

DATE 9-13-99

*See Instructions On Reverse Side

Form C-102
Revised February 10, 1994
Instructions on back
Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number		* Pool Code	* Pool Name WC Crow Flat; Morrow SE Gas	
* Property Code	* Property Name COAL TRAIN FEDERAL COM		* Well Number	
* OGRID No.	* Operator Name CHI OPERATING, INC.		* Elevation 3530.	

10 Surface Location

U/L or lot no.	Section	Township	Range	Lot 123	Feet from the	North/South line	Feet from the	East/West line	County
M	10	17-S	28-E		990	SOUTH	990	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot lds	Fees from the	North/South line	Fees from the	East/West line	County
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¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320		C	

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

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>George R. Smith</i></p> <p>Signature</p> <p>George R. Smith, agent for:</p> <p>Printed Name</p> <p>Chi Operating, Inc.</p> <p>Title</p> <p>August 16, 1999</p> <p>Date</p>
<p>NM-012896</p> <p>Burlington Res. & Enron Oil & Gas</p> <p>990'</p> <p>990'</p>	<p>18 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>JUL 30 1999</p> <p>Date of Survey</p> <p>Signature of Professional Surveyor:</p> <p>NEW MEXICO</p> <p>REGISTERED LAND SURVEYOR</p> <p>ENGINEER</p> <p>5412</p> <p>NE PERM NO. 9412</p>

APPLICATION FOR DRILLING

CHI OPERATING, INC.
Coal Train Federal Com., Well No. 1
990' FSL & 990' FWL, Sec. 10-T17S-R28E
Eddy County, New Mexico
Lease No.: NM-012896
(Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Chi Operating, Inc. submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Greyburg	1750'	Atoka Morrow	9460'
San Andres	2000'	Morrow Clastic	9760'
Abo	5440'	Mississippian	9900'
Cisco	7850'	Chester	10,150'
Canyon	8420'	T.D.	10,400'
Strawn	8910'		

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface water between 100' - 300'.

Oil: Possible in the Cisco below 7850'.

Gas: Possible in the Grayburg below 1,750', Atoka below 9,460' and the Morrow below 9760'.

4. Proposed Casing Program: See Form 3160-3.
5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: See Form 3160-3.
7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging, and Coring Program:

Drill Stem Tests: Possible in the Strawn and Atoka.
Logging: T.D.to 6500': GR-CAL-CNL-LDT-DLL-MICRO
T.D. to Surface: GR-Neutron
Coring: As dictated for the Atoka and Morrow.
9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight. Estimated evacuated BHP = 4200 with a temperature of 164°.
10. H₂S: None expected.
11. Anticipated starting date: August 30, 1999.
Anticipated completion of drilling operations: Approximately 30 days.

(DIAMOND MOUND)

10

560 000 FEET

18 MI. TO N. MEX. J.


104°07'34"

NEW MEXICO-EDDY CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)


EXHIBIT "B"

CHI OPERATING, INC.

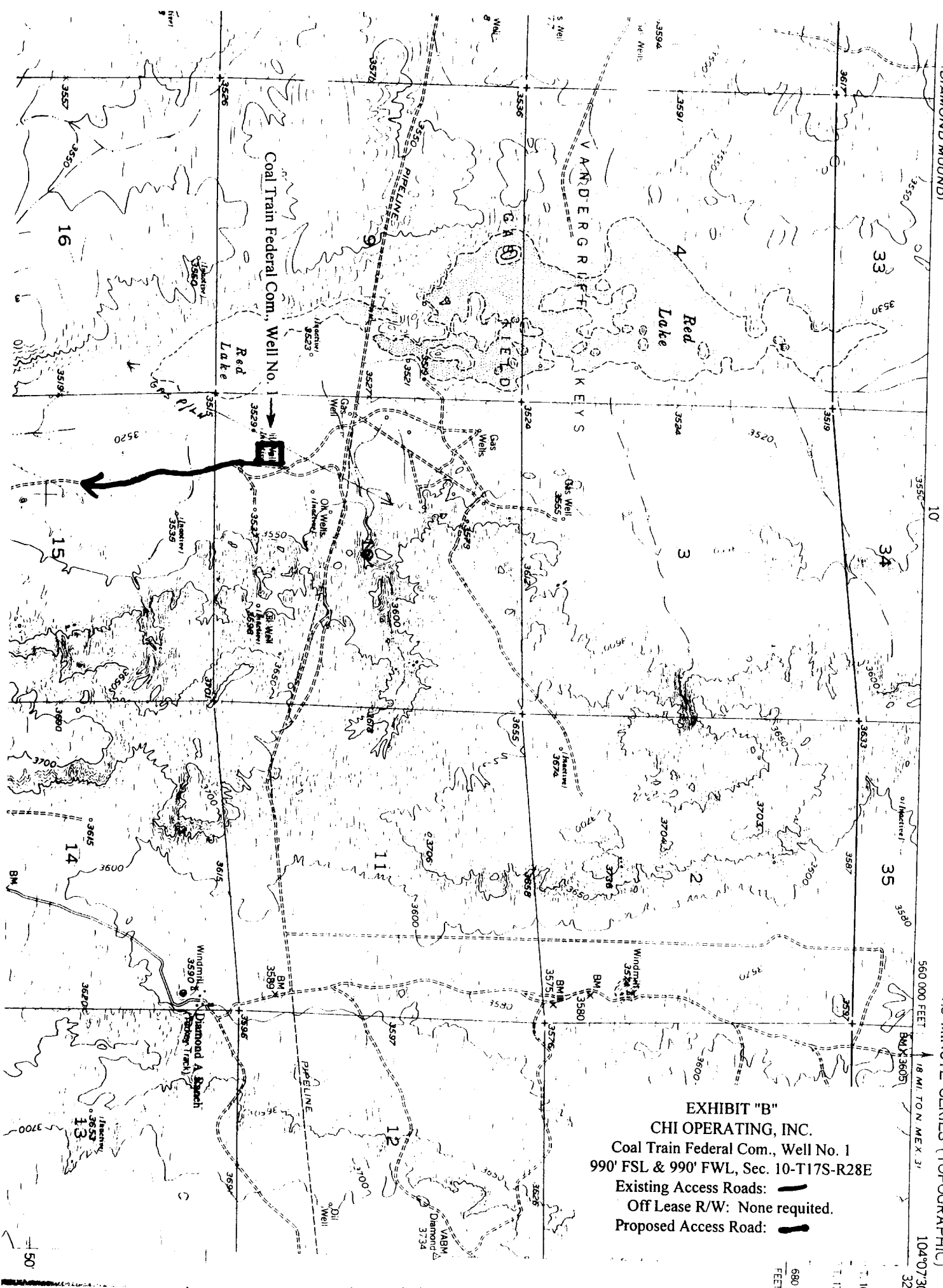
Coal Train Federal Com., Well No. 1
990' FSL & 990' FWL, Sec. 10-T17S-R28E

Existing Access Roads: 

Off Lease R/W: None required.

Proposed Access Road: 

680
FEET



RIG #22

BLOWOUT PREVENTOR ARRANGEMENT

11" SHAFFER TYPE LWS, 5000 psi WP
11" CAMERON SPHERICAL, 5000 psi WP
120 GALLON, 5 STATION KOOMEY ACCUMULATOR
5000 psi WP CHOKE MANIFOLD

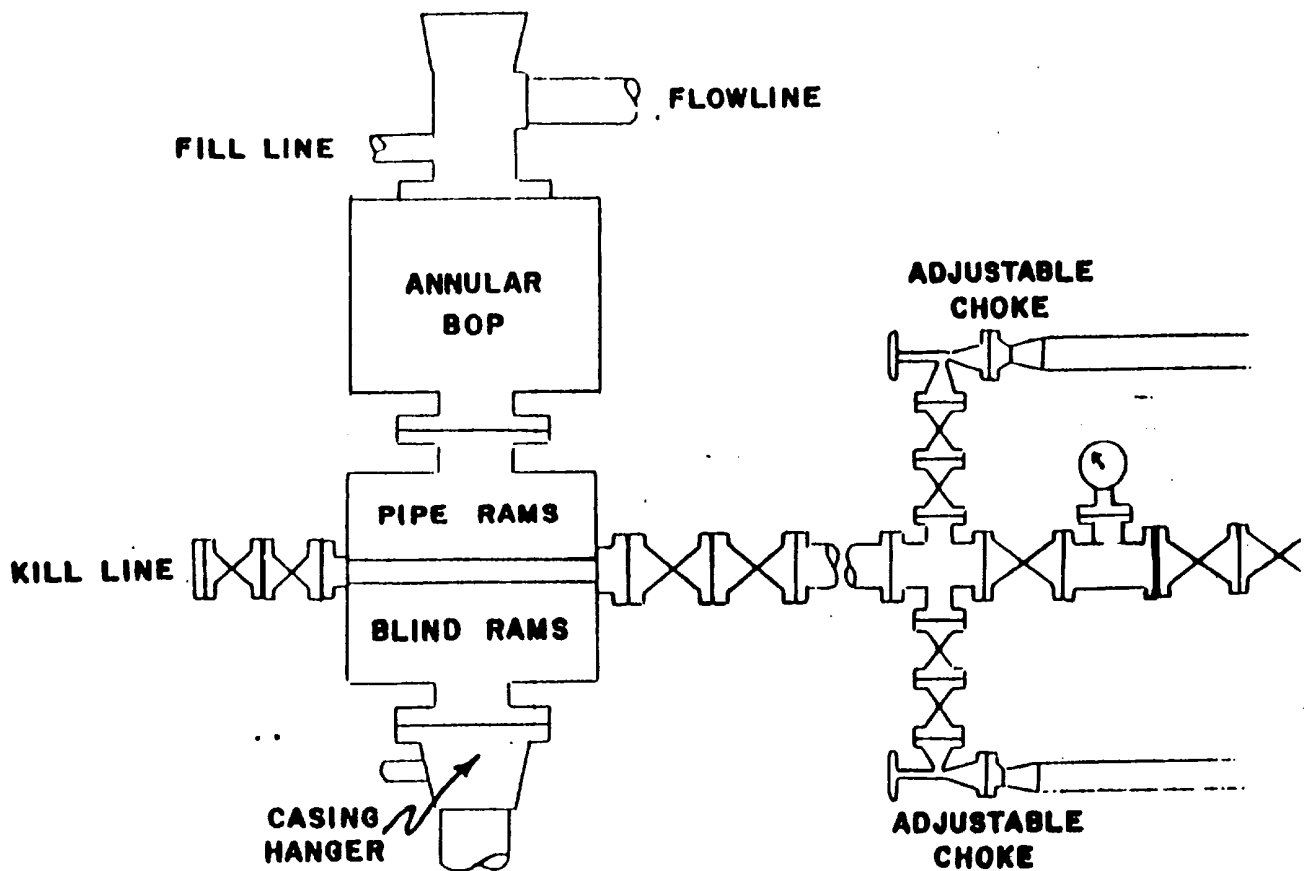



EXHIBIT "E"
CHI OPERATING, INC.
Coal Train Federal Com., Well No. 1
BOP Specifications

For _____		Urgent <input type="checkbox"/>						
Date _____	Time _____							
While You Were Out								
M _____								
Of	John Wolf							
Phone	685-5001							
	AREA CODE	NUMBER EXTENSION						
<table border="1"><tr><td>Telephoned <input type="checkbox"/></td><td>Please Call <input type="checkbox"/></td></tr><tr><td>Came To See You <input type="checkbox"/></td><td>Will Call Again <input type="checkbox"/></td></tr><tr><td>Returned Your Call <input type="checkbox"/></td><td>Wants To See You <input type="checkbox"/></td></tr></table>			Telephoned <input type="checkbox"/>	Please Call <input type="checkbox"/>	Came To See You <input type="checkbox"/>	Will Call Again <input type="checkbox"/>	Returned Your Call <input type="checkbox"/>	Wants To See You <input type="checkbox"/>
Telephoned <input type="checkbox"/>	Please Call <input type="checkbox"/>							
Came To See You <input type="checkbox"/>	Will Call Again <input type="checkbox"/>							
Returned Your Call <input type="checkbox"/>	Wants To See You <input type="checkbox"/>							
Message Called 5/23/00 for C122.								
Signed _____								

9711

 ADAMS BUSINESS FORMS