

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NM Oil Cons. DIV-Dist 2
1801 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED

OMB NO. 1004-0137

Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

LC-001465(B) 028990A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Shugart West "13" Federal #1

9. API WELL NO.

30-015-33577 S1

10. FIELD AND POOL, OR WILDCAT

Bone Spring

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

SEC. 13, T18S, R30E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

1a. TYPE OF WELL:

OIL WELL ☒ GAS WELL ☐ DRY ☐ Other ☐

b. TYPE OF COMPLETION:

NEW WELL ☐ WORK OVER ☒ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other ☐

2. NAME OF OPERATOR

Chi Operating, Inc.

3. ADDRESS AND TELEPHONE NO.

P.O. Box 1799 Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

678' FSL & 1667' FEL

At top prod, interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

15. DATE SPUDDED

1/16/2005

16. DATE T.D. REACHED

1/31/2005

17. DATE COMPL. (Ready to prod.)

4/6/2006

18. ELEVATIONS(DF,RKB,RT,GE,ETC.)*

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD, & TVD

8803'

21. PLUG BACK TD, MD&TVD

8742'

22. IF MULTIPLE COMPL.,
HOW MANY*

23. INTERVAL
DRILLED BY

ROTARY TOOLS
yes

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AN TVD)*

8219-25'; 8170-76'; 8160-66'; 8152-56'

Bone Spring

25. WAS DIRECTIONAL
SURVEY MADE

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

CDN/GR, CFL/GR

27. WAS WELL CORED

YES-sidewalls

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13 3/8 H-40	48#	765'	17 1/2	650sxs, Circ 95sxs	
8 5/8 J-55	32#	2800'	11	550sxs, Circ 50sxs	
5 1/2 N-80/J-55	17#	8,782	7 7/8	675 sxs	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN(MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 7/8		8530'

31. PERFORATION RECORD (Interval, size and number)

8640-44; 8670-76; 8219-25; 8170-76; 8160-66; 8152-56'

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
8640-44; 8670-76'	P/1000gal 7 1/2 % HCL Acid
8219-25; 8170-76; 8160-66; 8152-56'	P/5000gal NeFe Acid, 2bbls 2% KCL, 2bbls 15% NeFe

33.* PRODUCTION

DATE FIRST PRODUCTION 4/6/2005	PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) Pmpg					WELL STATUS (Producing or shut-in) Producing	
DATE OF TEST 4/8/2005	HOURS TESTED 12	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL - BBL. 53	GAS - MCF	WATER - BBL. 36	GAS-OIL RATIO
FLOW. TUBING PRESS. 0	CASING PRESSURE 600#	CALCULATED 24-HOUR RATE	OIL - BBL.	GAS - MCF	WATER - BBL.	OIL GRAVITY - API (CORR.)	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold

TEST WITNESSED BY

Sonny Mann

35. LIST OF ATTACHMENTS

Dev. Survey

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Robt Aslew

TITLE

Regulatory Clerk

ACCEPTED FOR RECORD

DATE 4/11/2005

APR 27 2005

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes 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.

PROS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and tests):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
ates 1925'			
Queen 3058'			
Grayburg 3339'			
Delaware 4389'			
Bone Spring Lime 5649'			
1st Bone Spring Sd 7570'			
2nd BS Carb 7901'			
2nd BS Sand 8371'			

38. GEOLOGICAL MARKERS			38. GEOLOGICAL MARKERS		
NAME	TOP		NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH		MEAS. DEPTH	TRUE VERT. DEPTH
Atoka	9335	same			
Morrow	9664'	same			
Miss	9834'	same			
Chester	10016'	same			



DRILLING INC. Oil Well Drilling Contractor

Post Office Box 160 • Artesia, NM 88211-0160 • Office (505) 748-8704 • Fax (505) 748-8719

February 4, 2005

Chi Operating Inc
212 N Main Suite 200
Midland, Tx 79704-1799

Re: Shugart 13 Fed #1
Section 13, T-18-S, R-30-E
Eddy County, New Mexico

Attn: John Wolf

The following is a Deviation Survey on the above referenced well in Eddy County, New Mexico:

229' - 1°	2676' - 1°	5007' - 2°	7894' - 2°
407' - 1 3/4°	2758' - 1 3/4°	5255' - 1 3/4°	8394' - 1 3/4°
555' - 2°	3249' - 1 3/4°	5502' - 2 1/4°	8763' - 1°
723' - 1°	3739' - 3°	5751' - 2°	
912' - 1/4°	3893' - 2°	5998' - 1 3/4°	
1406' - 1 3/4°	4028' - 1 3/4°	6497' - 1 1/2°	
1651' - 1 1/2°	4263' - 1 1/2°	6993' - 1 1/4°	
2183' - 1 1/4°	4760' - 2°	7489' - 2°	

Sincerely,

Jerry W. Wilbanks
President

STATE OF NEW MEXICO)
COUNTY OF CHAVES)

The foregoing was acknowledged before me this 4th day of February, 2005 by Jerry W. Wilbanks.

MY COMMISSION EXPIRES

June 19th, 2007

NOTARY PUBLIC