

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
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.

5. Lease Serial No.
NMNM0560353

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM126412X

8. Well Name and No.
BENSON DELAWARE UNIT 15

9. API Well No.
30-015-38298-00-S1

10. Field and Pool, or Exploratory
BENSON
BENSON-DELAWARE

11. County or Parish, and State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other: INJECTION

2. Name of Operator
CHI OPERATING INCORPORATED Contact: PAM CORBETT
E-Mail: pamc@chienergyinc.com

3a. Address
MIDLAND, TX 79702

3b. Phone No. (include area code)
Ph: 432-685-5001
Fx: 432-687-2662

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 1 T19S R30E SWSW 150FSL 1550FWL

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 checked="" type="checkbox"/> Other Onshore Order Variance	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input 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.)

Assessment Reference 43 CFR 3163.10

CHI Operating, Inc., is requesting a variance of the conditions outlined in Onshore Oil and Gas Order No. 1. Due to the anticipated future expansion of the Benson Delaware Waterflood Unit, we respectfully ask for this location to remain the same size that it is now. Reasoning is as follows:

NEW OIL OPERATING UNIT
ARTESIA INJECTION

FEB 06 2017

- Logistically, this well is close to the center of our field.
- Water injection operations for the unit are currently centered on the BDU #21 location, which is already too small for said current operations. As operations expand the scope of the water injection, this area will very likely be needed for positioning more tanks and support equipment for the flood.

RECEIVED

Identify other portions of the Unit and provide interim reclamation to meet or lessen total disturbed surface.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #337241 verified by the BLM Well Information System For CHI OPERATING INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 04/25/2016 (16PP1000SE)

Name (Printed/Typed) CLIF MANN Title FIELD SUPERVISOR

Signature (Electronic Submission) Date 04/25/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By *James R. [Signature]* Title *SPE* Date *1-26-17*

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 *MD*

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.

Additional data for EC transaction #337241 that would not fit on the form

32. Additional remarks, continued

3. Long term goal is to bring in an oil gathering pipeline to gather the crude oil. This will be beneficial, as it will decrease traffic and reduce harm to terrain. Once this is accomplished, oil will need to be consolidated at one point, and this is the logical point to do so.

CHI is aware that any and all expansion activity will be in coordination with the BLM and other proper authorities.

CHI's request is that the location be left as it is currently, and to be revisited in March 2017.