

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMNM0560353

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.7. If Unit or CA/Agreement, Name and/or No.
NMNM126412X

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
BENSON DELAWARE FEDERAL UNIT 24

2. Name of Operator

CHI OPERATING INCORPORATED

Contact: PAM CORBETT

E-Mail: pamc@chienergyinc.com

9. API Well No.

30-015-42567-00-X1

3a. Address

MIDLAND, TX 79702

3b. Phone No. (include area code)

Ph: 432-685-5001

Fx: 432-687-2662

10. Field and Pool, or Exploratory
BENSON-DELAWARE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 11 T19S R30E NENE 1040FNL 125FEL

11. County or Parish, and State

EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

When running the 8 5/8" casing, CHI Operating, Inc., will set the DV tool @ 800' because of fluid loss from 700 - 800'.

NM OIL CONSERVATION

ARTESIA DISTRICT

SEP 24 2014

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL****RECEIVED**

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #264617 verified by the BLM Well Information System

For CHI OPERATING INCORPORATED, sent to the Carlsbad

Committed to AFMSS for processing by JENNIFER MASON on 09/19/2014 (14JAM0404SE)

Name (Printed/Typed) SONNY MANN

Title FIELD SUPERVISOR

Signature

(Electronic Submission)

Date 09/19/2014

APPROVED**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

Title

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****



**PECOS DISTRICT
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	CHI OPERATING, INC
LEASE NO.:	NMNM-0560353
WELL NAME & NO.:	24 BENSON DELAWARE FEDERAL UNIT
SURFACE HOLE FOOTAGE:	1040' FNL & 125' FEL
BOTTOM HOLE FOOTAGE:	1650' FNL & 330' FEL
LOCATION:	Section 11, T.19 S., R.30 E., NMPM
COUNTY:	Eddy County, New Mexico
API:	30-015-42567

The original COAs still stand with the following drilling modifications:

1. The minimum required fill of cement behind the **8-5/8** inch intermediate casing is:

Option #1(Single Stage):

- ☒ Cement to surface. If cement does not circulate see B.1.a, c-d in original COAs. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash. Additional cement may be required. Excess cement calculates to negative 21 %.**

Option #2:

Operator has proposed DV tool at depth of 800'. Operator is to submit sundry if DV tool depth varies by more than 100' from approved depth.

- a. First stage to DV tool:

- ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

- b. Second stage above DV tool:

- ☒ Cement to surface. If cement does not circulate see B.1.a, c-d in original COAs. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.**

JAM 091914