

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No 1004-0135
Expires November 30, 2000

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.

S

5 Lease Serial No
NM-7749 (all formation but Del.)
6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Pinon Federal Com., Well No. 1

9 API Well No
30 015 36041

10. Field and Pool, or Exploratory Area
Anderson Penn

11. County or Parish, State

Eddy

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Chi Operating, Inc.

3a. Address

P.O. Box 1799 Midland, TX 79702

3b. Phone No (include area code)

(432) 685-5001

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

950' FSL & 990' FWL, Sec. 6-T17S-R30E

JUN 02 2008

OCD-ARTESIA

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Subsequent Report	<input checked="" 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 type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. 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 recompleat 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 recompleat 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. is requesting to change the casing program from what was previously approved on the APD for the above captioned well. See the attached Exhibit "A" for the proposed change.

*Additional cement required on production casing
tie back min. 200'*

9 5/8" hole → 12 1/4"

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

George R. Smith

Title Agent for Chi Operating, Inc.

Signature

George R. Smith

Date May 13, 2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

Name
(Printed/Typed)
Office

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.

APPROVED

Title
MAY 28 2008
Date

[Signature]
WESLEY W. INGRAM
PETROLEUM ENGINEER

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.

(Continued on next page)

Accepted for record - NMOCB

EXHIBIT "A"
CHI OPERATING, INC.
Pinon Federal Com., Well No. 1
950' FSL & 990' FWL, Sec. 6-T17S-R30E
Eddy County, New Mexico
Lease No.: NM-7749
(Development Well)

The following is the casing and cement program previously approved with the APD. The cement will remain the same and the change in the casing program is as follows:

1. Proposed Casing Program:

<u>HOLE SIZE</u>	<u>CASING SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>JOINT</u>	<u>SETTING DEPTH</u>	<u>QUANTITY OF CEMENT</u>
17 1/2"	13 3/8"	48.0#	H-40	ST&C	450'	Circ. 450 sx "C" + add.
11"	8 5/8"	32.0#	J-55	ST&C	2,950'	Circ.850 sx "C" cement.
7 7/8"	5 1/2"	17.0#	N-80	LT&C	11,300'	675 sx of Super "C" + add.

2. Proposed New Casing Program :

HOLE SIZE	CASING SIZE	WEIGHT	GRADE	JOINT	SETTING DEPTH	COLLAPSE DESIGN FACTOR	BURST DESIGN FACTOR	TENSION DESIGN FACTOR
17 1/2"	13 3/8"	48.0#	H-40	ST&C	450'	3.166	3.84	17.46
11"	9 5/8"	36.0#	K-55	ST&C	2,800'	1.389	1.26	4.93
7 7/8"	5 1/2"	17.0#	N-80	LT&C	8,200'	1.178	1.16	2.21
7 7/8"	5 1/2"	17.0#	S-95	LT&C	11,300'	1.218	1.30	22.09