

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

State of New Mexico
Energy Minerals and Natural Resources

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

RECEIVED

Form C-101
May 27, 2004

Submit to appropriate District Office

JUL 07 2008 AMENDED REPORT

HOBBS OCD

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 004378
		³ API Number 30 - 025-39006
⁴ Property Code 37243	⁵ Property Name MOONSCAPE STATE 24	⁶ Well No. 1
⁷ Proposed Pool 1 BOWERS; SEVEN RIVERS		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	24	18S	37E		2140	N	560	E	LEA

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

¹¹ Work Type Code NEW WELL	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3669
¹⁶ Multiple N	¹⁷ Proposed Depth 3,500'	¹⁸ Formation Bowers	¹⁹ Contractor TEACO	²⁰ Spud Date ASAP once approved
Depth to Groundwater 42'		Distance from nearest fresh water well		Distance from nearest surface water
²¹ Proposed Casing and Cement Program				

Pit. Liner. Synthetic ☐ Clay ☐ Pit Volume. _____ bbls Drilling Method
Closed-Loop System ☒ Fresh Water ☒ Brine ☒ Diesel/Oil-based ☐ Gas/Air ☐

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5	13 3/8	conductor	40'	Redmix	Surface
12 1/4	8 5/8	24	1500'	675	surface
7 7/8	5 1/2	14	3500	520	surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Proposed Blowout Prevention Program: 3000# RAM PREVENTER

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway**

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 the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: PAM CORBETT

Title: REGULATORY CLERK

E-mail Address: pamc@chienergyinc.com

Date: 6/14/08

Phone: 432-685-5001

OIL CONSERVATION DIVISION

Approved by:

Chris Williams

Title: OIL CONSERVATION DIVISION SUPERVISOR/GENERAL MANAGER

Approval Date: JUL 15 2008 Expiration Date:

Conditions of Approval Attached ☐

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-39006	Pool Code 7220	Pool Name Bowers; seven Rivers
Property Code 37243	Property Name MOONSCAPE STATE 24	Well Number 1
OGRID No. 004378	Operator Name CHI OPERATING	Elevation 3669'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	24	18-S	37-E		2140	NORTH	560	EAST	LEA

Bottom Hole Location If Different From Surface

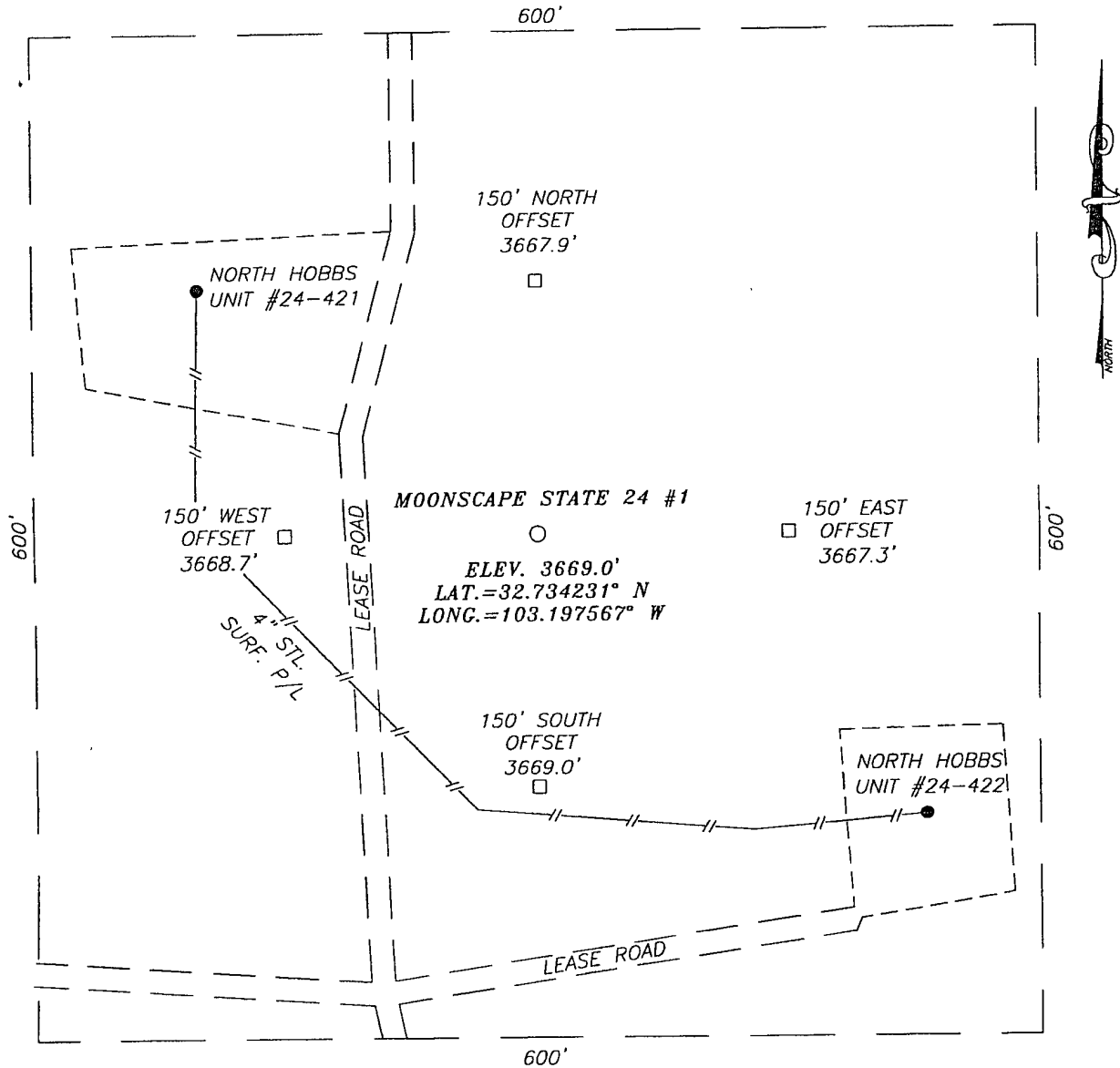
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

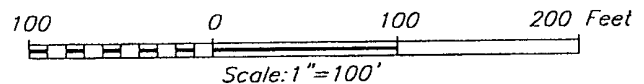
<p>GEODETIC COORDINATES NAD 27 NME Y=632696.1 N X=849256.6 E LAT.=32.734231° N LONG.=103.197567° W</p>	<p>2140' 560'</p>	<p>OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Pam Corbett 6/19/08 Signature Date Pam Corbett Printed Name</p> <p>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. JUNE 16, 2008 NEW MEXICO Date Surveyed Signature & Seal of Professional Surveyor 3239 Ronald J. Eidson Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>
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SECTION 24, TOWNSHIP 18 SOUTH, RANGE 37 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF BENDER BLVD. AND SHELL ROAD, TURN RIGHT AND GO NORTH ON SHELL ROAD APPROX. 0.2 MILES. TURN RIGHT AT "Y" AND GO NORTH APPROX. 0.5 MILES. THIS LOCATION IS APPROX. 100 FEET EAST OF ROAD.




PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

CHI OPERATING

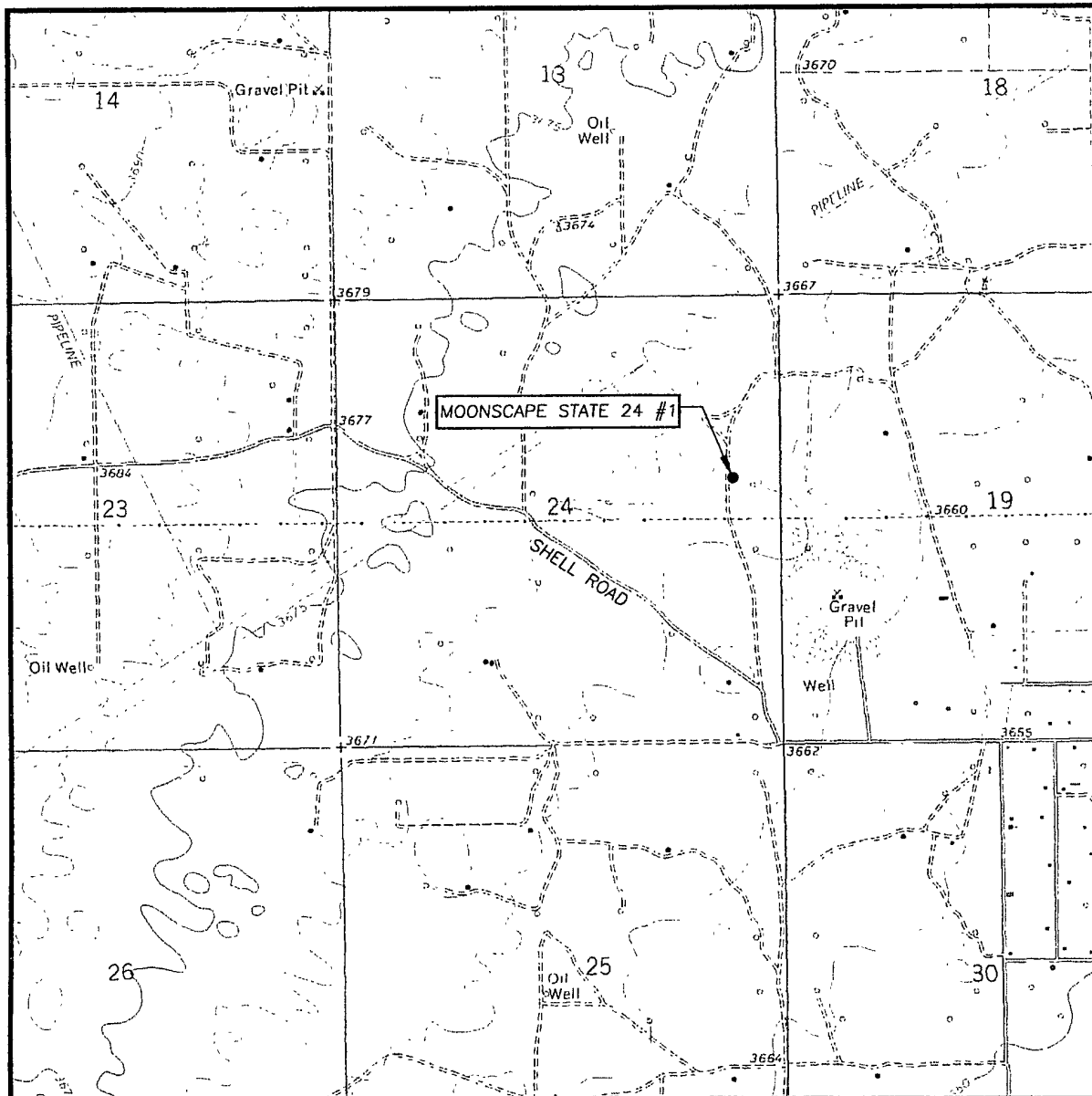
MOONSCAPE STATE 24 #1WELL
 LOCATED 2140 FEET FROM THE NORTH LINE
 AND 560 FEET FROM THE EAST LINE OF SECTION 24,
 TOWNSHIP 18 SOUTH, RANGE 37 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 6/16/08	Sheet 1 of 1 Sheets
W.O. Number: 08.11.0863	Dr By: LA
Date: 6/19/08	08110863
	Scale: 1"=100'



PROVIDING SURVEYING SERVICES
SINCE 1946
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412 N. DAL PASO
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LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
HOBBS WEST, N.M. - 5'

SEC. 24 TWP. 18-S RGE. 37-E

SURVEY _____ N.M.P.M.

COUNTY LEA STATE NEW MEXICO

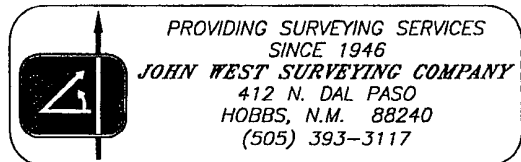
DESCRIPTION 2140' FNL & 560' FEL

ELEVATION 3669'

OPERATOR CHI OPERATING

LEASE MOONSCAPE STATE 24

U.S.G.S. TOPOGRAPHIC MAP
HOBBS WEST, N.M.



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