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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 83241-1980 District II PO Drawer DD, Artenia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztee, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088 State of New Mexico Energy, Minerais & Natural Resources Department

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

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT												
API Number Pool Code						' Pool Name Crazy Horse Delaware						
30-02	\sim	3852	. 13	339D					norse Der			Well Number
* Property (Code				, bu	operty	Name					
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APPLICATION FOR DRILLING

CHI OPERATING, INC. Mustang Federal, Well No. 4 1980' 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.
- 11. Anticipated starting date: April 15, 1997. Anticipated completion of drilling operations: Approximately 4 weeks.

EUP & CHOKE MANIFOLD

12"/900 Cameron SS Space Saver 3000# Working Pressure

3000# Working Pressure Choke Manifold.



EXHIBIT "E" CHI OPERATING, INC. Mustang Federal, Well No. 5 BOP Specifications