

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

☐ AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address CHI OPERATING, INC. P. O. BOX 1799, MIDLAND TEXAS 79702		2. OGRID Number 4378
		3. API Number 30-015-42013
4. Property Code 39947	5. Property Name PEACEKEEPER STATE.COM 25	6. Well No. 6H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
P	25	19S	29E		100 (PP330)	S	400	E	EDDY

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
A	25	19S	29E		330	N	400	E	EDDY

9. Pool Information

Turkey Track UNDESIGNATED BONE SPRING	Pool Name	Pool Code 60660
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Additional Well Information

11. Work Type N	12. Well Type O	13. Cable/Rotary R	14. Lease Type S	15. Ground Level Elevation 3337'
16. Multiple NO	17. Proposed Depth TVD8048MD12830	18. Formation BONE SPRING	19. Contractor McVAY	20. Spud Date 9/9/14
Depth to Ground water 65'		Distance from nearest fresh water well 600'		Distance to nearest surface water 4 miles

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
	17 1/2"	13 3/8"	54.5#	1300	550	SURFACE
	12 1/4"	9 5/8"	36#	3200	1350	SURFACE
	8 3/4"	7"	26#	8048	850	SURFACE

Casing/Cement Program: Additional Comments

SEE ATTACHED DRILLING, HORIZONTAL & H2S PLAN AND BOP/CHOKE

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
13 5/8" DOBLE RAM	3,000#	3,000#	GUANGHAN

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐, if applicable.

Signature:

Printed name: BARRY W. HUNT

Title: PERMIT AGENT FOR CHI OPERATING

E-mail Address: specialtpermitting@gmail.com

Date: 8/27/14

Phone (575) 361-4078

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date: 8-27-2014

Expiration Date: 8-27-2016

Conditions of Approval Attached

Chi Operating, Inc.

P. O. BOX 1799
MIDLAND, TEXAS 79702

August 27, 2012

Re: Authorization to Permit for Drilling and Right Of Way

To Whom it may concern,

Chi Operating, Inc. hereby authorizes Mr. Barry Hunt to serve as an agent for the purpose of permitting and obtaining Federal authority.

Gary Womack

Chi Energy, Inc.

432-634-8958 (C)

432-685-5001 (O)

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Phone (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1219 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-42613	Pool Code 60060	Pool Name TURKEY TRAIL
Property Code 39947	Property Name PEACEKEEPER STATE COM	Well Number 6H
UGRID No. 4378	Operator Name CHI ENERGY, INCORPORATED	Elevation 3337

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	USat from the	North/South line	USat from the	East/West line	County
P	25	19 S	29 E		100	SOUTH	400	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	USat from the	North/South line	USat from the	East/West line	County
A	25	19 S	29 E		330	NORTH	400	EAST	EDDY
Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.						

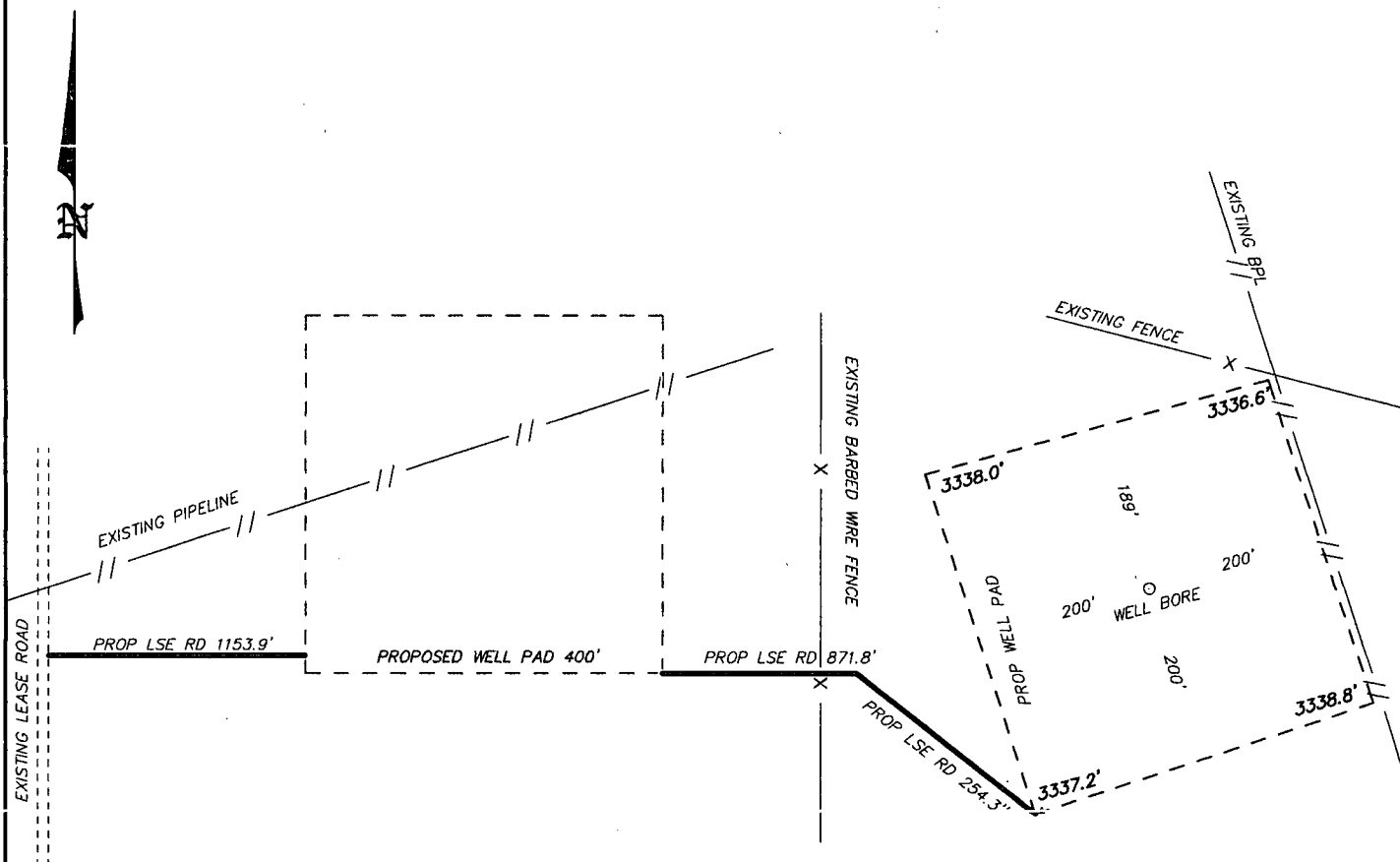
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

N: 596249.9 E: 632573.4 (NAD83)		N: 596243.0 E: 635213.3 (NAD83)	N: 596234.0 E: 637847.5 (NAD83)	B.H. 400'
PROPOSED BOTTOM HOLE LOCATION Lat - N 32°38'16.09" Long - W 104°01'15.97" NMSPCE- N 595905.5 E 637448.6 (NAD-83)				
SURFACE LOCATION Lat - N 32°37'28.11" Long - W 104°01'16.00" NMSPCE- N 591056.1 E 637460.9 (NAD-83)				
N: 590978.2 E: 632575.2 (NAD83)			N: 590954.9 E: 637861.0 (NAD83)	S.L. 400'

OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.
 Signature: Barry W. Hunt Date: 8/25/14
 Printed Name: Barry W. Hunt
 Email Address: _____

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.
 Date Surveyed: FEBRUARY 2014
 Signature: [Signature] Seal of Professional Surveyor
 Certificate No. Gary Jones 7977
 State of New Mexico
 Scale: 1" = 1000'
 WO Num.: 30061

SECTION 25, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

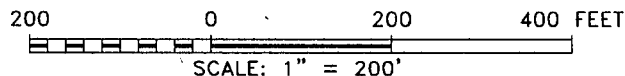


CHI ENERGY, INCORPORATED
PEACEKEEPER STATE COM 6H
 ELEV. - 5557'
 Lat - N 32°37'28.11"
 Long - W 104°01'16.00"
 NMSPCE- N 591056.1
 E 637460.9
 (NAD-83)

Directions to Location:

FROM EAST HWY 180 TURN LEFT ONTO LEASE ROAD,
GO 2.5 MILES AND PROPOSED LOCATION WILL BE ON
LEFT.

CARLSBAD, NM IS ±18 MILES TO THE SOUTHEAST OF LOCATION.



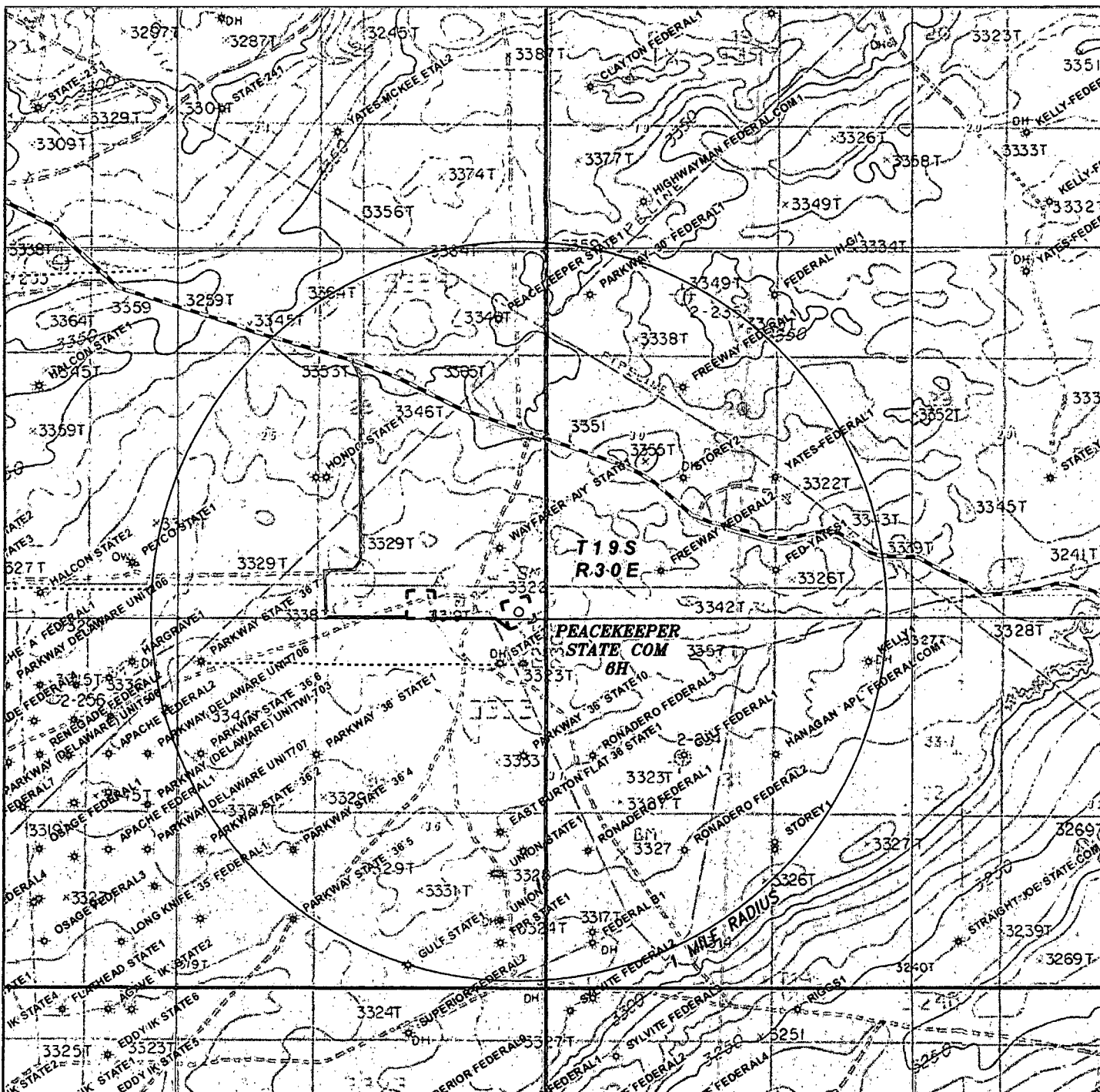
CHI ENERGY, INCORPORATED

REF: PEACEKEEPER STATE COM 6H / WELL PAD TOPO

THE PEACEKEEPER STATE COM 6H LOCATED 100' FROM
 THE SOUTH LINE AND 400' FROM THE EAST LINE OF
 SECTION 25, TOWNSHIP 19 SOUTH, RANGE 29 EAST,
 N.M.P.M., EDDY COUNTY, NEW MEXICO.

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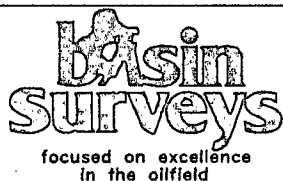
P.O. Box 1786 (575) 393-7316 - Office
 1120 N. West County Rd. (575) 392-2206 - Fax
 Hobbs, New Mexico 88241 basin-surveys.com



PEACEKEEPER STATE COM 6H

Located 100' FSL and 400' FEL

Section 25, Township 19 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
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basinsurveys.com

0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'

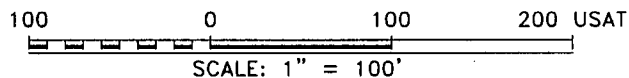
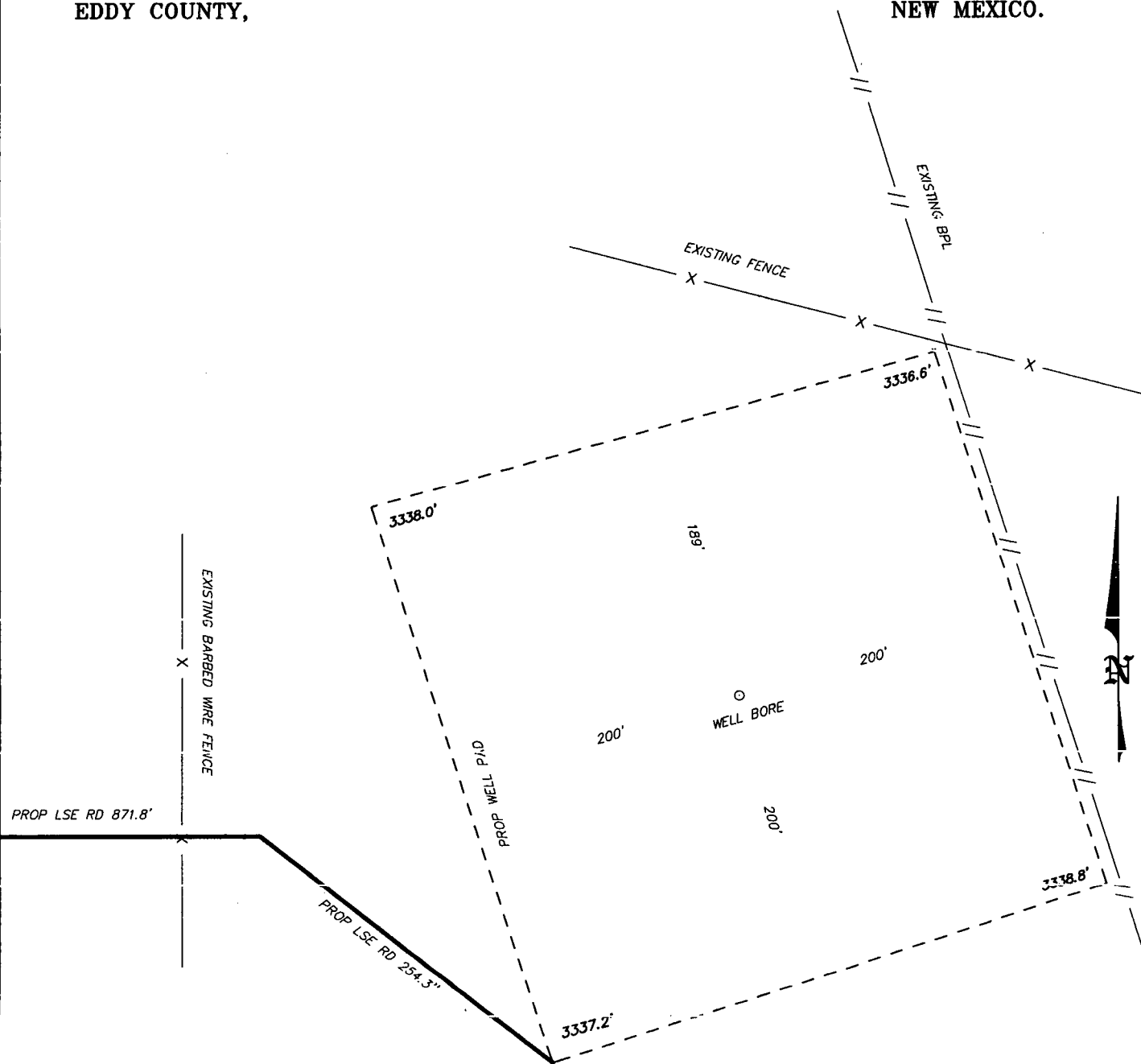
W.O. Number: KAN 30061

Survey Date: 02-13-2014

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - USA LAND

CHI ENERGY,
INCORPORATED

SECTION 25, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



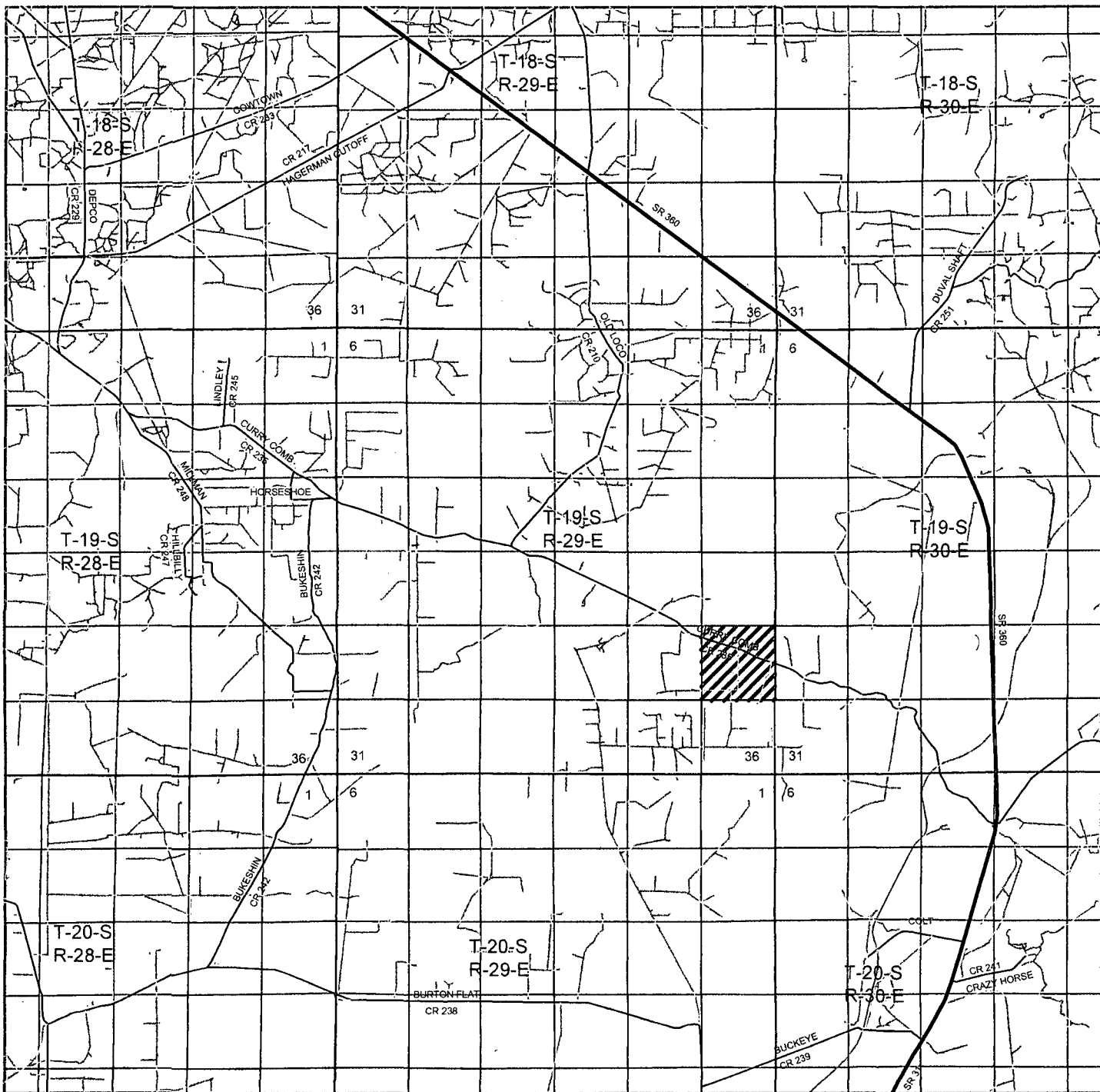
CHI ENERGY, INCORPORATED

REF: PEACEKEEPER STATE COM 6H / WELL PAD TOPO

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PEACEKEEPER STATE COM 6H

Located 100' FSL and 400' FEL

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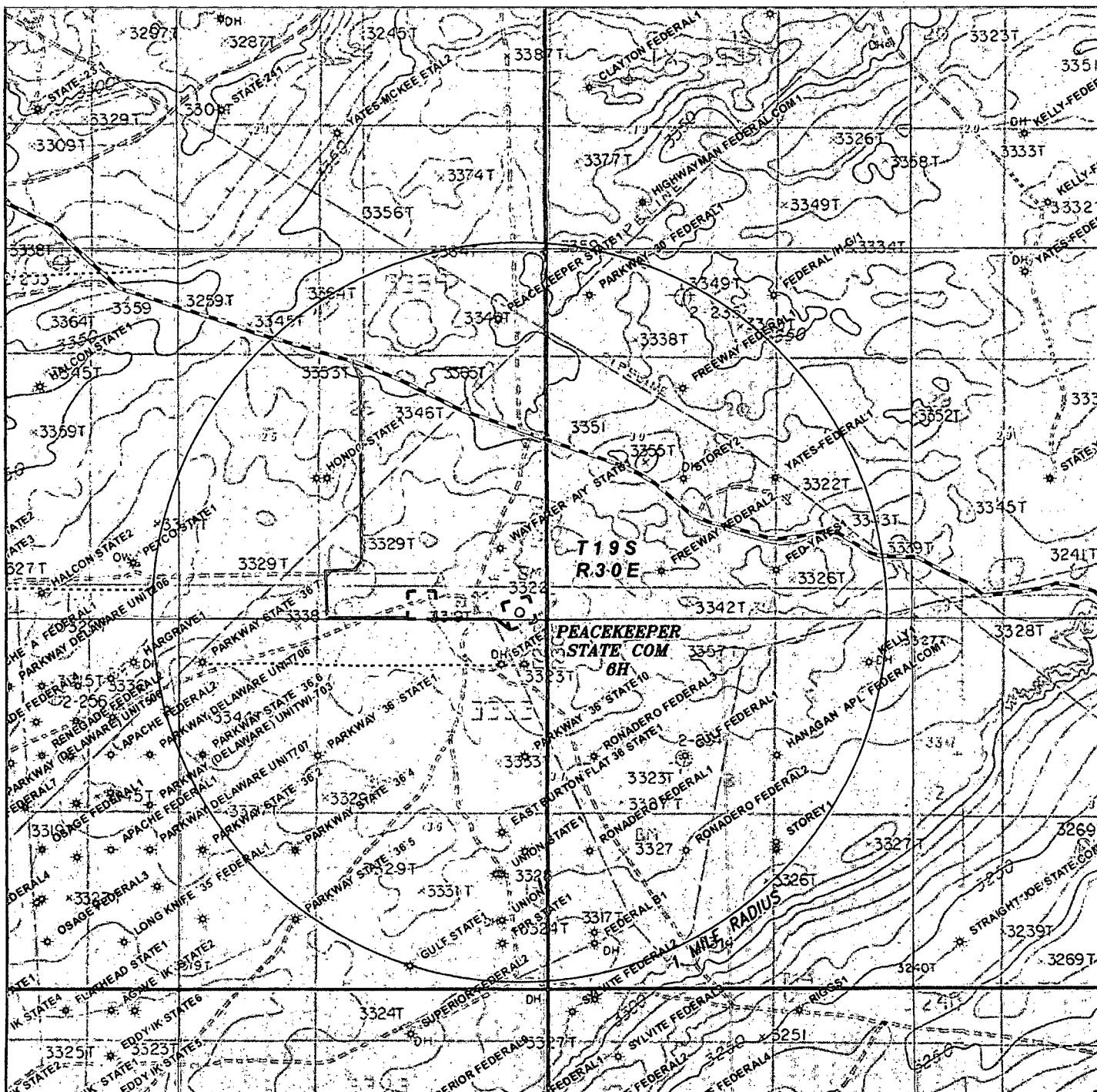
0 1 MI 2 MI 3 MI 4 MI
SCALE: 1" = 2 MILES

W.O. Number: KAN 30061

Survey Date: 02-13-2014

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - USA LAND

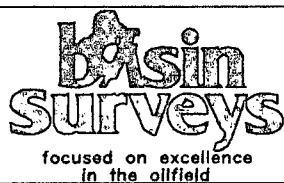
CHI ENERGY,
INCORPORATED



PEACEKEEPER STATE COM 6H

Located 100' FSL and 400' FEL

Section 25, Township 19 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico.



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(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

0' 1000' 2000' 3000' 4000'

SCALE: 1" = 2000'

W.O. Number: KAN 30061

Survey Date: 02-13-2014

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - USA LAND

CHI ENERGY,
INCORPORATED

Application to Drill
Chi Operating, Inc.
Peacekeeper State Com 25 #6H
100' FSL & 400' FEL (SHL)
330' FNL & 400' FEL (BHL)
Sec 25-T19S-R29E
Eddy County, New Mexico

1. The estimated tops of geological markers are as follows:

Rustler	150'	
Top Salt	310'	
Base Salt	950'	
*Yates	1250'	
Seven Rivers	1375'	
Queen	Not Expected	
Top Captain	1300'	
Base Captain	1710'	
*Delaware	3200'	
*Bone Springs	6020'	
TVD	8048'	MD 12,830'

2. Estimated depths of anticipated fresh water, oil, or gas:

Water	Fresh water is anticipated at 65' and will be protected by setting surface casing at 185' and cementing to surface.
Hydrocarbons	Oil and gas are anticipated in the above (*) formations. These zones will be protected by casing as necessary.

3. Pressure control equipment:

A 2M diverter will be installed after running 20" casing. A 2000# WP Annular will be installed after running 13 3/8" casing. A 3000# WP Double Ram BOP and 3000# WP Annular will be installed after running 9 5/8" & 7" casing strings. Pressure tests will be conducted prior to drilling out under all casing strings. BOP controls will be installed prior to drilling under surface casing and will remain in use until completion of drilling operations. BOPE will be inspected and operated as recommended in Onshore Order #2. A kelly cock and a sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position when the kelly is not in use. will test the 7" & 9 5/8" BOPE to 3000# and both Annular BOPs to 1500# with a third party testing company before drilling below each shoe, but will test again, if needed, in 30 days from the 1st test as per BLM Onshore Oil and Gas Order #2.

Chi Energy requests a variance that a diverter be installed.

4. Chi Operating, Inc. proposes to drill a vertical wellbore to 7612' & kick off to horizontal @ 8048' TVD. The well will be drilled to 12830' MD (8048' TVD). See attached directional plan.

5. Proposed casing and cementing program:

A. Casing Program:

<u>Hole Size</u>	<u>Casing</u>	<u>Wt/Ft.</u>	<u>Grade</u>	<u>Depth</u>	<u>It Type</u>
26	20" (new)	94#	J55	0'-185'	BT&C
17 1/2 "	13 3/8" (new)	54.5	J55	0'-1300'	ST&C
12 1/4 "	9 5/8" (new)	36#	J55	0'-3200'	LT&C
8 3/4 "	7" (new)	26#	P110	0'-8048'	LT&C
6 1/8 "	4 1/2" (new)	11.6#	P110	8048' -12830' MD	LT&C

Minimum casing design factors: Collapse 1.125, Burst 1.0, Tensile strength 1.8

*Subject to availability of casing

Drilling Program

Chi Operating, Inc.

Peacekeeper State Com 25 #6H

Page 2

B. Cementing Program:

- i. Surface Casing: 350 sks Class "C" lite (35:65:4) cement w/LCM additives. Yield at 2. 12 cuft/sk. 200 sks Class "C" cement w/2% CaCl₂ additives. Yield at 1.34 cuft/sk. Cmt circulated to surface w/100% excess.
- ii. 1st Intermediate Casing: 450 sks Class "C" lite (35:65:4) cement w/salt & LCM additives. Yield at 2. 12 cuft/sk. 200 sacks Class "C" cement w/2% CaCl₂ additives. Yield at 1.34 cuft/sk. Cmt circulated to surface w/25% excess.
- iii. 2nd Intermediate Casing: 500 sacks Class "C" lite (35:65:4) cement w/LCM & FL additives. Yield at 2. 12 cuft/sk. 200 sacks Class "C" cement w/1% CaCl₂ additives. Yield at 1.34 cuft/sk. Cmt circulated to surface w/25% excess.
- iv. Production Casing: 450 sacks Class "H" lite (35:65:4) cement w/salt, FL & LCM additives. Yield at 2. 12 cuft/sk. 400 sacks Class "H" cement w/salt & FL additives. Yield at 1.29 cuft/sk. Cmt circulated to surface w/25% excess.
- v. Production Liner: This will be a Packer/Port completion from TD up inside 7" casing with packer type liner hanger.

*Referring to above of lite cement:)wt% fly ash : wt% cement : wt% bentonite of the total of the first two numbers). Generic names of additives are used since the availability of specific companies and products are unknown at this time.

6. Mud Program:

<u>Interval</u>	<u>Type System</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0'-185'	FW Spud Mud	8.4-8.6	28	NC
185'-1300'	Brine Water	10.0-10.2	30-32	NC
1300'-8048'	Cut Brine	8.4-9.5	30-32	NC
8048'- 12830'	Cut Brine w/Polymer	9.0-9.5	30-32	NC

7. Evaluation Program:

Samples: 10' samples from surface casing to TD
Logging: GR/N & Gyro from KOP-100' (7612') to surface. GR from 8048' to TD.

8. Downhole Conditions:

Zones of abnormal pressure: None anticipated
Zones of lost circulation: Anticipated in surface and intermediate holes. Equipment and material will be available on location in the event of lost circulation.
Maximum bottom hole temperature: 120 degrees F
Maximum bottom hole pressure: 3557 psi.

9. Anticipated Starting Date:

Chi Operating, Inc. intends to drill this well as soon as possible after receiving approval with approximately 40 days involved in drilling operations and an additional 10 days involved in completions operations on the project.

5D Plan Report**Chi Energy****Field Name:** *Chi Energy Eddy Co (NAD83 NME)***Site Name:** *Peacekeeper State 25 #6H***Well Name:** *Peacekeeper State 25 #6H***Plan:** *P1:V1*

12 March 2014





Peacekeeper State 25 #6H
Eddy County, New Mexico



GL-3337
KB-N/A

Plan Data for Peacekeeper State 25 #6H

Site: Peacekeeper State 25 #6H
Unit: USFeet TVD Reference:
Company Name: Chi Energy
Position: Northing: 591056.10USft Latitude: 32°37'28.1"
Easting: 637460.90USft Longitude: -104°1'16.0"
North Reference: Grid Grid Convergence: 0.17"
Elevation Above VRD: 3337.00USft

Plan Data for Peacekeeper State 25 #6H

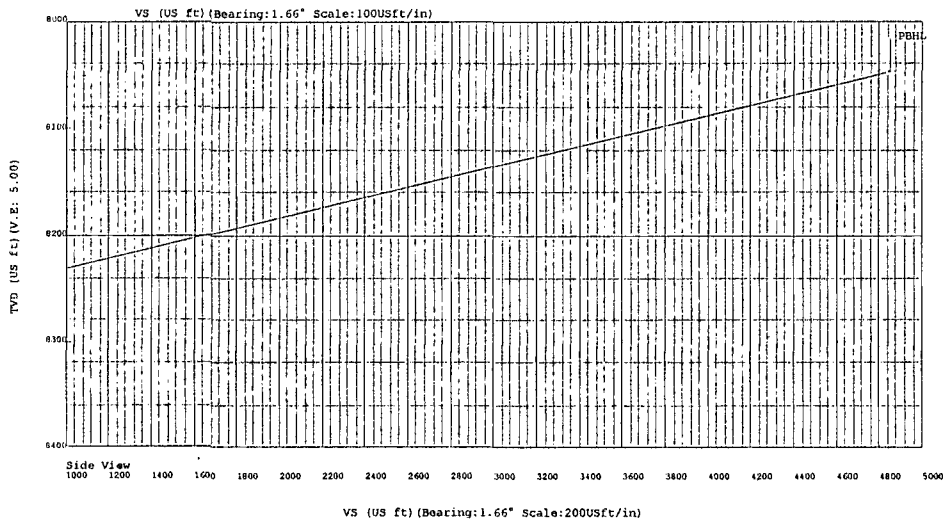
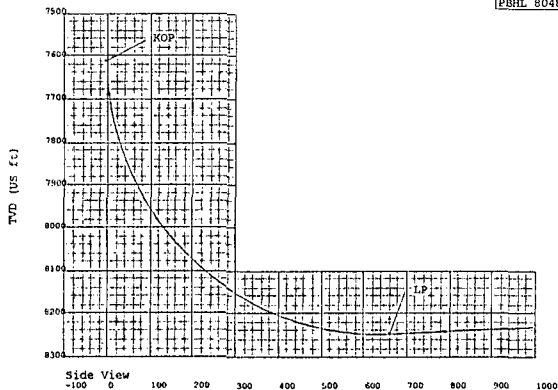
Slot: Peacekeeper State 25 #6H
Position:
Offset is from Site centre
+N/-S: 0.00USft Northing: 591056.10USft Latitude: 32°37'28.1"
+E/-W: 0.00USft Easting: 637460.90USft Longitude: -104°1'16.0"
Elevation Above VRD: 3337.00USft

Plan Data for Peacekeeper State 25 #6H

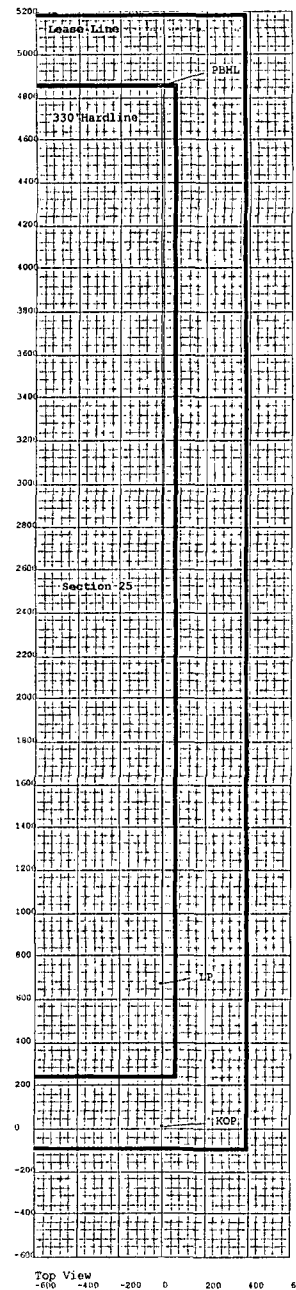
Plan Point Information:
DogLeg Severity Unit: °/100.00ft Position offsets from Slot centre
MD Inc Az TVD +N/-S +E/-W Northing Easting VSec DLS
(USft) (°) (°) (USft) (USft) (USft) (USft) (USft) (DLSU)
0.00 0.00 0.00 0.00 0.00 591056.10 637460.90 0.00 0.00
7612.11 0.00 0.00 7612.11 0.00 0.00 591056.10 637460.90 0.00 0.00
8642.53 92.74 359.85 8248.00 667.03 -1.69 591723.13 637459.21 666.70 9.00
12829.70 92.74 359.85 8048.00 4849.40 -12.30 595905.50 637448.60 4847.01 0.00

Plan Data for Peacekeeper State 25 #6H

Target Set Information:
Name: Peacekeeper State 25 #6H Target
Position offsets from Slot centre
Name TVD +N/-S +E/-W Northing Easting Shape Comment
(USft) (USft) (USft) (USft) (USft)
PBHL 8048.00 4849.40 -12.30 595905.50 637448.60 Cuboid



N. Offset (US ft)



Top View
E. Offset (US ft) (Scale: 200USft/in)



Sign Off: Patrick Rudolph

5D Plan Report

Wellpath created using minimum curvature

Salient Points (Relative to Slot centre, TVD relative to Drill Floor)											
MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N.Offset (US ft)	E.Offset (US ft)	DLS (°/100 US ft)	VS (US ft)	L.Rate (°/100 US ft)	T.Rate (°/100 US ft)	T.Rate (°)	Comment
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7612.11	0.00	0.00	7612.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	KOP
8642.53	92.74	359.85	8248.00	667.03	-1.69	9.00	667.03	9.00	0.00	359.85	LP
12829.70	92.74	359.85	8048.00	4849.40	-12.30	0.00	4849.42	0.00	0.00	0.00	PBHL

Interpolated Points (Relative to Slot centre, TVD relative to Drill Floor)											
MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N.Offset (US ft)	E.Offset (US ft)	VS (US ft)	DLS (°/100 US ft)	Northing (US ft)	Easting (US ft)	Comment	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
1000.00	0.00	0.00	1000.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
1100.00	0.00	0.00	1100.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
1200.00	0.00	0.00	1200.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
1300.00	0.00	0.00	1300.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
1400.00	0.00	0.00	1400.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
1500.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
1600.00	0.00	0.00	1600.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
1700.00	0.00	0.00	1700.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
1800.00	0.00	0.00	1800.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
1900.00	0.00	0.00	1900.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
2000.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
2100.00	0.00	0.00	2100.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
2200.00	0.00	0.00	2200.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
2300.00	0.00	0.00	2300.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
2400.00	0.00	0.00	2400.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
2500.00	0.00	0.00	2500.00	0.00	0.00	0.00	0.00	591056.10	637460.90		
2599.99	0.00	0.00	2599.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
2699.99	0.00	0.00	2699.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
2799.99	0.00	0.00	2799.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
2899.99	0.00	0.00	2899.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
2999.99	0.00	0.00	2999.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
3099.99	0.00	0.00	3099.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
3199.99	0.00	0.00	3199.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
3299.99	0.00	0.00	3299.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
3399.99	0.00	0.00	3399.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
3499.99	0.00	0.00	3499.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
3599.99	0.00	0.00	3599.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
3699.99	0.00	0.00	3699.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
3799.99	0.00	0.00	3799.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
3899.99	0.00	0.00	3899.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
3999.99	0.00	0.00	3999.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
4099.99	0.00	0.00	4099.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
4199.99	0.00	0.00	4199.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
4299.99	0.00	0.00	4299.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
4399.99	0.00	0.00	4399.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
4499.99	0.00	0.00	4499.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
4599.99	0.00	0.00	4599.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
4699.99	0.00	0.00	4699.99	0.00	0.00	0.00	0.00	591056.10	637460.90		
4799.99	0.00	0.00	4799.99	0.00	0.00	0.00	0.00	591056.10	637460.90		

5D Plan Report

Interpolated Points (Relative to Slot centre, TVD relative to Drill Floor)										
ID (US ft)	Incl (°)	Az (°)	TVD (US ft)	N.Offset (US ft)	E.Offset (US ft)	VS (US ft)	DLS (%/100 US ft)	Northing (US ft)	Easting (US ft)	Comment
4899.99	0.00	0.00	4899.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
4999.99	0.00	0.00	4999.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
5099.99	0.00	0.00	5099.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
5199.99	0.00	0.00	5199.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
5299.99	0.00	0.00	5299.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
5399.99	0.00	0.00	5399.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
5499.99	0.00	0.00	5499.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
5599.99	0.00	0.00	5599.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
5699.99	0.00	0.00	5699.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
5799.99	0.00	0.00	5799.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
5899.99	0.00	0.00	5899.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
5999.99	0.00	0.00	5999.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
6099.99	0.00	0.00	6099.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
6199.99	0.00	0.00	6199.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
6299.99	0.00	0.00	6299.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
6399.99	0.00	0.00	6399.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
6499.99	0.00	0.00	6499.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
6599.99	0.00	0.00	6599.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
6699.99	0.00	0.00	6699.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
6799.99	0.00	0.00	6799.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
6899.99	0.00	0.00	6899.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
6999.99	0.00	0.00	6999.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
7099.99	0.00	0.00	7099.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
7199.99	0.00	0.00	7199.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
7299.99	0.00	0.00	7299.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
7399.99	0.00	0.00	7399.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
7499.99	0.00	0.00	7499.99	0.00	0.00	0.00	0.00	591056.10	637460.90	
7599.98	0.00	0.00	7599.98	0.00	0.00	0.00	0.00	591056.10	637460.90	
7612.11	0.00	0.00	7612.11	0.00	0.00	0.00	0.00	591056.10	637460.90	KOP
7699.98	7.91	359.85	7699.71	6.06	-0.02	6.06	9.00	591062.16	637460.88	
7799.98	16.91	359.85	7799.21	27.52	-0.07	27.52	9.00	591083.62	637460.83	
7899.98	25.91	359.85	7890.27	63.99	-0.16	63.99	9.00	591120.09	637460.74	
7999.98	34.91	359.85	7976.43	114.55	-0.29	114.55	9.00	591170.65	637460.61	
8099.98	43.91	359.85	8053.61	177.97	-0.45	177.97	9.00	591234.07	637460.45	
8199.98	52.91	359.85	8119.93	252.68	-0.64	252.68	9.00	591308.78	637460.26	
8299.98	61.91	359.85	8173.73	336.85	-0.85	336.85	9.00	591392.95	637460.05	
8399.98	70.91	359.85	8213.71	428.40	-1.09	428.40	9.00	591484.50	637459.81	
8499.98	79.91	359.85	8238.88	525.07	-1.33	525.07	9.00	591581.17	637459.57	
8599.98	88.91	359.85	8248.61	624.49	-1.58	624.49	9.00	591680.59	637459.32	
8642.53	92.74	359.85	8248.00	667.03	-1.69	667.03	9.00	591723.13	637459.21	LP
8699.98	92.74	359.85	8245.26	724.41	-1.84	724.42	0.00	591780.51	637459.06	
8799.98	92.74	359.85	8240.48	824.30	-2.09	824.30	0.00	591880.40	637458.81	
8899.98	92.74	359.85	8235.71	924.18	-2.34	924.19	0.00	591980.28	637458.56	
8999.98	92.74	359.85	8230.93	1024.07	-2.60	1024.07	0.00	592080.17	637458.30	
9099.98	92.74	359.85	8226.15	1123.95	-2.85	1123.96	0.00	592180.05	637458.05	
9199.98	92.74	359.85	8221.38	1223.84	-3.10	1223.84	0.00	592279.94	637457.80	
9299.98	92.74	359.85	8216.60	1323.72	-3.36	1323.73	0.00	592379.82	637457.54	
9399.98	92.74	359.85	8211.82	1423.61	-3.61	1423.61	0.00	592479.71	637457.29	
9499.98	92.74	359.85	8207.05	1523.50	-3.86	1523.50	0.00	592579.60	637457.04	
9599.98	92.74	359.85	8202.27	1623.38	-4.12	1623.39	0.00	592679.48	637456.78	
9699.98	92.74	359.85	8197.49	1723.27	-4.37	1723.27	0.00	592779.37	637456.53	
9799.98	92.74	359.85	8192.72	1823.15	-4.62	1823.16	0.00	592879.25	637456.28	
9899.98	92.74	359.85	8187.94	1923.04	-4.88	1923.04	0.00	592979.14	637456.02	
9999.98	92.74	359.85	8183.16	2022.92	-5.13	2022.93	0.00	593079.02	637455.77	
10099.98	92.74	359.85	8178.39	2122.81	-5.38	2122.81	0.00	593178.91	637455.52	
10199.98	92.74	359.85	8173.61	2222.69	-5.64	2222.70	0.00	593278.79	637455.26	
10299.98	92.74	359.85	8168.83	2322.58	-5.89	2322.59	0.00	593378.68	637455.01	
10399.98	92.74	359.85	8164.06	2422.46	-6.14	2422.47	0.00	593478.56	637454.76	
10499.98	92.74	359.85	8159.28	2522.35	-6.40	2522.36	0.00	593578.45	637454.50	

5D Plan Report

Interpolated Points (Relative to Slot centre, TVD relative to Drill Floor)										
MD (US ft)	Incl (°)	Az (°)	TVD (US ft)	N.Offset (US ft)	E.Offset (US ft)	VS (US ft)	DLS (°/100 US ft)	Northing (US ft)	Easting (US ft)	Comment
10599.98	92.74	359.85	8154.50	2622.23	-6.65	2622.24	0.00	593678.33	637454.25	
10699.98	92.74	359.85	8149.73	2722.12	-6.90	2722.13	0.00	593778.22	637454.00	
10799.98	92.74	359.85	8144.95	2822.00	-7.16	2822.01	0.00	593878.10	637453.74	
10899.98	92.74	359.85	8140.17	2921.89	-7.41	2921.90	0.00	593977.99	637453.49	
10999.98	92.74	359.85	8135.40	3021.78	-7.66	3021.79	0.00	594077.88	637453.24	
11099.98	92.74	359.85	8130.62	3121.66	-7.92	3121.67	0.00	594177.76	637452.98	
11199.98	92.74	359.85	8125.84	3221.55	-8.17	3221.56	0.00	594277.65	637452.73	
11299.98	92.74	359.85	8121.07	3321.43	-8.42	3321.44	0.00	594377.53	637452.48	
11399.98	92.74	359.85	8116.29	3421.32	-8.68	3421.33	0.00	594477.42	637452.22	
11499.98	92.74	359.85	8111.52	3521.20	-8.93	3521.21	0.00	594577.30	637451.97	
11599.98	92.74	359.85	8106.74	3621.09	-9.18	3621.10	0.00	594677.19	637451.72	
11699.98	92.74	359.85	8101.96	3720.97	-9.44	3720.98	0.00	594777.07	637451.46	
11799.98	92.74	359.85	8097.19	3820.86	-9.69	3820.87	0.00	594876.96	637451.21	
11899.98	92.74	359.85	8092.41	3920.74	-9.94	3920.76	0.00	594976.84	637450.96	
11999.98	92.74	359.85	8087.63	4020.63	-10.20	4020.64	0.00	595076.73	637450.70	
12099.98	92.74	359.85	8082.86	4120.51	-10.45	4120.53	0.00	595176.61	637450.45	
12199.98	92.74	359.85	8078.08	4220.40	-10.70	4220.41	0.00	595276.50	637450.20	
12299.98	92.74	359.85	8073.30	4320.28	-10.96	4320.30	0.00	595376.38	637449.94	
12399.98	92.74	359.85	8068.53	4420.17	-11.21	4420.18	0.00	595476.27	637449.69	
12499.98	92.74	359.85	8063.75	4520.06	-11.46	4520.07	0.00	595576.16	637449.44	
12599.97	92.74	359.85	8058.97	4619.94	-11.72	4619.96	0.00	595676.04	637449.18	
12699.97	92.74	359.85	8054.20	4719.83	-11.97	4719.84	0.00	595775.93	637448.93	
12799.97	92.74	359.85	8049.42	4819.71	-12.22	4819.73	0.00	595875.81	637448.68	
12829.70	92.74	359.85	8048.00	4849.40	-12.30	4849.42	0.00	595905.50	637448.60	PBHL

**Weatherford**

Weatherford Drilling Services

GeoDec4 v2.0.0.3

Report Date: March 12, 2014
Job Number: _____
Customer: Chi Energy
Well Name: Peacekeeper State 25 #6H
API Number: _____
Rig Name: _____
Location: _____
Block: _____
Engineer: Patrick Rudolph

NAD83 / New Mexico East (ftUS)	WGS 84
Projected Coordinate System	Geodetic Coordinate System
Datum: North American Datum 1983 (1986)	Datum: WGS 1984
Ellipsoid: GRS 1980	Ellipsoid: WGS 84
EPSG: 2257	EPSG: 4326
North: 591056.1 US Survey Foot	Latitude: 32.624475 Degree
East: 637460.9 US Survey Foot	Longitude: -104.021115 Degree
Convergence: 0.17°	
Declination: 7.57°	
Total Correction: 7.40°	
Datum Transformation: NAD83 to WGS 84 (30)	

Geodetic Location WGS84

MSL Elevation = 3337 usft
Latitude = 32° 37' 28.11" N
Longitude = 104° 01' 16.01" W

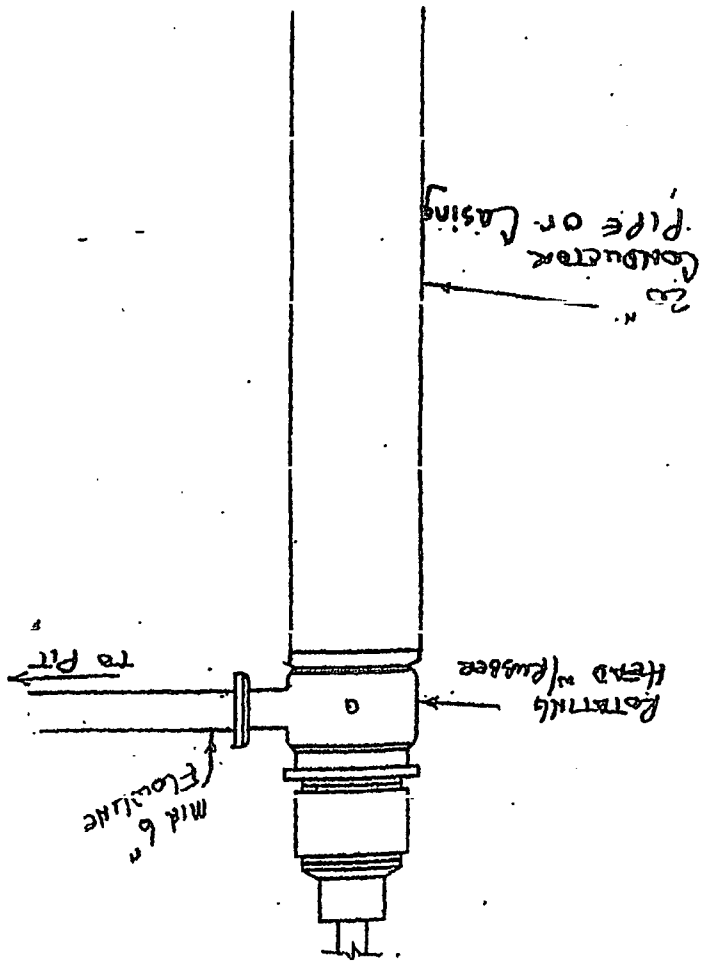
Magnetic Declination = 7.57 deg	[True North Offset]
Local Gravity = .9988 g	Checksum = 6643
Local Field Strength = 48475 nT	Magnetic Vector X = 23743 nT
Magnetic Dip = 60.39 deg	Magnetic Vector Y = 3157 nT
Magnetic Model = bggm2013.COF	Magnetic Vector Z = 42144 nT
Run Date = July 01, 2014	Magnetic Vector H = 23952 nT

Signed: _____ Date: _____

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Warning: This information is controlled, and any printed version is deemed as uncontrolled unless suitably endorsed by a controlling authority or accompanied by a controlled table of contents in order to ensure adequate revision control.

20" Diverter System



Drilling 12-1/4" hole
below 13 3/8" Casing

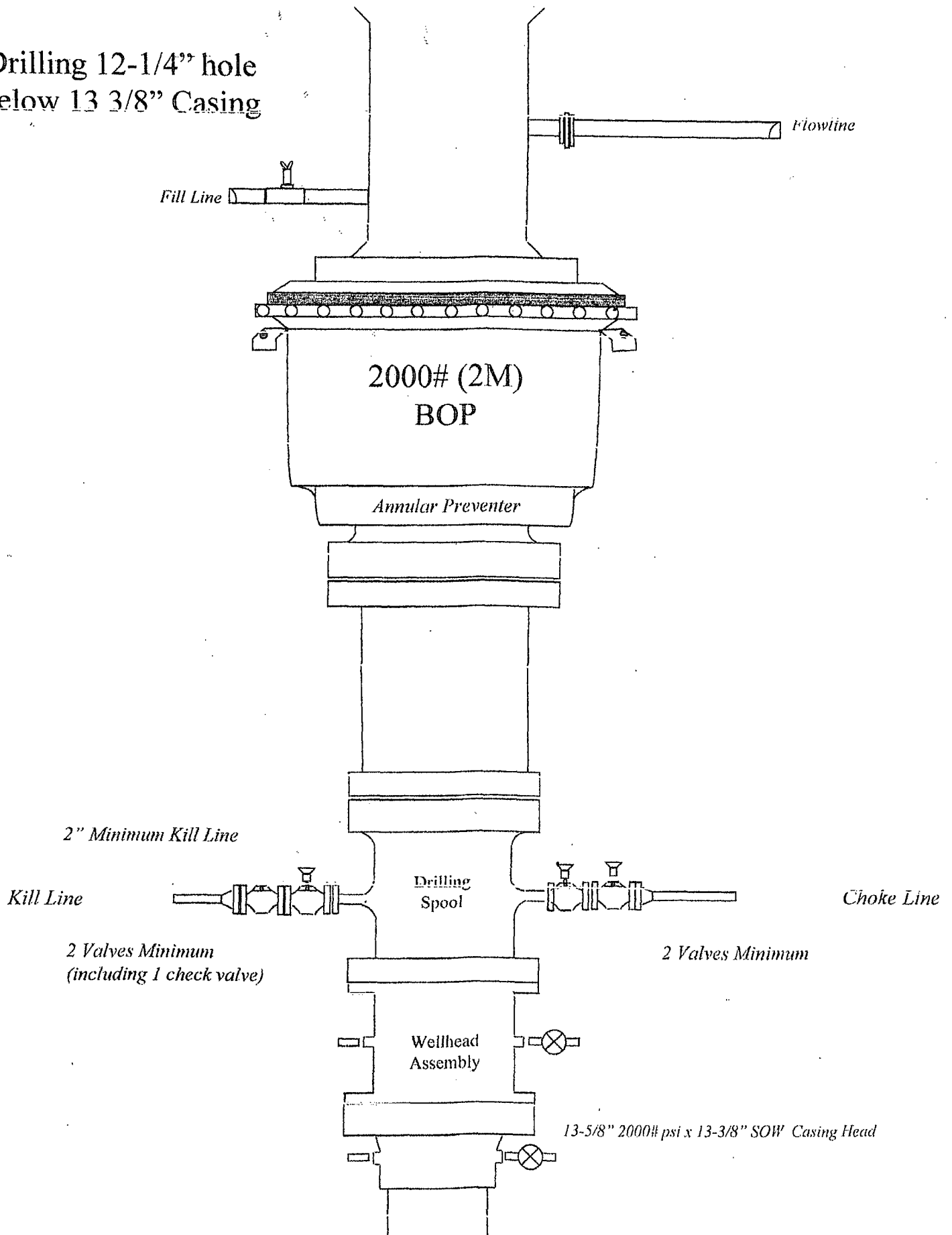


Exhibit E-1 -2000# BOP

Drilling 12-1/4" hole
below 13 3/8" Casing

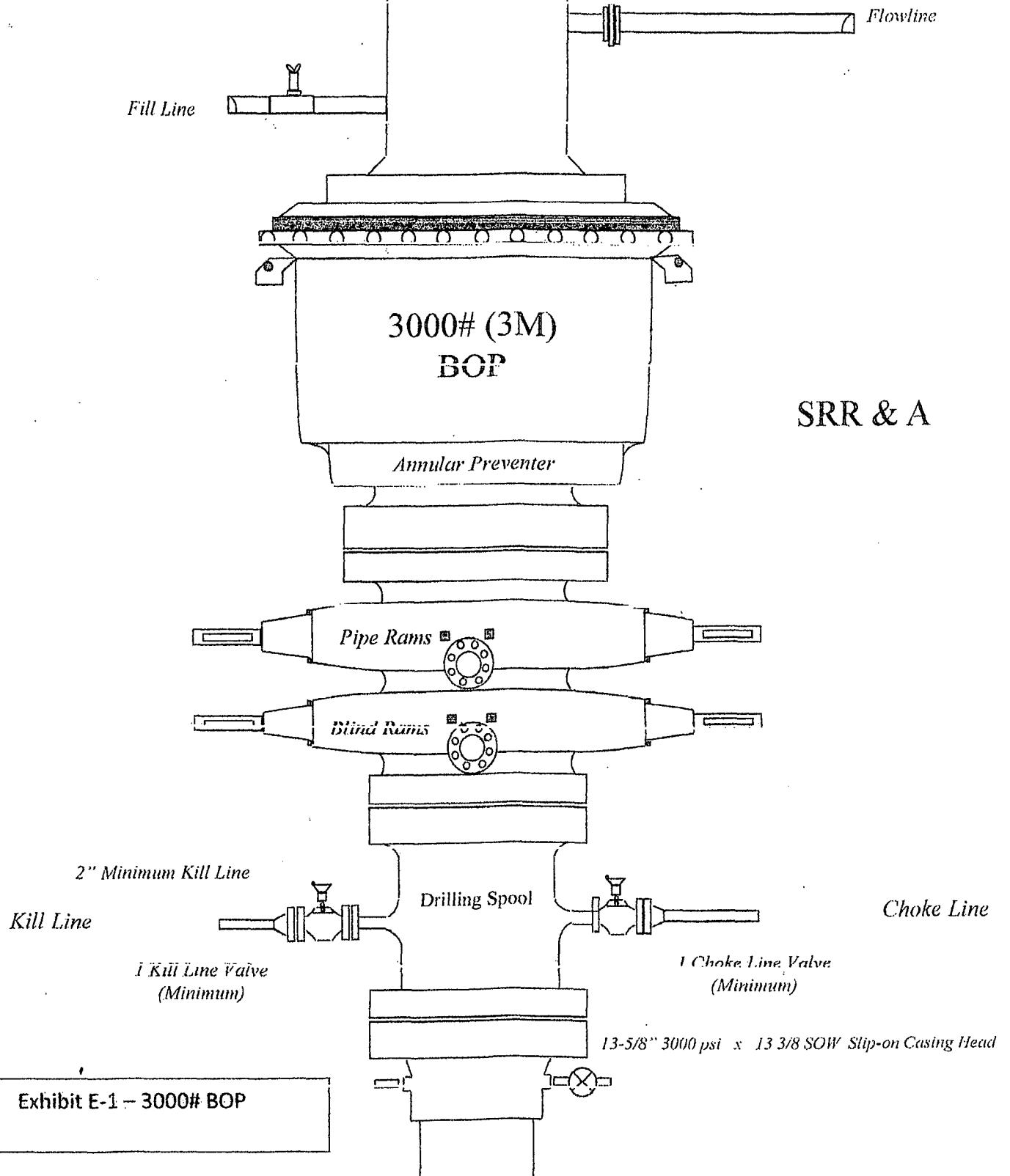
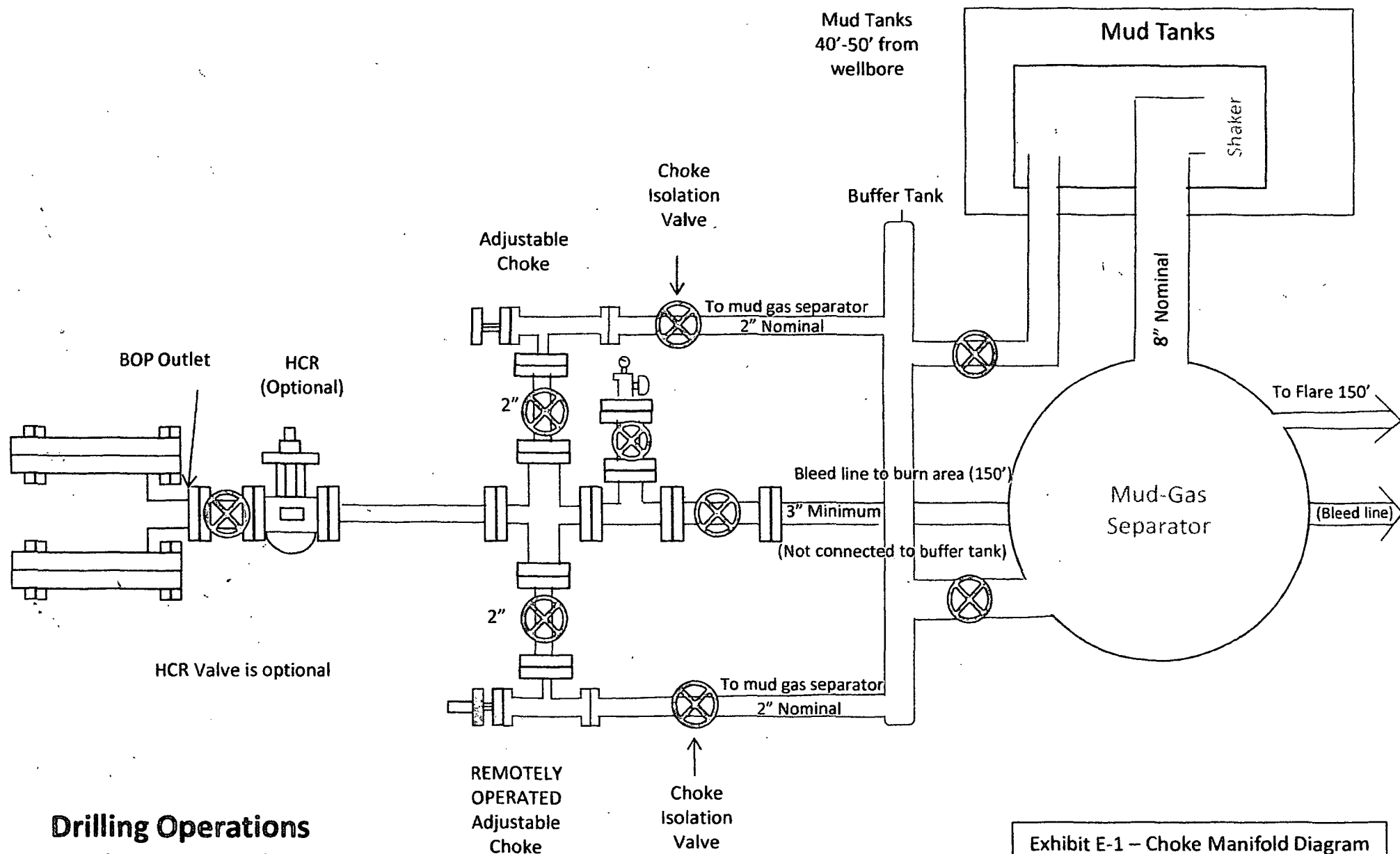


Exhibit E-1 - 3000# BOP



Drilling Operations
Choke Manifold
3M Service

Exhibit E-1 – Choke Manifold Diagram

CHI OPERATING, INC.

PEACEKEEPER 25 STATE COM 6H HYDROGEN SULFIDE (H₂S) CONTINGENCY DRILLING PLAN

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be rigged up and in use when the company drills out from under surface casing. H₂S monitors, warning signs, wind indicators and flags will be in use.

- A. All personnel shall receive proper H₂S training in accordance with Onshore Order 6 III.C.3.a
- B. Briefing Area: Two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:
 - Well control equipment
 - a. Flare line 150' from wellhead to be ignited by flare gun.
 - b. Choke manifold with a remotely operated choke.
 - c. Mud/Gas Separator.
 - Protective Equipment for essential personnel.
Breathing apparatus:
 - a. Rescue Packs (SCBA) – 1 unit shall be placed at each briefing area. 2 units shall be stored in the safety trailer.
 - b. Work/Escapes packs – 4 packs shall be stored on the rig floor with sufficient air hose not to restrict work activity.
 - c. Emergency Escape Packs – 4 packs shall be stored in the doghouse for emergency evacuation.
 - Auxiliary Rescue Equipment:
 - a. Stretcher
 - b. Two OSHA full body harness
 - c. 100 ft. 5/8" OSHA approved rope
 - d. One 20# class ABC fire extinguisher
 - H₂S detection and monitoring Equipment:
The stationary detector with three sensors will be placed in the upper doghouse, set to visually alarm @ 10 ppm and audible @ 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: Rig floor, Bell nipple, end of flare line or where well bore fluid is being discharged (Gas sample tubes will be stored in the safety trailer).

- Visual warning systems.
 - a. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
 - b. A colored condition flag will be on display, reflecting the current condition, at the drilling site.
 - c. Two wind socks will be placed in strategic locations being visible from all angles.
- Mud Program:
The mud program has been designated to minimize the volume of H₂S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H₂S bearing zones.
- Metallurgy:
 - a. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, shall be suitable for H₂S service.
 - b. All elastomers used for packing and seals shall be H₂S trim.
- Communication:
Communication will be via two way radio in emergency and company vehicles. Cell phones and land lines where available.

Contacting Authorities

CHI Operating personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. CHI Operating, Inc. response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER) and BLM Onshore Order #6.

H₂S Operations

Though no H₂S is anticipated during the drilling operation, this contingency plan will provide for methods to ensure the well is kept under control in the event an H₂S reading of 100 ppm or more are encountered. Once personnel are safe and the proper protective gear is in place and on personnel, the operator and rig crew essential personnel will ensure the well is under control, suspend drilling operations and shut-in the well (unless pressure build up or other operational situations dictate suspending operations will prevent well control), increase the mud weight and circulate all gas from the hole utilizing the mud/gas separator downstream of the choke, the choke manifold and the emergency flare system located 150' from the well. Bring the mud system into compliance and the H₂S level below 10 ppm, then notify all emergency officers that drilling ahead is practical and safe.

Proceed with drilling ahead only after all provisions of Onshore Order 6, Section III.C. have been satisfied.

H2S CONTINGENCY DRILLING PLAN EMERGENCY CONTACTS

Company Offices - CHI Operating Office

432-634-8958

KEY PERSONNEL					
Name	Title	Location	Phone #		
JOHN QUALLS	PRODUCTION ENGINEER	MIDLAND	432-685-5001		
RONNIE ROGERS	FIELD FOREMAN	MIDLAND	432-631-2717		

Agency Call List		
City	Agency or Office	Telephone Number
Artesia	Ambulance	911
Artesia	State Police	575-746-2703
Artesia	Sheriff's Office	575-746-9888
Artesia	City Police	575-746-2703
Artesia	Fire Department	575-746-2701
Artesia	Local Emergency Planning Committee	575-746-2122
Artesia	New Mexico OCD District II	575-748-1283
Carlsbad	Ambulance	911
Carlsbad	State Police	575-885-3137
Carlsbad	Sheriff's Office	575-887-7551
Carlsbad	City Police	575-885-2111
Carlsbad	Fire Department	575-885-2111
Carlsbad	Local Emergency Planning Committee	575-887-3798
Carlsbad	US DOI Bureau of Land Management	575-667-6544
State Wide	New Mexico Emergency Response Commission ("NMERC")	505-476-9600
State Wide	NMERC 24 hour Number	505-827-9126
State Wide	New Mexico State Emergency Operations Center	505-476-9635
National	National Emergency Response Center (Washington, D.C.)	800-424-8802

H2S CONTINGENCY DRILLING PLAN EMERGENCY CONTACTS

Emergency Services				
Name	Service	Location	Telephone Number	Alternate Number
Boots & Coots International Well Control	Well Control	Houston / Odessa	1-800-256-9688	281-931-8884
Cudd Pressure Control	Well Control & Pumping	Odessa	915-699-0139	915-563-3356
Baker Hughes Inc.	Pumping Service	Artesia, Hobbs and Odessa	575-746-2757	SAME
Total Safety	Safety Equipment and Personnel	Artesia	575-746-2847	SAME
Cutter Oilfield Services	Drilling Systems Equipment	Midland	432-488-6707	SAME
Assurance Fire & Safety	Safety Equipment and Personnel	Artesia	575-396-9702	575-441-2224
Flight for Life	Emergency Helicopter Evacuation	Lubbock	806-743-9911	SAME
Aerocare	Emergency Helicopter Evacuation	Lubbock	806-747-8923	SAME
Med Flight Air Ambulance	Emergency Helicopter Evacuation	Albuquerque	505-842-4433	SAME
Artesia General Hospital	Emergency Medical Care	Artesia	575-748-3333	702 North 13 Street

Permit Conditions of Approval

API: 30-0 15-42613

OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string