

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**Carlsbad Field Office**  
**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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM0560353
2. Name of Operator CHI OPERATING INCORPORATED		6. If Indian, Allottee or Tribe Name
Contact: PAM CORBETT E-Mail: pamc@chienergyinc.com		7. If Unit or CA/Agreement, Name and/or No. NMNM126412X
3a. Address MIDLAND, TX 79702	3b. Phone No. (include area code) Ph: 432-685-5001 Fx: 432-687-2662	8. Well Name and No. BENSON DELAWARE UNIT 8
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 12 T19S R30E SWNW 2500FNL 660FWL		9. API Well No. 30-015-34816-00-S1
		10. Field and Pool, or Exploratory BENSON-DELAWARE
		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 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input checked="" 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.)

CHI Operating, Inc. intends to convert the Benson Delaware Unit #8 to an injection well.

Procedure is attached.

U2D 10/15/15  
Accepted for record  
NMOCD**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**  
NM OIL CONSERVATION  
ARTESIA DISTRICT  
OCT 14 2015

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #281347 verified by the BLM Well Information System For CHI OPERATING INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by CATHY QUEEN on 06/24/2015 (15CQ0428SE)</b>		<b>RECEIVED</b>
Name (Printed/Typed) CLIF MANN	Title FIELD SUPERVISOR	
Signature (Electronic Submission)	Date 11/24/2014	

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

Approved By <u>CHARLES NIMMER</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>10/08/2015</u>
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 <u>Carlsbad</u>

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 \*\***

# Benson Delaware Unit #8

API # 30-015-34816

Eddy Co., NM

## Convert To Water Injection

### History/Pertinent Info

Elevation: GL: 3423'

KB: 3437'

Completed: 6/14/06

Tbg Head:

Casing: 8 5/8"  
5 1/2"

24 # J-55  
17 # J-55

set @ 1909' Circ cement  
set @ 5282' Circ cement

TD: 5352'

PBTD: 5276'

DV Tool: 3688'

Perf Intervals: 4830'-4872' Gross Interval  
5066'-5081'

Remarks:

## **Benson Delaware Unit #8**

**API # 30-015-34816**

**Eddy Co., NM**

### **Convert To Water Injection**

**Project Engineer: Cord Painter**

**Cell: (325) 792-7255**

#### **Recommended Procedure**

**Note: Deliver 20 Jts 2 7/8" tbg to location to supplement prod tbg for cleanout.**

1. MIRU pulling unit. MI spool unit. ND WH. NU BOP.
2. POOH with production tbg (144 jts 2 7/8", 4' Lift Sub, Reda Pump, Intake, Protector, Motor) spooling Reda cable and standing tbg back.
3. MIRU slickline unit. RIH with slickline, tag and record depth of fill.
4. POOH with slickline. RDMO Slickline unit. Determine if Cleanout is necessary.

#### **If cleanout IS necessary:**

5. RIH with sand bailer on tbg picking up jts as needed. Tag and record depth of fill. CO well to PBTD (5276'). POOH laying down sand bailer and tbg.

#### **If cleanout IS NOT necessary:**

6. GIH w/ 5 1/2" x 2 7/8" Arrowset 1X Big Bore packer on 2-7/8" 6.5# J-55 IPC tubing setting packer +/- 100' above top perf. Load backside w/ packer fluid.
7. Pressure test backside as per BLM requirements.
8. Connect injection system to well. Begin water injection.

# Benson Delaware Unit #8

API # 30-015-34816

Eddy Co., NM

Convert To Water Injection

## MECHANICAL DATA

Type Tubular	OD in	ID in	Drift in	Wt. #/ft	Grd	Conn.	Depth ft	Burst psi	Tensile Mlbs.	TOC ft	Cap. bbl/Ft
Surface Casing	13 3/8	12.715	12.559	48	H-40	STC*	511	1080	260	Surf	
Intermediate Casing	8 5/8"	8.097	7.972	24	J-55	STC	1909	2950	244	Surf	.0637
Production Casing	5 1/2	4.892	4.767	17	J-55	LTC	5282	5320	247	Surf	.0232
Production Tubing	2 7/8"	2.441	2.347	6.5	J-55	8 RDEUE					.00579
Inj Tbg	2 7/8" IPC										
2 7/8" x 5 1/2" annulus											

\* - Assumed

GL = 3423'

KB = 3437'

PBTD = 5276'

TUBING HEAD: 11" 5k X 7 1/16" 5k

CURRENT WELLBORE SCHEMATIC		LEASE: Benson Delaware Unit				WELL NO. 8									
DATE: 1/6/2011		OPER: Chi Energy				API 30-015-34816									
		LOCATION: 2500 FNL 660 FWL SEC 12 19S 30E EDDY CO., NM													
		TD 5,352'		PBD 5,276'		KB 3,437'		DF 3,436'							
		COD		DOD		GL 3,423'									
		Casing/TBG:		DEPTH		CMT		ID		DRIFT		BURST		TENS	
		SURF. 13 3/8 48# J-55		511'		CIRC									
INTER. 8 5/8" 24 #J-55 STC		1,909'		CIRC		8.097		7.972		2,950		244.0			
PROD. 5 1/2" 17# J-55 LTC		5,282'		CIRC		4.892		4.767		5,320		247.0			
LINER															
TBG 2 7/8" J-55						2.441		2.347		7,260		99.66			
PERFS:															
4830, 4832, 4840, 4841, 4853, 4854, 4855, 4870, 4871, 4872 1 SPF 6/22/06															
5066-5081 2SPF 6/14/06															
TUBING BREAKDOWN							ROD BREAKDOWN								
Tbg Hd							On Sub Pump Schlumberger								
???															
ART. LIFT															
UNIT						SPM				RT					
MOTOR						SL				Cond					
NOTES															
Chem: CAT301P (Paraffin Disp) injected into Annulus Emuls. Breaker injected into FL.															
HAS CORES															
MIKE & NOVEMBER 4830, 4832, 4840, 4841, 4853, 4854, 4855, 4870, 4871, 4872 1 SPF 6/22/06															
PAPA 5066-5081 2SPF 6/14/06															
BY: LC PAINTER															

PROPOSED WELLBORE SCHEMATIC		LEASE: Benson Delaware Unit				WELL NO. 8			
DATE: 8/24/2014		OPER: Chi Energy				API 30-015-34816			
		LOCATION: 2500 FNL 660 FWL SEC 12 19S 30E EDDY CO., NM							
		TD 5,352'		PBD 5,276'		KB 3,437'		DF 3,436'	
		COD		DOD		GL 3,423'			
		CASING/TBG:		DEPTH	CMT	ID	DRIFT	BURST	TENS
		SURF. 13 3/8 48# J-55		511'	CIRC				
INTER. 8 5/8" 24 #J-55 STC		1,909'	CIRC	8.097	7.972	2,950	244.0		
PROD. 5 1/2" 17# J-55 LTC		5,282'	CIRC	4.892	4.767	5,320	247.0		
LINER									
TBG 2 7/8" J-55 IPC				2.441	2.347	7,260	99.66		
PERFS:									
4830, 4832, 4840, 4841, 4853, 4854, 4855, 4870, 4871, 4872 1 SPF 6/22/06									
5066-5081 2SPF 6/14/06									
TUBING BREAKDOWN				ROD BREAKDOWN					
Tbg Hd		7 1/16" 5k Slip-Type							
~150 jts 2 7/8" J-55 IPC									
5 1/2" x 2 7/8" Arrowset 1X Big Bore packer									
PKR SET @ ~4,750'									
ART. LIFT									
UNIT		SPM		RT					
MOTOR		SL		Cond					
NOTES									
HAS CORES									
MIKE & NOVEMBER									
4830, 4832, 4840, 4841, 4853, 4854, 4855, 4870, 4871, 4872 1 SPF 6/22/06									
PAPA									
5066-5081 2SPF 6/14/06									

BY: LC PAINTER

## Conditions of Approval

**Chi Operating Incorporated**  
**Benson Delaware Unit - 08, API 3001534816**  
**T19S-R30E, Sec 19, 1/2 2500FNL & 660FWL**  
**October 8, 2015**

1. Subject to like approval by the New Mexico Oil Conservation Division.
2. Before casing or a liner is added, replaced, or repaired prior BLM approval of the design is required. Use notice of intent Form 3160-5.
3. Surface disturbance beyond the existing pad shall have prior approval.
4. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
5. Functional H<sub>2</sub>S monitoring equipment shall be on location.
6. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Blind ram(s) and pipe ram(s) designed to close on all workstring diameters used is required equipment. A manual BOP closure system (hand wheels) shall be available for use regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
7. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
8. **Perform a charted casing integrity test** of 1200 psig. Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 25 to 85 per cent of its full range. Verify all annular casing vents are plumbed to the surface and open during this pressure test. **Call BLM 575-200-7902 and arrange for a BLM witness of that pressure test.** Include a copy of the chart in the subsequent sundry for this workover.
9. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 4730' taken with 0psig casing pressure. The CBL may be attached to a pswartz@blm.gov email.**
10. Submit a (BLM Form 3160-5 subsequent report (daily reports) via BLM's Well Information System; <https://www.blm.gov/wispermits/wis/SP> (email [pswartz@blm.gov](mailto:pswartz@blm.gov) for instructions) describing all wellbore activity and Mechanical Integrity Test. Include the date(s) of the well work, and the setting depths of installed equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in line tubing check valve below the

packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry. File intermediate Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.

11. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
12. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

#### **Well with a Packer - Operations**

- 1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established.
- 2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test. An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
- 3) Document the pressure test on a one hour full rotation chart recorder (calibrated within the last 6 months) registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
- 4) Make arrangements 24 hours before the test for BLM to witness. In Eddy County email Paul R. Swartz [pswartz@blm.gov](mailto:pswartz@blm.gov) or phone 575-200-7902, if there is no response, 575-361-2822. If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number
- 5) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry.
- 6) **Submit the original subsequent sundry with three copies to BLM Carlsbad.**
- 7) Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
  - a) Approved injection pressure compliance is required.
  - b) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
  - c) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.

- 8) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
- 9) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
- 10) Maintain the annulus full of packer fluid at atmospheric pressure. **Installation of equipment that will display continuous open to the air packer fluid level above the casing vent is required.**
- 11) Notify the BLM's authorized officer ("Paul R. Swartz" <[pswartz@blm.gov](mailto:pswartz@blm.gov)>, cell phone 575-200-7902) **before injection begins** to arrange for approval of the annular monitoring system.
- 12) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
- 13) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
- 14) Gain of annular fluid pressure requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0psia. Notify the BLM's authorized officer ("Paul R. Swartz" <[pswartz@blm.gov](mailto:pswartz@blm.gov)>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
- 15) Submit a (BLM Form 3160-5 subsequent report (daily reports) via BLM's Well Information System; <https://www.blm.gov/wispermits/wis/SP> (email [pswartz@blm.gov](mailto:pswartz@blm.gov) for operator setup instructions) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of installed equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer. The setting depths and descriptions of each are to be included in the subsequent sundry.
- 16) A request for increased wellhead pressures is to be accompanied by a step rate test. PRIOR to a Step Rate Test BLM – CFO is requiring a Notice of Intent.

**Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"**

NM Fed Regs & Forms - [http://www.blm.gov/nm/st/en/prog/energy/oil\\_and\\_gas.html](http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html)

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.