

Previous Approval: 11/25/97

N. M. Oil Cons. Division

01

Form 3160-3
(July 1992)

81 SUBMIT IN LOCATE
ARTESIA, NM 88001
reverse side

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

4378

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 instructions.)

At surface

600' FNL & 510' FEL

At proposed prod. zone

same Unit A

SUBJECT TO
LIKE APPROVAL
BY STATE

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

15 miles N of Carlsbad, NM

10. DISTANCE FROM PROPOSED*

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

510'

16. NO. OF ACRES IN LEASE

280

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

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

2701'

19. PROPOSED DEPTH

11,500'

20. ROTARY OR CABLE TOOLS

Rotary

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

3274' GL

22. APPROX. DATE WORK WILL START*

December 15, 1999

23.

PROPOSED CASING AND CEMENT

CAPITAN CONTROLLED WATER BASIN

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#	350'	Circ. 335 sx "C" WITNESS
11"	8 5/8"J-55	32.0#	3,200'	Circ. 605 sx "C"
7 7/8"	5 1/2"J-55	* 15.5/17# as required	11,500'	2 stage tieback 1595 sx "H"

Mud Program

0' - 350': Fresh water Gel/Lime:
350' - 3,200': Cut Brine:
3,200' - 10,500': Cut Brine, seep. control:
10,500' - 11,500': Brine seep. control:

Mud Wt.

8.6- 9.0 ppg
10.0-10.2 ppg
10.0-10.2 ppg
10.0-10.5 ppg

- Vis.

34 - 36
28 - 29
28 - 29
36 - 40

- W/L Control

No W/L control
No W/L control
No W/L control
W/L control 10cc+P

BOP Program:

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

Notify OCD at SPUD & TIME
to witness cementing the
13 3/8" casing.

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.

24.

SIGNED

George L. Smith

TITLE

Agent for:
Chi Operating, Inc.

DATE

Nov. 15, 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:

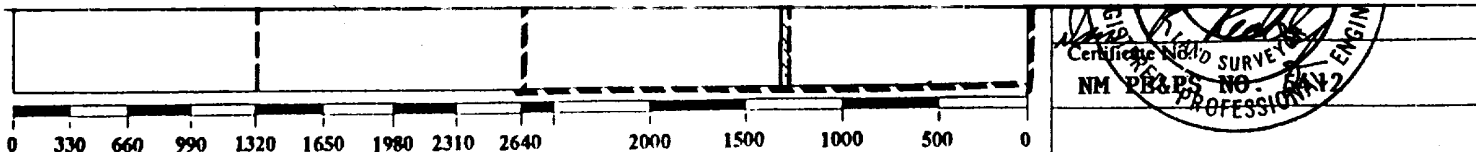
APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

Title 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.



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

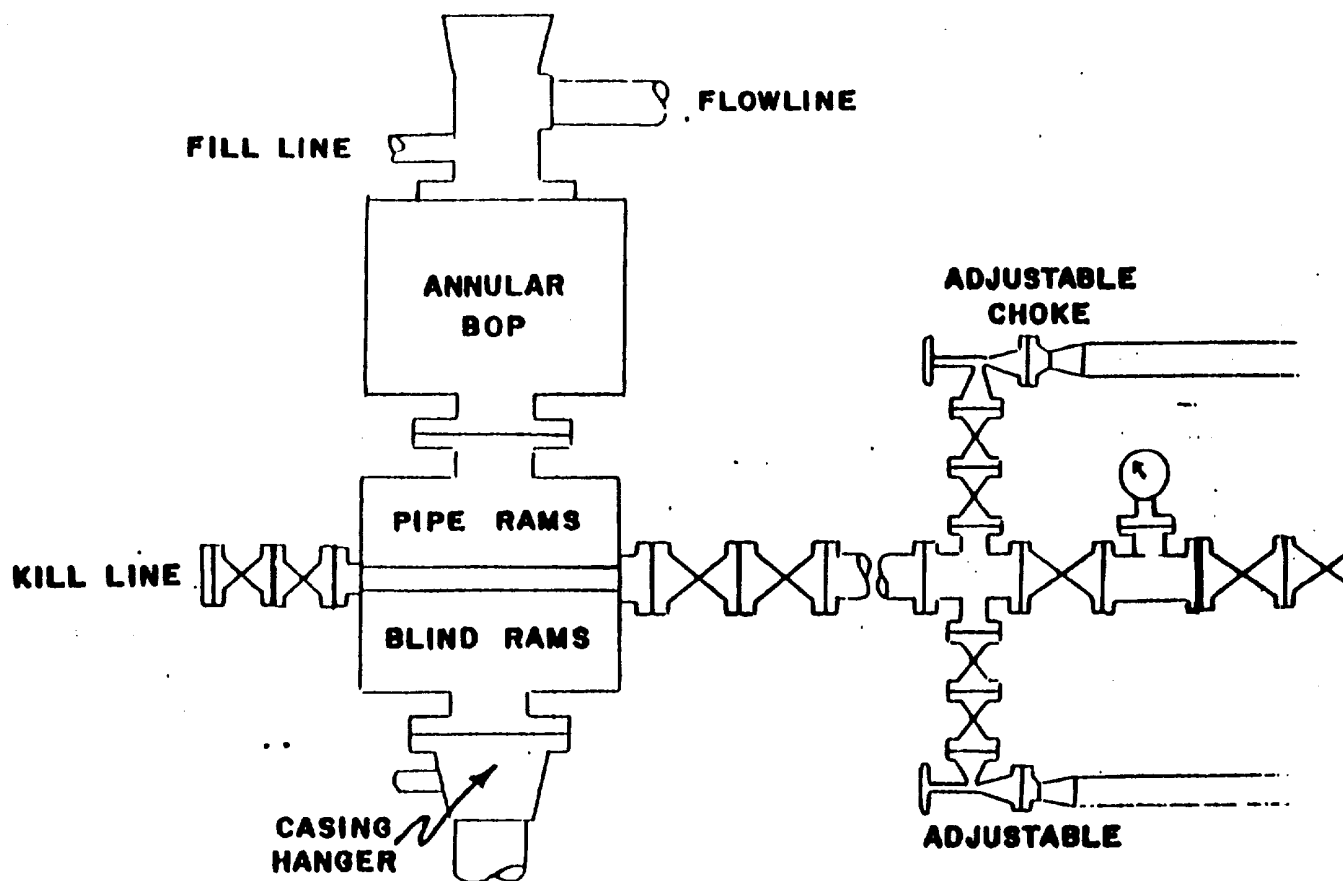


EXHIBIT "E"
CHI OPERATING, INC.
USA "9" Federal Com., Well No. 2
BOP Specifications