

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised Feb. 26, 2007

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|---|---|---|
| ¹ Operator name and Address CHI OPERATING, INC. P.O. BOX 1799 MIDLAND, TX 79702 | | ² OGRID Number 004378 |
| | | ³ Reason for Filing Code/ Effective Date NEW WELL |
| ⁴ API Number 30 - 015-35229 | ⁵ Pool Name <i>Diamond Mounds</i> MORROW | ⁶ Pool Code 76079 |
| ⁷ Property Code 3458 | ⁸ Property Name MENTAL FLOSS 18 FEDERAL | ⁹ Well Number 1 |

II. ¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|------------------------|------------------------|----------------|
| UL or lot no. G | Section 18 | Township 16S | Range 27E | Lot Idn | Feet from the 1980 | North/South Line NORTH | Feet from the NORTH | East/West line EAST | County EDDY |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|------------------------|------------------------|----------------|

¹¹ Bottom Hole Location

| | | | | | | | | | |
|------------------------|--|--|-----------------------------------|------------------------------------|-------------------------------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| ¹² Lse Code | ¹³ Producing Method Code FLWG | ¹⁴ Gas Connection Date 8/8/07 | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date | | | | |

III. Oil and Gas Transporters

| | | |
|------------------------------------|---|--------------------------|
| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address AGAVE ENERGY COMPANY | ²⁰ O/G/W G |
| | NAVAJO | O |
| | | |
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IV. Well Completion Data

| | | | | | |
|------------------------------------|--|----------------------------------|---|---|-----------------------|
| ²¹ Spud Date 2/24/07 | ²² Ready Date 8/8/07 | ²³ TD 8352' | ²⁴ PBD | ²⁵ Perforations 6626'-6864' | ²⁶ DHC, MC |
| ²⁷ Hole Size 12 1/4" | ²⁸ Casing & Tubing Size 9 5/8" | ²⁹ Depth Set 1200' | ³⁰ Sacks Cement 450 SXS 'C' | | |
| 7 7/8" | 4 1/2" | 8221' | 1100SXS 'C' | | |
| | | | | | |
| | | | | | |

V. Well Test Data

| | | | | | |
|--|---|------------------------------------|--|-----------------------------|--|
| ³¹ Date New Oil 8/8/08 | ³² Gas Delivery Date 8/8/07 | ³³ Test Date 8/14/08 | ³⁴ Test Length 24 hrs | ³⁵ Tbg. Pressure | ³⁶ Csg. Pressure |
| ³⁷ Choke Size | ³⁸ Oil 0 BO | ³⁹ Water 0 BW | ⁴⁰ Gas 242 MCF | | ⁴¹ Test Method TOTAL FLOW METER |
| ⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Robin Askeew</i> | | | OIL CONSERVATION DIVISION | | |
| Printed name: ROBIN ASKEW | | | Approved by: <i>Kimberly M. Wilson</i> | | |
| Title: REG. CLERK | | | Title: <i>Compliance Officer</i> | | |
| E-mail Address: ROBINA@CHIENERGYINC.COM | | | Approval Date: <i>7-18-08</i> | | |
| Date: <i>9/5/07</i> | | Phone: 432-685-5001 | | | |