

Form 3160-3  
(December, 1990)

**NM OIL COMMISSION**  
**DRAWER DL**  
**ARTESIA, NM 88010 STATES**  
**DEPARTMENT OF THE INTERIOR**  
**BUREAU OF LAND MANAGEMENT**

SUBMIT IN TR. STATE\*  
(Other instructions on  
reverse side)

30-015-28038

Form approved.  
Budget Bureau No. 1004-0136  
Expires: December 31, 1991

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1A. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-13232A		
1B. 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. ✓ (915) 685-5001			7. UNIT AGREEMENT NAME		
3. ADDRESS AND TELEPHONE NO. P. O. Box 1799 Midland, Texas 79701			8. FARM OR LEASE NAME, WELL NO. Winchester Federal		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FNL & 2130' FWL At proposed prod. zone Same			9. API WELL NO. 3		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 11 miles NE of Carlsbad, NM			10. FIELD AND POOL, OR WILDCAT Old Millman Ranch Bone Spring		
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 510'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 48035 ASSOC		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1521'			12. COUNTY OR PARISH 13. STATE Eddy New Mexico		
16. NO. OF ACRES IN LEASE 320			17. NO. OF ACRES ASSIGNED TO THIS WELL 80		
19. PROPOSED DEPTH 6700'			20. ROTARY OR CABLE TOOLS Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3279' GL Capitan Controlled Water Basin			22. APPROX. DATE WORK WILL START* July 15, 1994		

**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#	500'	Circulate 500 sx "C"
7 7/8"	5 1/2" J-55	15.5#	6700'	Circ. 1660 sx "C" & "H"
NOTE: If drilling conditions dictate, will ream out with 12 1/2" and run following program:				
12 1/4"	8 5/8" J-55	24.0#	3000'	Circulate 635 sx "C"
7 7/8"	5 1/2" J-55	15.5#	6700'	Tieback with 535 sx "C"

**Mud Program:**

	Mud Wt.	Vis.	W/L Control
0' - 500': Fresh water w/Gel spud mud:	8.4-9.0 ppg	32-38	No W/L control
500' - 6200': Cut Brine w/gel & lime:	9.0-9.2 ppg	28-30	No W/L control
6200' - 6700': Cut brine w/gel & starch:	9.0-9.3 ppg	29-31	W/L control 10cc

PH = 10 in fresh water mud and 9.5-10.5 in brine mud.

**BOP Program:**

A 12" 3000 psi wp Cameron SS Space Saver double ram BOP will be installed on the 13 3/8" casing. Casing and BOP will be tested before drilling out with 7 7/8". BOP will be tested daily as a 2M system.

Approved 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 H. George R. Smith Agent for: Chi Operating, Inc. May 5, 1994  
TITLE DATE

(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 Link Brewell TITLE Acting Area Manager DATE 7-8-94

\*See Instructions On Reverse Side

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

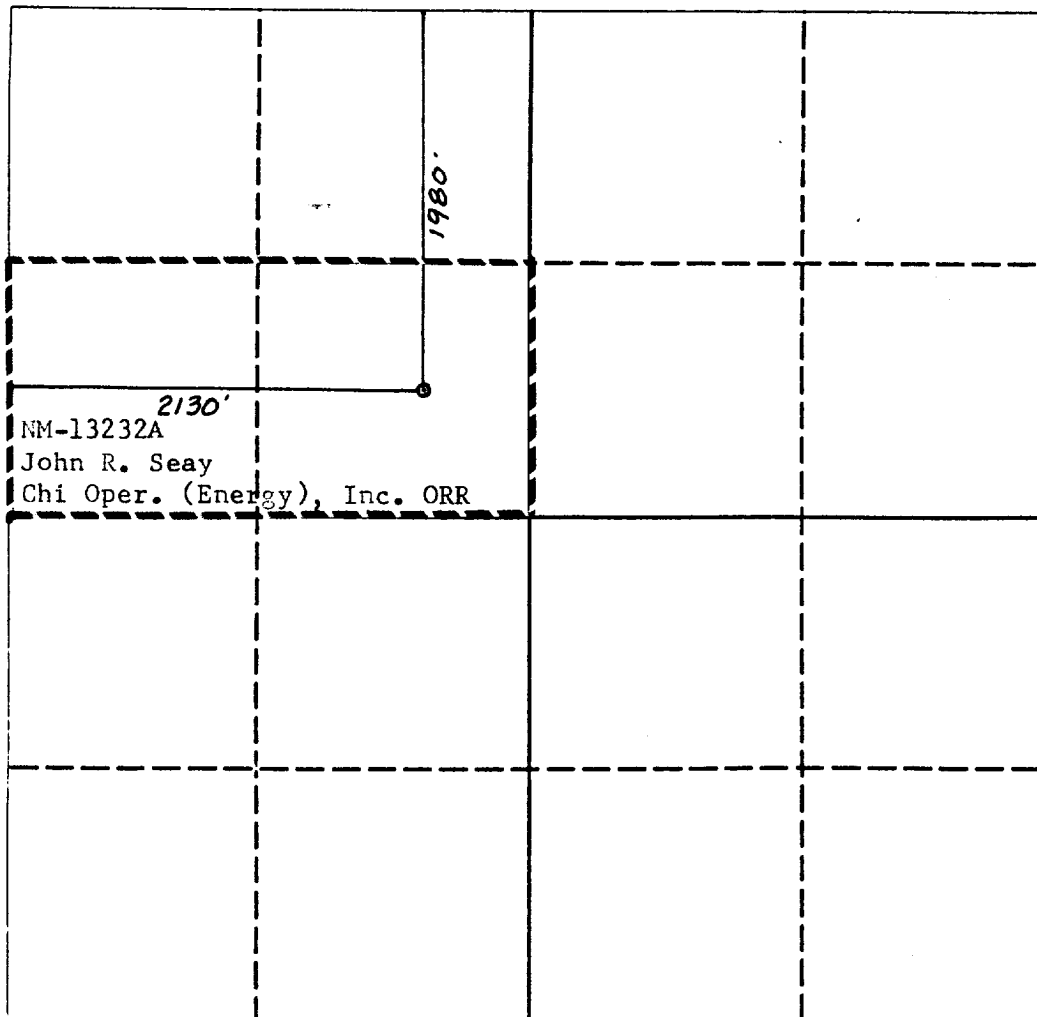
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>CHI OPERATING, INC.</b>			Lease <b>WINCHESTER FEDERAL</b>		Well No. <b>3</b>
Unit Letter <b>F</b>	Section <b>3</b>	Township <b>20 SOUTH</b>	Range <b>28 EAST</b>	County <b>EDDY COUNTY, NM</b>	
Actual Footage Location of Well: <b>1980</b> feet from the <b>NORTH</b> line and <b>2130</b> feet from the <b>WEST</b> line					
Ground level Elev. <b>3279.</b>	Producing Formation <b>Bone Spring</b>		Pool <b>Old Millman Ranch Bone Spring, ASSO</b>		Dedicated Acreage: <b>80</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_  
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary). \_\_\_\_\_  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature  
*George R. Smith*  
Printed Name  
**George R. Smith**  
Position  
**Agent for:**  
Company  
**Chi Operating, Inc.**  
Date  
**May 6, 1994**

SURVEYOR CERTIFICATION

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 knowledge and belief.

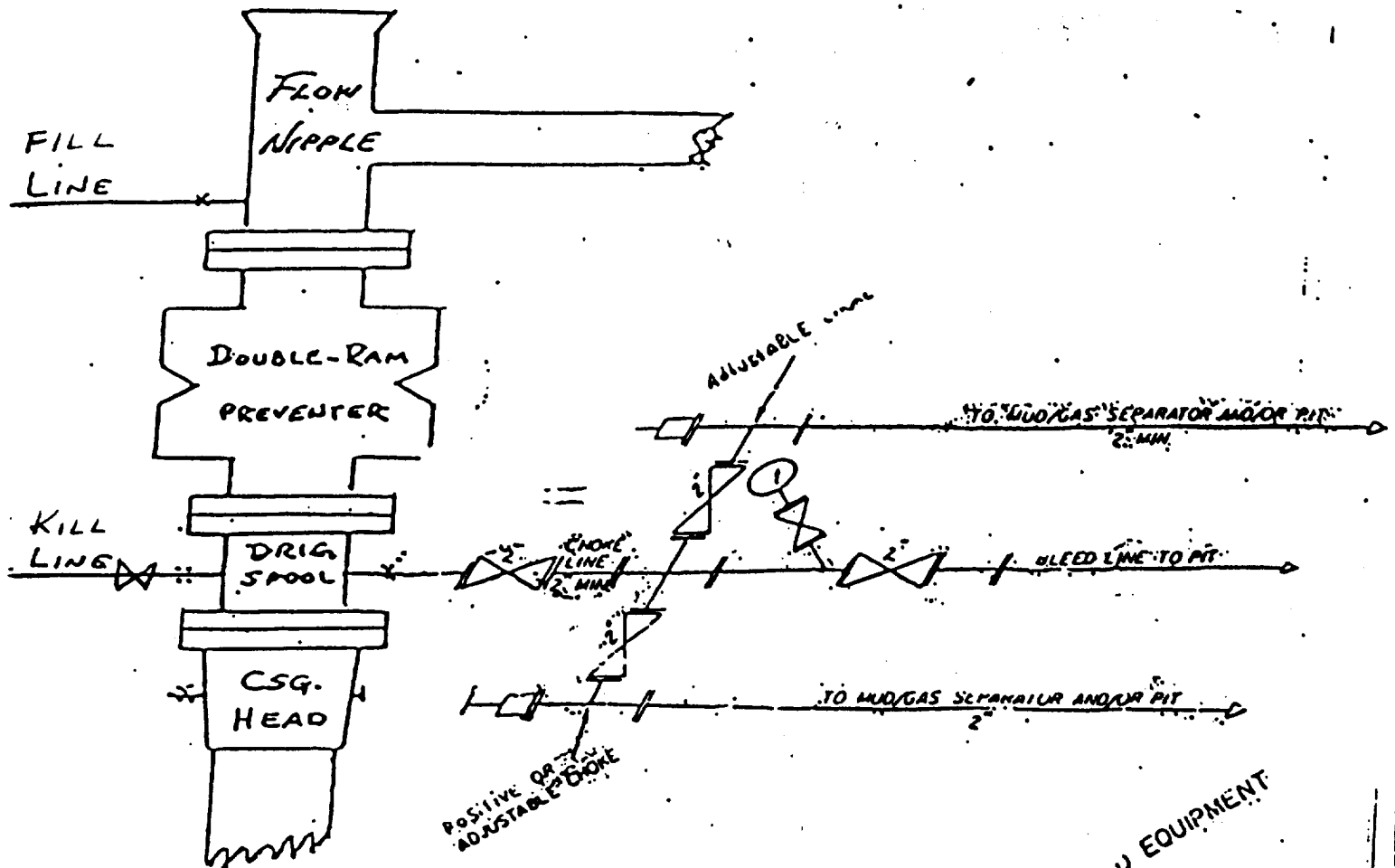
Date Surveyed  
**APRIL 19, 1994**  
Signature & Seal of Professional Surveyor  
*Reddy*  
NEW MEXICO  
3412  
REGISTERED PROFESSIONAL SURVEYOR  
NM REGPS NO. 3412 ENGINEER

# B O P & CHOKE MANIFOLD

## 2 M System

12"/900 Cameron SS Space Saver  
3000# Working Pressure

3000# Working Pressure Choke Manifold.



2M CHOKE MANIFOLD EQUIPMENT

EXHIBIT "E"  
CHI OPERATING, INC.  
Winchester Federal, Well No. 3  
BOP Specifications