District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District fil 1000 Rio Brazos Road, Aztec, NM 87410 District IV

State of New Mexico Energy Minerals and Natural Resources

Form C-101 May 27, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Submit to appropriate District Office

☐ AMENDED REPORT

1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address Chi Operating Inc. P.O. Box 1799 API Number Midland, TX 79702 30 - 015-24810 RECEIVED Well No. Property Name Property Code Otis 33 AUG 1 2 7004 2 PUP ARTERIA 9 Proposed Pool 10 Proposed Pool 2 uth Carlsbad Wolfcamp Surface Location UL or lot no. Lot Idn Feet from the North/South line Feet from the East/West line County Township Range Section 225 27E 990 North 2130 West Eddy 33 ⁸ Proposed Bottom Hole Location If Different From Surface Lot Idn Feet from the North/South line Feet from the Fast/West line UL or lot no. County Section Township Range 990 2130 33 **22S** 27E North West Eddy Additional Well Information Ground Level Elevation Work Type Code Well Type Code 3 Cable/Rotary ⁴ Lease Type Code 3107 20 Spud Date 18 Formation Multiple Proposed Depth Contractor Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water Liner: Synthetic 12 mils thick Clay Pit Volume: Drilling Method: Fresh Water x Brine Diesel/Oil-based Gas/Air Closed-Loop System 🔲 ²¹ Proposed Casing and Cement Program Hole Size Casing weight/foot Sacks of Cement Estimated TOC Casing Size Setting Depth 17 1/2 13 3/8 54.5 475 443 surface 12.1/4 9 5/8 40 5480 1900 surface 7 7/8 5 1/2 20 12052 2400 6000° 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. Location and working pit prep per NMOCD guidelines(Rig up DD workover unit Install BOP and test Drill out open hole cement plugs at surface (50 sx), 387' (35 sx), 2600' (100' plug), 5382' - 5467' (200 sx) Drill out cased hole plug at 8700-8900' Clean out casing to CIBP @ 10200' Dress off casing stub at 5467' PU 5-1/2" casing, bowl over and tie back to surface RIH w/ 2-3/8 tubing and packer and set at approximately 9400' Perforate Wolfcamp with thru tubing guns Acidize and test Install surface production equipment NSL-5103 Tie to sales line ²³ I hereby certify that the information given above is true and complete to the best OIL CONSERVATION DIVISION of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines X, a general permit , or an Approved by: (attached) alternative OCD-approved plan . TIM W. GUM Printed name: Gary Womack Title: DISTRICT II SUPERVISOR Approval Date: Title: Engineer **Expiration Date:** SEP 2 3 2005 E-mail Address: garyw@chienergyinc.com Date: 8-10-2004 Phone: 432-685-5001 Conditions of Approval Attached

District I PO Box 1980, Hobbs, NM 88241-1980

811 South Firet, Artesia, NM 86210

District III

1000 Rio Brazos Rd., Aziec, NBI 87410

Dietrict IV

2040 South Pacheco, Senta Fe, NM 87905

State of New Mexico

Energy, Minerals & Natural Resources Department

Form C-10/2

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

Revised October 18, 1994 instructions of back Submit to Appropriate District Office State Lease - 6 Copies Fee Lease - 5 Copies

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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION									
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D415 33 No. Z Proposed Re-entry 990' FNL & 2130 FWL and Completion Sec. 33 T-225-RZ7E 13 1/8 54 c 400' cut circ 95/8" 40# csg Run 512" 20 tog and the back to surface e 5480' and circ Proposed Wolfcamp Perfs: 9997, 9969-9977, 9851-9864, 9847, 9829 - 9839', 9791', 9772-9781' 9757', 9749', 9552', 9543', 9507' CIBP e 10,200 w/35 sx emt en top CIBP @11,500' w/35 sx cont on top

51/2 20# @ 12052

EST TOC 6000'

. Existing Wellbore

Otis 33 No. 2 990' FWL & 2130' FWL Sec. 33 T-225-R27E

35 sx pluy 35 sy plu. @ 1700 . 13 1/8" 54 # e 400' cut circ 35 5x Alug @ 2600' 35 sx ent 5/2 backed off and pulled @ 5467' plug 5382-5550' 9 1/8 40# @ 5480' cut circ Too est 6000 35' SX cut plug B700-8900' "DV tool @ 9655" = CIBP @ 10,200' w/36' 5x outop Strawn Perfs (Blo) CIBP @ 11,500' w/35' 5x on top Morrow Perts (B/O) 5/2 20# c 12052