

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED OCD

APPLICATION OF CHI ENERGY, INC. FOR
APPROVAL OF A SECONDARY RECOVERY
PROJECT AND TO QUALIFY THE PROJECT
FOR THE RECOVERED OIL TAX RATE,
EDDY COUNTY, NEW MEXICO.

2009 JUN 24 A 8:50

Case No. 14353

APPLICATION

Chi Energy, Inc., whose address is P.O. Box 1799, Midland, Texas 79702, phone number (432) 685-5001, applies for an order approving a secondary recovery project and qualifying the project for the recovered oil tax rate. In support thereof, applicant states:

1. Applicant is a working interest owner in the proposed Benson Delaware Unit (the "Unit Area"), which covers the following lands located in Eddy County, New Mexico:

Township 19 South, Range 30 East, N.M.P.M.

Section 1: SW $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$

Section 11: E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, and NE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 12: NW $\frac{1}{4}$ and N $\frac{1}{2}$ SW $\frac{1}{4}$

Containing 640.00 acres of federal lands.

The unitized interval is the Brushy Canyon Member of the Delaware formation, as further described in the unitization application filed concurrently with this application.

2. Chi Operating, Inc. will be the operator of the Unit Area.
3. Applicant proposes to institute a secondary recovery project in the Unit Area.
4. Applicant proposes to inject water into the Brushy Canyon from nine (9) wells. A plat outlining the Unit Area, and marking the locations of the injection and producing wells, is attached hereto as Exhibit A. A listing of the injection wells is attached as Exhibit B.

5. Applicant requests that the secondary recovery project for the Unit Area be qualified for the recovered oil tax rate, pursuant to the Enhanced Oil Recovery Act (L. 1992, ch. 38) and Division regulations. Project data includes:

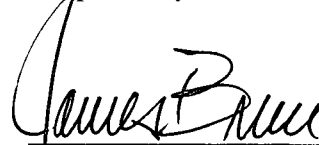
(a)	Number of producing wells:	11
(b)	Number of injection wells:	9
(c)	Capital cost of additional facilities:	\$7,500,500
(d)	Estimated total project cost:	\$16,050,500
(e)	Estimated value of incremental production:	\$82,500,000
(f)	Estimated injection commencement date:	September 2009
(g)	Type of injected fluid:	Produced water
(h)	Anticipated injection volumes:	450 BWPD/well

5. The Form C-108 for the project is attached hereto as Exhibit C.

6. Approval of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order approving the injection application, and qualifying the secondary recovery project as an Enhanced Oil Recovery Project.

Respectfully submitted,



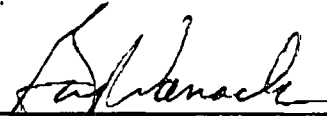
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Chi Energy, Inc.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Gary Womack, being duly sworn upon his oath, deposes and states that: He is a petroleum engineer for Chi Energy, Inc.; he is authorized to make this verification on its behalf; he has read the foregoing application, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.



Gary Womack

SUBSCRIBED AND SWORN TO before me this 23rd day of June, 2009 by Gary Womack.

My Commission Expires: 11-17-09



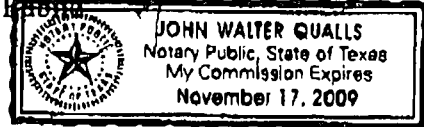
Notary Public


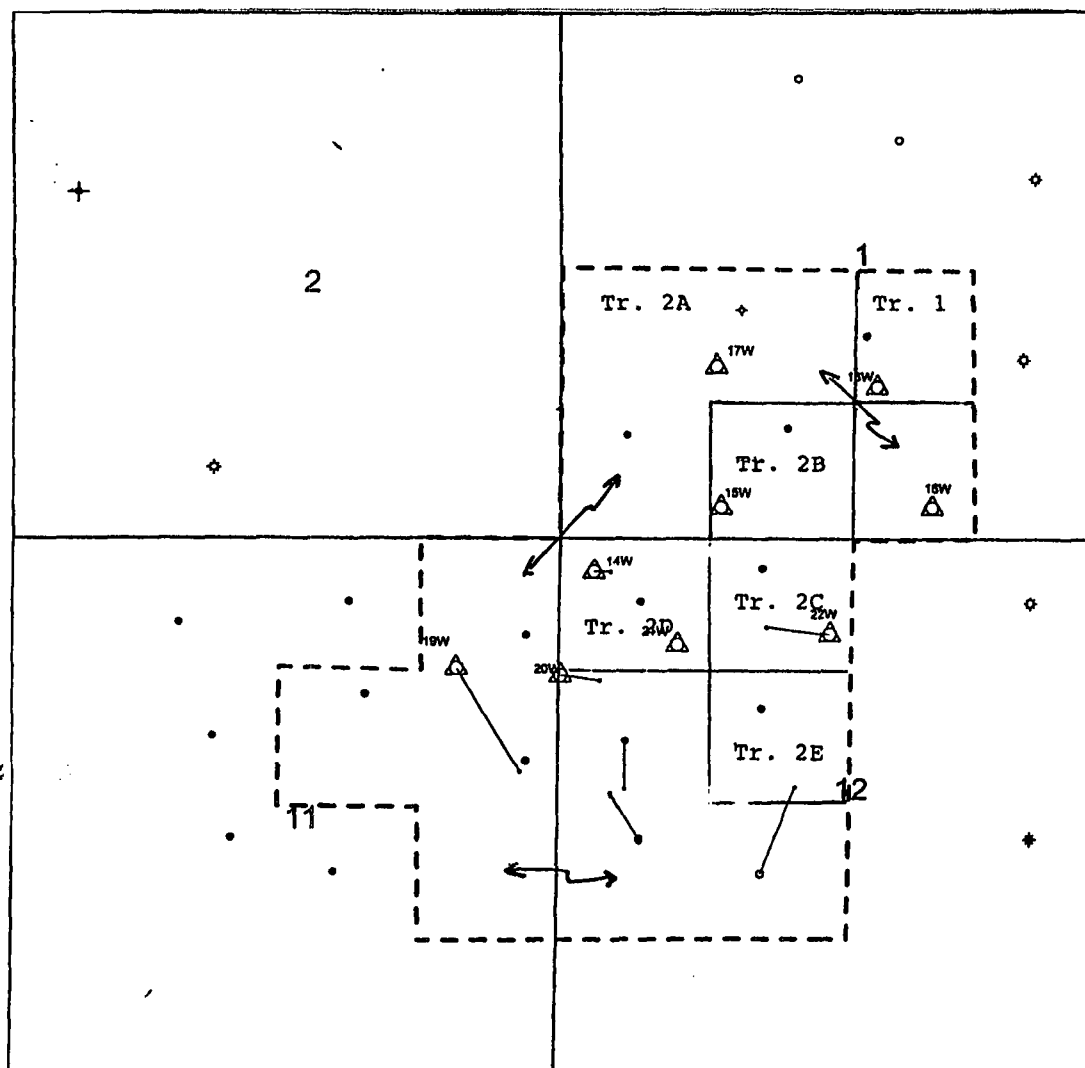
EXHIBIT "A"

MAP OF UNIT AREA

BENSON DELAWARE UNIT

Eddy County, New Mexico

Township 19 South, Range 30 East, N.M.P.M.



FEDERAL LANDS: 100%

<u>Well Name</u>	<u>Well Location</u>
Munchkin Well No. 14W	330 feet FNL & 500 feet FWL §12 (SHL) 330 feet FNL & 330 feet FWL §12 (BHL)
Munchkin Well No. 15W	330 feet FSL & 1550 feet FWL §1
Munchkin Well No. 16W	300 feet FSL & 1650 feet FEL §1
Munchkin Well No. 17W	1700 feet FSL & 1500 feet FWL §1
Munchkin Well No. 18W	1500 feet FSL & 2200 feet FEL §1
Munchkin Well No. 19W	2300 feet FNL & 400 feet FEL §11 (SHL) 1300 feet FNL & 1000 feet FEL §11 (BHL)
Munchkin Well No. 20W	1400 feet FNL & 400 feet FWL §12 (SHL) 1350 feet FNL & 20 feet FWL §12 (BHL)
Munchkin Well No. 21W	1050 feet FNL & 1150 feet FWL §12
Munchkin Well No. 22W	900 feet FNL & 1980 feet FWL §12 (SHL) 930 feet FNL & 2620 feet FWL §12 (BHL)

All wells located in Township 19 South, Range 30 East, N.M.P.M.

EXHIBIT **B**

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☒ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Robin Askew Robin Askew Regulatory Clerk 5-12-08
Print or Type Name Signature Title Date
robina@chienergyinc.com
e-mail Address

EXHIBIT

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance _____ X _____ Disposal _____ Storage
Application qualifies for administrative approval? _____ X _____ Yes _____ No
- II. OPERATOR: CHI OPERATING, INC.
ADDRESS: P.O. BOX 1799, MIDLAND, TEXAS 79702
CONTACT PARTY: GARY WOMACK PHONE: 432-685-5001
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? _____ Yes _____ X _____ No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted)
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: ROBINA ASKEW TITLE: REGULATORY CLERK
SIGNATURE: Robina Askew DATE: 5-4-2009
E-MAIL ADDRESS: robina@chienergyinc.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

VII. DATA SHEET: PROPOSED OPERATIONS

1. Proposed average and maximum daily rate and volume of fluids to be injected;
4000 BWPD
2. The system is closed or open;
CLOSED
3. Proposed average and maximum injection pressure;
1400#
4. Sources and an appropriate analysis of injection fluid and compatibility with the Receiving formation if other than re-injected produced water;
WE WILL BE RE-INJECTING PRODUCED WATER
5. If injection is for disposal purposes into a zone not productive of oil or gas at or Within one mile of the proposed well, attach a chemical analysis of the disposal Zone formation water;
N/A

VIII. GEOLOGICAL DATA

1. Lithologic Detail; **SANDSTONE**
2. Geological Name; **BENSON DELAWARE**
3. Thickness; **900'**
4. Depth; **4300-5500'**

IX. PROPOSED STIMULATION PROGRAM

1. **5,000GAL ACID, 30,000# SAND**

X. LOGS AND TEST DATA

1. Well data will be filed with OCD.

XI. ANALYSIS OF FRESH WATER WELLS

1. To be sent when completed.

XII. AFFIRMATIVE STATEMENT

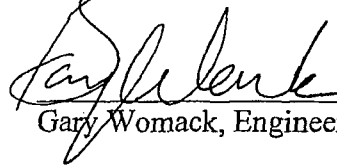
Re: MUNCHKIN 14W, 15W, 16W, 17W, 18W, 19W, 20W, 21W, 22W

We have examined the available geologic and engineering data and find no Evidence of open faults or any other hydraulic connection between the disposal zone And any underground source of drinking water.

Date: _____

5/7/09

Chi Operating, Inc.



Gary Womack, Engineer

Notice of Application for Fluid Injection Well Permit

Chi Operating, Inc., c/o Gary Womack 432-685-5001, P.O. Box 1799, Midland, TX 79702 is applying to the NMOCD for a permit for a Water Flood injection project into a formation which is production of oil and gas. The applicant proposes to drill 9 Water Injection wells into the Delaware. The proposed injection wells are located in Section 1, 11 & 12, T19S, R30E in, Eddy Co., NM. Fluid will be injected into strata in the subsurface depth interval from 4300 – 5200'.

Interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

Affidavit of Publication

NO.

20684

STATE OF NEW MEXICO

County of Eddy:

GARY D. SCOTT

being duly

sworn, says: That he is the PUBLISHER of The

Artesia Daily Press, a daily newspaper of general

circulation, published in English at Artesia, said county

and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said

Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive week/days on the same

day as follows:

First Publication May 14, 2009

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Subscribed and sworn to before me this

14 Day

May

2009



OFFICIAL SEAL

Jo Morgan

NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: Feb 2012

Jo Morgan

Notary Public, Eddy County, New Mexico

Copy of Publication:

Notice of Application for
Fluid Injection Well
Permit

Chl Operating, Inc., c/o
Gary Womack 432-685-
5001, P.O. Box 1799,

Midland, TX 79702 is
applying to the NMOC

for a permit for a Water
Flood Injection project
into a formation which

is production of oil and
gas. The applicant pro-
poses to drill 9 Water

Injection wells into the
Delaware. The pro-
posed injection wells

are located in Section
1, 11 & 12, T19S, R30E

in Eddy Co., NM. Fluid
will be injected into
strata in the subsurface

depth interval from
4300-5200.

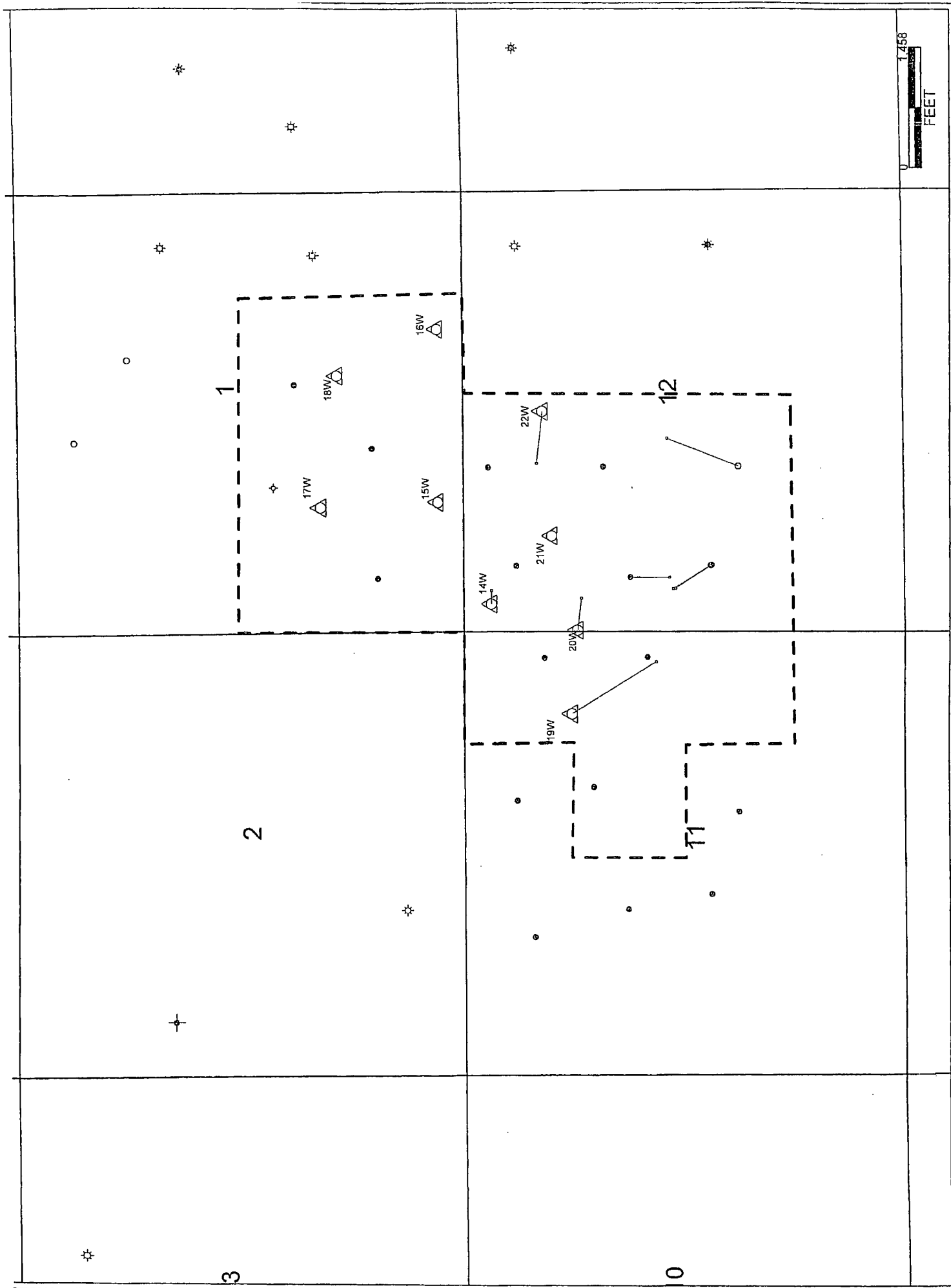
Interested parties must
file objections or
requests for hearing

with the Oil
Conservation Division,
1220 South St. Francis

Dr., Santa Fe, New
Mexico 87505, within
15 days of the date

Published in the Artesia
Daily Press, Artesia,
NM May 14, 2009.

Legal No. 20684



INJECTION WELL DATA SHEET

OPERATOR: _____ CHI OPERATING, INC. _____

WELL NAME & NUMBER: _____ MUNCHKIN #22W _____

900' FNL & 1980' FWL (SHL)

WELL LOCATION: _____ 930' FNL & 2620' FWL (BHL) _____

FOOTAGE LOCATION

UNIT LETTER _____ C _____ 12 _____ 19S _____ 30E _____
SECTION TOWNSHIP RANGEWELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: _____ 17 1/2" _____ Casing Size: _____ 13 3/8" 48# J55 _____

Cemented with: _____ + 400 _____ sx. _____ or _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Intermediate Casing

Hole Size: _____ 11" _____ Casing Size: _____ 8 5/8" 32# J55 _____

Cemented with: _____ + 525 _____ sx. _____ or _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Production Casing

Hole Size: _____ 7 7/8" _____ Casing Size: _____ 5 1/2" _____

Cemented with: _____ 2 STAGE _____ sx. _____ or _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Total Depth: _____ 5500' _____

Injection Interval

_____ 4300 _____ feet to _____ 5200 _____

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2.875 Lining Material: CEMENT
Type of Packer: BAKER LOK-SET
Packer Setting Depth: 4300
Other Type of Tubing/Casing Seal (if applicable):

Additional Data

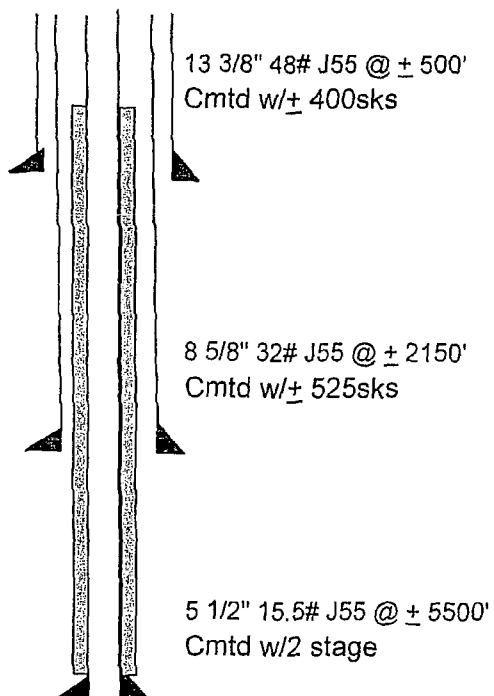
1. Is this a new well drilled for injection? X Yes No
If no, for what purpose was the well originally drilled?
2. Name of the Injection Formation: DELAWARE
3. Name of Field or Pool (if applicable):
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
QUEEN 2914' (OVERLYING)
BONE SPRING LS 6090' (UNDERLYING)

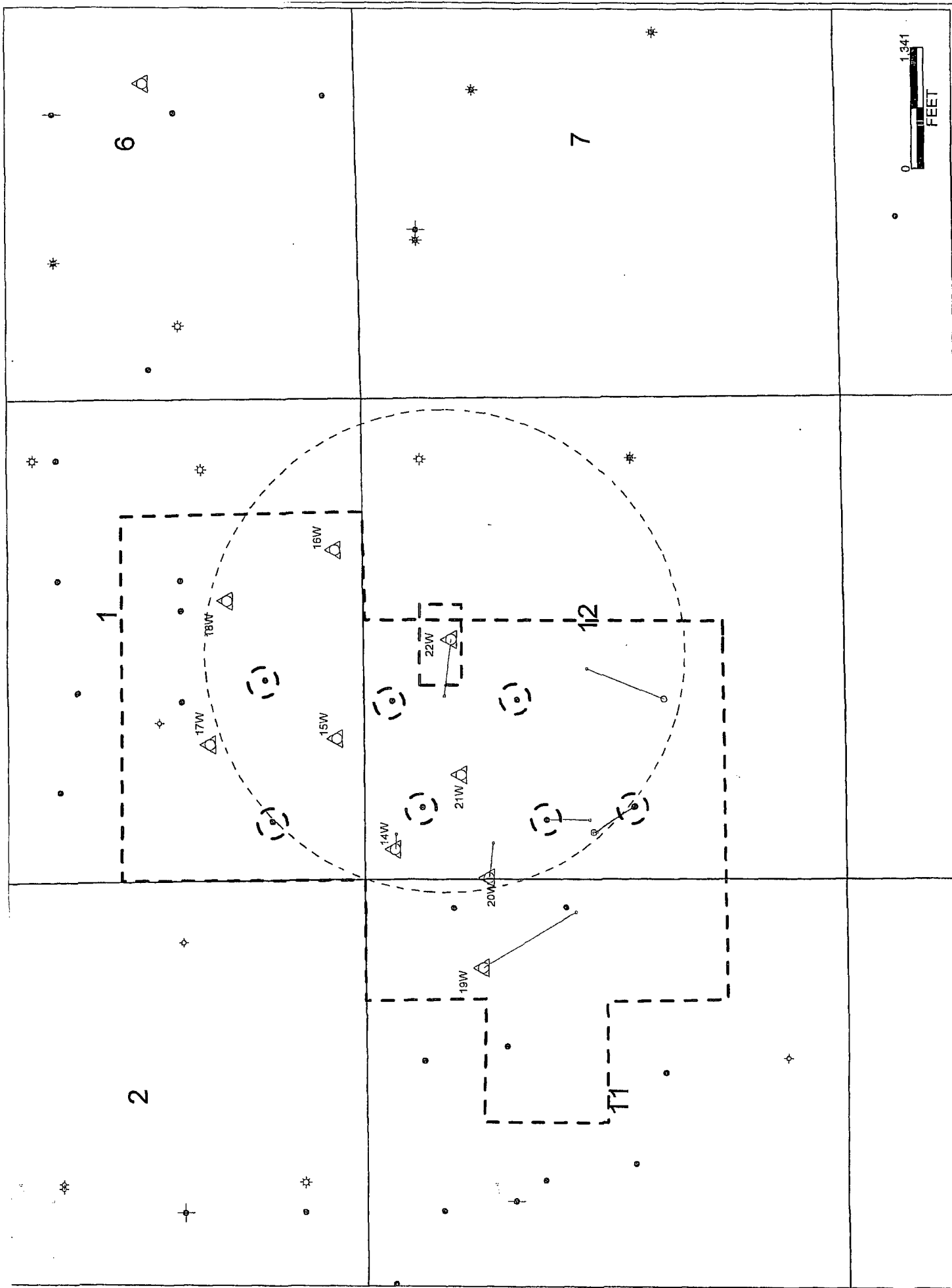
Munchkin WD #22

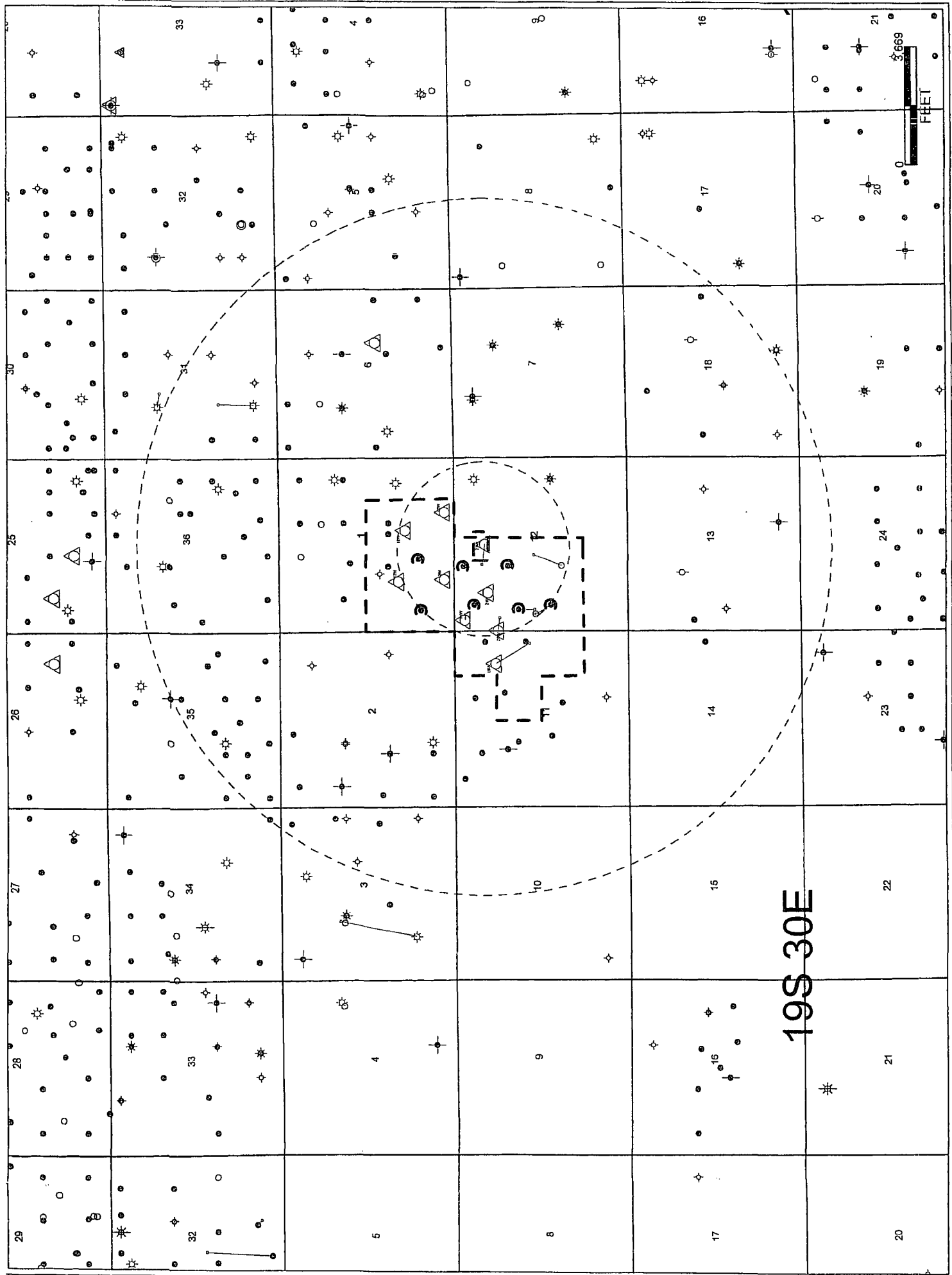
Sec. 12-19S-30E

900' FNL & 1980' FWL (SHL)

930' FNL & 2620' FWL (BHL)







Wells in review area that penetrated injection zone

WELL NAME	WELL TYPE	CONSTRUCTION	DATE DRILLED	LOCATION	DEPTH	COMPLETION
Munchkin Fed. #2	Active oil well	9 5/8" J55/36# @ 483', 3182' 5 1/2" J55/17# @ 5350'	5/12/2001	1-19S-30E 990' FSL & 660' FWL	5350'	10/16/2002
Munchkin Fed. #4	Active oil well	9 5/8" J55/36# @ 506' 5 1/2" J55/17# @ 5526'	1/21/2004	12-19S-30E 330' FNL & 1980' FWL	5526'	2/26/2004
Munchkin Fed. #6	Active oil well	9 5/8" J55/36# @ 510' 5 1/2" J55/17# @ 5400'	1/1/2005	12-19S-30E 660' FNL & 8100' FWL	5400'	2/22/2005
Munchkin Fed. #5	Active oil well	9 5/8" J55/36# @ 525' 5 1/2" J55/15.5 @ 5400'	12/17/2004	12-19S-30E 1700' FNL & 1980' FWL	5400'	2/4/2005
Munchkin Fed. #8	Active oil well	13 3/8" J55 48# @ 511' 8 5/8" J55 24# @ 1910' 5 1/2" J55 15.5# @ 5351'	4/15/2006	12-19S-30E 2500' FNL & 660' FWL (S TMD 5351' 1980' FNL & 660' FWL (TVD 5299')		7/15/2006
Munchkin Fed. #12	Active oil well	13 3/8" J55 48# @ 511' 8 5/8" J55 24# @ 2050' 5 1/2" J55 15.5# @ 5415'	9/19/2007	12-19S-30E 2547' FNL & 519' FWL (S TMD 5415' 2310' FSL & 800' FWL (B)		11/16/2007
Munchkin Fed. #1	Active oil well	9 5/8" J55/36# @ 494' 5 1/2" J55/15.5# @ 6707'	1/25/2001	1-19S-30E 1060' FSL & 2210' FWL	6707'	2/16/2000

INJECTION WELL DATA SHEET

OPERATOR: _____ CHI OPERATING, INC. _____

WELL NAME & NUMBER: _____ MUNCHKIN #21 W _____

WELL LOCATION: _____ 1050' FNL & 1150' FWL (BHL) _____ D _____ 12 _____ 19S _____ 30E _____
FOOTAGE LOCATION _____ UNIT LETTER _____ SECTION _____ TOWNSHIP _____ RANGE _____WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: _____ 17 1/2" _____ Casing Size: _____ 13 3/8" 48# J55 _____

Cemented with: _____ + 400 _____ sx. _____ or _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Intermediate Casing

Hole Size: _____ 11" _____ Casing Size: _____ 8 5/8" 32# J55 _____

Cemented with: _____ + 525 _____ sx. _____ or _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Production Casing

Hole Size: _____ 7 7/8" _____ Casing Size: _____ 5 1/2" _____

Cemented with: _____ 2 STAGE _____ sx. _____ or _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Total Depth: _____ 5500' _____

Injection Interval

_____ 4300 _____ feet to _____ 5200 _____

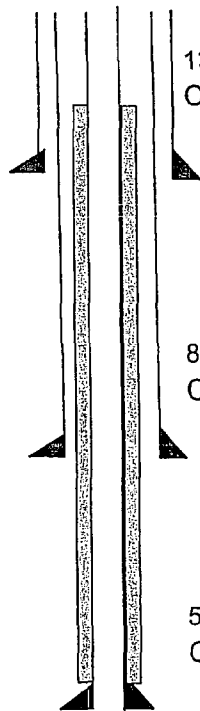
(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEETTubing Size: 2.875 Lining Material: CEMENTType of Packer: BAKER LOK-SETPacker Setting Depth: 4300Other Type of Tubing/Casing Seal (if applicable): Additional Data1. Is this a new well drilled for injection? X Yes NoIf no, for what purpose was the well originally drilled? 2. Name of the Injection Formation: DELAWARE3. Name of Field or Pool (if applicable): 4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. 5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: QUEEN 2914' (OVERLYING)BONE SPRING LS 6090' (UNDERLYING)

Munchkin WD #21

Sec. 12-19S-30E

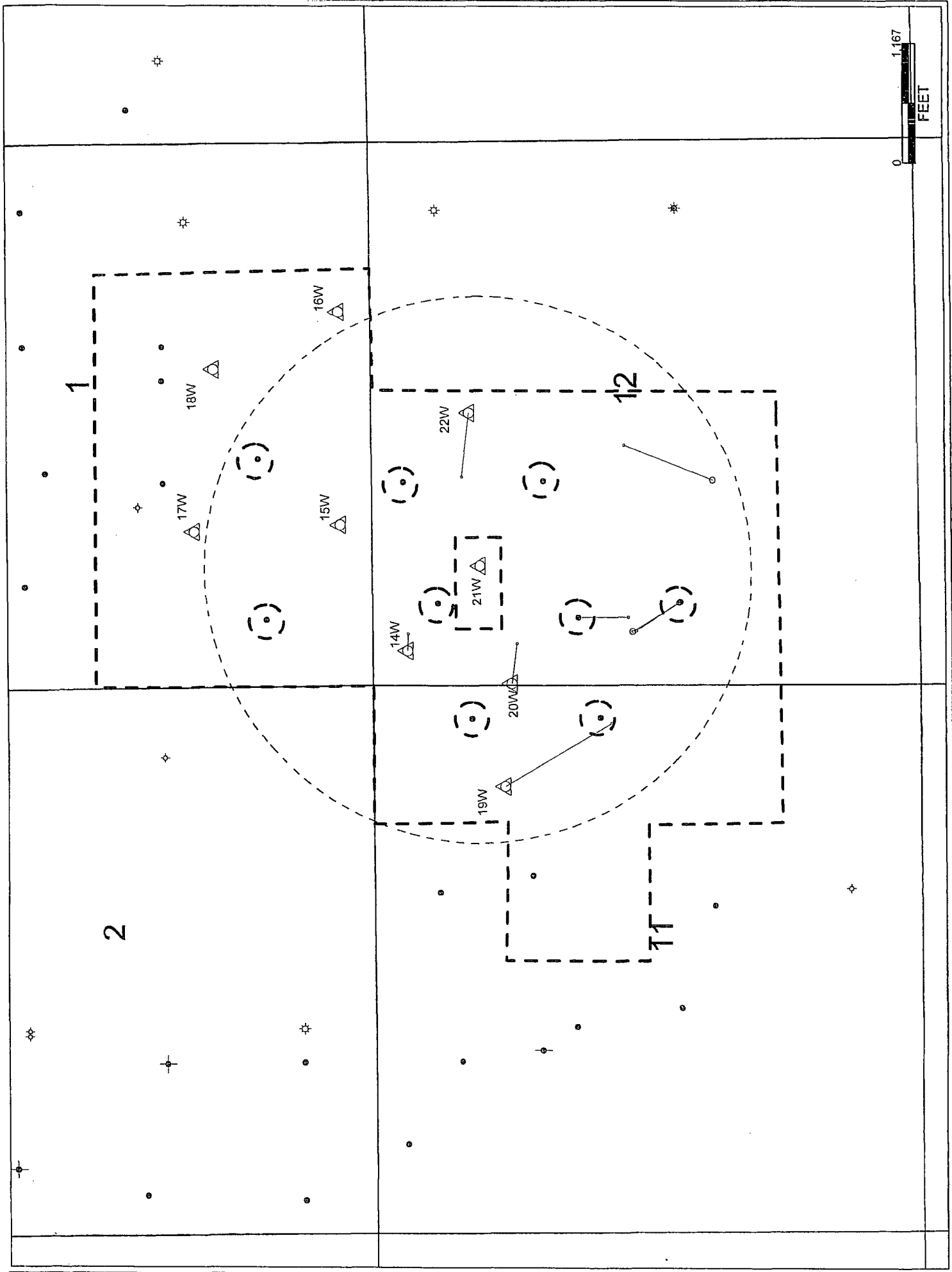
1050' FNL & 1150' FWL

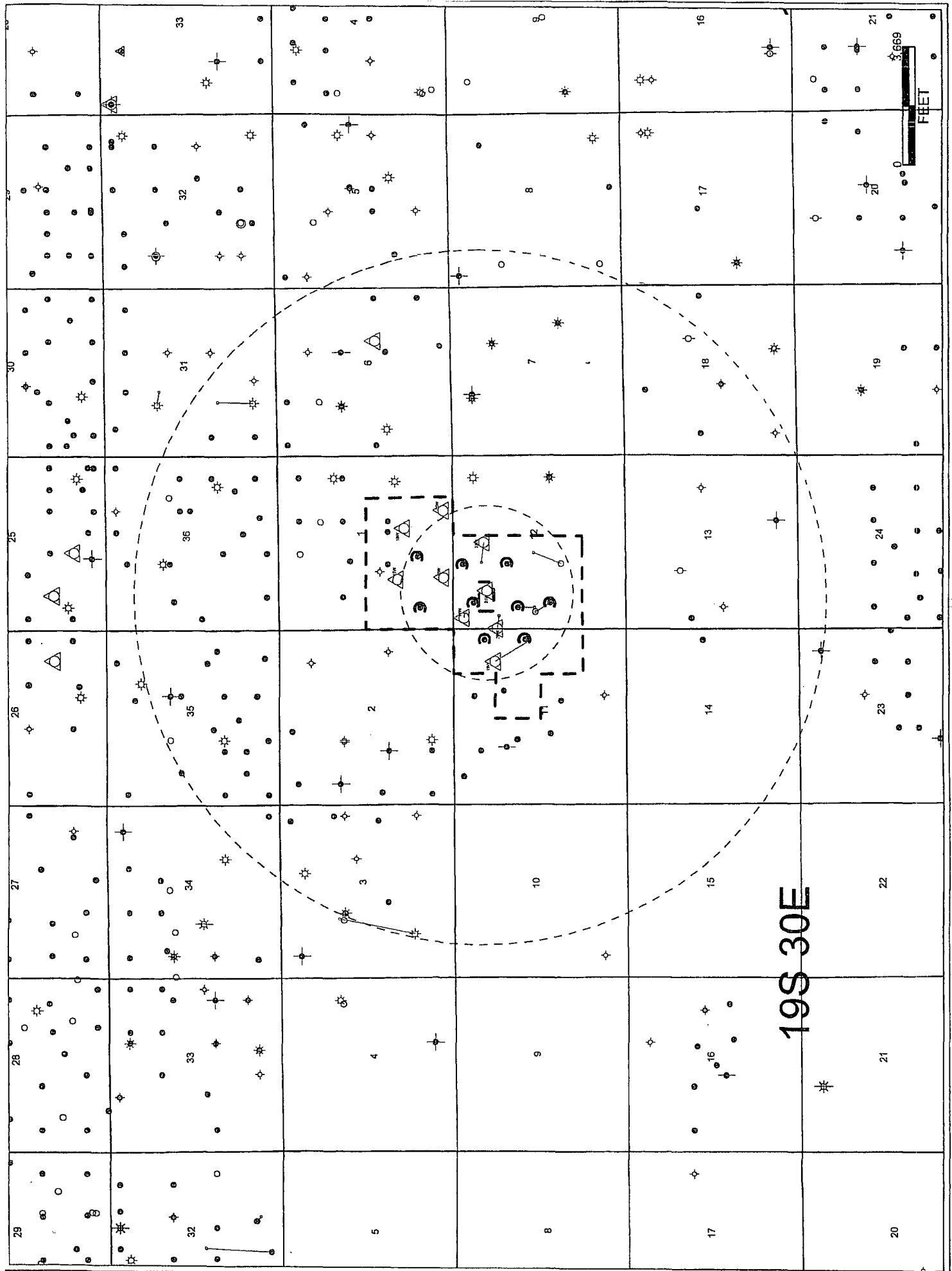


13 3/8" 48# J55 @ $\pm$ 500'
Cmtd w/ $\pm$ 400sks

8 5/8" 32# J55 @ $\pm$ 2150'
Cmtd w/ $\pm$ 525sks

5 1/2" 15.5# J55 @ $\pm$ 5500'
Cmtd w/2 stage





Wells in review area that penetrated injection zone

WELL NAME	WELL TYPE	CONSTRUCTION	DATE DRILLED	LOCATION	DEPTH	COMPLETION
Munchkin Fed. #2	Active oil well	9 5/8" J55/36# @ 483' 3182' 5 1/2" J55/17# @ 5350'	5/12/2001	1-19S-30E 990' FSL & 660' FWL	5350'	10/16/2002
Munchkin Fed. #4	Active oil well	9 5/8" J55/36# @ 506' 5 1/2" J55/17# @ 5526'	1/21/2004	12-19S-30E 330' FNL & 1980' FWL	5526'	2/26/2004
Munchkin Fed. #6	Active oil well	9 5/8" J55/36# @ 510' 5 1/2" J55/17# @ 5400'	1/1/2005	12-19S-30E 660' FNL & 8100' FWL	5400'	2/22/2005
Munchkin Fed. #5	Active oil well	9 5/8" J55/36# @ 525' 5 1/2" J55/15.5 @ 5400'	12/17/2004	12-19S-30E 1700' FNL & 1980' FWL	5400'	2/4/2005
Munchkin Fed. #9	Active oil well	9 5/8" J55/36# @ 497' 5 1/2" J55/17 @ 5233'	5/4/2006	11-19S-30E 990' FNL & 300' FEL	5233'	8/18/2006
Munchkin Fed. #8	Active oil well	13 3/8" J55 48# @ 511' 8 5/8" J55 24# @ 1910' 5 1/2" J55 15.5# @ 5351'	4/15/2006	12-19S-30E 2500'FNL & 660'FWL (STMD 5351' 1980' FNL & 660' FWL (TVD 5299'	STMD 5351' TVD 5299'	7/15/2006
Munchkin Fed. #10	Active oil well	9 5/8" J55/36# @ 519' 5 1/2" J55/17 @ 4078' 5 1/2" J55 15.5# @ 5258'	8/31/2006	11-19S-30E 220' FNL & 330' FEL	5258'	11/17/2006
Munchkin Fed. #12	Active oil well	13 3/8" J55 48# @ 511' 8 5/8" J55 24# @ 2050' 5 1/2" J55 15.5# @ 5415'	9/19/2007	12-19S-30E 2547'FNL & 519'FWL (STMD 5415' 2310' FSL & 800' FWL (B)	STMD 5415'	11/16/2007
Munchkin Fed. #1	Active oil well	9 5/8" J55/36# @ 494' 5 1/2" J55/15.5# @ 6707'	1/25/2001	1-19S-30E 1060' FSL & 2210' FWL	6707'	2/16/2000

INJECTION WELL DATA SHEET

OPERATOR: _____ CHI OPERATING, INC. _____

WELL NAME & NUMBER: _____ MUNCHKIN #20W _____

1400' FNL & 400' FWL (SHL)

WELL LOCATION: _____ 1350' FNL & 20' FWL (BHL) _____

FOOTAGE LOCATION

UNIT LETTER D SECTION 12 TOWNSHIP 19S RANGE 30E

WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: _____ 17 1/2" _____ Casing Size: _____ 13 3/8" 48# J55 _____

Cemented with: _____ + 400 _____ sx. _____ or _____ ft³

Top of Cement: _____ SURFACE _____ Method Determined: _____

Intermediate Casing

Hole Size: _____ 11" _____ Casing Size: _____ 8 5/8" 32# J55 _____

Cemented with: _____ + 525 _____ sx. _____ or _____ ft³

Top of Cement: _____ SURFACE _____ Method Determined: _____

Production Casing

Hole Size: _____ 7 7/8" _____ Casing Size: _____ 5 1/2" _____

Cemented with: _____ 2 STAGE _____ sx. _____ or _____ ft³

Top of Cement: _____ SURFACE _____ Method Determined: _____

Total Depth: _____ 5500' _____

Injection Interval

_____ 4300 _____ feet to _____ 5200 _____

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEETTubing Size: 2.875 Lining Material: CEMENTType of Packer: BAKER LOK-SETPacker Setting Depth: 4300Other Type of Tubing/Casing Seal (if applicable): Additional Data

1. Is this a new well drilled for injection? X Yes No

If no, for what purpose was the well originally drilled?

2. Name of the Injection Formation: DELAWARE

3. Name of Field or Pool (if applicable):

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

QUEEN 2914' (OVERLYING)

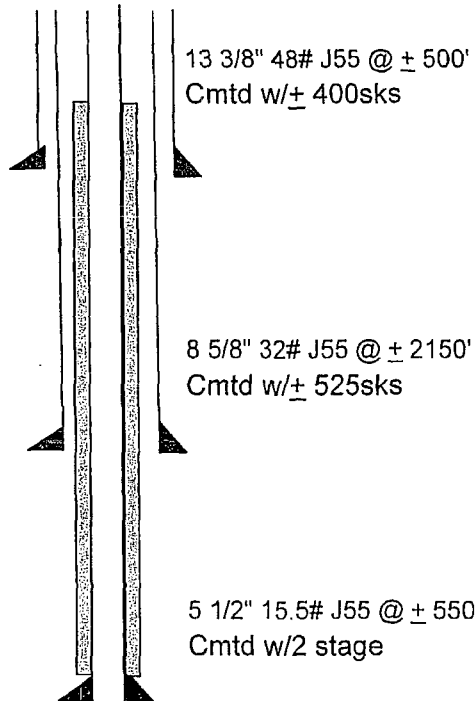
BONE SPRING LS 6090' (UNDERLYING)

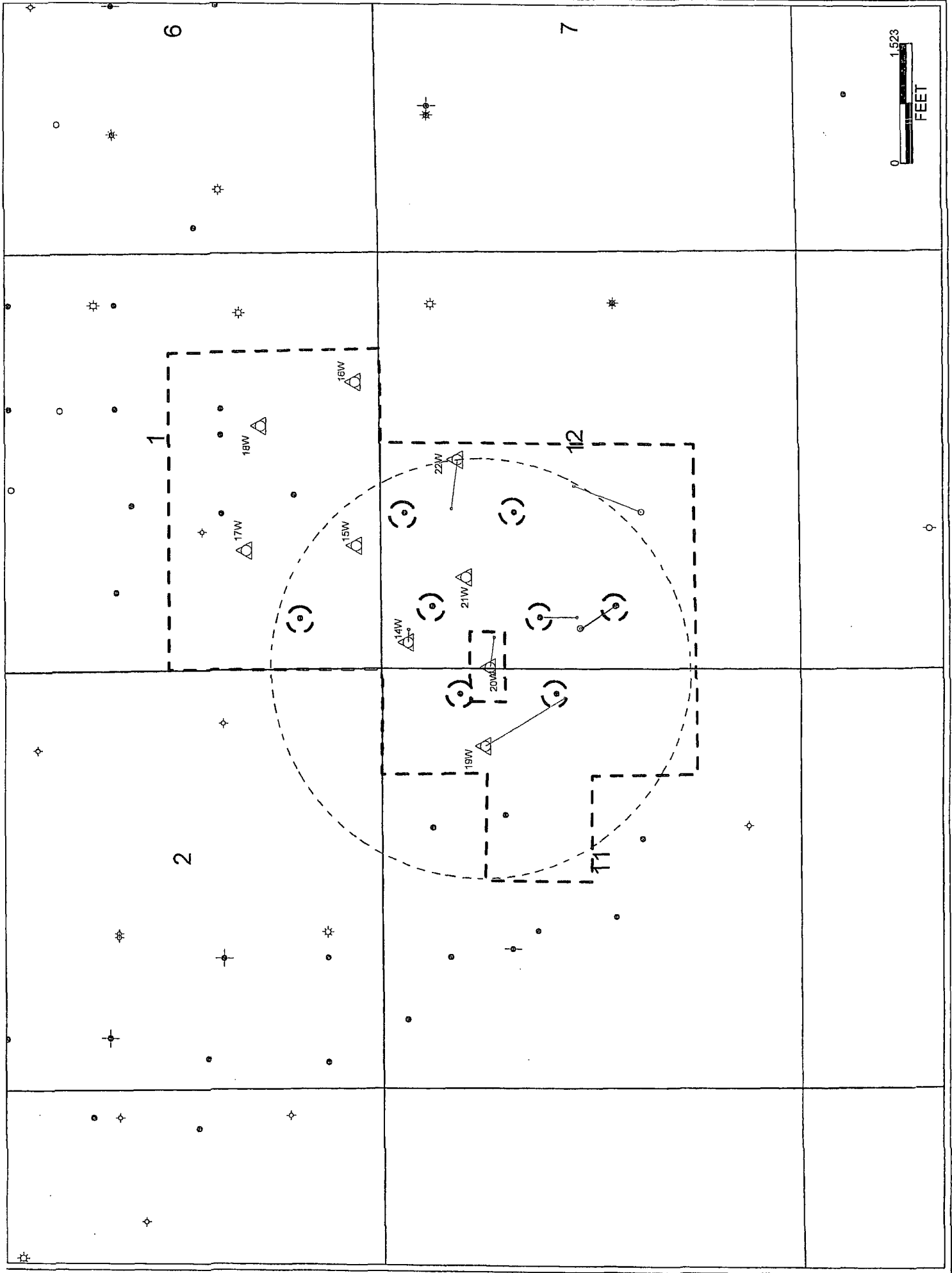
Munchkin WD #20

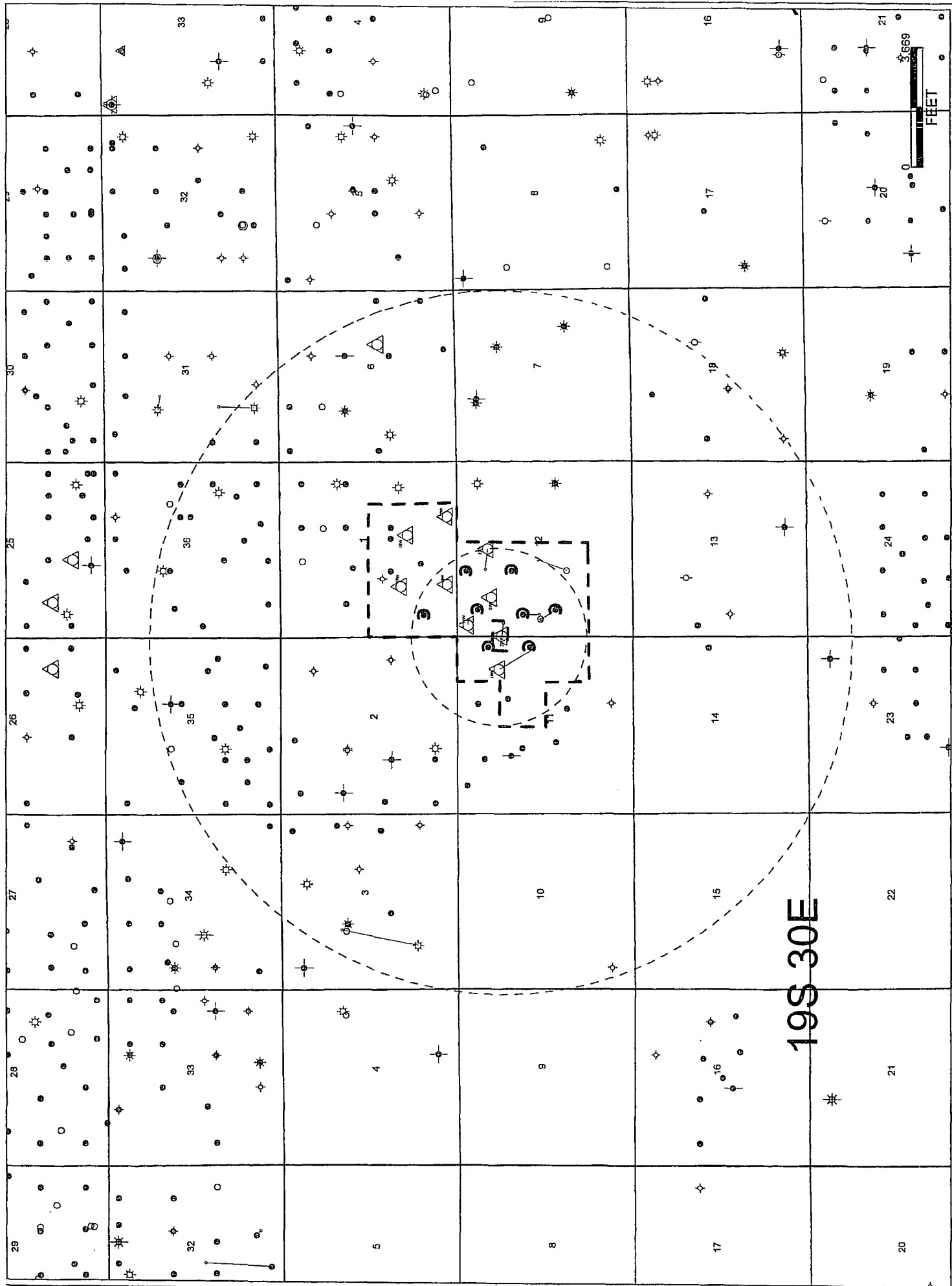
Sec. 12-19S-30E

1400FNL & 400' FWL (SHL)

1350' FNL & 20' FWL (BHL)







Wells in review area that penetrated injection zone

WELL NAME	WELL TYPE	CONSTRUCTION	DATE DRILLED	LOCATION	DEPTH	COMPLETION
Munchkin Fed. #2	Active oil well	9 5/8" J55/36# @ 483' 3182' 5 1/2" J55/17# @ 5350'	5/12/2001	1-19S-30E 990' FSL & 660' FWL	5350'	10/16/2002
Munchkin Fed. #4	Active oil well	9 5/8" J55/36# @ 506' 5 1/2" J55/17# @ 5526'	1/21/2004	12-19S-30E 330' FNL & 1980' FWL	5526'	2/26/2004
Munchkin Fed. #6	Active oil well	9 5/8" J55/36# @ 510' 5 1/2" J55/17# @ 5400'	1/1/2005	12-19S-30E 660' FNL & 8100' FWL	5400'	2/22/2005
Munchkin Fed. #5	Active oil well	9 5/8" J55/36# @ 525' 5 1/2" J55/15.5 @ 5400'	12/17/2004	12-19S-30E 1700' FNL & 1980' FWL	5400'	2/4/2005
Munchkin Fed. #9	Active oil well	9 5/8" J55/36# @ 497' 5 1/2" J55/17 @ 5233'	5/4/2006	11-19S-30E 990' FNL & 300' FEL	5233'	8/18/2006
Munchkin Fed. #8	Active oil well	13 3/8" J55 48# @ 511' 8 5/8" J55 24# @ 1910' 5 1/2" J55 15.5# @ 5351'	4/15/2006	12-19S-30E 2500'FNL & 660'FWL (S TMD 5351' 1980' FNL & 660' FWL (TVD 5299'	5351'	7/15/2006
Munchkin Fed. #10	Active oil well	9 5/8" J55/36# @ 519' 5 1/2" J55/17 @ 4078' 5 1/2" J55 15.5# @ 5258'	8/31/2006	11-19S-30E 220' FNL & 330' FEL	5258'	11/17/2006
Munchkin Fed. #12	Active oil well	13 3/8" J55 48# @ 511' 8 5/8" J55 24# @ 2050' 5 1/2" J55 15.5# @ 5415'	9/19/2007	12-19S-30E 2547'FNL & 519'FWL (S TMD 5415' 2310' FSL & 800' FWL (B)	5415'	11/16/2007

INJECTION WELL DATA SHEET

OPERATOR: CHI OPERATING, INC.WELL NAME & NUMBER: MUNCHKIN #19W2300' FNL & 400' FEL (SHL)WELL LOCATION: 1300' FNL & 1000' FEL (BHL)FOOTAGE LOCATIONUNIT LETTER A SECTION 11 TOWNSHIP 19S RANGE 30EWELLBORE SCHEMATICWELL CONSTRUCTION DATASurface CasingHole Size: 17 1/2" Casing Size: 13 3/8" 48# J55Cemented with: ± 400 sx. or ft³Top of Cement: SURFACE Method Determined: Intermediate CasingHole Size: 11" Casing Size: 8 5/8" 32# J55Cemented with: ± 525 sx. or ft³Top of Cement: SURFACE Method Determined: Production CasingHole Size: 7 7/8" Casing Size: 5 1/2"Cemented with: 2 STAGE sx. or ft³Top of Cement: SURFACE Method Determined: Total Depth: 5500'Injection Interval4300 feet to 5200

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEETTubing Size: 2.875 Lining Material: CEMENTType of Packer: BAKER LOK-SETPacker Setting Depth: 4300

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? X Yes No
If no, for what purpose was the well originally drilled? _____

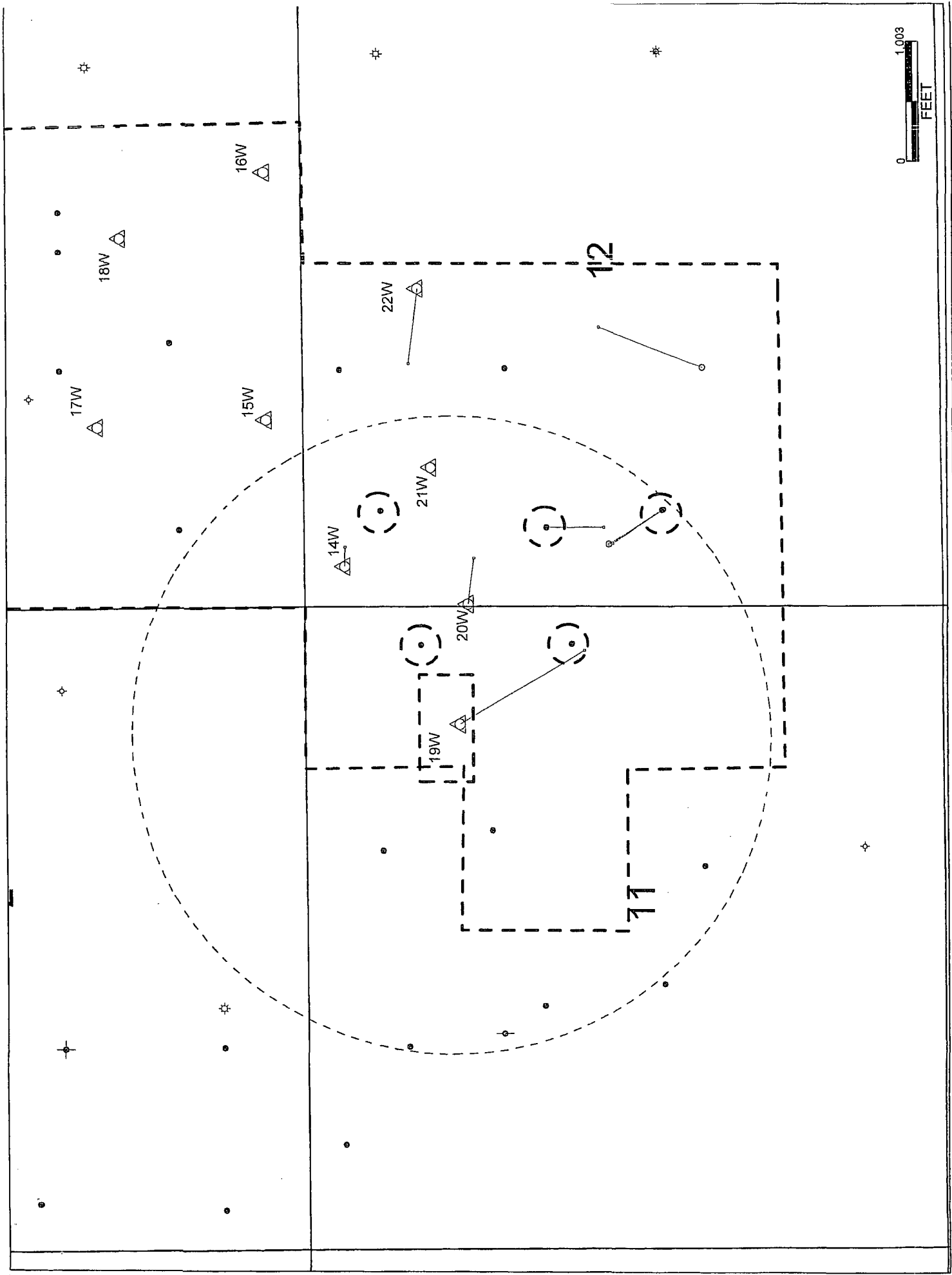
2. Name of the Injection Formation: DELAWARE

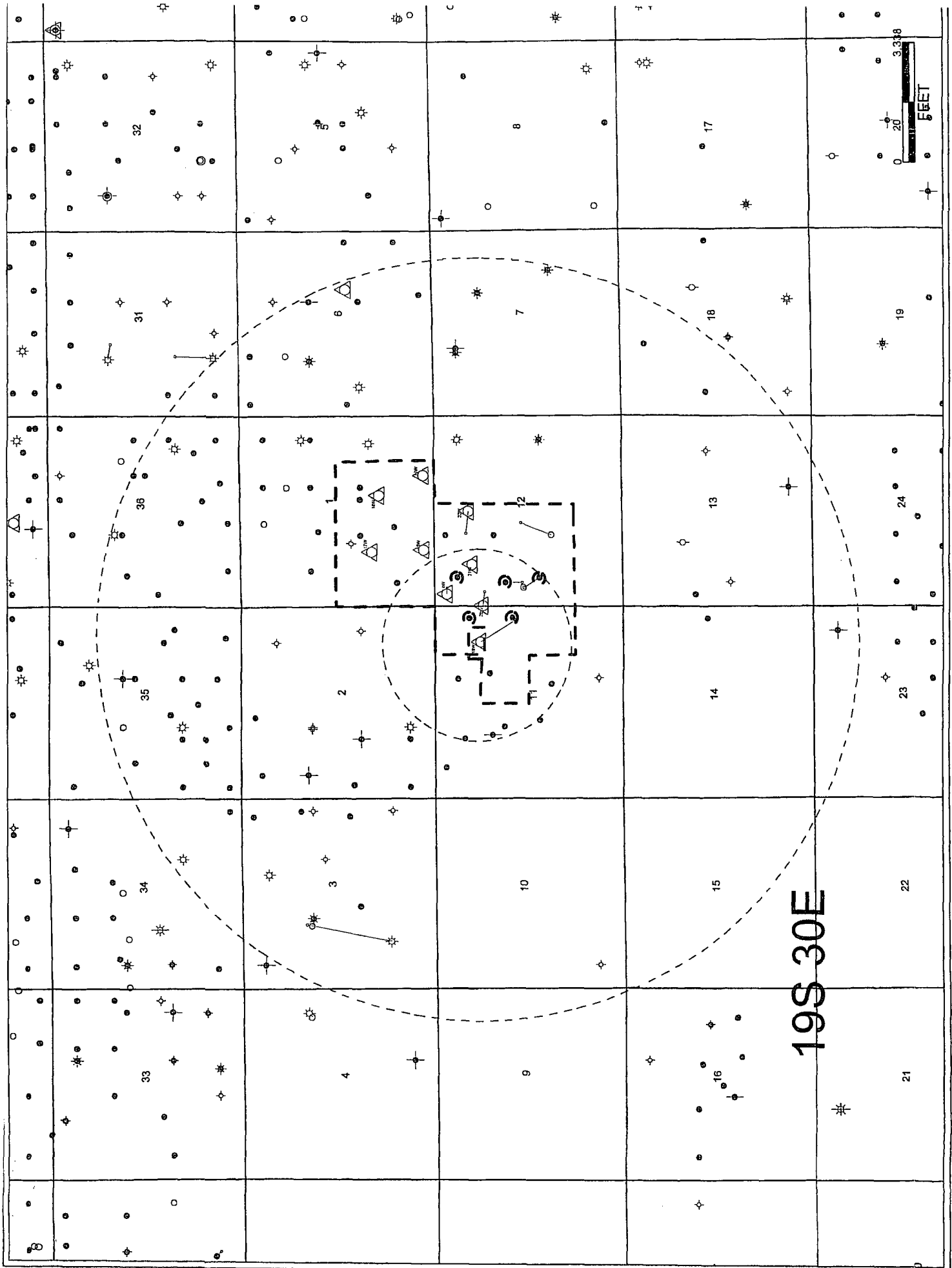
3. Name of Field or Pool (if applicable): _____

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. _____

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

QUEEN 2914' (OVERLYING)BONE SPRING LS 6090' (UNDERLYING)



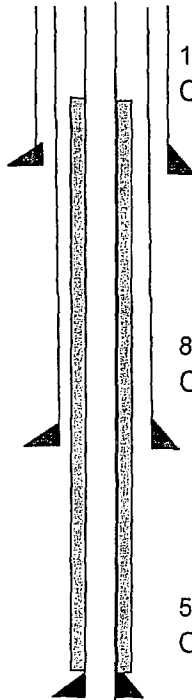


Munchkin WD #19

Sec. 11-19S-30E

1300' FNL & 1000' FEL (BHL)

2300' FNL & 400' FEL (SHL)



13 3/8" 48# J55 @ ± 500'
Cmted w/± 400sks

8 5/8" 32# J55 @ ± 2150'
Cmted w/± 525sks

5 1/2" 15.5# J55 @ ± 5500'
Cmted w/2 stage

Wells in review area that penetrated injection zone

WELL NAME	WELL TYPE	CONSTRUCTION	DATE DRILLED	LOCATION	DEPTH	COMPLETION
Munchkin Fed. #6	Active oil well	9 5/8" J55/36# @ 510' 5 1/2" J55/17# @ 5400'	1/1/2005	12-19S-30E 660' FNL & 8100' FWL	5400'	2/22/2005
Munchkin Fed. #9	Active oil well	9 5/8" J55/36# @ 497' 5 1/2" J55/17 @ 5233'	5/4/2006	11-19S-30E 990' FNL & 300' FEL	5233'	8/18/2006
Munchkin Fed. #8	Active oil well	13 3/8" J55 48# @ 511' 8 5/8" J55 24# @ 1910' 5 1/2" J55 15.5# @ 5351'	4/15/2006	12-19S-30E 2500'FNL & 660'FWL (S) 1980' FNL & 660' FWL (B)	TMD 5351' TVD 5299'	7/15/2006
Munchkin Fed. #10	Active oil well	9 5/8" J55/36# @ 519' 5 1/2" J55/17 @ 4078' 5 1/2" J55 15.5# @ 5258'	8/31/2006	11-19S-30E 220' FNL & 330' FEL	5258'	11/17/2006
Munchkin Fed. #12	Active oil well	13 3/8" J55 48# @ 511' 8 5/8" J55 24# @ 2050' 5 1/2" J55 15.5# @ 5415'	9/19/2007	12-19S-30E 2547'FNL & 519'FWL (S) 2310' FSL & 800' FWL (B)	TMD 5415'	11/16/2007

INJECTION WELL DATA SHEET

OPERATOR: _____ CHI OPERATING, INC. _____

WELL NAME & NUMBER: _____ MUNCHKIN #18W _____

WELL LOCATION: 1500' FSL & 2200' FEL _____ J _____ 1 _____ 19S _____ 30E _____
FOOTAGE LOCATION _____ UNIT LETTER _____ SECTION _____ TOWNSHIP _____ RANGE _____WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface CasingHole Size: _____ 17 1/2" _____ Casing Size: _____ 13 3/8" 48# J55 _____
Cemented with: _____ ± 400 _____ sx. _____ or _____ ft³ _____
Top of Cement: _____ SURFACE _____ Method Determined: _____Intermediate CasingHole Size: _____ 11" _____ Casing Size: _____ 8 5/8" 32# J55 _____
Cemented with: _____ ± 525 _____ sx. _____ or _____ ft³ _____
Top of Cement: _____ SURFACE _____ Method Determined: _____Production CasingHole Size: _____ 7 7/8" _____ Casing Size: _____ 5 1/2" _____
Cemented with: _____ 2 STAGE _____ sx. _____ or _____ ft³ _____
Top of Cement: _____ SURFACE _____ Method Determined: _____
Total Depth: _____ 5500' _____Injection Interval

_____ 4300 _____ feet to _____ 5200 _____

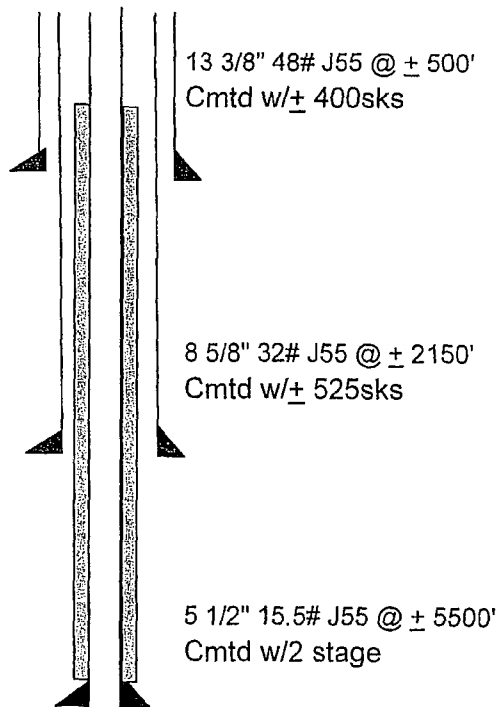
(Perforated or Open Hole; indicate which)

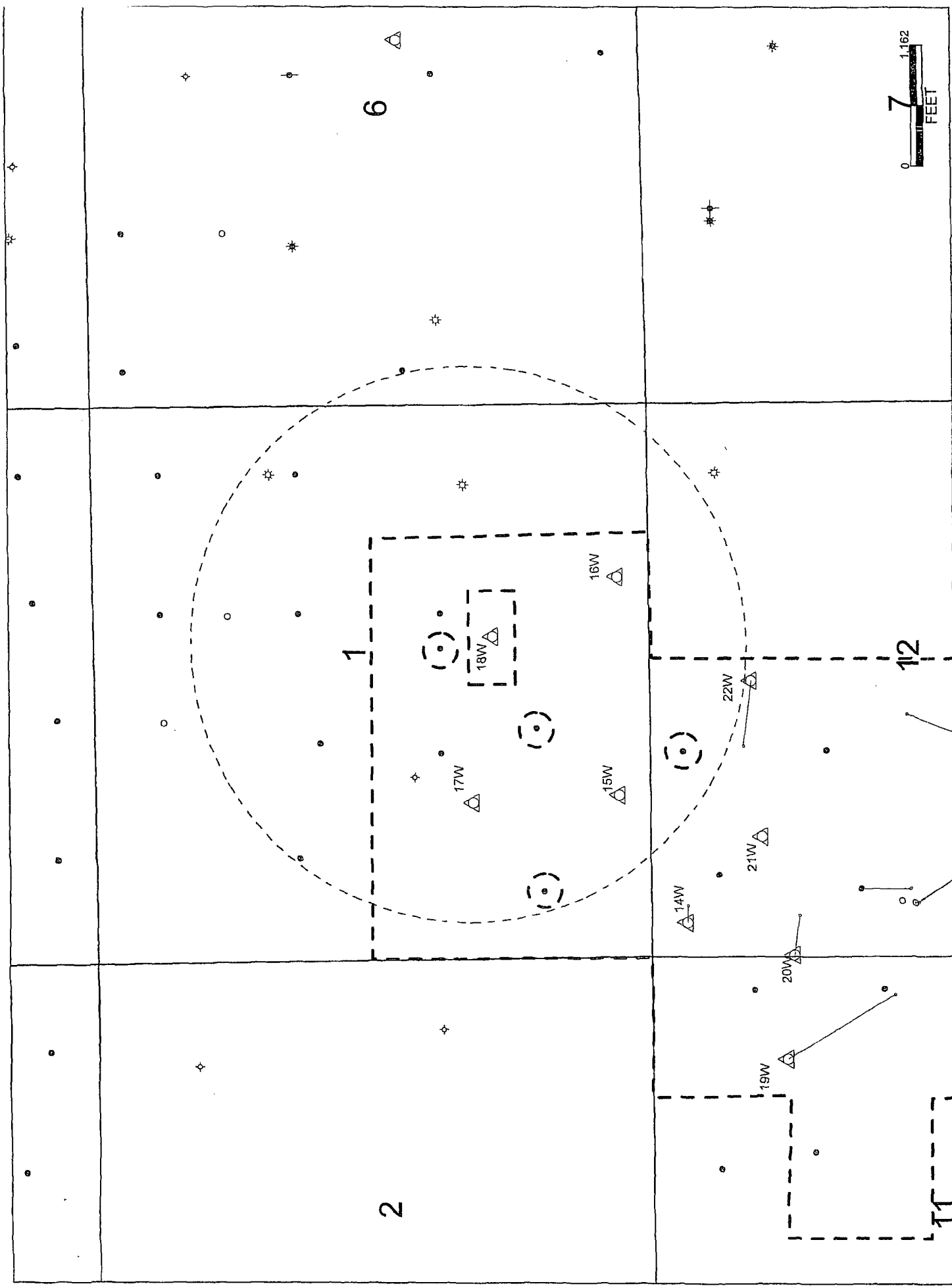
INJECTION WELL DATA SHEETTubing Size: 2.875 Lining Material: CEMENTType of Packer: BAKER LOK-SETPacker Setting Depth: 4300Other Type of Tubing/Casing Seal (if applicable): Additional Data1. Is this a new well drilled for injection? X Yes NoIf no, for what purpose was the well originally drilled? 2. Name of the Injection Formation: DELAWARE3. Name of Field or Pool (if applicable): 4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. 5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: QUEEN 2914' (OVERLYING)BONE SPRING LS 6090' (UNDERLYING)

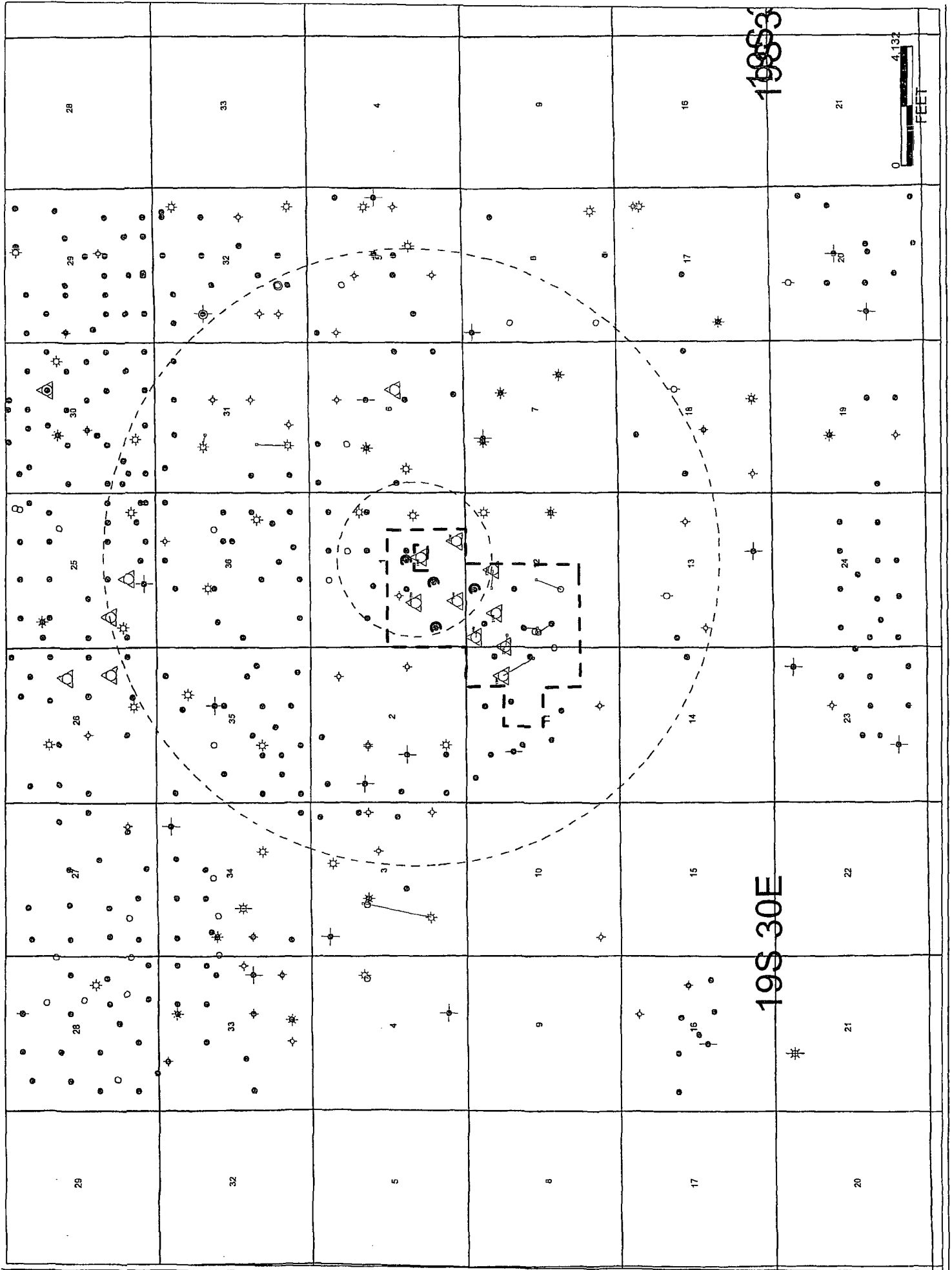
Munchkin WD #18

Sec. 1-19S-30E

1500' FSL & 2200' FEL







Wells in review area that penetrated injection zone

WELL NAME	WELL TYPE	CONSTRUCTION	DATE DRILLED	LOCATION	DEPTH	COMPLETION
Munchkin Fed. #1	Active oil well	9 5/8" J55/36# @ 494' 5 1/2" J55/15.5# @ 6707'	1/25/2001	1-19S-30E 1060' FSL & 2210' FWL	6707'	2/16/2000
Munchkin Fed. #2	Active oil well	9 5/8" J55/36# @ 483', 3182' 5 1/2" J55/17# @ 5350'	5/12/2001	1-19S-30E 990' FSL & 660' FWL	5350'	10/16/2002
Munchkin Fed. #4	Active oil well	9 5/8" J55/36# @ 506' 5 1/2" J55/17# @ 5526'	1/21/2004	12-19S-30E 330' FNL & 1980' FWL	5526'	2/26/2004
Wizard Fed. #3	Active oil well	9 5/8" J55/36# @ 480' 5 1/2" J55/17# @ 5500'	3/11/2003	1-19S-30E 1980' FSL & 2310' FEL	5500'	4/15/2003

Munchkin Federal #3

Sec. 1-19S-30E

2230' FSL & 1750' FWL

4th plug: 550-450'

5th plug: 60-0'

9 5/8" 36# J55 @ 500'

Cmtd w/500sks & circ 100sks

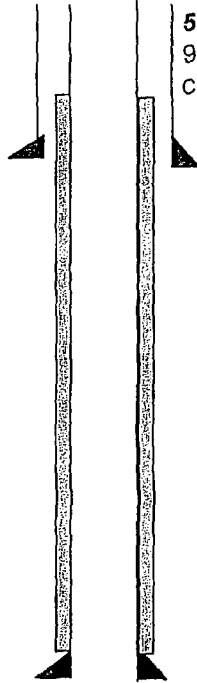
3rd plug: 2078-1978'

2nd plug: 4105-4005'

45sks

1st plug: 6393-6293'

50sks



INJECTION WELL DATA SHEET

OPERATOR: _____ CHI OPERATING, INC. _____

WELL NAME & NUMBER: _____ MUNCHKIN #17W _____

WELL LOCATION: 1700' FSL & 1500' FWL _____ K _____ 1 _____ 19S _____ 30E _____
FOOTAGE LOCATION _____ UNIT LETTER _____ SECTION _____ TOWNSHIP _____ RANGE _____WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: 17 1/2" _____ Casing Size: 13 3/8" 48# J55 _____

Cemented with: + 400 _____ sx. *or* _____ ft³

Top of Cement: _____ SURFACE _____ Method Determined: _____

Intermediate Casing

Hole Size: 11" _____ Casing Size: 8 5/8" 32# J55 _____

Cemented with: + 525 _____ sx. *or* _____ ft³

Top of Cement: _____ SURFACE _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" _____ Casing Size: 5 1/2" _____

Cemented with: 2 STAGE _____ sx. *or* _____ ft³

Top of Cement: _____ SURFACE _____ Method Determined: _____

Total Depth: 5500' _____

Injection Interval

_____ 4300 _____ feet to 5200 _____

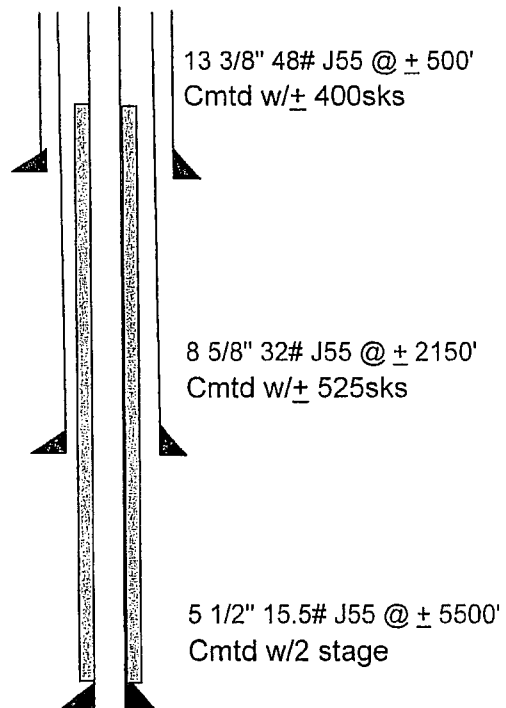
(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEETTubing Size: 2.875 Lining Material: CEMENTType of Packer: BAKER LOK-SETPacker Setting Depth: 4300Other Type of Tubing/Casing Seal (if applicable): Additional Data1. Is this a new well drilled for injection? X Yes NoIf no, for what purpose was the well originally drilled? 2. Name of the Injection Formation: DELAWARE3. Name of Field or Pool (if applicable): 4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. 5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: QUEEN 2914' (OVERLYING)BONE SPRING LS 6090' (UNDERLYING)

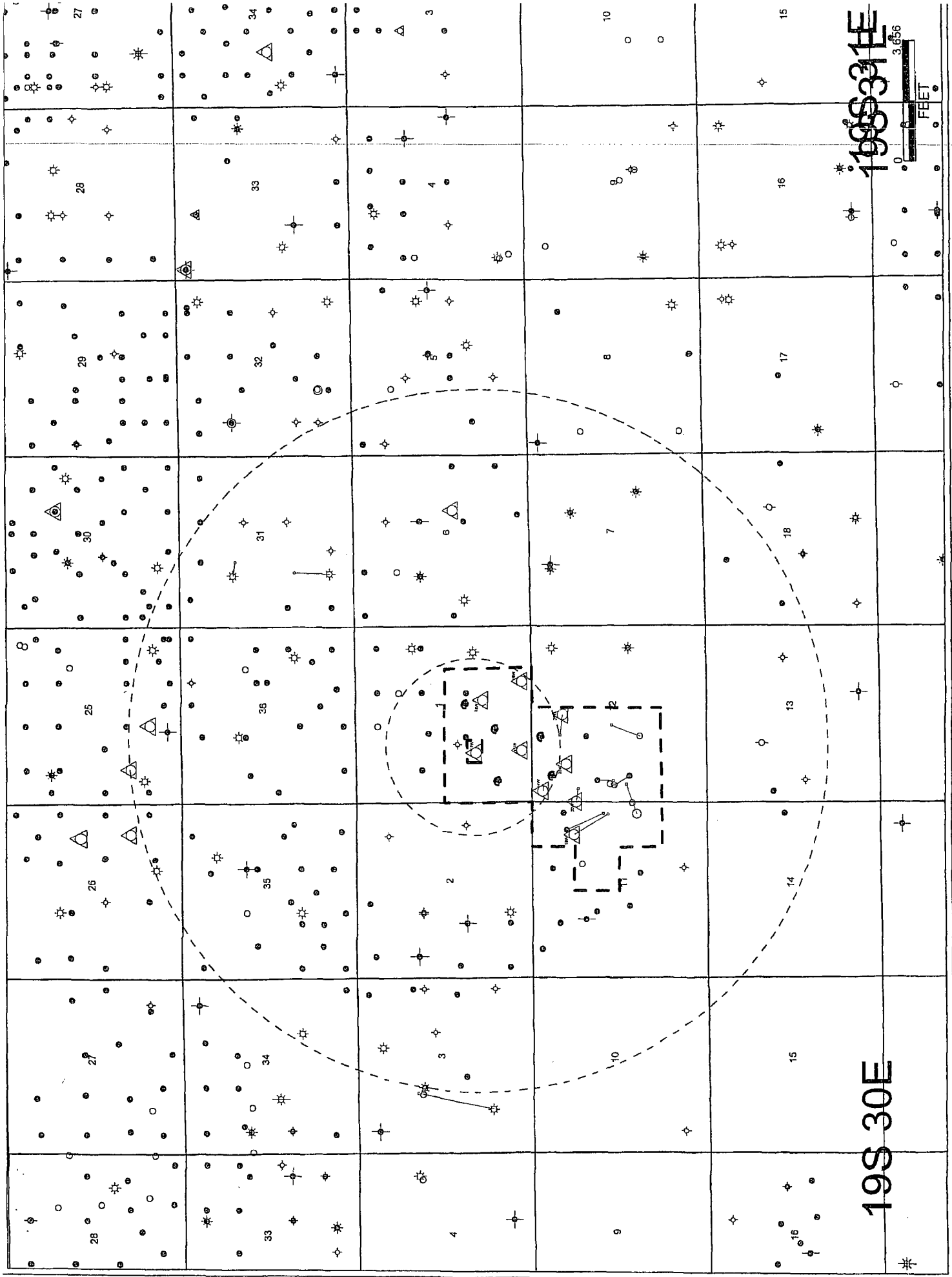
Munchkin WD #17

Sec. 1-19S-30E

1700' FSL & 1500' FWL







Wells in review area that penetrated injection zone

WELL NAME	WELL TYPE	CONSTRUCTION	DATE DRILLED	LOCATION	DEPTH	COMPLETION
Munchkin Fed. #1	Active oil well	9 5/8" J55/36# @ 494' 5 1/2" J55/15.5# @ 6707'	1/25/2001	1-19S-30E 1060' FSL & 2210' FWL	6707'	2/16/2000
Munchkin Fed. #2	Active oil well	9 5/8" J55/36# @ 483', 3182' 5 1/2" J55/17# @ 5350'	5/12/2001	1-19S-30E 990' FSL & 660' FWL	5350'	10/16/2002
Munchkin Fed. #4	Active oil well	9 5/8" J55/36# @ 506' 5 1/2" J55/17# @ 5526'	1/21/2004	12-19S-30E 330' FNL & 1980' FWL	5526'	2/26/2004
Munchkin Fed. #6	Active oil well	9 5/8" J55/36# @ 510' 5 1/2" J55/17# @ 5400'	1/1/2005	12-19S-30E 660' FNL & 8100' FWL	5400'	2/22/2005
Wizard Fed. #3	Active oil well	9 5/8" J55/36# @ 480' 5 1/2" J55/17# @ 5500'	3/11/2003	1-19S-30E 1980' FSL & 2310' FEL	5500'	4/15/2003

Munchkin Federal #3

Sec. 1-19S-30E

2230' FSL & 1750' FWL

4th plug: 550-450'

5th plug: 60-0'

9 5/8" 36# J55 @ 500'

Cmtd w/500sks & circ 100sks

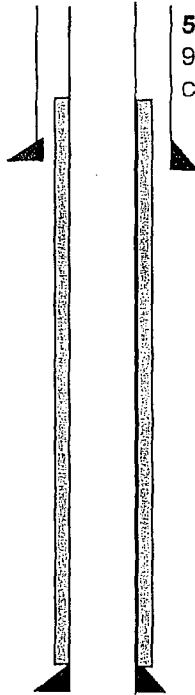
3rd plug: 2078-1978'

2nd plug: 4105-4005'

45sks

1st plug: 6393-6293'

50sks



State "2" #1

3001504588 2-19S-30E

1980' FSL & 660' FEL

8 5/8" Casing set @ 750'

5th plug: 4'

5sk

4th plug: 580' (top of 8 5/8 csg)

10sk

3rd plug: 765'

10sk

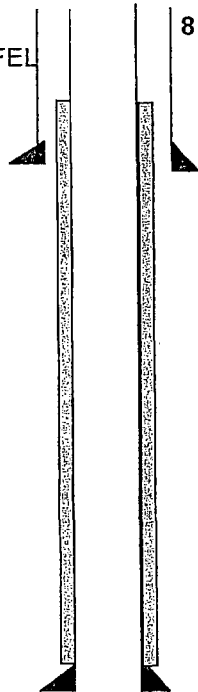
2nd plug: 1925'

10sk

1st plug: 3485"

25sk

Intervals between all
plugs filled w/heavy mud



INJECTION WELL DATA SHEET

OPERATOR: _____ CHI OPERATING, INC. _____

WELL NAME & NUMBER: _____ MUNCHKIN #16W _____

WELL LOCATION: _____ 300' FSL & 1650' FEL _____ O _____ 1 _____ SECTION _____ TOWNSHIP _____ RANGE _____
FOOTAGE LOCATION _____ UNIT LETTER _____WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: _____ 17 1/2" _____ Casing Size: _____ 13 3/8" 48# J55 _____

Cemented with: _____ + 400 _____ sx. _____ or _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Intermediate Casing

Hole Size: _____ 11" _____ Casing Size: _____ 8 5/8" 32# J55 _____

Cemented with: _____ + 525 _____ sx. _____ or _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Production Casing

Hole Size: _____ 7 7/8" _____ Casing Size: _____ 5 1/2" _____

Cemented with: _____ 2 STAGE _____ sx. _____ or _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Total Depth: _____ 5500' _____

Injection Interval

_____ 4300 _____ feet to _____ 5200 _____

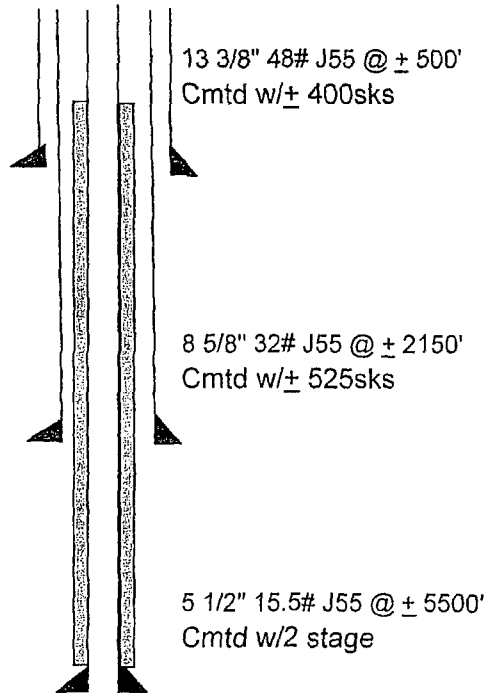
(Perforated or Open Hole; indicate which)

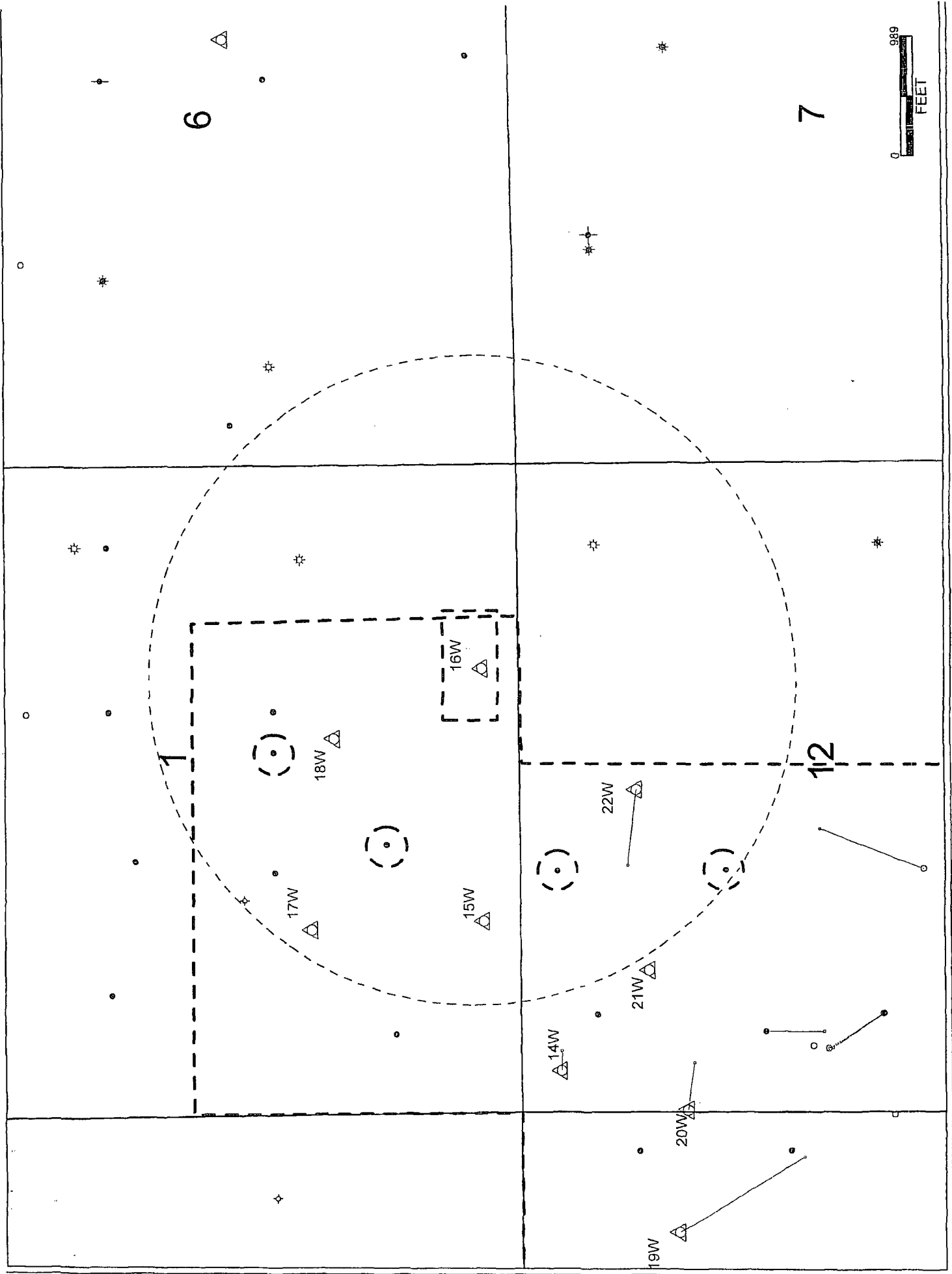
INJECTION WELL DATA SHEETTubing Size: 2.875 Lining Material: CEMENTType of Packer: BAKER LOK-SETPacker Setting Depth: 4300Other Type of Tubing/Casing Seal (if applicable): Additional Data1. Is this a new well drilled for injection? X Yes NoIf no, for what purpose was the well originally drilled? 2. Name of the Injection Formation: DELAWARE3. Name of Field or Pool (if applicable): 4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. 5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: QUEEN 2914' (OVERLYING)BONE SPRING LS 6090' (UNDERLYING)

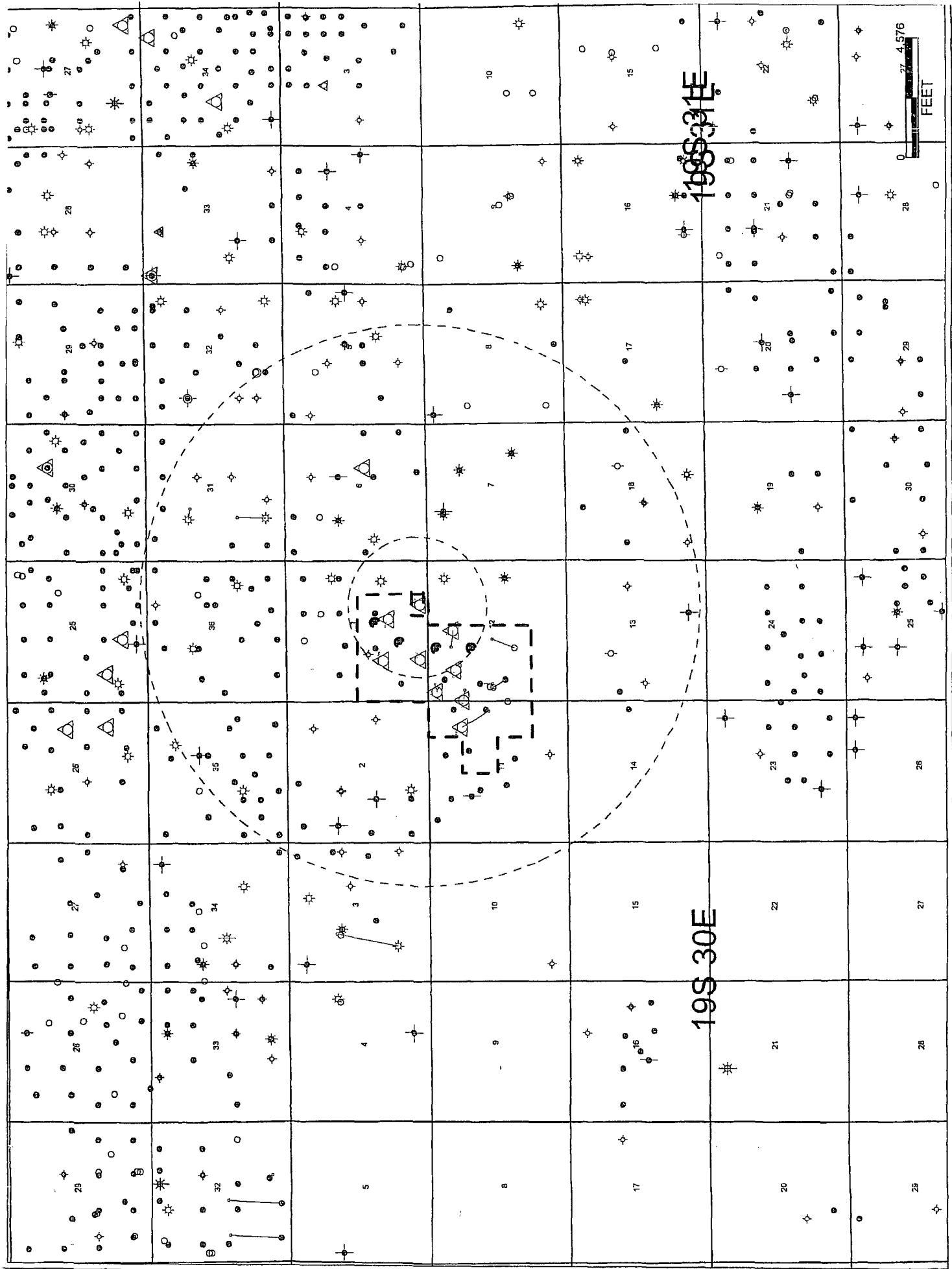
Munchkin WD #16

Sec. 1-19S-30E

300' FSL & 1650' FEL







Wells in review area that penetrated injection zone

WELL NAME	WELL TYPE	CONSTRUCTION	DATE DRILLED	LOCATION	DEPTH	COMPLETION
Munchkin Fed. #1	Active oil well	9 5/8" J55/36# @ 494' 5 1/2" J55/15.5# @ 6707'	1/25/2001	1-19S-30E 1060' FSL & 2210' FWL	6707'	2/16/2000
Munchkin Fed. #4	Active oil well	9 5/8" J55/36# @ 506' 5 1/2" J55/17# @ 5526'	1/21/2004	12-19S-30E 330' FNL & 1980' FWL	5526'	2/26/2004
Wizard Fed. #3	Active oil well	9 5/8" J55/36# @ 480' 5 1/2" J55/17# @ 5500'	3/11/2003	1-19S-30E 1980' FSL & 2310' FEL	5500'	4/15/2003
Munchkin Fed. #5	Active oil well	9 5/8" J55/36# @ 525' 5 1/2" J55/15.5 @ 5400'	12/17/2004	12-19S-30E 1700' FNL & 1980' FWL	5400'	2/4/2005

Munchkin Federal #3

Sec. 1-19S-30E

2230' FSL & 1750' FWL

4th plug: 550-450'

5th plug: 60-0'

9 5/8" 36# J55 @ 500'

Cmtd w/500sks & circ 100sks

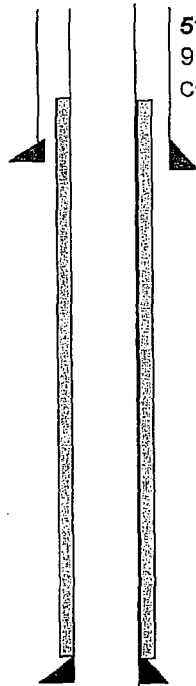
3rd plug: 2078-1978'

2nd plug: 4105-4005'

45sks

1st plug: 6393-6293'

50sks



INJECTION WELL DATA SHEET

OPERATOR: _____ CHI OPERATING, INC. _____

WELL NAME & NUMBER: _____ MUNCHKIN #15W _____

WELL LOCATION: _____ 300' FSL & 1550' FWL _____ N _____ 1 _____ 19S _____ 30E _____
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGEWELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: _____ 17 1/2" _____ Casing Size: _____ 13 3/8" 48# J55 _____

Cemented with: _____ + 400 _____ sx. _____ or _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Intermediate Casing

Hole Size: _____ 11" _____ Casing Size: _____ 8 5/8" 32# J55 _____

Cemented with: _____ + 525 _____ sx. _____ or _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Production Casing

Hole Size: _____ 7 7/8" _____ Casing Size: _____ 5 1/2" _____

Cemented with: _____ 2 STAGE _____ sx. _____ or _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Total Depth: _____ 5500' _____

Injection Interval

_____ 4300 _____ feet to _____ 5200 _____

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEETTubing Size: 2.875 Lining Material: CEMENTType of Packer: BAKER LOK-SETPacker Setting Depth: 4300Other Type of Tubing/Casing Seal (if applicable): Additional Data

1. Is this a new well drilled for injection? X Yes No

If no, for what purpose was the well originally drilled?

2. Name of the Injection Formation: DELAWARE

3. Name of Field or Pool (if applicable):

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

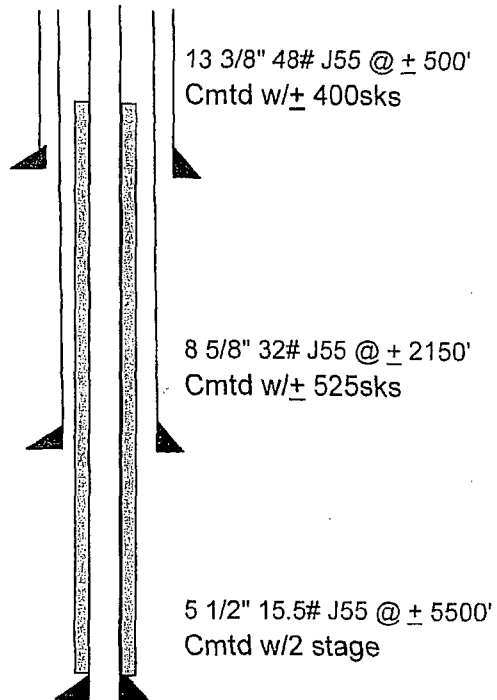
QUEEN 2914' (OVERLYING)

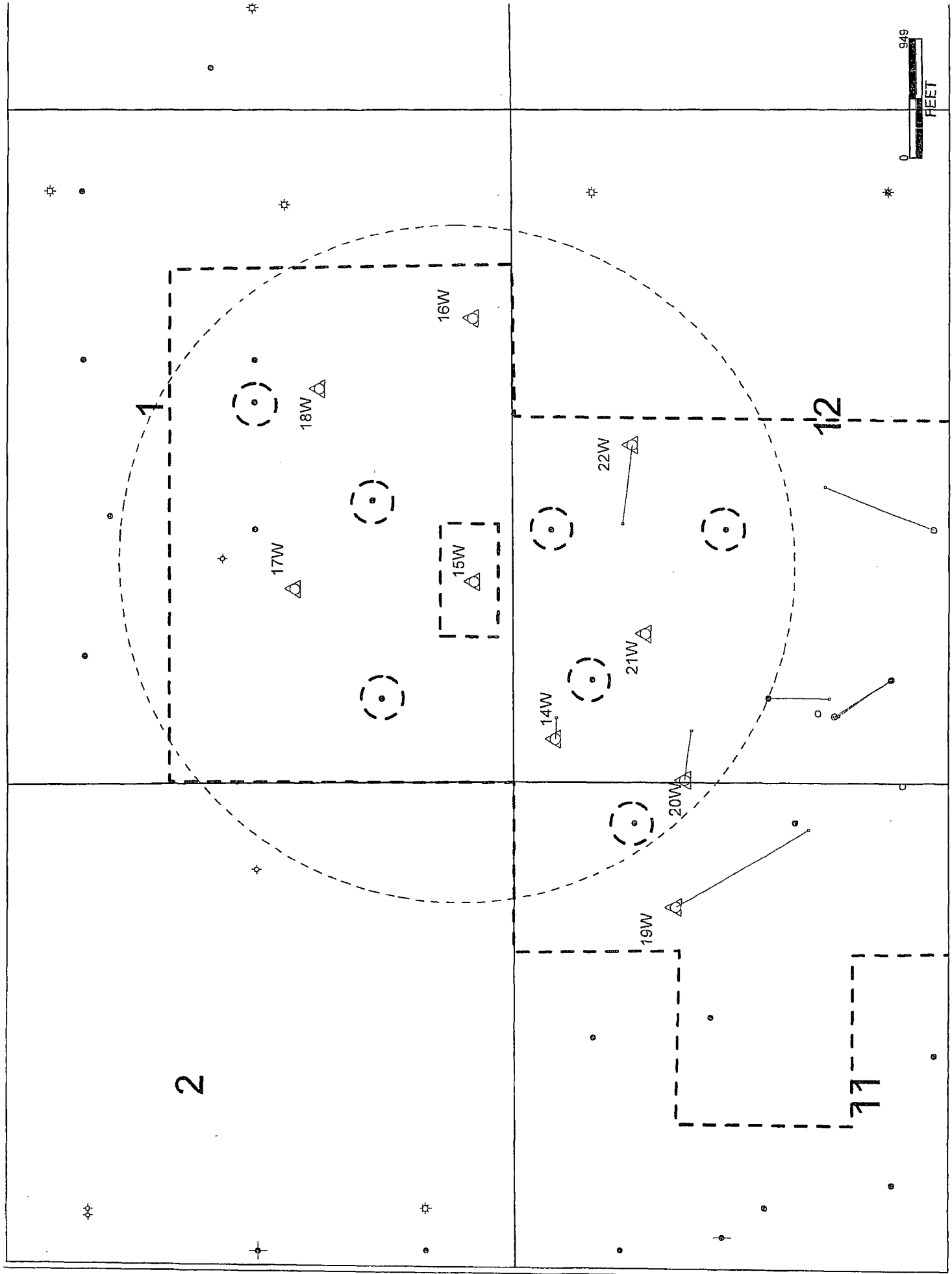
BONE SPRING LS 6090' (UNDERLYING)

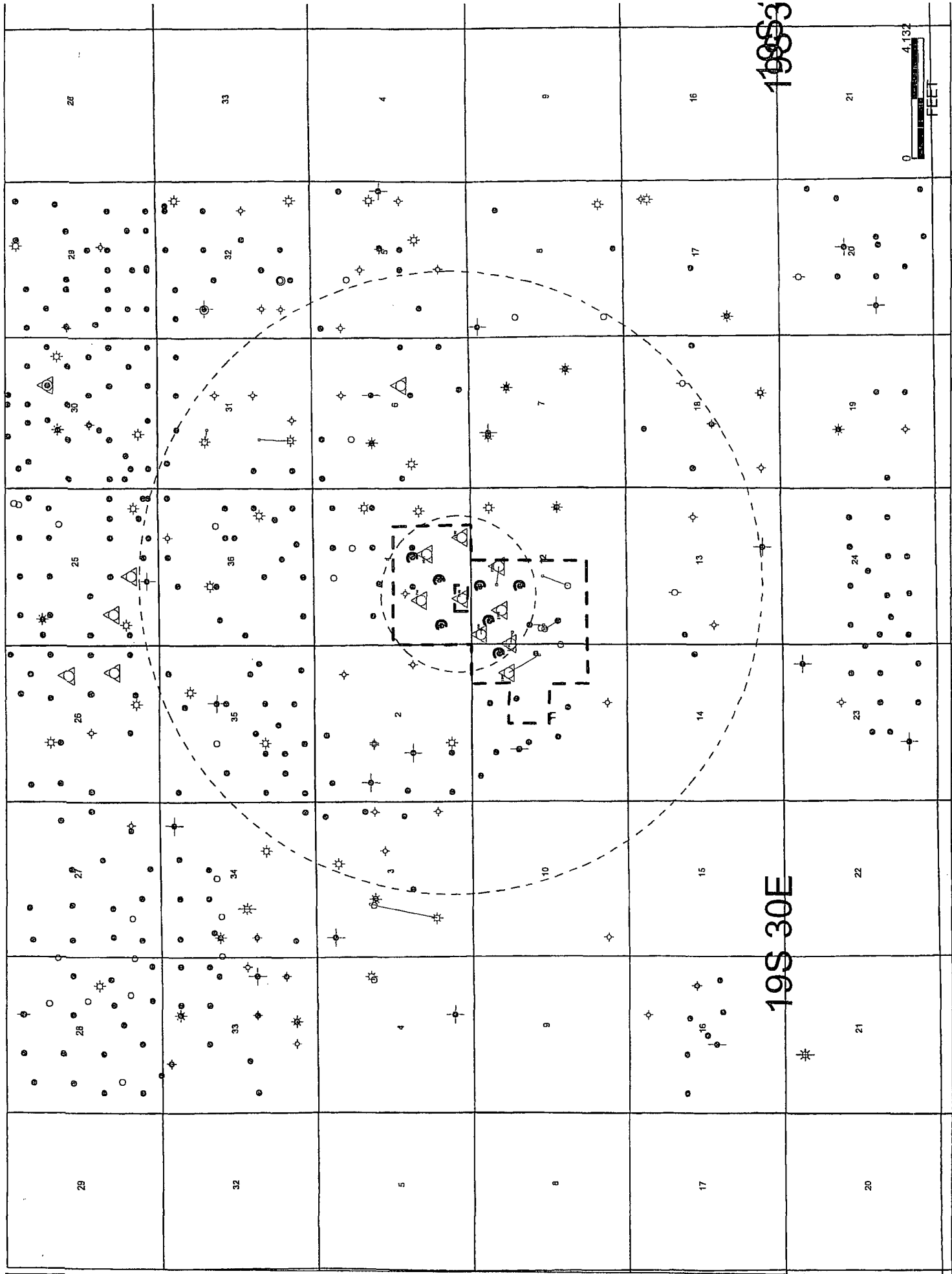
Munchkin WD #15

Sec. 1-19S-30E

300' FSL & 1550' FWL







Wells in review area that penetrated injection zone

WELL NAME	WELL TYPE	CONSTRUCTION	DATE DRILLED	LOCATION	DEPTH	COMPLETION
Munchkin Fed. #1	Active oil well	9 5/8" J55/36# @ 494' 5 1/2" J55/15.5# @ 6707'	1/25/2001	1-19S-30E 1060' FSL & 2210' FWL	6707'	2/16/2000
Munchkin Fed. #2	Active oil well	9 5/8" J55/36# @ 483', 3182' 5 1/2" J55/17# @ 5350'	5/12/2001	1-19S-30E 990' FSL & 660' FWL	5350'	10/16/2002
Munchkin Fed. #4	Active oil well	9 5/8" J55/36# @ 506' 5 1/2" J55/17# @ 5526'	1/21/2004	12-19S-30E 330' FNL & 1980' FWL	5526'	2/26/2004
Wizard Fed. #3	Active oil well	9 5/8" J55/36# @ 480' 5 1/2" J55/17# @ 5500'	3/11/2003	1-19S-30E 1980' FSL & 2310' FEL	5500'	4/15/2003
Munchkin Fed. #6	Active oil well	9 5/8" J55/36# @ 510' 5 1/2" J55/17# @ 5400'	1/1/2005	12-19S-30E 660' FNL & 8100' FWL	5400'	2/22/2005
Munchkin Fed. #5	Active oil well	9 5/8" J55/36# @ 525' 5 1/2" J55/15.5 @ 5400'	12/17/2004	12-19S-30E 1700' FNL & 1980' FWL	5400'	2/4/2005
Munchkin Fed. #9	Active oil well	9 5/8" J55/36# @ 497' 5 1/2" J55/17 @ 5233'	5/4/2006	11-19S-30E 990' FNL & 300' FEL	5233'	8/18/2006

Munchkin Federal #3

Sec. 1-19S-30E

2230' FSL & 1750' FWL

4th plug: 550-450'

5th plug: 60-0'

9 5/8" 36# J55 @ 500'

Cmtd w/500sks & circ 100sks

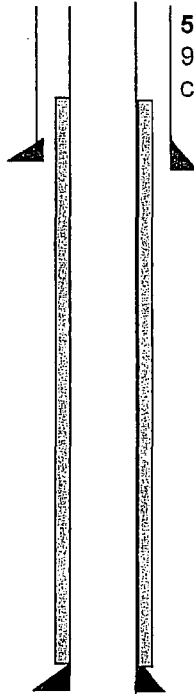
3rd plug: 2078-1978'

2nd plug: 4105-4005'

45sks

1st plug: 6393-6293'

50sks



INJECTION WELL DATA SHEET

OPERATOR: _____ CHI OPERATING, INC. _____

WELL NAME & NUMBER: _____ MUNCHKIN #14W _____

330' FNL & 500' FWL (SHL)

WELL LOCATION: _____ 330' FNL & 330' FWL (BHL) _____

FOOTAGE LOCATION

D

UNIT LETTER

12

SECTION

19S

TOWNSHIP

30E

RANGE

WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: _____ 17 1/2" _____ Casing Size: _____ 13 3/8" 48# J55 _____

Cemented with: _____ + 400 _____ sx. *or* _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Intermediate Casing

Hole Size: _____ 11" _____ Casing Size: _____ 8 5/8" 32# J55 _____

Cemented with: _____ + 525 _____ sx. *or* _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Production Casing

Hole Size: _____ 7 7/8" _____ Casing Size: _____ 5 1/2" _____

Cemented with: _____ 2 STAGE _____ sx. *or* _____ ft³ _____

Top of Cement: _____ SURFACE _____ Method Determined: _____

Total Depth: _____ 5500' _____

Injection Interval

_____ 4300 _____ feet to _____ 5200 _____

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEETTubing Size: 2.875 Lining Material: CEMENTType of Packer: BAKER LOK-SETPacker Setting Depth: 4300Other Type of Tubing/Casing Seal (if applicable): Additional Data

1. Is this a new well drilled for injection? X Yes No
If no, for what purpose was the well originally drilled?

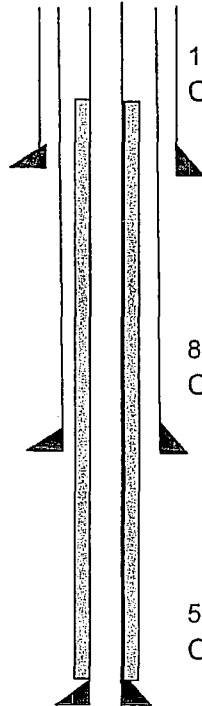
2. Name of the Injection Formation: DELAWARE3. Name of Field or Pool (if applicable): 4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. 5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: QUEEN 2914' (OVERLYING)BONE SPRING LS 6090' (UNDERLYING)

Munchkin WD #14

Sec. 12-19S-30E

330' FNL & 500' FWL (SHL)

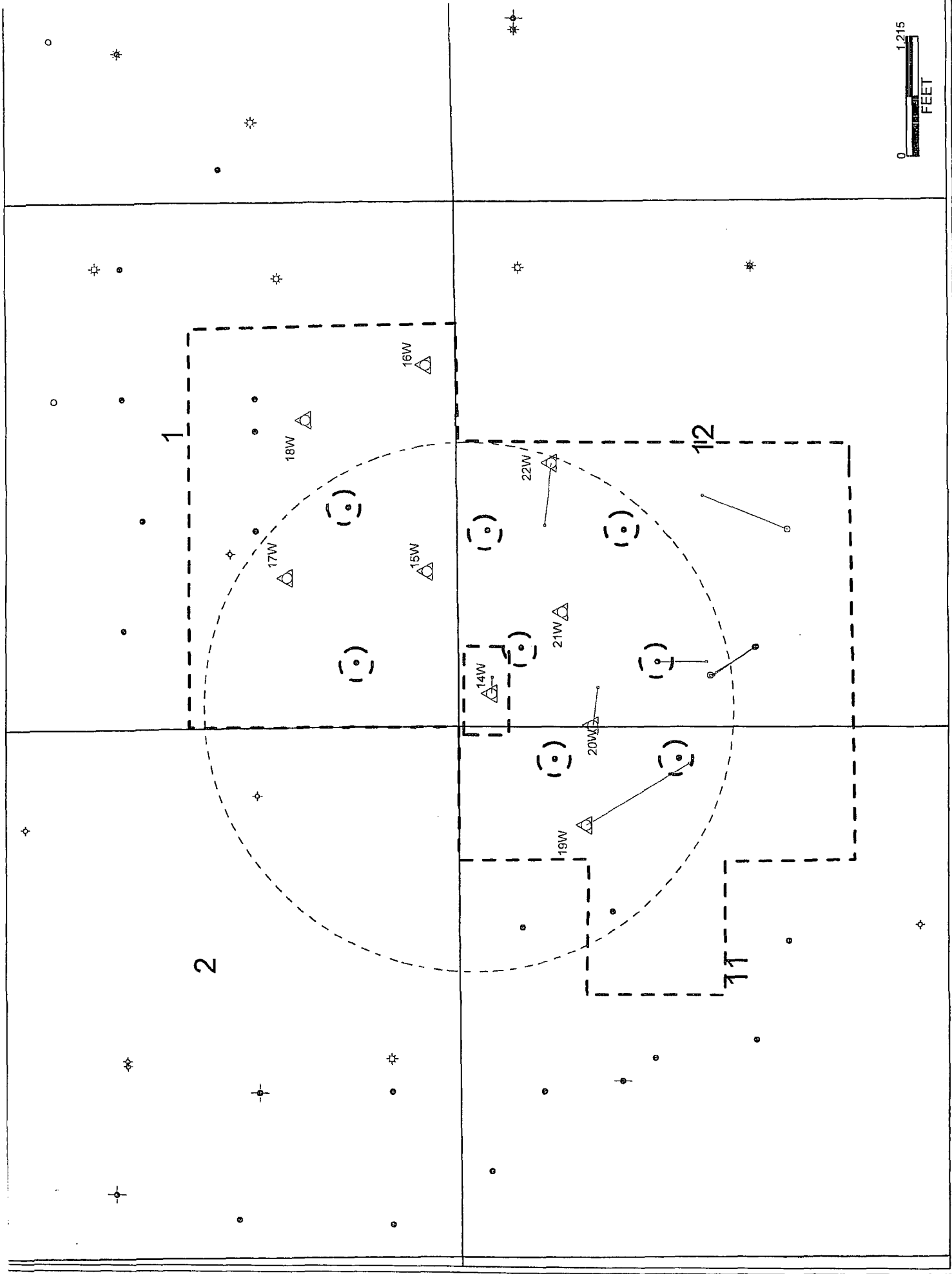
330' FNL & 330' FWL (BHL)

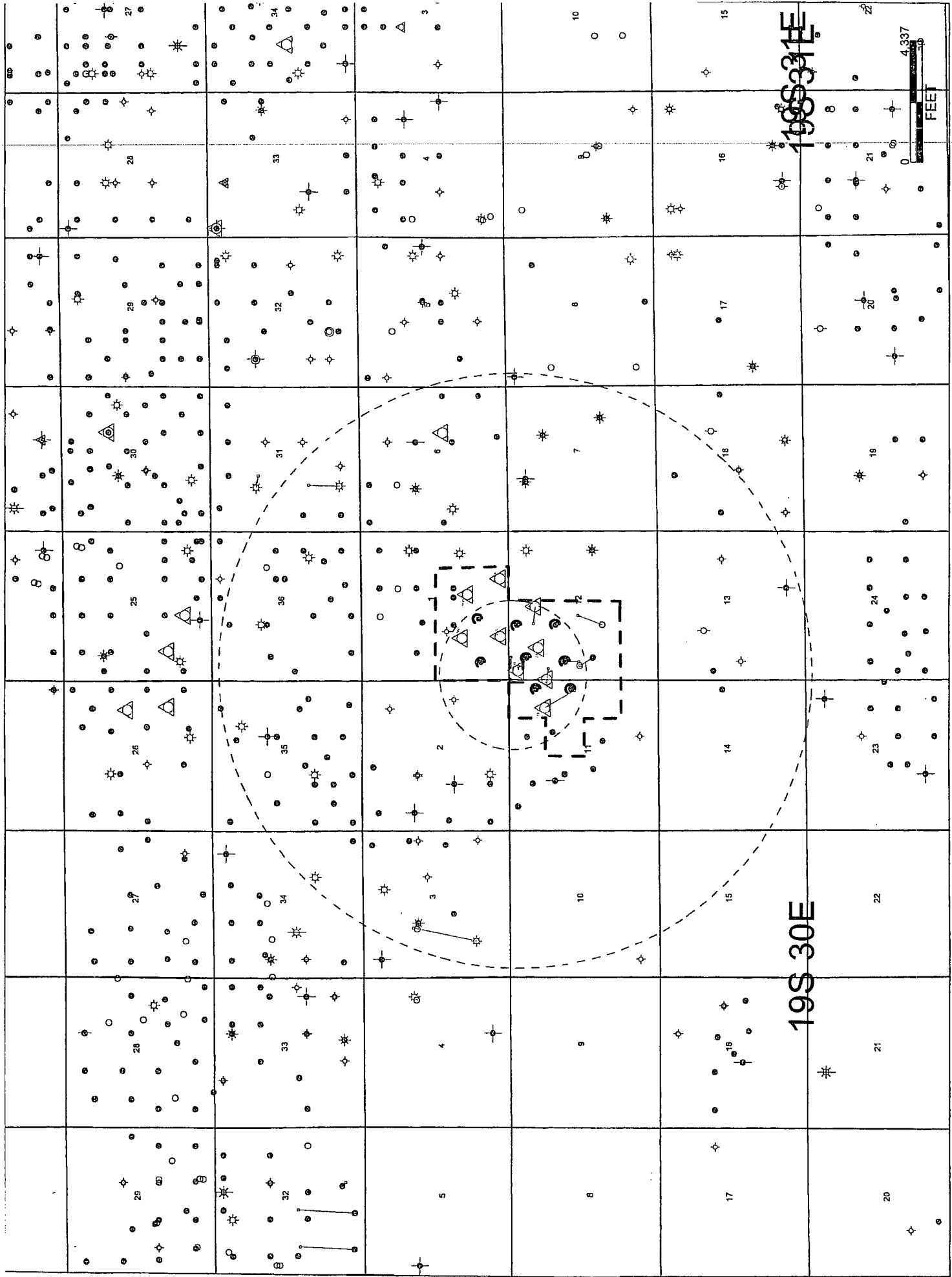


13 3/8" 48# J55 @ $\pm 500'$
Cmtd w/ ± 400 sk

8 5/8" 32# J55 @ $\pm 2150'$
Cmtd w/ ± 525 sk

5 1/2" 15.5# J55 @ $\pm 5500'$
Cmtd w/2 stage





Wells in review area that penetrated injection zone

WELL NAME	WELL TYPE	CONSTRUCTION	DATE DRILLED	LOCATION	DEPTH	COMPLETION
Munchkin Fed. #1	Active oil well	9 5/8" J55/36# @ 494' 5 1/2" J55/15.5# @ 6707'	1/25/2001	1-19S-30E 1060' FSL & 2210' FWL	6707'	2/16/2000
Munchkin Fed. #2	Active oil well	9 5/8" J55/36# @ 483', 3182' 5 1/2" J55/17# @ 5350'	5/12/2001	1-19S-30E 990' FSL & 660' FWL	5350'	10/16/2002
Munchkin Fed. #4	Active oil well	9 5/8" J55/36# @ 506' 5 1/2" J55/17# @ 5526'	1/21/2004	12-19S-30E 330' FNL & 1980' FWL	5526'	2/26/2004
Munchkin Fed. #6	Active oil well	9 5/8" J55/36# @ 510' 5 1/2" J55/17# @ 5400'	1/1/2005	12-19S-30E 660' FNL & 8100' FWL	5400'	2/22/2005
Munchkin Fed. #5	Active oil well	9 5/8" J55/36# @ 525' 5 1/2" J55/15.5 @ 5400'	12/17/2004	12-19S-30E 1700' FNL & 1980' FWL	5400'	2/4/2005
Munchkin Fed. #9	Active oil well	9 5/8" J55/36# @ 497' 5 1/2" J55/17 @ 5233'	5/4/2006	11-19S-30E 990' FNL & 300' FEL	5233'	8/18/2006
Munchkin Fed. #8	Active oil well	13 3/8" J55 48# @ 511' 8 5/8" J55 24# @ 1910' 5 1/2" J55 15.5# @ 5351'	4/15/2006	12-19S-30E 2500'FNL & 660'FWL (S TMD 5351' 1980' FNL & 660' FWL (TVD 5299'	STMD 5351'	7/15/2006
Munchkin Fed. #10	Active oil well	9 5/8" J55/36# @ 519' 5 1/2" J55/17 @ 4078' 5 1/2" J55 15.5# @ 5258'	8/31/2006	11-19S-30E 220' FNL & 330' FEL	5258'	11/17/2006

State "2" #1

3001504588 2-19S-30E

1980' FSL & 660' FEL

8 5/8" Casing set @ 750'

5th plug: 4'

5sk

4th plug: 580' (top of 8 5/8 csg)

10sk

3rd plug: 765'

10sk

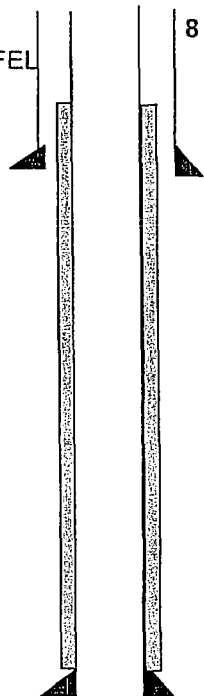
2nd plug: 1925'

10sk

1st plug: 3485"

25sk

Intervals between all
plugs filled w/heavy mud



PROPOSED ADVERTISEMENT

Case No. 14353: **Application of Chi Energy, Inc. for approval of a secondary recovery project and to qualify the project for the Recovered Oil Tax Rate, Eddy County, New Mexico.** Applicant seeks approval to institute a waterflood project in the Brushy Canyon member of the Delaware formation (Benson-Delaware Pool) by the injection of water into nine wells located on federal lands covering parts of Sections 1, 11, and 12, Township 19 South, Range 30 East, N.M.P.M. Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1-5). The project is centered approximately 10 miles south-southeast of Loco Hills, New Mexico.

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