

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

**RECEIVED**

Form C-101  
May 27, 2004

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

Submit to appropriate District Office

III 07 2008 AMENDED REPORT

**HOBBS OCD**

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address CHI OPERATING, INC P.O. BOX 1799 MIDLAND, TEXAS 79702		<sup>2</sup> OGRID Number 004378
<sup>3</sup> Property Code 37244	<sup>3</sup> Property Name SUNRISE STATE 25	<sup>3</sup> API Number 30 - 025-39007
<sup>9</sup> Proposed Pool 1 Bowers; SEVEN RIVERS ✓		<sup>10</sup> Proposed Pool 2
<sup>6</sup> Well No. 1		

<sup>7</sup> Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	25	18S	37E		495	N	691	E	LEA

<sup>8</sup> 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
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Additional Well Information

<sup>11</sup> Work Type Code NEW WELL	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3662
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 3,500'	<sup>18</sup> Formation Bowers	<sup>19</sup> Contractor TEACO	<sup>20</sup> Spud Date ASAP once approved
Depth to Groundwater 42'		Distance from nearest fresh water well		Distance from nearest surface water
Pit Liner: Synthetic <input type="checkbox"/>		Clay <input type="checkbox"/> Pit Volume _____ bbls		Drilling Method:
Closed-Loop System <input checked="" type="checkbox"/>		Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

<sup>21</sup> 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'	Redimix	Surface
12 1/4	8 5/8	24	1500'	675	surface
7 7/8	5 1/2	14	3500'	520	surface

<sup>22</sup> 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**

<sup>23</sup> 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 pam@chienergyinc.com

Date: 6/11/08

Phone: 432-685-5001

OIL CONSERVATION DIVISION

Approved by:

*Chris Williams*

Title: **OC DISTRICT SUPERVISOR/GENERAL MANAGER**

Approval Date:

JUL 15 2008

Expiration Date:

Conditions of Approval Attached

State of New Mexico

Energy, Minerals and Natural Resources Department

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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 <b>30-025-39007</b>	Pool Code <b>7220</b>	Pool Name <b>Bowers Seven Rivers</b>
Property Code <b>37244</b>	Property Name <b>SUNRISE STATE 25</b>	Well Number <b>1</b>
OGRID No. <b>004378</b>	Operator Name <b>CHI OPERATING</b>	Elevation <b>3662'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	25	18-S	37-E		495	NORTH	691	EAST	LEA

Bottom Hole Location If Different From Surface

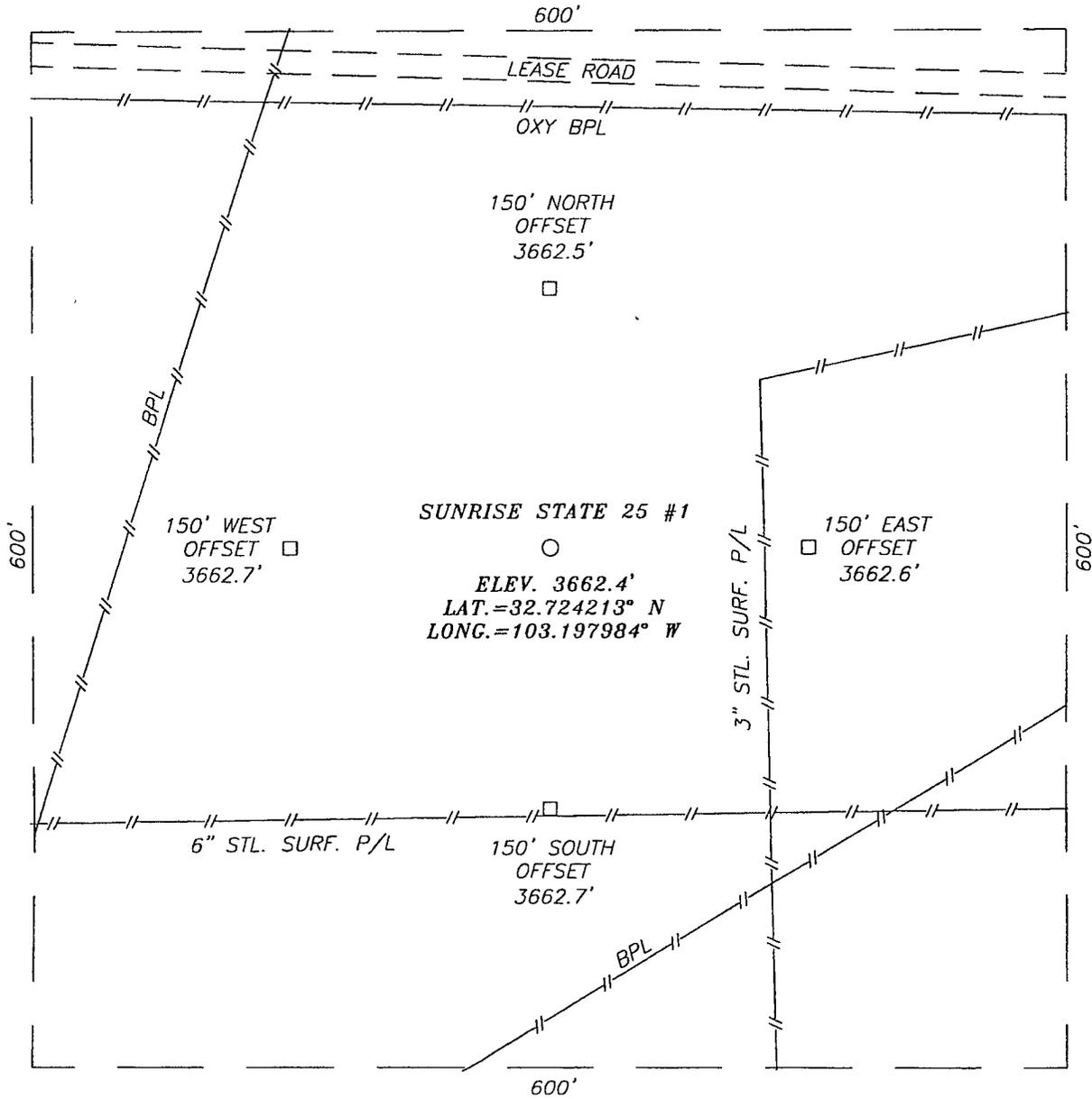
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres <b>40</b>	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

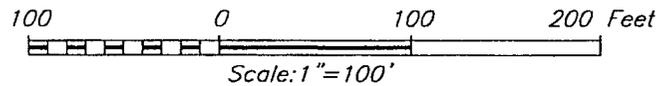
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=629049.9 N X=849167.4 E</p> <p>LAT.=32.724213° N LONG.=103.197984° W</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns 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.</p> <p><i>Pam Corbett</i> 6/11/08 Signature Date <b>Pam Corbett</b> Printed Name</p>
		<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p>
		<p>Date Surveyed: 6/19/08</p> <p>Signature &amp; Seal of Professional Surveyor: <i>Ronald J. Eidson</i> 3239</p> <p>Professional Surveyor: <b>RONALD J. EIDSON</b></p>
		<p>Certificate No. <b>GARY EIDSON 12641</b> <b>RONALD J. EIDSON 3239</b></p>

SECTION 25, TOWNSHIP 18 SOUTH, RANGE 37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF BENDER BLVD. & SHELL ROAD, TURN LEFT AND GO SOUTH APPROX. 0.1 MILES. VEER RIGHT AND GO WEST APPROX. 0.2 MILES. THIS LOCATION IS APPROX. 300 FEET SOUTH OF ROAD.



CHI OPERATING

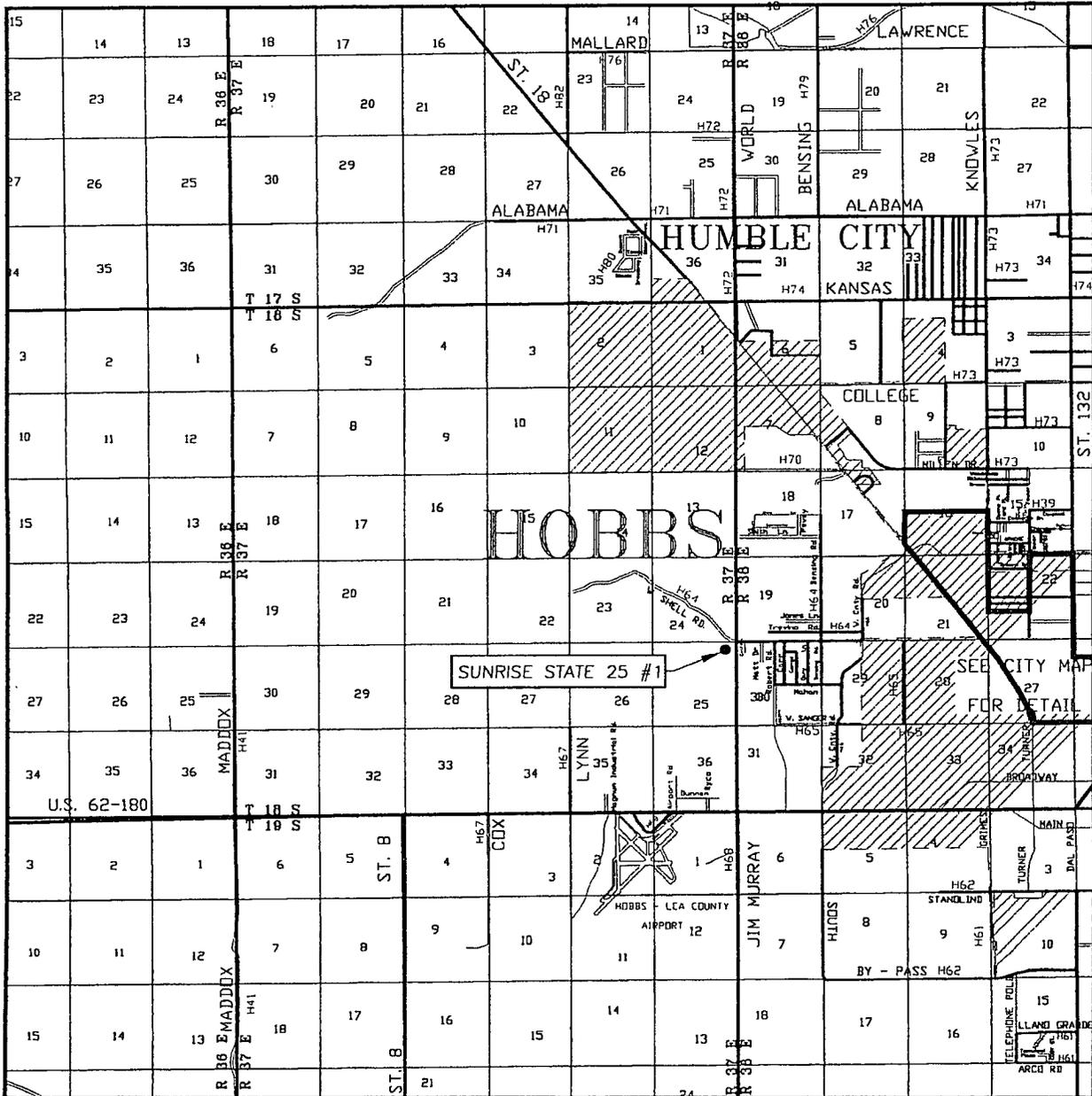
SUNRISE STATE 25 #1 WELL  
LOCATED 495 FEET FROM THE NORTH LINE  
AND 691 FEET FROM THE EAST LINE OF SECTION 25,  
TOWNSHIP 18 SOUTH, RANGE 37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.

Survey Date: 6/11/08	Sheet 1 of 1 Sheets
W.O. Number: 08.11.0862	Dr By: LA
Date: 6/19/08	Rev 1: N/A
08110862	Scale: 1"=100'



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

# VICINITY MAP



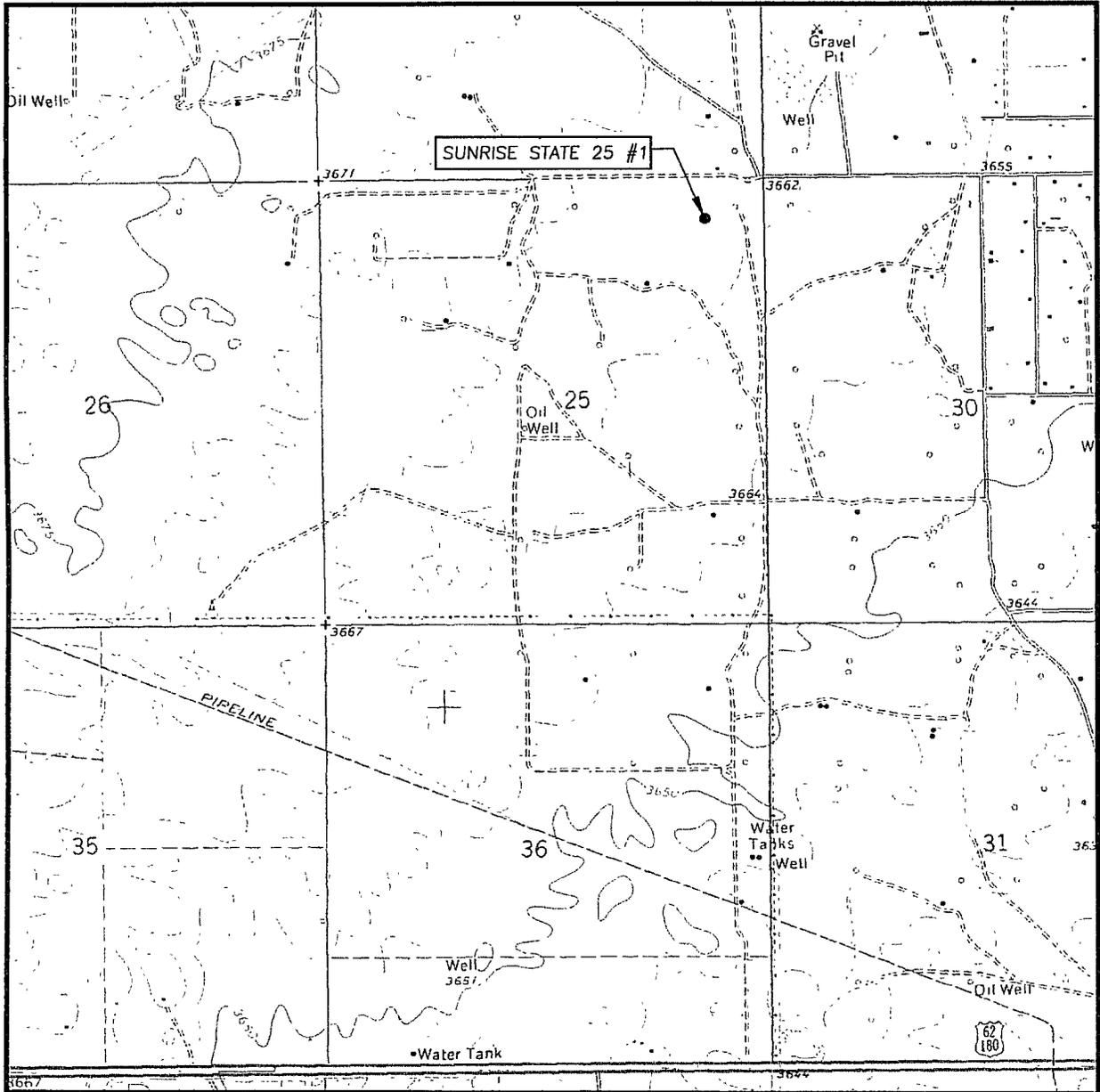
SCALE: 1" = 2 MILES

SEC. 25 TWP. 18-S RGE. 37-E  
 SURVEY N.M.P.M.  
 COUNTY LEA STATE NEW MEXICO  
 DESCRIPTION 495' FNL & 691' FEL  
 ELEVATION 3662'  
 OPERATOR CHI OPERATING  
 LEASE SUNRISE STATE 25



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# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 25 TWP. 18-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 495' FNL & 691' FEL

ELEVATION 3662'

OPERATOR CHI OPERATING

LEASE SUNRISE STATE 25

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



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