



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSWELL DISTRICT OFFICE
P.O. BOX 1397
ROSWELL, NEW MEXICO 88201



FEB 06 '89

O. C. D.
ARTESIA, OFFICE

MM-61582
3162.41 (065)

JAN 03 1989

Meridian Oil, Inc.
21 Dosta Drive
Midland, Texas 79705

Gentlemen:

Your application for Permit to Drill the Apache "A" Federal No. 1 well in the NE1/4 sec. 35, T. 19 S., R. 29 E., Eddy County, New Mexico, lease MM-61582, to a depth of 4,500 feet to test the Delaware formation in the oil-potash area, is hereby approved as amended by stipulations attached to the application.

One copy of the application is returned herewith. Please notify the Bureau of Land Management Office checked on the attached special stipulation, in sufficient time for a representative to witness all cementing operations.

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Sincerely,

Orig. Sgd. David L. Marl

FOR Francis R. Cherry, Jr.
District Manager

1 Enclosure

cc:

NMOCD-Artesia - 2

Journal of Management Education 30(6)

1981 20 JAN

NAME: _____

1994

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT 4 TRIPPLICATE*

88210 (Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

30-015-36863
5. LEASE DESIGNATION AND SERIAL NO.
NM-61582

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Meridian Oil Inc.

3. ADDRESS OF OPERATOR

21 Desta Drive, Midland, Texas 79705

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

660' FNL & 1980' FWL, Sec. 35, T-19-S, R-29-E
790 2310

At proposed prod. zone

FEB 06 '89

O.C.D. OFFICE

ut C

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Apache Federal

9. WELL NO.

10. FIELD AND POOL, OR WILDCAT

Parkway (Delaware)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 35, T-19-S, R-29-E

12. COUNTY OR PARISH

Eddy

13. STATE

N.M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

62 miles Northwest of Hobbs, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

40

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED* LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

4500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3314' GR

22. APPROX. DATE WORK WILL START*

11-21-88

23. 3315'

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|-----------------------|
| 17 1/2" | 13 3/8" | 48# | 350' | 350 sx., Circulate |
| 12 1/4" | 8 5/8" | 24 & 28# | 3200' | 3000 sx., Circulate |
| 7 7/8" | 5 1/2" | 15.5# | 4500' | 500 sx. TOC @ Surface |

Drill 17 1/2" hole to 350'. Set 13 3/8" csg @ 350'. Cmt w/350 sx C1 "C". Circ. Drill 12 1/4" hole to 3200'. Set 8 5/8" csg @ 3200'. With stage collar @ + 1600', cement 1st stage w/1000 sx C1 "C" w/2% CaCl2. Cement 2nd stage to circ to surf w/2000 sx. C1 "C" Lite & tail in w/100 sx C1 "C". Drill to TD to test Delaware. If commercial, run 5 1/2" csg to 4500'. Cmt w/sufficient volume to bring above all prospective zones. Est TOC @ surface. Perf & stimulate Delaware for production.

MUD PROGRAM: 0-350' spud mud; 350-3200' brine & sweeps; 3200-TD cut brine & Drispac. MW 9-9.2, VIS 32-36 (solids must be less than 5%).

BOP PROGRAM: 11"-3M stack to be installed on 8 5/8" & left on for remainder of drlg. Stack to consist of Double ram type BOP & choke manifold. Will test to rated working pressure w/independent tester on initial NU & prior to drlg into Delaware.

POST ID-1
NL & API
2-10-89

CAR
OCT 21

RECEIVED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Cathy Nelson

TITLE

Operations Tech III

DATE

10/19/88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-162
Supersedes C-1
Effective 1-1-61

All distances must be from the outer boundaries of the Section.

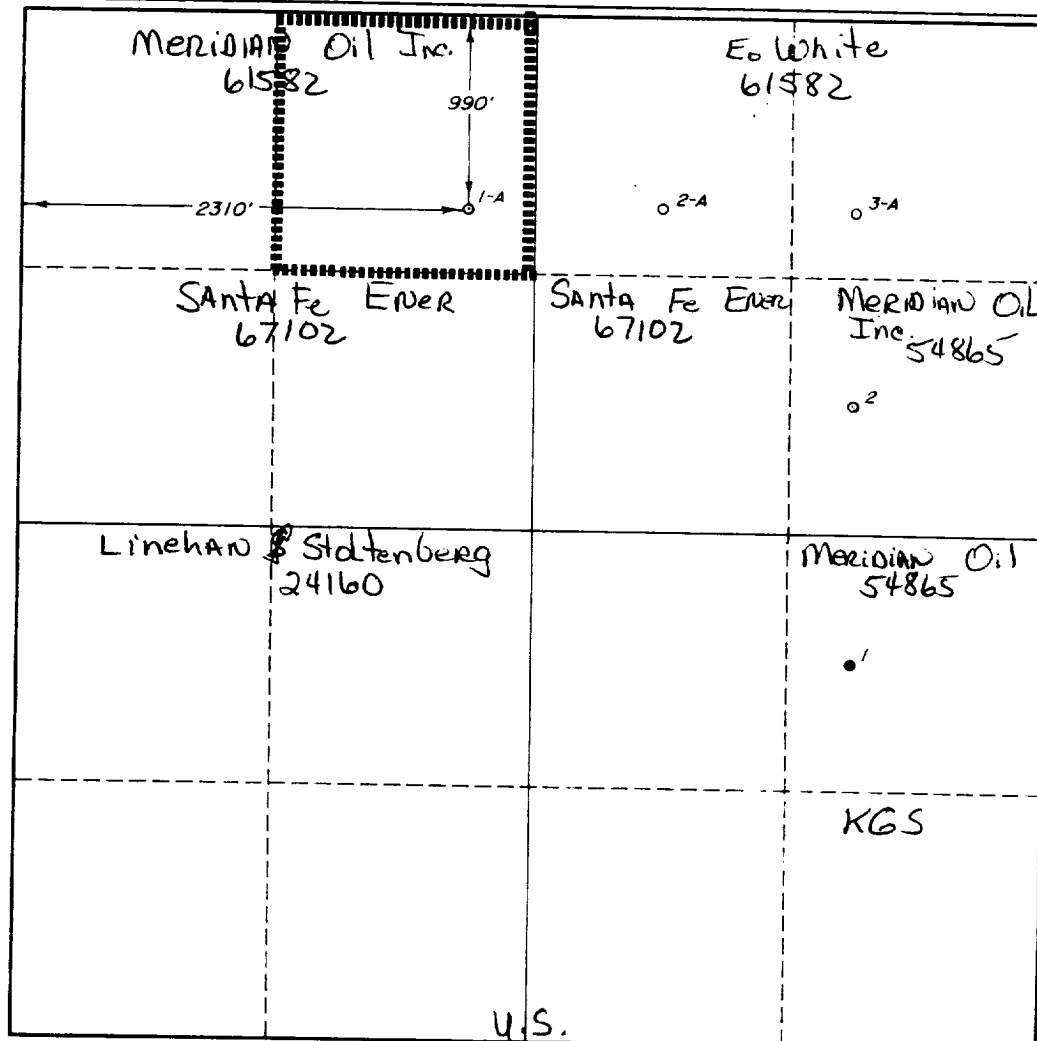
| | | | | | | |
|--|--|--|--------------------------------------|---------------------------------------|--|----------------------|
| Operator MERIDIAN OIL, INC. | | | Lease APACHE FEDERAL | | | Well No. 1 |
| Unit Letter C | Section 35 | Township 19-SOUTH | Range 29-EAST | County EDDY | | |
| Actual Footage Location of Well: | | | | | | |
| 990 feet from the NORTH line and | | 2310 feet from the WEST line | | | | |
| Ground Level Elev. 3315' | Producing Formation Delaware | | Pool UND. Parkway DELAWARE | Dedicated Acreage: 40 Acres | | |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

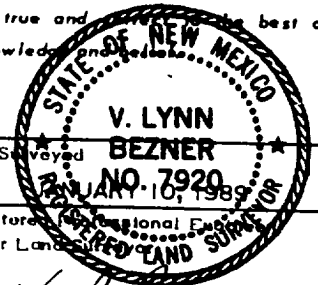


CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name Marianne Martin
 Position Operations Tech III
 Company Meridian Oil Inc.
 Date 1-25-89

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 knowledge and belief.



Date Surveyed JAN 10, 1989
 Registered Professional Engineer and/or Land Surveyor
 Certificate No. 7920

MERIDIAN OIL INC.

Apache Federal No. 3
660' FNL & 1980' FWL
Sec. 35, T-19-S, R-29-E
Eddy County, New Mexico
NM-61582

To supplement USGS Form 3160-3 Application to Drill the following additional information is submitted concerning questions on Page 5 of NTL-6:

1. See Form 3160-3.
2. See Form 3160-3.
3. The geological name of surface formation is: Ochoa
4. See Form 3160-3.
5. See Form 3160-3.
6. The estimated tops of important geological markers are:

| | | | |
|---------|-------|---------------|-------|
| Rustler | 350' | Capitan Reef | 1825' |
| Yates | 1570' | Delaware Sand | 3750' |

7. The estimated depths at which anticipated water, oil, gas and mineral bearing strata are as follows:

| | |
|---------------|-------------|
| Yates | 1570' - Oil |
| Delaware Sand | 3750' - Oil |

8. See Form 3160-3. All casing will be new.
9. See Form 3160-3 for depths of strings. Cement volumes and additions as follows:
 - a. 13 3/8" csg: Cement w/350 sxs Lite "C" cmt. Circ to surface.
 - b. 8 5/8" csg: With stage collar @ $\pm 1600'$, cement 1st stage w/1000 sx Cl "C" w/2% CaCl₂. Cement 2nd stage to circ to surface w/2000 sx Cl "C" Lite & tail in w/100 sx Cl "C".
 - c. 5 1/2" csg: Cement w/ ± 500 sx Cl "C". TOC @ Surface.

A caliper log will be run prior to setting 5 1/2" pipe to determine exact cement volumes required and a fluid caliper will be run prior to setting 8 5/8" casing to determine same.

10. The pressure control diagram is attached to Form 3160-3. The following additional information is as follows:

8 5/8" casing installation: 11"-3M BOP stack to be installed and tested by an independent tester to 3,000 psi before drilling the 8 5/8" casing shoe. The BOP stack to consist of a blind ram BOP and one pipe ram BOP.

11. See Form 3160-3.

12. A. DST Program: None

B. Core: None

C. Mud Logging: 3200 to TD, Two-man unit

D. Wire Line Logs:

The following suite of logs will be run in both of the listed intervals:

DLL/MSFL/CNL/LDT/GR/Cal TD-3200' (GR/CNL to surf)

13. No abnormal pressures are anticipated. Bottom hole pressures at TD expected to be 2000 psi. Bottom hole temperature 138° F. No Hydrogen Sulfide expected in this know drilling area. No crooked hole or abnormal deviation problems.

14. Anticipated starting date to spud - on or before 11-21-88. Anticipated drilling time expected to be 10 days from surface to TD.

C. Nokes
10/19/88

SURFACE USE PLAN

MERIDIAN OIL INC.

Apache Federal No. 3
660' FNL & 1980' FWL
Sec. 35, T-19-S, R-29-E
Eddy County, New Mexico
NM-61582

This plan is submitted with Application to Drill on above described well. The minerals are federal and the surface is leased for grazing (See below for surface lessee). The purpose of this plan is to describe the location, proposed construction activities and operations plans, magnitude of necessary surface disturbance and procedures to be followed in rehabilitating the surface after completion of the operation so that complete appraisal can be made of the environmental effects associated with the operations.

1. Existing Roads:

Exhibit "A" is a portion of a USGS Topograph map showing the location of the proposed well as staked.

Directions to the well are as follows: Go 55 miles west of Hobbs on Hwy 62-180. Go 1.2 miles west of Junction 31 and 360. Turn right on Burton Flat Road or CR 238 and go north 7/10 mile on pavement. Turn north 5.4 miles. Turn right approximately 1.6 mile to SIETE Oil & Gas Osage Federal #2, which is first well on left. Turn left approximately 4/10 mile to SIETE Renegade Federal #1. From here go north 1320' to location.

2. Planned Access Road:

- a. Temporary access road will be 12 feet wide and 1600 feet long. The center line of the proposed temporary road from the beginning to the well site has been staked and flagged with the stakes being visible from any one to the next.
- b. Surfacing Material: 6" of caliche, watered, compacted and graded.

3. Location of Existing Wells in Area:

See Exhibit "B"

4. Location of Proposed Facilities:

Location of proposed well site and tank battery is shown on Exhibit "C". The battery will be located on proposed well pad, no additional surface disturbance will be necessary.

5. Water Supply:

- a. No available surface or sub-surface fresh water exists in the vicinity of the proposed well. Drilling water will be transported or pumped to the drill site from the nearest commercial source.

6. Source of Construction Material:

Caliche for surfacing access road and pad will be obtained from existing pit located in the SW/4 NE/4 of Sec. 3, T-20-S, R-29-E. This pit has been cleared by BLM.

7. Handling Waste Disposal:

- a. Drill cuttings - disposed into drilling pits.
 - b. Drill fluids - allowed to evaporate in drill pits until pits dry.
 - c. Produced water during testing - drill pits.
 - d. Produced oil during testing - storage tank until sold.
 - e. Current laws and regulations pertaining to disposal of human waste will be observed.
 - f. Reserve pit will be plastic lined.
 - g. Waste paper, garbage, junk disposed of into special trash container on location and hauled off upon completion of the well or as required. All waste material will be contained to prevent scattering by wind.
8. All trash and debris will be removed from well site within 30 days after drilling and/or completion operations are finished.

9. Ancillary Facilities:

None

10. Plans for Restoration of Surface:

- a. After completion of drilling and/or completion of operations, all equipment and other material not needed for operations will be removed. Pits will be filled and locations cleaned of trash and junk to leave well in as aesthetically pleasing a condition as possible.
- b. Any unguarded pits containing fluids will be fenced until filled.
- c. After abandonment of well, surface restoration will be in accordance with the Bureau of Land Management Surface Requirements.

11. Topography and Soil:

New Mexico Archaeological Services, Inc. Report by Dr. J. Loring Haskell will be sent when it is received in this office.

12. Land Use:

Grazing and hunting - Federal

Surface Lessee - Snyder Ranch, Inc.
P. O. Box 726
Lovington, New Mexico 88260

13. Surface Ownership:

Bureau of Land Management (Federal)

14. Operators Representatives:

Field representatives (Responsible for compliance with approved surface use and operations plan):

Meridian Oil Inc.
416 E. Main
Artesia, New Mexico
Office: 505/748-1321

Mr. Wayne Grubbs, Drilling Foreman
Artesia, New Mexico
Home: 505/746-6057

Mr. Bill Dawson, Drilling Superintendent
Midland, Texas Office: 915/686-5600
Home: 915/682-9037

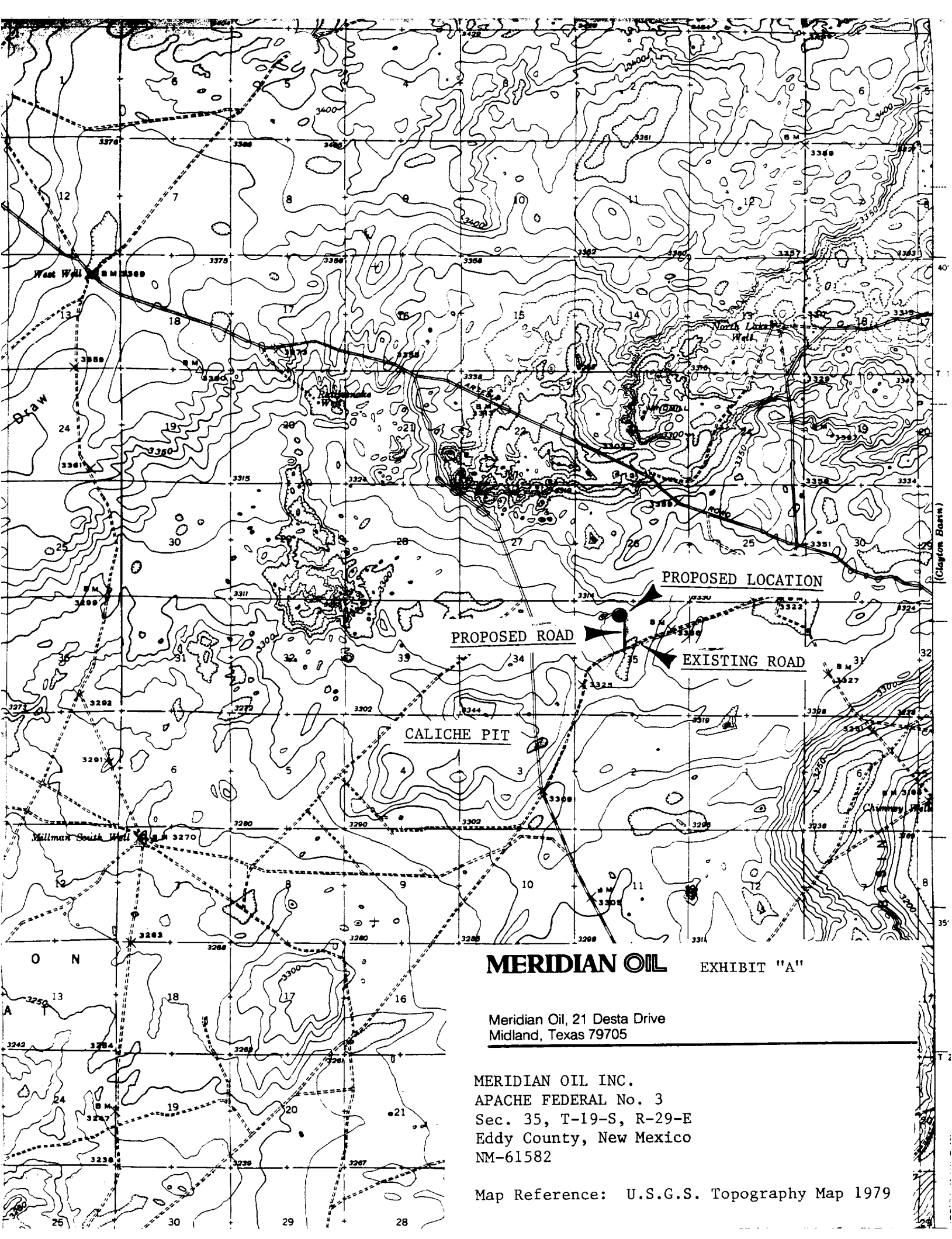
15. Certification:

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route; that I am familiar with conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Meridian Oil Inc. and its contractors and sub-contractors in uniformity with this plan and the terms and conditions under which it is approved.

Date: 10/20/88

Darrell D. Roberts
Darrell D. Roberts
Senior Drilling Engineer
Meridian Oil Inc.

C. Nokes/
10/19/88

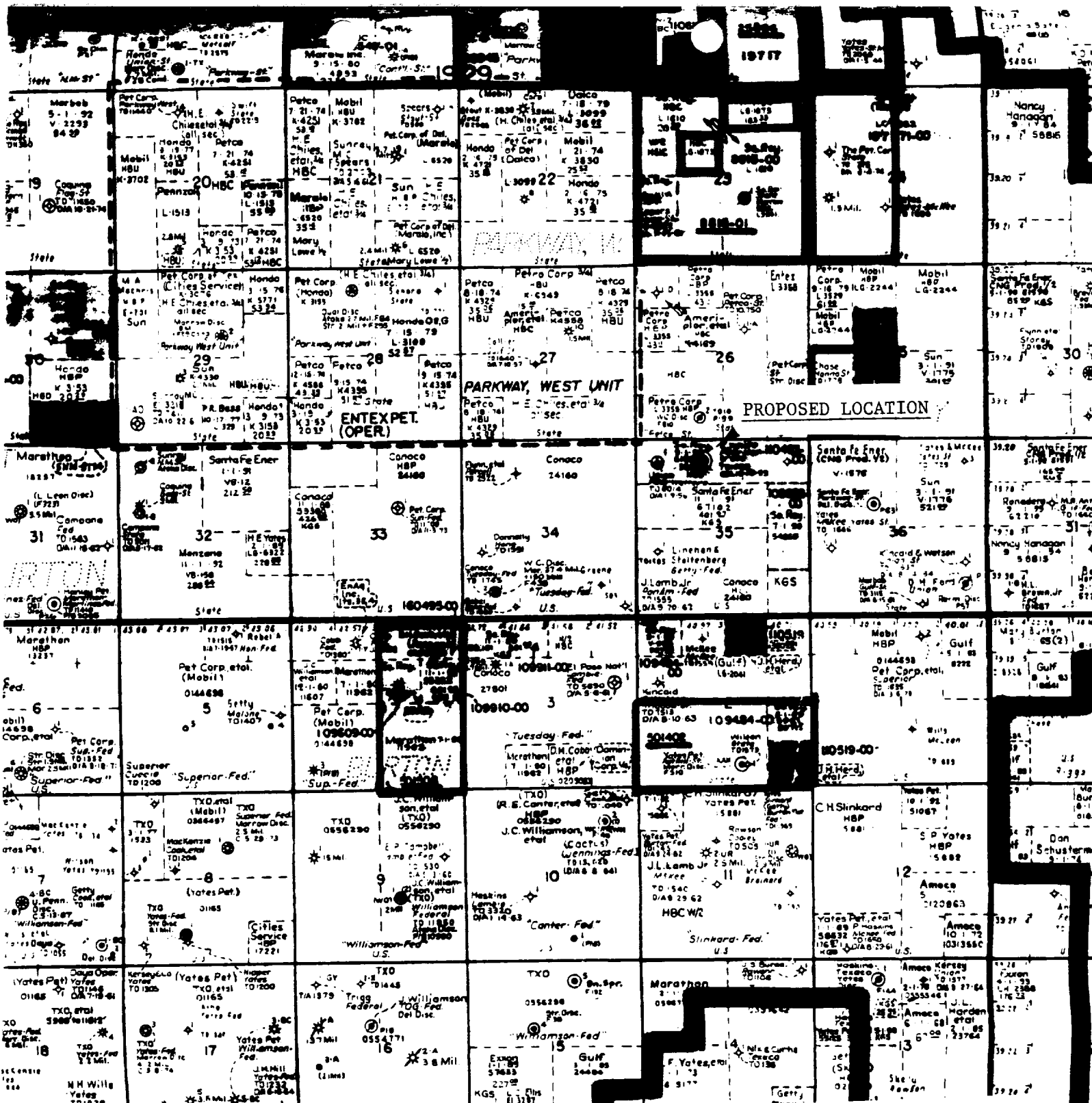


MERIDIAN OIL EXHIBIT "A"

Meridian Oil, 21 Desta Drive
Midland, Texas 79705

MERIDIAN OIL INC.
APACHE FEDERAL No. 3
Sec. 35, T-19-S, R-29-E
Eddy County, New Mexico
NM-61582

Map Reference: U.S.G.S. Topography Map 1979

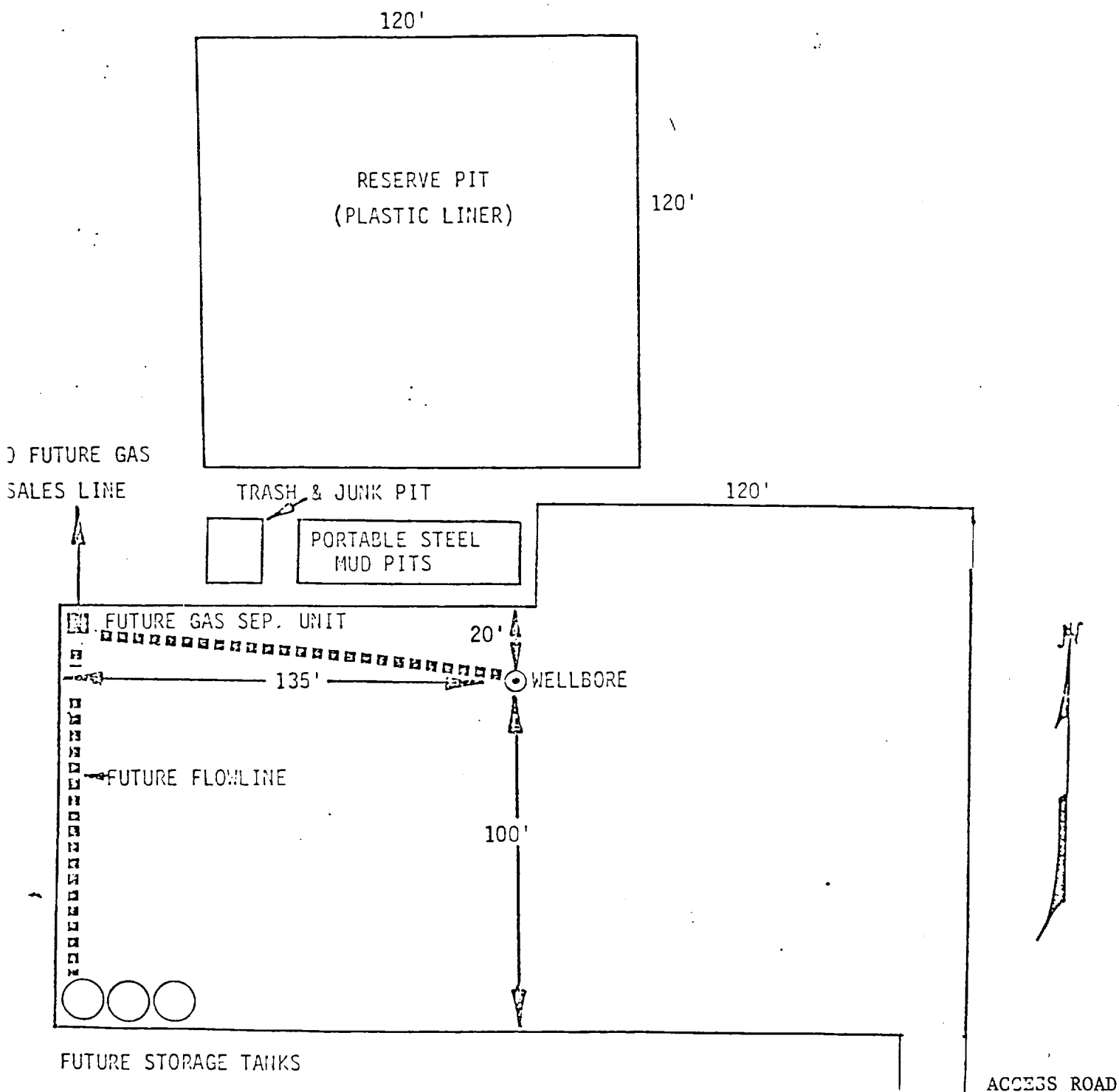


MERIDIAN OIL

EXHIBIT "B"

Meridian Oil, 21 Desta Drive
Midland, Texas 79705

MERIDIAN OIL INC.
APACHE FEDERAL No. 3
Sec. 35, T-19-S, R-29-E
Eddy County, New Mexico
NM-61582

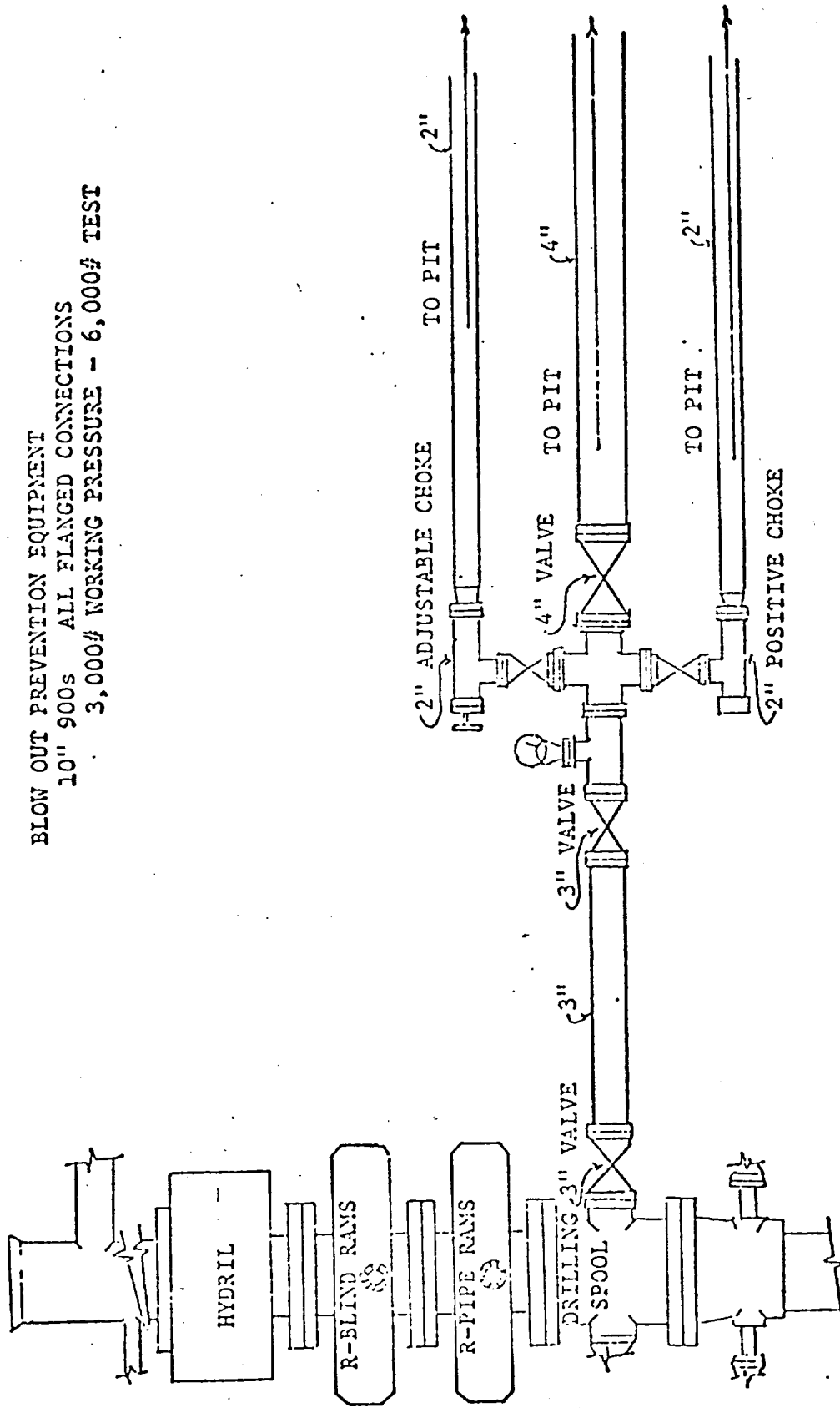


MERIDIAN OIL

EXHIBIT "C"

Meridian Oil, 21 Desta Drive
Midland, Texas 79705

MERIDIAN OIL INC.
APACHE FEDERAL No. 3
Sec. 35, T-19-S, R-29-E
Eddy County, New Mexico
NM-61582



BLOW OUT PREVENTION EQUIPMENT
 10" 900s ALL FLANGED CONNECTIONS
 3,000# WORKING PRESSURE - 6,000# TEST