Form 3160-3 (July 1992)	UNIT	ED STATE	-	SUBMIT IN T (Other Instru- reverse : NOR	ictions on	OMB NO Expires: Fe	APPROVED 1004-0136 bruary 28, 1995		
BUREAU OF LAND MANAGEMENT						5. LEASE DEBIGNATION AND SEBIAL NO. LC-064790			
APPL	ICATION FOR P	ERMIT TO	DRILL	OR DEEPEN		6. IF INDIAN, ALLOT	TEB OR TRIBE NAME		
1a. TYPE OF WORK DR b. TYPE OF WELL		DEEPEN		-		7. UNIT AGREEMENT NAME			
	AS OTHER		811 ZO	NGLD MULTI NE ZONE		8. FARM OR LEASE NAME	well NO. Federal		
Chi Operat	ing, Inc.			915/685	-5001	9. API WELL NO.			
P. O. BOX	1799	M	idlan	d, Texas 79	702	4 10. FIELD AND POOL, OR WILDCAT			
4. LOCATION OF WELL (R At surface	eport location clearly and	in accordance wi	th any St	ate requirements.*)		Crazy H	orse Delawa		
660 At proposed prod. zor	~	FEL		UnitA		11. BRC., T., R., M., C AND SURVEY OR)r blx. Arba 9 - T19S - R33E		
	Same		T OFFICE			12. COUNTY OR PARI	SH 18. STATE		
15. DISTANCE FROM PROPO Location to Nearest Property or Lease I	r Lind, ft.	<u>r, NM</u>	16. NO.	OF ACRES IN LEASE	17. NO. O TO TH	Lea FACRES ABSIGNED	New Mexi		
(Also to nearest drig 18. DISTANCE FROM FROF TO NEAREST WELL, D OR APPLIED FOR, ON TH	OSED LOCATION* Rilling, Completed,	1150'	19. PHC	7900'	20. ROTAR	Rotary			
1. BLEVATIONS (Show wh			1		<u> </u>	22. APPROX. DATE	WORK WILL START*		
3618′	GL					March	15, 1997		
	1 1			CEMENTING PROGRA	M				
17 1/2"	GRADE SIZE OF CASINO	48.0		490'	Circ	C 475 SX "C"			
<u>11"</u>	8 5/8"J-55	32.0		3100'	Circ	. 1200 sx	"C"		
7 7/8"	5 1/2"J-55	17.0;	#	7900'	1055	sx two st	age DV tool		
	PROGRAM:	-	MUD W		W/L C	ontrol . control.			
	490': Fresh water sp 3100': Brine mud:		8.4 pp; 10.0 pp;			. 1	n / .		
	7900': Cut Brine mud		8.8 pp	÷		ntrol 15cc.			
BOP P	ROGRAM:								
A 12" 3 Casing	ROGRAM: 3000 psi wp 900Camero and BOP will be tested ": Cememt with DV to stage: 230 sx "H" ceme stage: 825 sx lite ceme E PROPOSED PROGRAM: If p nent data on subsurface location	before drilling	, double out with	h 11". The BOP will	be tested of	daily and the sing.			
* 7 7/8	": Cememt with DV to	ol in two stages	s starting	g at 6780':	Å	A A A	ZV -		
lst s 2nd	stage: 230 sx "H" ceme	ent. Cement to	surface		Q.	all Star			
210	stage. 625 sx file cent		surrace.		```		G		
ABOVE SPACE DESCRIB	E PROPOSED PROGRAM: If p ment data on subsurface location	roposal is to deepen, s and measured and t	give data o rue vertical	on present productive zone depths. Give blowout preve	and proposed inter program, i	new productive Sone. 1 It any.	f proposal is to drill or		
4.	Sara Sin	. П. тп	P	gent for: Chi Operatin			n. 24, 1997		
(This space for Fede	ral or State office use)								
PERMIT NO			J	APPROVAL DATE					
	not warrant or certify that the app				lease which wo	uld entitle the applicant to	conduct operations thereov		
ORIG. S	GD.; FURY -ERGU	SON		ADM, MINEHAL		2/14	197		
ABBRAUTE BUT		7179 0		LAW Mes cannot a mart of a		DATE CONTR			

*See Instruc	tions O	n Rever	se Side
--------------	---------	---------	---------

Title 18 U.S.C. Section 1001, makes 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.

District I PO Box 1980, Hobbs, NM \$\$241-1980 District II				State of New Mexico Energy, Minerals & Natural Resources Department						
District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztec. NM 87410 District IV				OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088						
PO Box 2088, Santi	a Fe, NM	87504-2088								
		WE	ELL LC	CATIO	N AND AC	REAGE DED	ICATION P	LAT		
	7 Namb			¹ Pool Coc	Pool ?	' Pool Name				
30-025-33845				13390 Crazy Horse Delaw						
* Property Code			* Property Name							
18416 MUSTAI			USTANG FEDERAL							
OGRED No	<u>, </u>		' Operator Name							
4378		CHI O	PERATI	NG, INC						
					¹⁰ Surface	: Location				
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Fost from the	East		
A	19	19- <u>s</u>	33-е		660	NORTH	990	E		
			¹¹ Bot	tom Hole	e Location	If Different Fro	om Surface			
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Fost from the	East		
						1	1	1		

.

2

Form C-102 Revised February 10, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

* Property	Code	³ Property Name							•	Well Number	
184	16	MUSTANG FEDERAL 4								4	
'OGRED !			' Operator Name								* Elevation
4378	5	CHI C	CHI OPERATING, INC.								3618.
	¹⁰ Surface Location										
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	No	rth/South line	Feet from the	East/Wes	t line	County
A	19	19-S	33-е		660	1	IORT H	990	EÁST	•	LEA
			¹¹ Bot	tom Hol	e Location	If D	ifferent Fre	om Surface			J
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the		rth/South line	Feet from the	EastWest	line	Cousty
12 Dedicated Acre	s ¹³ Joint	or Infill ¹⁴ C	onsolidatio	a Code 4 0	rder No.			<u>.</u>			
40											
NO ALLOW	ABLE	WILL BE A	SSIGNE	о то тн	S COMPLET	ION I	JNTIL ALL	INTERESTS H	AVE BEE	N CON	SOLIDATED
f		OR A	NON-STA	NDARD	UNIT HAS B	BEEN	APPROVED	BY THE DIVI	SION		
16						•		¹⁷ OPER	ATOR	CERT	IFICATION
						660		🚺 l hereby certij	ly that the inf	ormation c	contained herein is
						5		irue and comp	slete to the be	st of my b	nowledge and belief
	1					į (990'	-1			
	Í										
	1		NM-064790						1	1	
				nuuou				Signature	<u></u>	din d	JILLETT.
									R. Smi	th, a	gent for:
								Printed Name			
								Chi Ope	erating	, Inc	•
							, ×	Title January	24. 1	997	
								Date			
				1				INCLUDING		דדתייוי	FICATION
		÷ .						I serve e serve	a.v	ي د وو د ا	FICATION
				1							thown on this plat surveys made by
								• me or under m	supervision,	and that	the same is true
								and correct to	the best of my	belief.	
								DECEMB		1996	
				L				and correct to DECEMBE Date of Survey Signature and S	al alber	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	
						, ¹ 41)				\mathcal{F}	Y
							이 1 국 국 		5412	\ \.	¥
									J. 1	/]]	
						, • ,		XEL	SURVEY	\$V/#	1/ .
						-	** * 1、 / <i>福和</i> 子	and O			<u> </u>
	<u> </u>							Certificate Num NM PES	OFESSIO	5412	/

APPLICATION FOR DRILLING

CHI OPERATING, INC. Mustang Federal, Well No. 4 660' FNL & 990' FEL, Sec. 19-T19S-R33E Lea County, New Mexico Lease No.: LC-064790 (Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Chi Operating, Inc. submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.

2. The estimated tops of geologic markers are as follows:

Top of Salt	1482'	San Andres	4925'
Base of Salt	2823'	Delaware	5389'
Yates	3076'	Bone Spring	7655'
Seven Rivers	3235'	T.D	7900'
Queen	4165'		

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface water between 100' - 300'.Oil: Possible in the Delaware below 5389'.Gas: None expected.

- 4. Proposed Casing Program: See Form 3160-3.
- 5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".
- 6. Mud Program: See Form 3160-3.
- 7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.
- 8. Testing, Logging, and Coring Program:

Drill Stem Tests: None. Logging: T.D. to 3100': LDT-CNL, DLL/msfl, GR. 3100' to surface: LDT/GR Coring: None.

- 9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight. Estimated evacuated BHP = 3200 with a temperature of 140°.
- 10. H₂S: None expected, but a Drilling Operations Plan, Exhibit "F", is being submitted to cover this contingency.
- Anticipated starting date: March 15, 1997. Anticipated completion of drilling operations: Approximately 4 weeks.

EUP & CHOKE MANIFOLD



CHI OPERATING, INC. Mustang Federal, Well No. 4 BOP Specifications