

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION		5. Lease Serial No. NMNM0560353 ✓
2. Name of Operator CHI OPERATING INC Contact: PAM CORBETT E-Mail: pamc@chienergyinc.com		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 1799 MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-685-5001 Fx: 432-687-2662	7. If Unit or CA/Agreement, Name and/or No. NM126412X ✓
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 12 T19S R30E Mer NMP NWNW 1250FNL 350FWL 32.678546 N Lat, 103.932438 W Lon		8. Well Name and No. BENSON DELAWARE UNIT 20 ✓
		9. API Well No. 30-015-38299 ✓
		10. Field and Pool, or Exploratory BENSON DELAWARE
		11. County or Parish, and State EDDY COUNTY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 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 recomplete 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 recompletion 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. request to complete/convert this well to an injection. This well is part of the Benson Delaware Water Flood Unit. See Attached procedure and wellbore.

NM OIL CONSERVATION
ARTESIA DISTRICT

Accepted for record
NM OCD RE
3/20/16
RECEIVED
SUBJECT TO LIKE
APPROVAL BY STATE
MAR 14 2016

14. I hereby certify that the foregoing is true and correct. Electronic Submission #214534 verified by the BLM Well Information System For CHI OPERATING INC, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 07/24/2013 ()	
Name (Printed/Typed) SONNY MANN	Title FIELD SUPERVISOR
Signature (Electronic Submission)	Date 07/22/2013

ACCEPTED FOR RECORD

FEB 25 2016

[Signature]

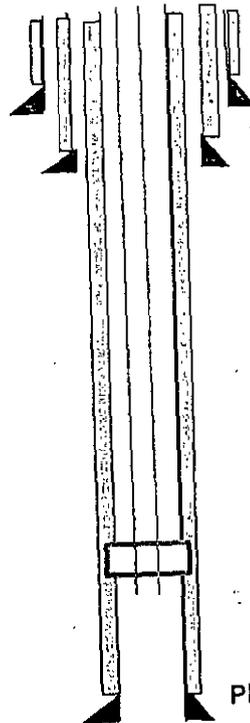
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	Title	Date
		FEB 25 2016
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

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Munchkin #20
 Sec. 12-19S-30E
 1250' FNL & 350' FWL
 Eddy County, NM
 API# 30-015-38299



2.875 6.5# IPC @ 4430'

5.5 x 2.875 Inj Pkr @ 4430'
 (Baker Retrieva D)

13-3/8" 54.5# J55 STC csg @ 477' w/500 sx (circ)

8-5/8" 36# STC csg @ 2065' w/785sx (circ)

Perfs:

Zone 1: 5064-5093', 5040-5052', 4992-5051' (2 spf)

Zone 2: 4884-4905', 4828-4872', 4784-4804' (2 spf)

Zone 3: 4501-4532', 4551-4560', 4580-4590', 4550-4560',
 4580-4590', 4610-4622', 4652-4680'

PBTD: 5168'

5 1/2" 15.5# LTC csg @ 5250" W/700sx
 (circ.)

Zone 1: 5064-5093', 5040-5052', 4992-5051' (2 spf)

MIRU unit, pipe racks & tally tubing. Clean pins & boxes. NUBOP (screw on -2000#.)

TIH w/ 4 1/4" bit on 2 7/8" tbg. Drill/Clean out w/F.W to FC. (if tag within ±100' of FC-OK). Close BOP & pressure test to 1500 psi.

Circ hole with 2% KCL wawter. TOH, LD bit.

RUWL (bring copy of open hole or get copy of logs from rig) TIH w/GR/CCL/CBL. Pull GR/CCL/CBL from PBTD to 4248'.

(Pull repeat w/no psi) apply 1500# & pull to TOC or surface.

TIH w/4" gun w/packoff. Tie in & perforate selected intervals @ 2SPF-60 deg. PU J Lok Pkr, (2 3/8 x 5 1/2"), SN, XO, & TIH.

Set Pkr @ +4850 RU & swb test while monitoring annulus.

RU acidizers. Pump 4000 bbls 7-1/2% NEFE HCL at 4-6 BPM dropping ballsealers for diversion.

Flush to top perf. w/2% KCL. Recover load & tst. Evaluate for further stimulation.

Flowback and swab until fluid level is stable.

Rig up pump truck and perform injectivity test

If frac is WARRANTED have frac design run using 30,000 gals of Médallion 3000, 48000 lbs 16/30 white,

20000 lbs 16/30 CRS @ 10 bpm via tbg @ +1800 STP as follows: 10000 gals pad,

2000 gals w/2 ppg, 6000 gals w/3 ppg, 6000 w/4 ppg, & 4000 gals w/5 ppg 16/30 CRS sand.

Zone 2: 4884-4905', 4828-4872', 4784-4804' (2 spf)

Repeat above procedure

Zone 3: 4501-4532', 4551-4560', 4580-4590', 4550-4560', 4580-4590', 4610-4622', 4652-4680'

Repeat above procedure