JAMES BRUCE
Attorney at Law
Post Office Box 1056
Santa Fe, New Mexico 87504
Telephone: (505) 982-2043
Fax: (505) 982-2151

FAX COVER SHEET

DELIVER TO: Michael E. Stogner

COMPANY: Oil Conservation Division

CITY: Santa Fe, New Mexico

FAX NUMBER: (505) 476-3471

NUMBER OF PAGES: 3 (Including Cover Sheet)

DATE SENT: 12/20/02

MEMO: Mike: Regarding Case No. 12980 (Chi Energy, Inc.): The correct location is 660' FSL & FEL. The original location was 660' FSL & 1980' FEL, but was changed a week later. Enclosed are a revised C-101 and C-102 filed by Chi with the Artesia Office. However, Brian Arrant informed Chi that the proper procedure was to file a C-103 with the changed location, and Chi has sent that in for approval. Brian Arrant did give Chi verbal approval to commence the well.

Sorry for the confusion.

CONFIDENTIALITY NOTICE

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District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia NM 88201
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

[1] Operator Name and Address	[2] OGRID Number
CHI OPERATING, INC P.O. Box 1799 Midland, Texas 79702	004378
	[3] API Number 30-015-32558
[4] Property Code	[5] Property Name KC SIRE STATE
	[6] Well No. 1

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32 S½	18S	31E		660	SOUTH	660	EAST	EDDY

[8] Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[9] Proposed Pool 1	[10] Proposed Pool 2

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
N	G	R	S	3576
[16] Multiple	[17] Proposed Depth	[18] Formation	[19] Contractor	[20] Spud Date
	12300	MORROW	MBR/SHARP	ASAP

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48# H-40	650'	±500 SKS	CIRC
11"	8 5/8"	32# J-55	3000'	±950 SKS	CIRC
7 7/8"	5 1/2"	20/17# J-55	12300'	±800 SKS	±6000' OR 500' ABOVE PRODUCTIVE ZONES

[22] Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.
Describe the blowout prevention program, if any. Use additional sheets if necessary.

MIRU, DRILL SURFACE HOLE W/F WTR. RUN CSG/FLOAT EQUIP & CMT TO SURFACE. NU WELLHEAD/ANNULAR & TST WHILE WOC 18 HRS. DRILL INTERMEDIATE HOLE W/BRINE, RUN CSG/F. EQUIP & CMT TO SURFACE. NU WELLHEAD/5000# DOUBLE RAM BOP & TST ALL ASSOC. EQUIP. WHILE WOC 13 HRS. DRILL PROD. HOLE W/F. WTR/C. BRINE MUD SYSTEM. FULL E-LOG SWEEPS FROM TD TO 3600'. FULL CIR/CNL TO SURFACE. EVALUATE FOR COMPLETION.

[23] I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:
Printed name: JOHN W. WOLF
Title:
Date: 11/26/02 Phone: 915.685.5001

OIL CONSERVATION DIVISION

Approved by:
Title:
Approval Date: Expiration Date:
Conditions of Approval:
Attached ☐

Approved as per Bryan Arrant
12/9/02

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name	
Property Code	Property Name		Well Number
	A. C. STRIT STATE		1
OGRID No.	Operator Name		Elevation
004078	CEI OPERATING, INC.		3576

Surface Location

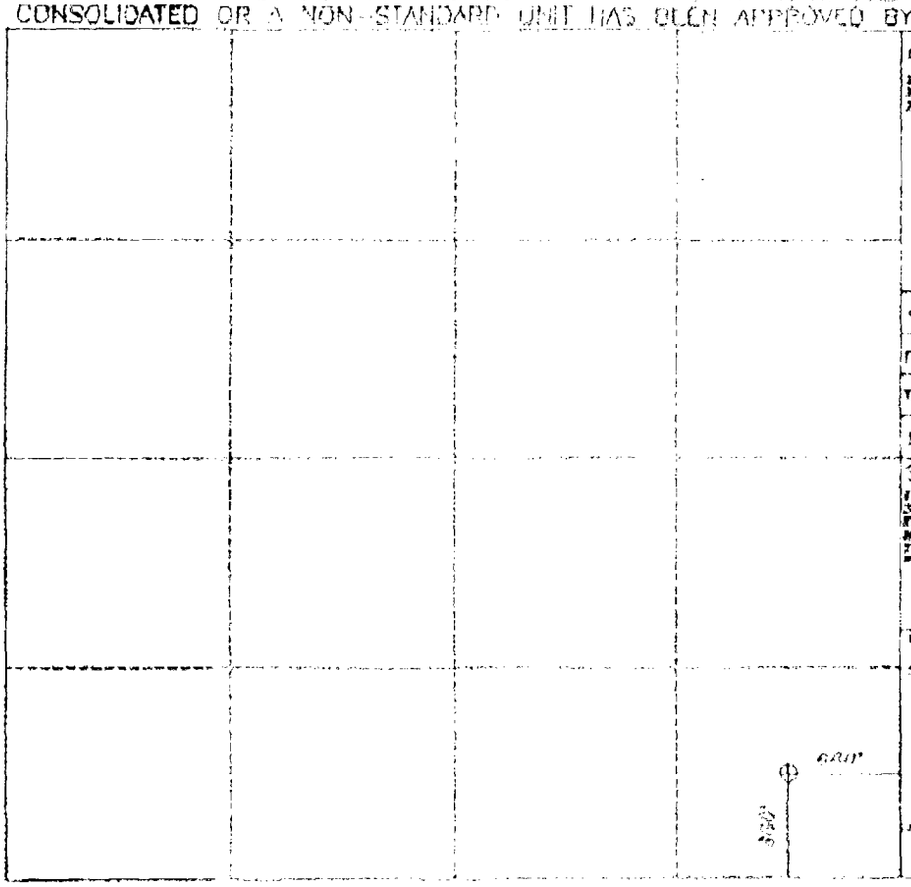
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	18-S	31-E		660	SOUTH	660	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature: [signature]
Printed Name: [illegible]
Title: [illegible]
Date: 11-27-02

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.

NOVEMBER 26, 2002
Date of Survey

Signature and Seal of Professional Surveyor

STATE OF NEW MEXICO
9512
NEW MEXICO
Certificate Number

JAMES BRUCE
Attorney at Law
Post Office Box 1056
Santa Fe, New Mexico 87504
Telephone: (505) 982-2043
Fax: (505) 982-2151

FAX COVER SHEET

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MEMO: Mike: Regarding Case No. 12980 (Chi Energy, Inc.): Enclosed is an approved APD at the 660' FSL & FEL location.

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Revised March 17, 1999

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DEC 2002
RECEIVED
OCD - ARTESIA

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1 Operator Name and Address	2 OGRID Number
CHI OPERATING, INC. P.O. Box 1799 Midland, Texas 79702	4378
	3 API Number 30-015 - 32538

4 Property Code	5 Property Name	6 Well No.
30993	KC STATE STATE	1

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32 396	18S	31E		660	SOUTH	660	EAST	EDDY

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

9 Proposed Pool 1	10 Proposed Pool 2

11 Work Type Code	12 Well Type Code	13 Cable/Rotary	14 Lease Type Code	15 Ground Level Elevation
N	G	R	S	3576
16 Multiple	17 Proposed Depth	18 Formation	19 Contractor	20 Spud Date
	12300	MORROW	UNKNOWN	ASAP

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48# H-40	650'	±500 SKS	CIRC
11"	8 5/8"	32 J-55	2600'	±930 SKS	CIRC
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MIRU, DRILL SURFACE HOLE W/FW MUD, RUN CSG/FLOAT EQUIP & CMT TO SURFACE, NU WELLHEAD/ANNULAR & TST WHILE WOC 18 HRS. DRILL INTERMEDIATE HOLE W/BRINE, RUN CSG/F EQUIP & CMT TO SURFACE, NU WELLHEAD/5000# DOUBLE RAM BOP & TST ALL ASSOC EQUIP, WHILE WOC 18 HRS. DRILL PROD HOLE W/F W/B/C BRINE MUD SYSTEM. FULL E-LOG SWEEPS FROM TD TO 3600', FULL GR/CNL TO SURFACE. EVALUATE FOR COMPLETION.

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief.	OIL CONSERVATION DIVISION
Signature:	Approved by:
Printed name: JOEL W. WOLF	Title:
Date: 11/26/02 Phone: 915-686-8001	Approval Date: DEC 13 2002 Expiration Date: DEC 13 2003
	Conditions of Approval: Attached ☐