

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 13004

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
Revised March 17, 1999

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 13004

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SEP 14 2004

000-ARTESIA

Submit to appropriate District Office  
State Lease - 6 Copies  
State Lease: V-302 - 5 Copies

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Forest Oil Corporation, 1670 Broadway, Suite 2800 Denver, CO 80202		<sup>2</sup> OGRID Number 8041
		<sup>3</sup> API Number 30 - 015 - 33665
<sup>3</sup> Property Code 20761	<sup>5</sup> Property Name Barclay State	<sup>6</sup> Well No. #5

<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
G	2	23-S	31-E		1500'	NORTH	1,400'	EAST	Eddy

<sup>8</sup> 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

<sup>9</sup> Proposed Pool 1

S. Livingston Ridge (Delaware) 96149

<sup>10</sup> Proposed Pool 2

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code State	<sup>15</sup> Ground Level Elevation 3,442' GR
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth ,	<sup>18</sup> Formation Delaware	<sup>19</sup> Contractor	<sup>20</sup> Spud Date August 22, 2004

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	K-55 54.5# Butt	900'	±470 sxs 35:65 "C" ±200 sxs Class "C"	Surface
12-1/4"	8-5/8"	K-55 24# LT&C	4,500'	±1,040 sxs 50:50 Poz ±200 sxs Class "C"	Surface
7-7/8"	5-1/2"	N-80 17# LT&C	8,400'	±240 sxs 35:65 ±375 sxs Class "H"	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.

RLI Insurance - \$50,000 Blanket Bond

See attached drilling program and surface use plan

FOREST RESPECTFULLY REQUESTS THAT ALL INFORMATION REGARDING THIS WELL BE KEPT CONFIDENTIAL.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Kathy L. Schneebeck*

Printed name: Kathy L. Schneebeck

Title: Agent for Forest Oil Corporation

Date: July 22, 2004

Phone: 303-820-4480

OIL CONSERVATION DIVISION

Approved by:

TIM W. GUM

Title:

DISTRICT II SUPERVISOR

Approval Date: OCT 12 2004

Expiration Date: OCT 12 2005

Conditions of Approval:

Attached ☐

NSL S119

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 96149	Pool Name S. Linvingston Ridge (Delaware)
Property Code 20761	Property Name BARCLAY STATE	Well Number 5
OGRID No. 8041	Operator Name FOREST OIL CORPORATION	Elevation 3442'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	2	23-S	31-E		1500'	NORTH	1400'	EAST	EDDY

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.						

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

LOT 4	LOT 3	LOT 2	LOT 1
39.49AC	39.64AC	39.78AC	39.93AC
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=486628.8 N X=681993.9 E</p> <p>LAT.=32°20'11.33" N LONG.=104°44'38.72" W</p>			
<p>1500'</p> <p>1400'</p>			
<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kathy L. Schneebeck</i> Signature</p> <p>Kathy L. Schneebeck Printed Name</p> <p>Agent for Forest Oil Corp. Title</p> <p>July 2, 2004 Date</p>			
<p>SURVEYOR CERTIFICATION</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>MAY 3, 2004</p> <p>Date Surveyed JR</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Gary E. Eibson</i> 204110498</p> <p>Certificate No. GARY EIBSON 12641</p>			

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

Form C-144  
June 1, 2004

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

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Forest Oil Corp Telephone: 303-812-1554 e-mail address: avwalls@forestoil.com  
Address: 1600 Broadway, Suite 2200, Denver, CO 80202  
Facility or well name: Barclay State #5 API #: \_\_\_\_\_ U/L or Qtr/Qtr SW/4 NE/4 Sec 2 T23S R31E  
County: Eddy Latitude 32° 20' 11.33" N Longitude 104° 44' 38.72" W NAD: 1927 ☒ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

**Pit**

Type: Drilling ☒ Production ☐ Disposal ☐  
Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 1/2 mil Clay ☐

Pit Volume 12,000 bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not. \_\_\_\_\_

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

(0 points)

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Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

(0 points)

OCD-ARTESIA

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

(0 points)

Ranking Score (Total Points)

0 points

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 9/22/04

Printed Name/Title Anna Walls - Land Tech

Signature Anna Walls

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Gerry Guye

Printed Name/Title

Compliance Officer

Signature Gerry Guye

Date:

SEP 28 2004

Forest Oil Corporation  
**Barclay State 5**  
1,500' FNL 1,400' FEL (SW/4 NE/4)  
Sec. 2 T23S R31E  
Eddy County, New Mexico  
State Lease: V-302

**DRILLING PROGRAM**

Please contact Ms. Anna Walls at Forest Oil Corporation, 303-812-1400 if there are any questions or concerns regarding this Drilling Program.

**Forest respectfully requests that all information regarding this well be kept confidential.**

**SURFACE ELEVATION** – 3,442' (Ground elevation)

**SURFACE FORMATION** – Rustler – Fresh water possible

**ESTIMATED FORMATION TOPS** – (Water, oil, gas and/or other mineral-bearing formations)

Rustler	650'	Sandstone, shales & siltstones
Castile Anhydrite/Salt	1,045'	Sandstone, shales & siltstones
Delaware – Lamar Shale	4,400'	Shales & siltstones
Delaware – Bell Canyon	4,430'	Sandstone, shales & siltstones
Delaware – Cherry Canyon	5,310'	Sandstone, shales & siltstones
Delaware – Brushy Canyon	6,950'	Sandstone, shales & siltstones
Delaware – L. Brushy Canyon	8,025'	Sandstone, shales & siltstones

**TOTAL DEPTH** 8,400'

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and protected.

**CASING PROGRAM**

Depth	Hole Diameter	Casing Diameter	Casing Weight and Grade	Cement
0' – 900'	17-1/2"	13-3/8"	K-55 54.5# Butt	To surface (Lead: ±470 sxs 35:65 Class "C" Tail: ±200 sxs Class "C" with additives)
0' – 4,500'	12-1/4"	8-5/8"	K-55 24# LT&C New	To surface (Lead: ±1,040 sxs 50:50 Poz; Tail: ±200 sxs Class C with additives) **
0' – 8,400'	7-7/8"	5-1/2"	N-80 17# LT&C New	To surface (±240 sxs 35:65 Class "C"; Tail: ±375 sxs Class "H" with additives) **

\* Surface casing cement volume to be based on 100% excess calculations.

\*\* Production casing cement volumes will be determined by caliper log plus 20% excess calculations.

Yields Surface: Lead: 35:65 Class "C" yield = 1.89 ft<sup>3</sup>/sx  
 Tail: Class "C" yield = 1.34 ft<sup>3</sup>/sx  
 Intermediate: Lead: 50:50 yield = 2.45 ft<sup>3</sup>/sx  
 Tail: Class "C" yield = 1.34 ft<sup>3</sup>/sx  
 Production: Lead: 35:65 Class "C" yield = 1.92 ft<sup>3</sup>/sx  
 Tail: Class "H" = 1.79 ft<sup>3</sup>/sx

Surface casing top 100' will use 1" tubing, with Class "G" cement with 3% CaCl<sub>2</sub> prior to nipping up BOP.

Production casing will be cemented from total depth back to surface.

#### PRESSURE CONTROL

- See attached blowout preventer diagram.

BOP's and choke manifold will be installed and pressure tested before drilling out of surface casing (subsequent pressure test will be performed whenever pressure seals are broken), and then will be checked daily as to mechanical operating condition. BOP's will be pressure tested at least once every 30 days. Ram type preventers and related pressure control equipment will be pressure tested to related working pressure of the stack assembly if a test plug is used. If a plug is not used, the stack assembly will be tested to the rated working pressure of the stack assembly or 70% of the minimum internal yield of the casing, whichever is less. Annular type preventers will be pressure tested to 50% of their working pressure. All casing strings will be pressure tested to 0.22 psi/ft or 1,500 psi, whichever is greater, not to exceed 70% of the internal yield. The casing shoe will be tested by drilling 5-20' out from under the shoe and pressure tested to a maximum expected mud weight equivalent as shown in the mud program listed below.

A manual locking device (i.e. hand wheels) or automatic locking devices shall be installed on the BOP stack. Remote controls capable of both opening and closing all preventers shall be readily accessible to the driller.

The choke manifold and accumulator will meet or exceed NMOCD standards. The BOP equipment will be tested after any repairs to the equipment. Pipe rams, blind rams and annular preventor will be activated on each trip and weekly BOP drills will be conducted with each crew. All tests, maintenance, and BOP drills will be documented on rig "tower sheets".

#### Statement of Accumulator System and Location of Hydraulic Controls

*The drilling rig has not been selected for this well. Selection will take place after approval of this application is granted. Manual and/or hydraulic controls will be in compliance with NMOCD for 5,000 psi system.*

*A remote accumulator will be used. Pressures, capacities, location of remote hydraulic and manual controls will be identified at the time of the NMOCD supervised BOP test.*

#### MUD PROGRAM

0' - 900'	Fresh water w/ sweeps
	MW: 8.5 ppg
900' - 4,500'	Brine

4,500' - TD      MW: 10 ppg  
Fresh water polymer  
MW: 8.6 ppg – 9.0 ppg  
Visc: 35 sec  
WL: 20 cc or less

Sufficient mud materials to maintain mud properties, control lost circulation and to contain a “kick” will be available on location.

#### AUXILIARY EQUIPMENT

- A. Upper Kelly cock; lower Kelly cock will be installed while drilling.
- B. Inside BOP or stabbing valve with handle (available on rig floor).
- C. Safety valve(s) and subs to fit all string connections in use
- D. Electronic/mechanical mud monitoring will utilize a Pason Unit with a minimum: pit volume totalizer (PVT); stroke counter; flow sensor.

#### LOGGING, CORING TESTING PROGRAM

- A. Logging: DIL-GR-SP-CAL: TD – 4,400'  
ND-GR-CAL: TD – 4,400'
- B. Coring: None planned
- C. Testing: No DST's are anticipated – Drill Stem tests may be run on shows of interest.

#### ABNORMAL CONDITIONS

- A. Pressures: No abnormal conditions are anticipated  
Delaware pressure gradient – 0.43 psi/ft
- B. Temperatures: No abnormal conditions are anticipated
- C. H<sub>2</sub>S: None Anticipated.
- D. Estimated bottom hole pressure: 3,612 psi at TD

#### ANTICIPATED START DATE

August 23, 2004

#### COMPLETION

The location pad will be sufficient size to accommodate all completion equipment activities and equipment. A string of 2 3/8", 4.7#, N-80, EUE 8rnd will be run as production tubing. A Sundry Notice will be submitted with a revised completion program if warranted.

Barclay State 5  
 1,500' FNL 1,400' FEL ( SW /4 NE /4)  
 Sec. 2 T 23S R 31E  
 Eddy County, New Mexico  
 V-302

### SURFACE CASING AND CENTRALIZER DESIGN

Proposed Total Depth: 8,400 '  
 Proposed Depth of Surface Casing: 900 '  
 Estimated Pressure Gradient: 0.43 psi/ft  
 Bottom Hole Pressure at 8,400 ' = 3,612 psi  
 $0.43 \text{ psi/ft} \times 8,400' = 3,612 \text{ psi}$   
 Hydrostatic Head of gas/oil mud: 0.22 psi/ft  
 $0.22 \text{ psi/ft} \times 8,400' = 1,848 \text{ psi}$

#### Maximum Design Surface Pressure

Bottom Hole Pressure – Hydrostatic Head =  
 $( 0.43 \text{ psi/ft} \times 8,400' ) - ( 0.22 \text{ psi/ft} \times 8,400' ) =$   
 $3,612 \text{ psi} - 1,848 \text{ psi} = 1,764 \text{ psi}$

#### Casing Strengths 8-5/8" J-55 24# ST&C

Wt.	Tension (lbs)	Burst (psi)	Collapse (psi)
24 #	244,000	2,950	1,370
32 #	372,000	3,930	2,530

#### Safety Factors

Tension (Dry): 1.8 Burst: 1.0 Collapse: 1.125  
 Tension (Dry):  $24 \text{ # / ft} \times 900' = 21,600 \text{ #}$   
 Safety Factor =  $\frac{244,000}{21,600} = 11.30$  ok  
 Burst: Safety Factor =  $\frac{2,950 \text{ psi}}{1,764 \text{ psi}} = 1.67$  ok  
 Collapse: Hydrostatic =  $0.052 \times 9.0 \text{ ppg} \times 900' = 421 \text{ psi}$   
 Safety Factor =  $\frac{1,370 \text{ psi}}{421 \text{ psi}} = 3.25$  ok

Use 900' 8-5/8" J-55 24# ST&C

Use 2,000 psi minimum casinghead and BOP's but will test to 1,000 psi

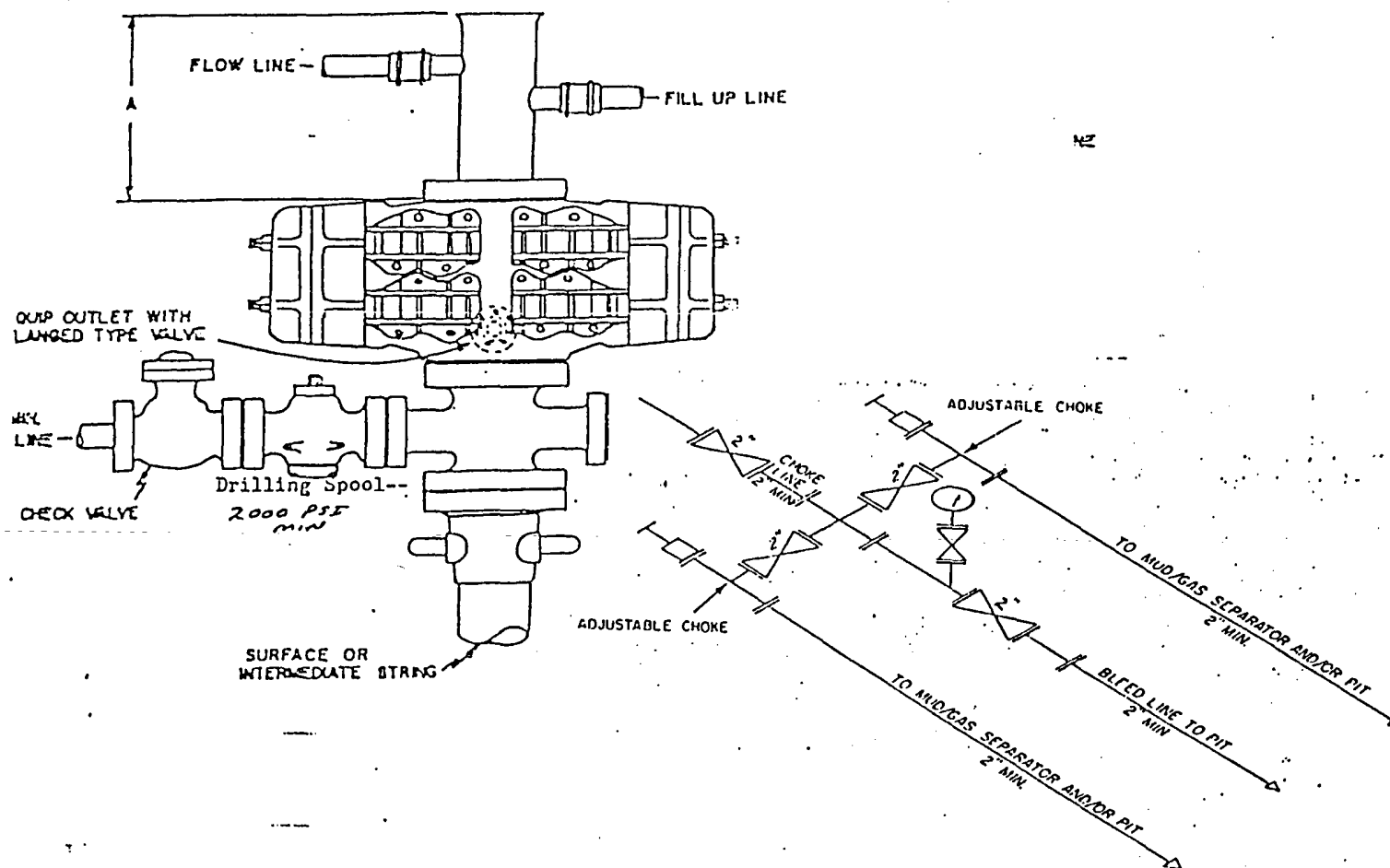
#### Centralizers

8 Total  
 1 near surface at 160'  
 3 middle of bottom joint, second joint, third joint  
 4 every other joint  $\pm 80'$

Total centralized  $\pm 440' ( 460' - 900' )$

Note that field experience indicates that additional centralizers greatly increase the chance of "sticking" the surface casing prior to reaching surface casing total depth.

ANNULAR PREVENTOR MAY BE SUBSTITUTED FOR DOUBLE GATE PREVENTORS  
ROTATING HEAD TO BE USED WHEN AIR/AIR MIST DRILLING



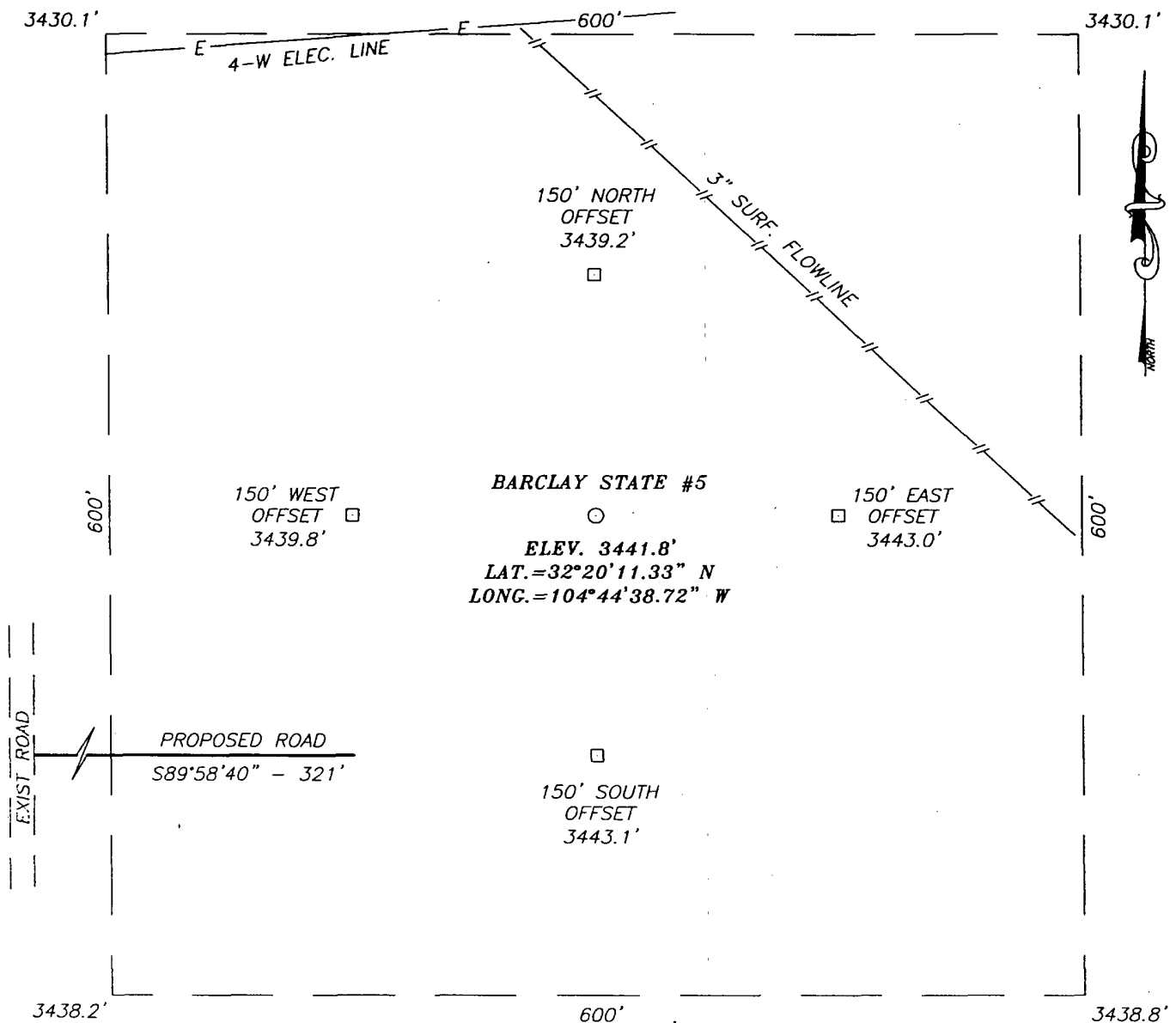
2M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

BLOWOUT PREVENTER

9-10 Inch 2000 psi minimum

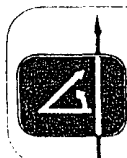
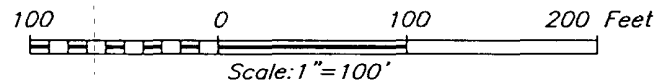


**SECTION 2, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.,**  
**EDDY COUNTY, NEW MEXICO**



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF RED ROAD (C-798) AND MILLS RANCH ROAD (15 MILES SOUTH OF U.S. HWY 62-180). GO SOUTH ON C-798 1.6 MILES TO CALICHE ROAD. TURN RIGHT, GO 0.3 MILES. TURN RIGHT AND GO 0.35 MILES TO STAKED ROAD. TURN RIGHT AND FOLLOW STAKED ROAD 320' TO LOCATION.



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

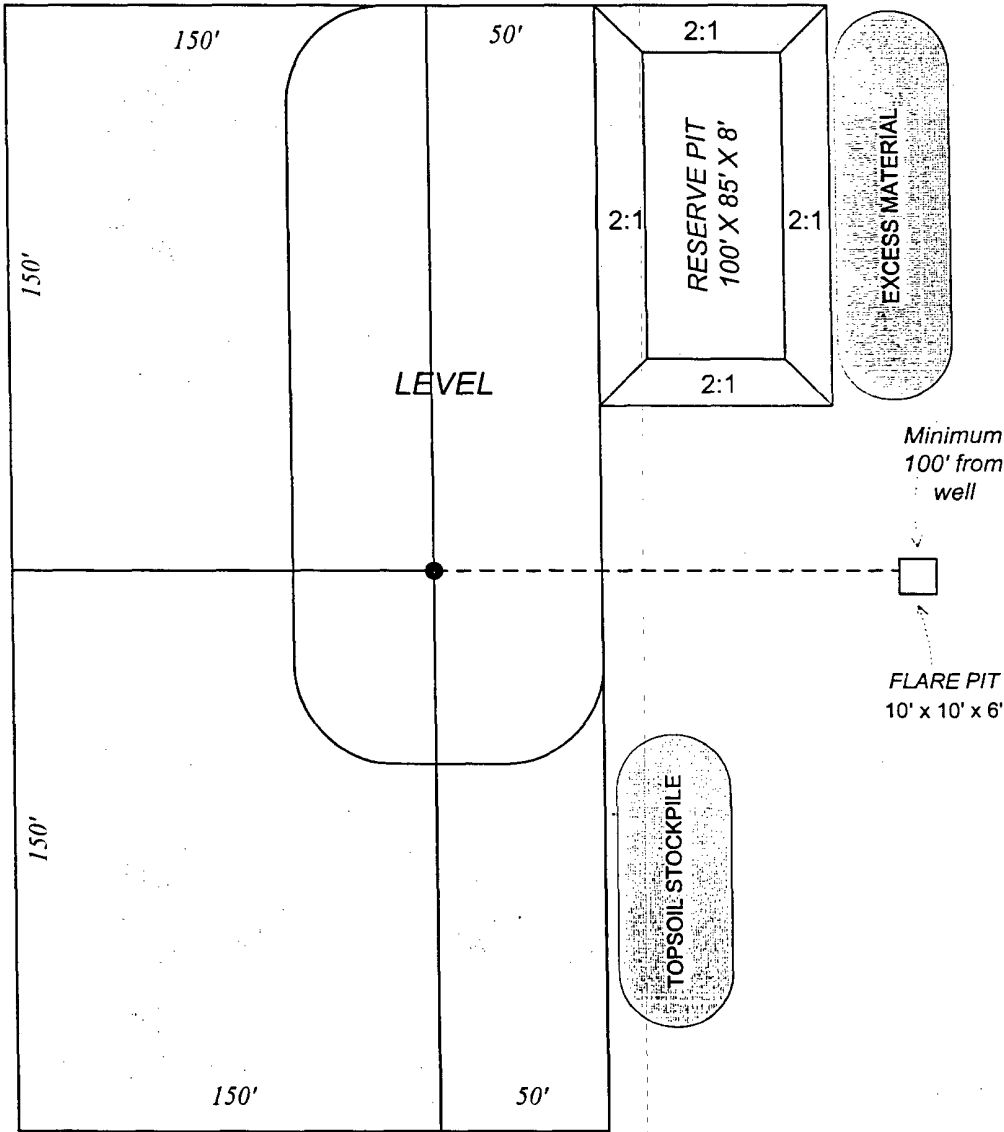
**FOREST OIL CORPORATION**

BARCLAY STATE #5 WELL  
 LOCATED 1500 FEET FROM THE NORTH LINE  
 AND 1400 FEET FROM THE EAST LINE OF SECTION 2,  
 TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

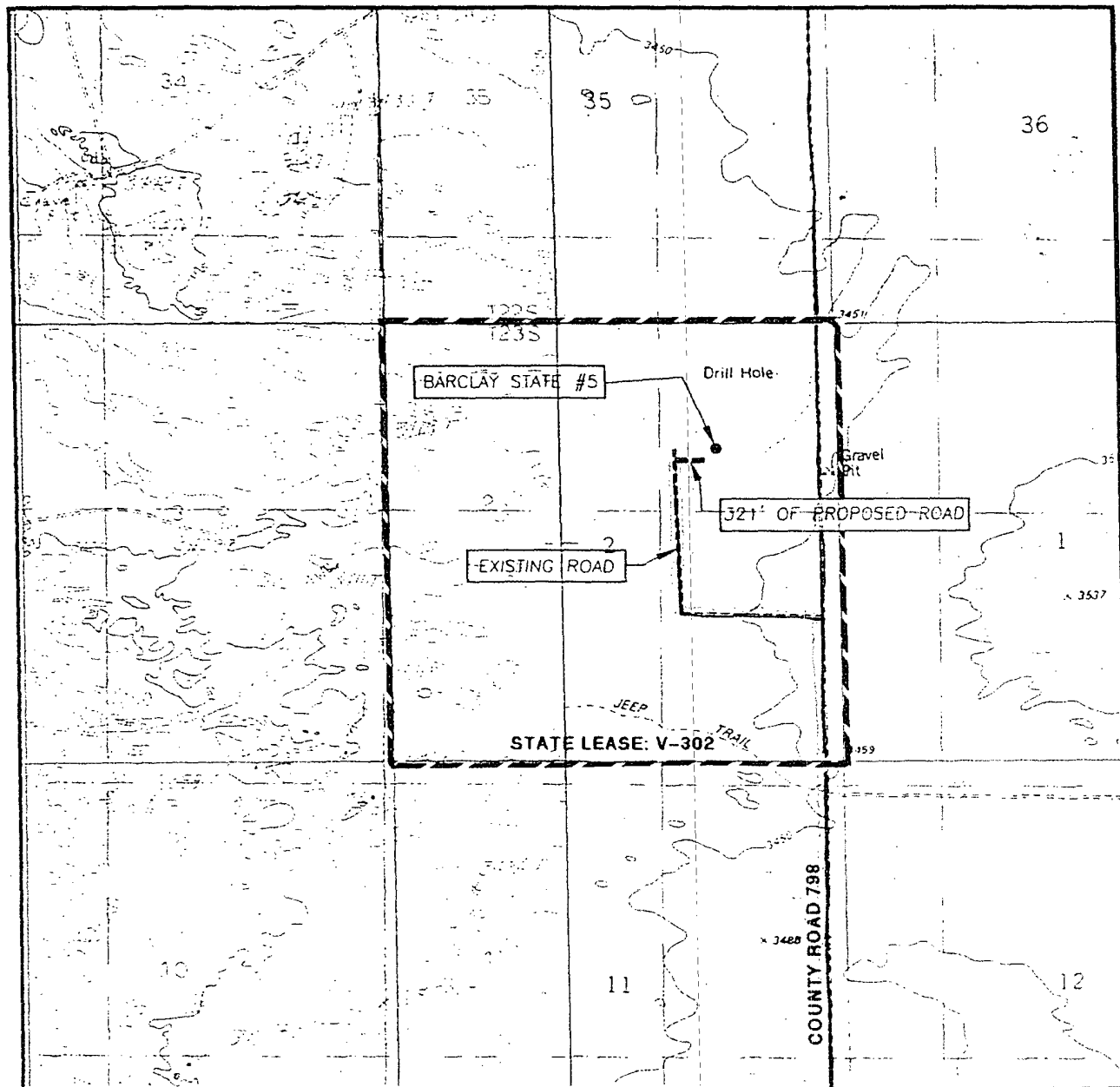
Survey Date: 05/03/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.0490	Dr By: J. RIVERO Rev 1:N/A
Date: 05/12/04	Disk: CD#10 04110490 Scale: 1"=100'

FOREST OIL CORPORATION

TYPICAL RIG LAYOUT



# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
BOOTLEG RIDGE, N.M. - 10'

SEC. 2 TWP. 23-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

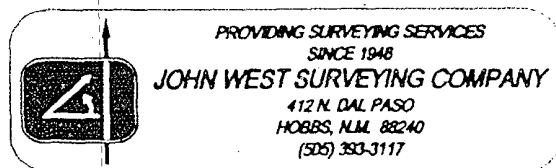
DESCRIPTION 1500' FNL & 1400' FEL

ELEVATION 3442'

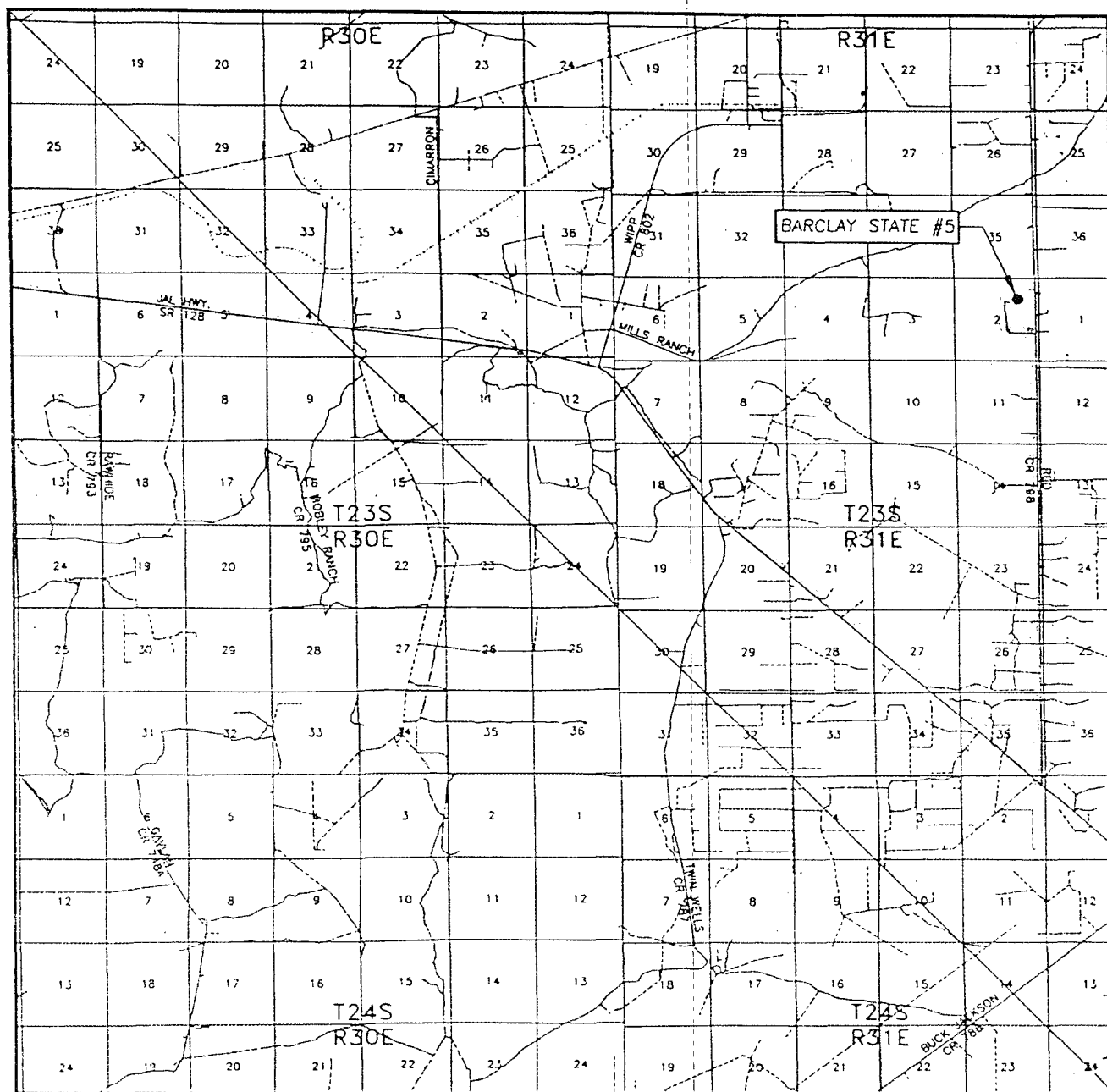
OPERATOR FOREST OIL CORPORATION

LEASE BARCLAY STATE

U.S.G.S. TOPOGRAPHIC MAP  
BOOTLEG RIDGE, N.M.

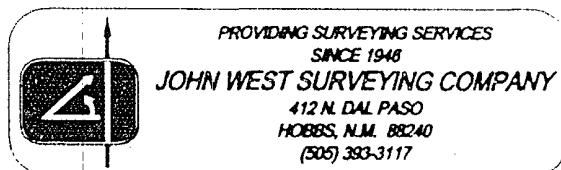


# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 2 TWP. 23-S RGE. 31-E  
 SURVEY N.M.P.M.  
 COUNTY EDDY  
 DESCRIPTION 1500' FNL & 1400' FEL  
 ELEVATION 3442'  
 OPERATOR FOREST OIL CORPORATION  
 LEASE BARCLAY STATE



**BANKO  
PETROLEUM  
MANAGEMENT INC.**

**VIA FEDERAL EXPRESS – PRIORITY DELIVERY**

Ms. Leslie Theiss – Field Manager  
Bureau of Land Management  
Carlsbad Field Office  
620 E. Greene ST.  
Carlsbad, NM 88220

July 22, 2004

RE: Right-of-Way Application – **Access Road and Drillsite**  
Forest Oil Corporation  
**Barclay State 5**  
1,500' FNL 1,400' FEL (SW/4 NE/4)  
Sec. 2 T23S R31E  
Eddy County, New Mexico  
State Lease: V-302

Dear Ms. Theiss:

Enclosed please find two (2) originals of the Right-of-Way (ROW) Application for the above captioned well. A check for \$175 is enclosed for Category I filing and monitoring fees.

We understand the Application for Permit to Drill (APD) for the Barclay State 5 was submitted separately to New Mexico Oil Conservation Division (NMOCD) as a state well on July 22, 2004.

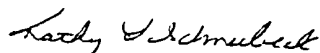
We intend to commence operations upon state approval for the well and would appreciate your early review so that orderly operations can commence in the last full week of August 2004.

We understand that the required archaeological report will be required and will be submitted separately.

Please contact us when the ROW Grant is ready for execution. We'll arrange to either have someone sign for it at your office, or arrange for a Federal Express pickup at your office.

Thank you for your concern.

Very truly yours,



Kathy L. Schneebeck  
Agent for Forest Oil Corporation  
KLS:slb  
Enclosures  
cc: Forest Oil Corporation



**Department of Energy**  
Carlsbad Field Office  
P. O. Box 3090  
Carlsbad, New Mexico 88221

**AUG 18 2004**

**RECEIVED**  
**AUG 25 2004**  
**OCD-ARTESIA**

Mr. Bryan Arrant PES  
Oil Conservation Division  
1301 W. Grand Ave  
Artesia, New Mexico 88210

**Subject: Application for Drilling Wells by Bass Enterprises, James Ranch Unit #91; Unit F of Section 36, Township 22 South, Range 30 East in Eddy County and by Forest Oil Corporation, Barclay State #5; Unit G of Section 2, Township 23 South, Range 31 East in Eddy County**

Dear Mr. Arrant:

This responds to your recent letters dated August 3, 2004, regarding two wells to be drilled on state lands within one mile of WIPP. These wells are Bass Enterprises, James Ranch Unit #91; Unit F of Section 36, Township 22 South, Range 30 East in Eddy County and Forest Oil Corporation, Barclay State #5; Unit G of Section 2, Township 23 South, Range 31 East in Eddy County.

WIPP land management staff has reviewed the "Application for Permit to Drill" for these wells and the location of each well has been field verified.

The wells do not encroach on the WIPP Land Withdrawal area. If you have any further questions, please call me at 234-7349.

Sincerely,

*Harold Johnson*  
Harold Johnson  
NEPA Compliance Officer

cc:  
D. Lynn, WTS



FOREST OIL CORPORATION

1600 Broadway • Suite 2200  
Denver, Colorado 80202 (303) 812-1400

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SEP 20 2004

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**(FEDERAL EXPRESS-STANDARD DELIVERY)**

Roy E. Johnson-District Supervisor  
State of New Mexico Oil Conservation Division  
Energy Minerals and Natural Resources  
District IV  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

RE: Application for Permit to Drill – Split Lease: State Minerals, Federal Surface  
Forest Oil Corporation  
Barclay State 5  
1,500' FNL 1,400' FEL (SW/4 NE/4)  
Sec. 2 T23S R31E  
Eddy County, New Mexico  
State Lease: V-302

RECEIVED

SEP 22 2004

CARLSBAD

Dear Mr. Johnson:

Enclosed please find six (6) originals of the Application for Permit to Drill (APD) for the above captioned well. A courtesy copy was sent separately to the Bureau of Land Management (BLM) in Carlsbad, New Mexico, due to the split lease status of this location.

This filing contains the following attachments: the drilling program, casing calculations, BOP Diagram, the wells within a one-mile radius, survey plats, cross-sections, cut and fills, and area road/access maps.

As this is an unorthodox location, also enclosed is a plat showing the offset operators and an inter-office memorandum by Jim Peterson, a geologist with Forest Oil Corp, giving an explanation as to why an exception is needed. Forest Oil Corporation is the operator and owns 100% leasehold interest in all offset locations affected as defined in Rule 1207.A(2). Therefore, no notice is required under Rule 1207.A(2). The mineral interest of all offset spacing units have common interest. Forest Oil Corp is requesting administrative approval of this Application.

The proposed location is 1,500' FNL 1,400' FEL (SW/4 NE/4) of Sec. 2. The wellsite was surveyed and staked on May 3, 2004 by Gary Eidson, of John West Surveying Company, on a site that was geologically and topographically acceptable.

Your early attention to this application is greatly appreciated. Thank you for your concern.

Very truly yours,

Anna Walls  
Land Tech

Enclosures

Cc: Bureau of Land Management-Carlsbad



## INTER-OFFICE MEMORANDUM

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**DATE:** September 15, 2004

**TO:** Bruce Rush

**FROM:** James B. Peterson - geologist

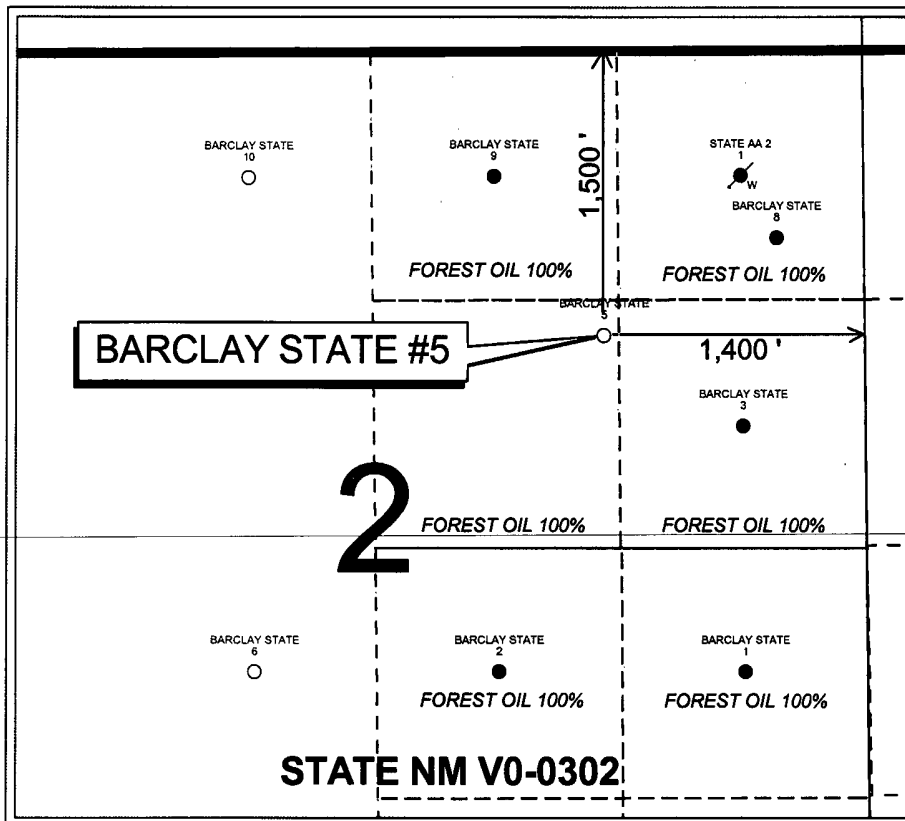
**SUBJECT: Barclay State #5 Location Exception**

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The Barclay State #5 is located 1,500' FNL and 1,400' FEL of Section 2-T23S-R31E, Eddy County, New Mexico. This location will require a location exception.

The Barclay State #5 must be staked at the location specified above due to geologic reasons. The primary pay sands in the Delaware Brushy Canyon formation are not present at the legal location in the SW NE of Section 2-T23S-R31E. The Barclay State #3 (1,980' FNL and 660' FEL Section 2-T23S-R31E) and the Barclay State #8 (990' FNL and 470' FEL Section 2-T23S-R31E) were drilled near the up-dip limit of the primary pay sands. Subsurface mapping indicates that the up-dip edge of the primary pay sands will be encountered at a location 1,500' FNL and 1,400' FEL of Section 2-T23S-R31E and drilling a well west of this location will miss the primary objective.





**STATE NM V0-0302**

PETRA 9/16/2004 12:01:11 PM



## SAND DUNES

Eddy County, New Mexico

**BARCLAY STATE #5**

**SEC 2 - T23S - R31E**

Ratio Scale = 1 : 12,000



### POSTED WELL DATA

Well Name  
Well Number

WELL SYMBOLS  
● Oil Well  
● W Converted Water-input Well

September 16, 2004

The above information  
is true & correct to the  
best of my knowledge

Anna Walls 9/16/04  
Anna Walls