

NM OIL & GAS COMMISSION
DRAWER 10
ARTESIA, UNIT 132000
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)30-015-28039 c/sf
Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Chi Operating, Inc. ✓

(915) 685-5001

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)

At surface

600' FNL & 510' FEL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

11 miles NE of Carlsbad, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

510'

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2701'

16. NO. OF ACRES IN LEASE
280 ARTESIA, OFFICE19. PROPOSED DEPTH
6700'17. NO. OF ACRES ASSIGNED
TO THIS WELL 8020. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3274' GL Capitan Controlled Water Basin

22. APPROX. DATE WORK WILL START*
June 15, 1994

23. 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, willream out with 12 1/4" 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.

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 J. Smith

TITLE

Agent for:

Chi Operating, Inc.

DATE

May 3, 1994

(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 Grewell

TITLE

Acting Area Manager

DATE

7-8-94

*See Instructions On Reverse Side

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

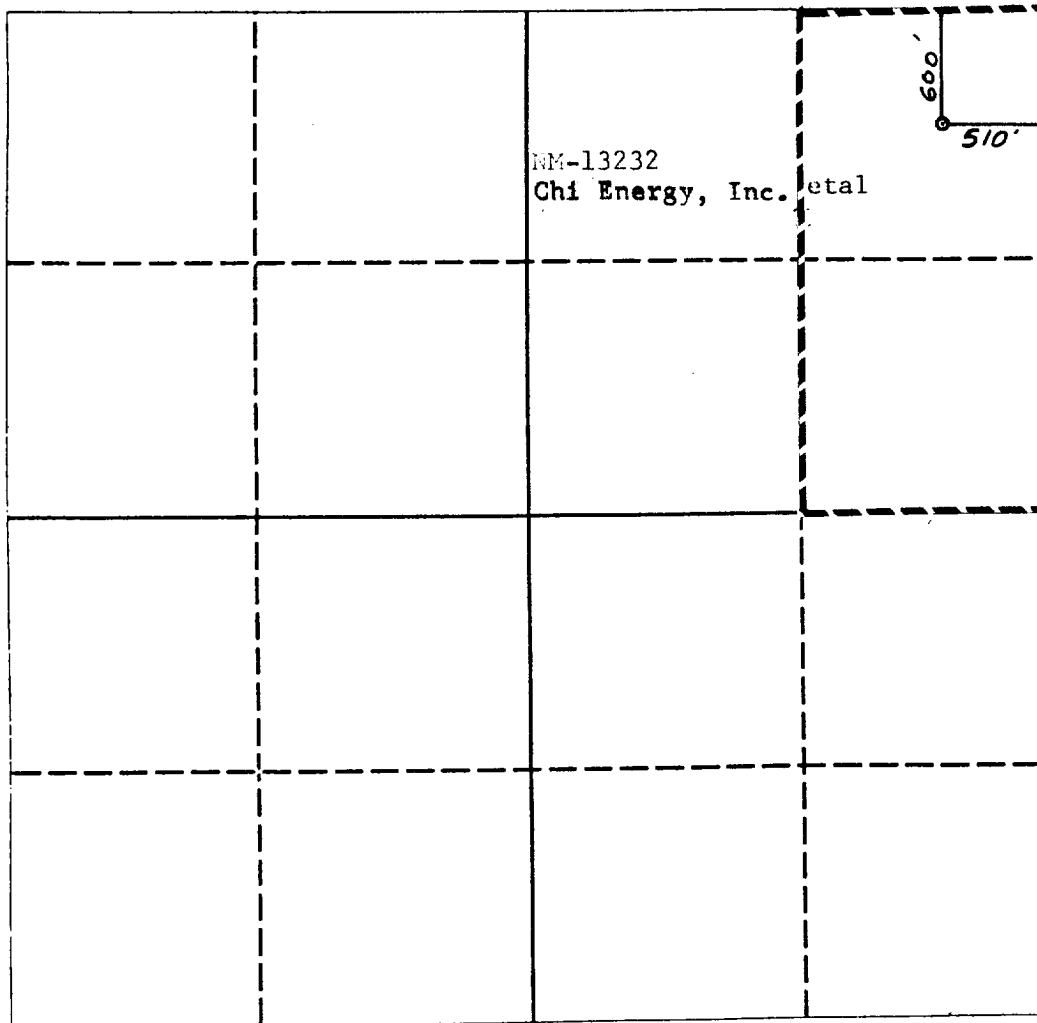
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator CHI OPERATING, INC			Lease USA "9" FEDERAL		Well No. 2
Unit Letter A	Section 9	Township 20 SOUTH	Range 28 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 600 feet from the NORTH line and 510 feet from the EAST line					
Ground level Elev. 3274.	Producing Formation Bone Spring		Pool Old Millman Ranch Bone Spring ASSOC		Dedicated Acreage: 80 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 3, 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
EDDY
NEW MEXICO
REGISTERED PROFESSIONAL ENGINEER
3412
CERTIFICATE NO. 1040
NM PB&PS NO. 6412

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

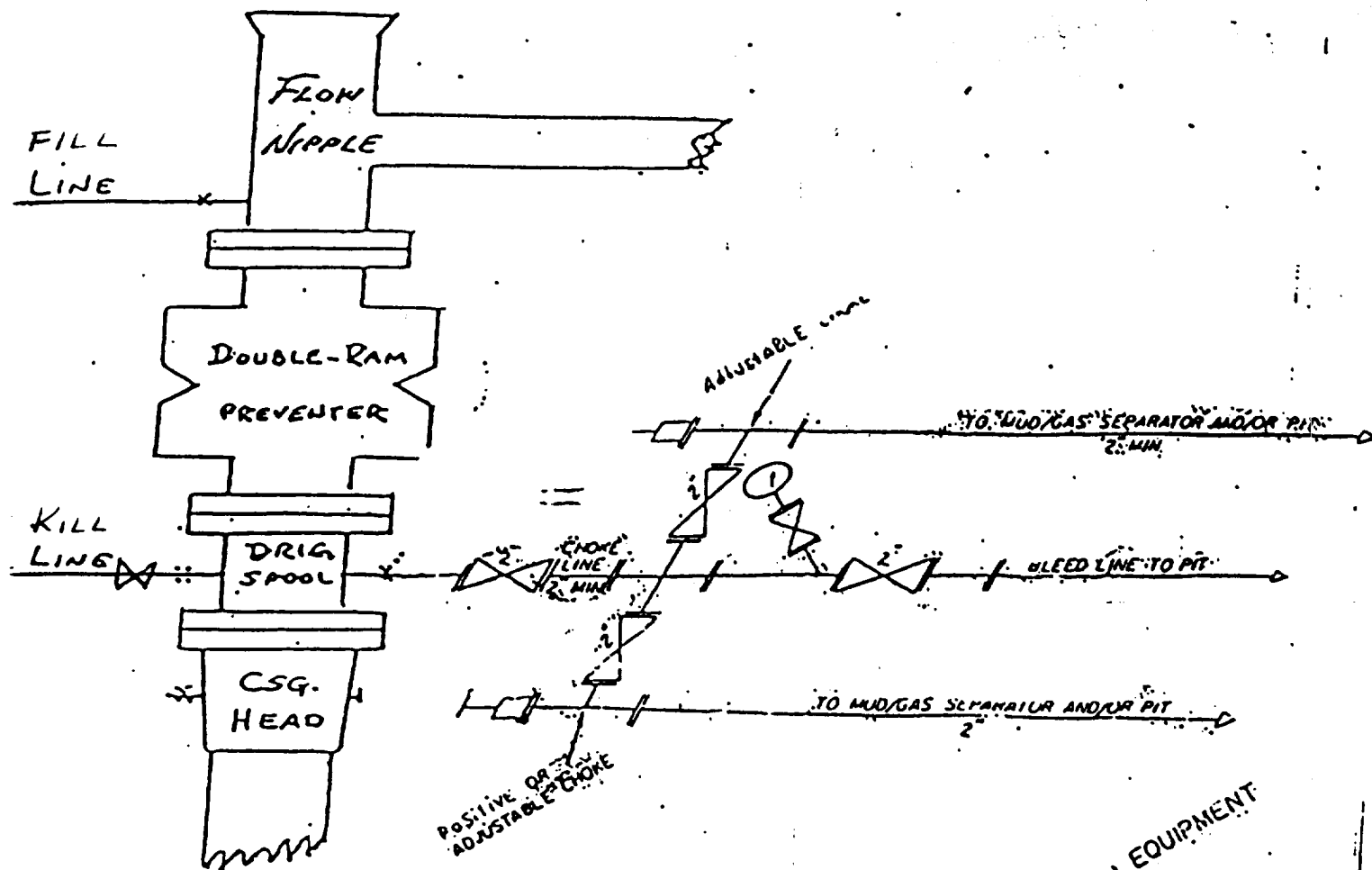
B O P & CHOKE MANIFOLD

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.
USA "9" Federal. Well No. 2
BOP Specifications