

UNITED 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-0428657	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" 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 23143	
3. ADDRESS AND TELEPHONE NO. P. O. Box 1799 Midland, Texas 79702		8. FARM OR LEASE NAME, WELL NO. OXY Ribeye Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1650' FNL & 1980' FWL At proposed prod. zone Same		9. API WELL NO. 1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 32 road miles W. Carlsbad, NM		10. FIELD AND POOL, OR WILDCAT Winchester Morrow	
10. 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. 34-T19S-R28E	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1361'		12. COUNTY OR PARISH Eddy	
16. NO. OF ACRES IN LEASE 640		13. STATE New Mexico	
19. PROPOSED DEPTH 11,350'		17. NO. OF ACRES ASSIGNED TO THIS WELL 320	
20. ROTARY OR CABLE TOOLS Rotary		22. APPROX. DATE WORK WILL START* March 10, 1998	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3318' GL			

PROPOSED CASING AND CEMENT

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#	400'	Circ. 465 sx WINEBROZ
11"	8 5/8"K-55	24.0#	3,000'	Circ. 995 sx "C" w/POZ
7 7/8"	*4 1/2"N80&S95	11.6#	11,350'	860 sx Super "C" + 61 sx "C"
	*N80*9350' S95=2000'			

Mud Program

0' - 400': Fresh water spud:
400' - 3,000': Brine water:
3,000' - 8,300': Fresh water:
8,300' - 10,000': Cut brine:
10,000' - 11,350': XCD Polymer mud system:

Mud Wt. - Vis. - W/L Control
8.7- 9.2 ppg 32 - 34 No W/L control
10.0-10.1 ppg 28 - 29 No W/L control
8.4- 8.8 ppg 28 - 29 No W/L control
9.2- 9.4 ppg 28 - 29 No W/L control
9.2-10.6 ppg 32 - 34 W/L control 8cc +/-

BOP Program:

A 11" 5000 psi wp Shaffer Type LWS BOP will be installed on the 13 3/8" casing. After setting the 8 5/8" casing, the casing and BOP will be tested to 5000 psi before drilling out with 7 7/8" and will be tested daily.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

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 R. Smith TITLE Agent for; Chi Operating, Inc. DATE Feb. 23, 1998
(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:

(ORIG. SGD.) JAMES G. PETTENGILL

ADM. MINERALS

APPROVED BY Acioy TITLE Acioy DATE 3-25-98

*See Instructions On Reverse Side