

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

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Form C-101
June 16, 2008

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

FEB 08 2010

Submit to appropriate District Office
HOBBSOCD ☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address CHI OPERATING, INC.		² OGRID Number 4378
³ Property Code 38D27	⁴ Property Name STATE C	⁵ APL Number 30-025-05506 ✓
⁶ Proposed Pool 1 BOWERS; SEVEN RIVERS ✓		⁷ Well No 4
⁸ Proposed Pool 2		

⁷ Surface Location

UL or lot no B	Section 25	Township T18S	Range R37E	Lot Idn	Feet from the 330'	North/South line NORTH	Feet from the 1980'	East/West line EAST	County LEA ✓
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⁸ Proposed 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
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Additional Well Information

¹¹ Work Type Code RE-ENTRY ✓	¹² Well Type Code 0	¹³ Cable/Rotary R	¹⁴ Lease Type Code S ✓	¹⁵ Ground Level Elevation 3660'
¹⁶ Multiple N	¹⁷ Proposed Depth 3600'	¹⁸ Formation BOWERS	¹⁹ Contractor BASIC ENERGY	²⁰ Spud Date ASAP once approved

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
	12 1/2"	50#	220'		
	9"	34#	2754'		
	7"	24#	3932'		

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.

Well was originally State C #4, 1986 put in the North Hobbs Unit as the North Hobbs G S/A Unit #311.
CHI OPERATING plans to re-enter the well and perf the Seven Rivers zone.
Attached is the Current Wellbore : re-entry procedures.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief

Signature **Robin Askew**
Printed name **Robin Askew**
Title **Regulatory Clerk**
E-mail Address **robina@chienergyinc.com**
Date **2-8-10** Phone **432-685-5001**

OIL CONSERVATION DIVISION

Approved by

Title

PETROLEUM ENGINEER

Approval Date

FEB 09 2010

Expiration Date

Conditions of Approval Attached ☐

Permit Expires 2 Years
Date Unless Re-Entry
Re-Entry
Approval

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State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 15, 2009

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-05506	² Pool Code 7220	³ Pool Name Bowers / 7 Rivers
⁴ Property Code 38027	⁵ Property Name State C	⁶ Well Number 4
⁷ OGRID No. 04378	⁸ Operator Name Chi Operating, Inc.	⁹ Elevation 3667'

UL or lot no. B	Section 25	Township 18S	Range 37E	Lot Idn E	Feet from the 330	North/South line North	Feet from the 1980	East/West line East	County Lea
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¹¹ 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
¹² Dedicated Acres 40									
¹³ Joint or Infill									
¹⁴ Consolidation Code									
¹⁵ Order No.									

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.

¹⁶				
	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>John W. Qualls</i> Date: 2-8-10 Printed Name: John W. Qualls			
	¹⁸ 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. Date of Survey: Signature and Seal of Professional Surveyor: Certificate Number:			

Chi Operating, Inc.
Re-enter
State C No. 4
(Formerly North Hobbs GBSAU No. 311)
API# 30-25-05506
Lea County, New Mexico

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FEB 08 2010
HOBBSOCD

Location: 330' FNL & 1980' FEL, Sec 25-T18S-R37E

CURRENT WELLBORE:

Surf Csg: @ 220 12 1/2", 50#, SH
Inter Csg: @ 2754' 9" 34# Seamless
Prod Csg.: @ 3932' 7" 24#

Plugs: 3850' CIBP
2680' Cmt
1479' Cmt
Surface Cmt

Reentry Procedure:

MIRU unit, pipe racks & tally tubing. Clean pins & boxes. NU BOP (7 1/16"-3000#.)

RU Reverse Unit with power swivel and steel workover pits. PU bit and DC's on 2-7/8 tubing.

Drill out plugs and cement retainer to approximately 3600'. Circulate hole.

RU cased hole logs to run CNL and radial bond log from PBTD to surface.

Perf Bowers interval as dictated by CNL w/ casing guns at 3312-3320' and 3278-3283'.

Acidize w/4000 gals 7-1/2 % NeFe HCL.

Flow test and evaluate.

State C No. 4

Sec. 25-18S-37E
330' FNL & 1980' FEL

Elev. 3667 FT

Sqz holes @ 270' circ 160 sx cmt out both annulus,
topped off to surface

12-1/2" 50# SH @ 220'

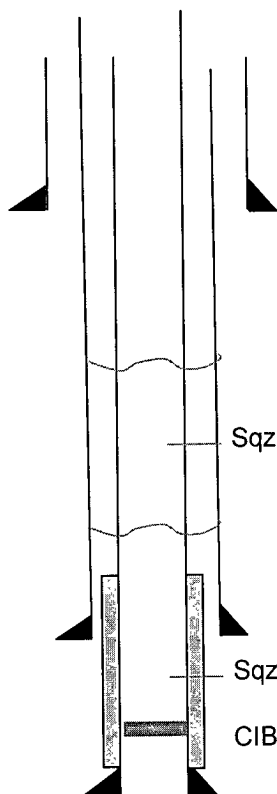
Sqz holes @ 1590' sqzd 70 sx cmt w/ TOC @ 1479' tagged

9" 34# Seamless @ 2754'

Sqz holes @ 2795' sqz 45 sx and TOC @ 2680' tagged

CIBP @ 3850' w/20 sx cmt 3850-3724'

7" 24# @ 3932'
Cmtd w/ 220 sx
Est TOC @ 2600 ft



Estimated top of cmt 7 X 9" Annulus @:

220 sx	1.3 cu ft sx	4.45 ft cu ft	1272.7
			2659.3

Estimated top of cmt 7 X 12-1/2" Annulus @:

600 sx	1.3 cu ft sx	2.084 ft cu ft	1625.52
			1128.48