

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
88210

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-13233		
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Bird Creek Resources, Inc. ✓			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR 810 South Cincinnati, Suite 110 Tulsa, Oklahoma 74119			8. FARM OR LEASE NAME Hallwood Federal		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 990' FSL, 660' FEL Sec. 3 T23S R28E At proposed prod. zone			9. WELL NO. 1		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 3 miles NNE Loving, NM			10. FIELD AND POOL, OR WILDCAT ✓ East Loving Delaware		
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 3 T23S R28E		
16. NO. OF ACRES IN LEASE 200			12. COUNTY OR PARISH Eddy		
17. NO. OF ACRES ASSIGNED TO THIS WELL 40			13. STATE NM		
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. --			19. PROPOSED DEPTH 6350'		
20. ROTARY OR CABLE TOOLS Rotary			21. APPROX. DATE WORK WILL START 9-15-92		
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 2997' GR					

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12.25"	8.625"	24#	0-300	225 sx., cmt. to circulate
7.875"	5.5"	15.5#	0-6350'	1200 sx., cmt. to circulate

This will be a vertically drilled well to 6350'.

After logging and casing set, potential pay zones will be perforated and stimulated as necessary.

Attachments: Supplemental drilling data
BOP Sketch
Surface use and operations plan

Post ID-1
8-21-92
New LA & API
RECEIVED
AUG 18 1992
O. C. D.
ARTERIAL OFFICE

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 blow-out preventer program, if any.

SIGNED Brad D. Burks Brad D. Burks TITLE Agent 918-582-3855 DATE 7-8-92
(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE
APPROVED BY R. D. Smith TITLE DATE 8-15-92
APPROVAL SUBJECT TO:
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

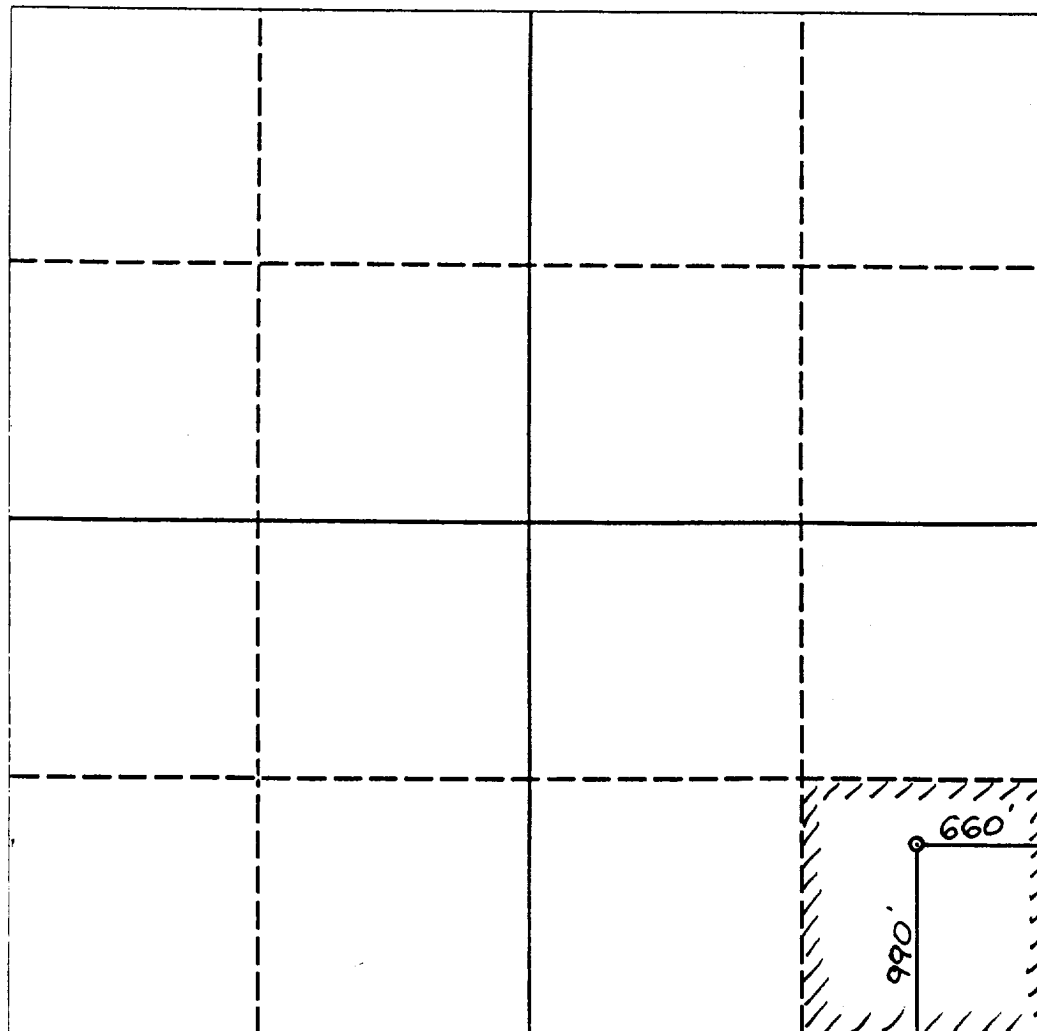
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BIRD CREEK RESOURCES, INC.			Lease HALLWOOD FEDERAL		Well No. 1
Unit Letter P	Section 3	Township 23 SOUTH	Range 28 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 990 feet from the SOUTH line and 660 feet from the EAST line					
Ground level Elev. 2997.	Producing Formation DELAWARE		Pool EAST LOVING		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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Brad D. Burks PE 161

Printed Name

BRAD D. BURKS

Position

AGENT

Company

BIRD CREEK RESOURCES, INC.

Date

7/14/92

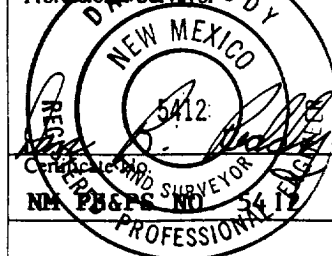
SURVEYOR CERTIFICATION

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 knowledge and belief.

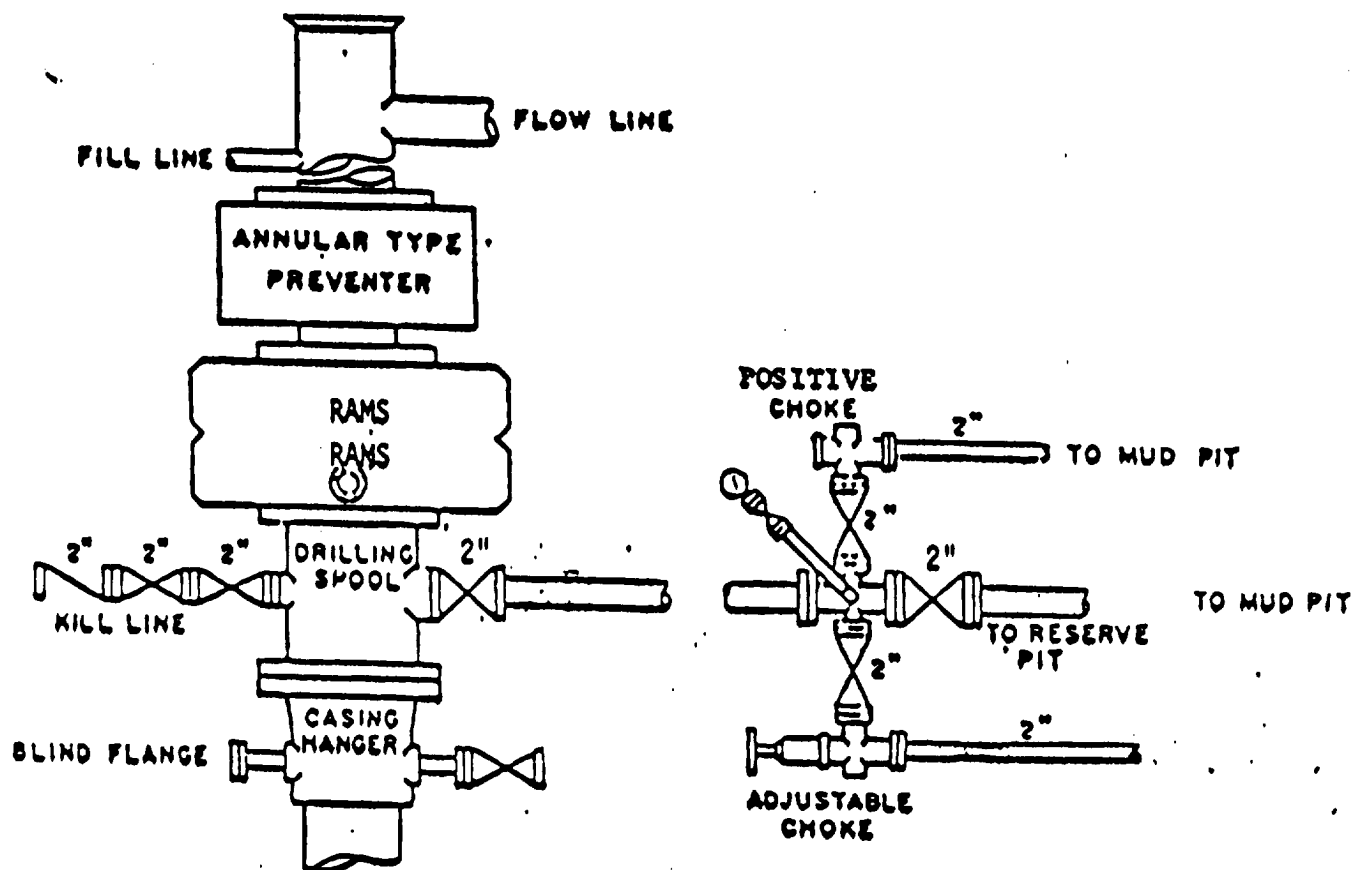
Date Surveyed

JULY 14, 1992

Signature and Seal of Professional Surveyor



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0



BOP STACK

3000 PSI WORKING PRESSURE

BIRD CREEK RESOURCES, INC.
Hallwood Federal Well No. 1
SE/SE/4 Section 3
T23S R28E Eddy Co., NM

BOP ARRANGEMENT

SUPPLEMENTAL DRILLING DATA

BIRD CREEK RESOURCES, INC.
HALLWOOD FEDERAL WELL NO. 1
P - 3 - T23S - R28E
EDDY COUNTY, NEW MEXICO
NM-13233

1. **SURFACE FORMATION:** Upton loams situated on Pleistocene conglomerate.
2. **ESTIMATED FORMATION TOPS:**

Salado salts	180'
Delaware sand	2650'
Bone Spring lime	6200'
TD	6350'
3. **POTENTIAL HYDROCARBON ZONE:** Delaware Oil 2650 - 6200'

4. **PROPOSED CASING & CEMENTING PROGRAM:**

8 5/8", 24# J-55, STC casing is to be set @ 320' in 12 1/4" hole. Casing will be cemented with 225 sxs. of class "C", 2% CaCl, and 1/4 pps flocele. Cement to circulate to surface.

5 1/2", 15.5# J-55 casing is to be set @ 0 - 6350' in 7 7/8" hole. Casing will be cemented in 2 stages. The first stage will consist of approximately 200 sxs. Lite cmt., 5% NaCl, and 0.4 pps flocele, followed by 200 sxs. class "C", 10% salt. With stage tool set at 4000', second stage will be cemented with 650 sxs. Lite cement, 5% NaCl, 0.4% pps flocele, tailed with 50 sxs. class "C", 2% CaCl. Cement to circulate to surface.

5. **PRESSURE CONTROL EQUIPMENT:**

The BOP stack will consist of 3000 psi WP annular and ram type preventers while drilling below the surface casing shoe.

A BOP sketch is attached.

6. CIRCULATING MEDIUM:

Surface to 320' - Fresh water spud mud. Viscosity as required for good solids removal, 30-36 sec./1000 cc.

320' to TD 6350' - Brine water conditioned as necessary for control of PH, viscosity (28-32 sec.), and seepage. Weighted as necessary for well control.

7. AUXILIARY EQUIPMENT:

Geolograph from surface to total depth.

Mud logging trailer from 2600' to total depth.

8. TESTING, LOGGING & CORING PROGRAM:

No DST planned.

Open-hole logs include GR-CNL-LDT-CAL and GR-DLL-MSFL.

No cores planned.

9. ABNORMAL PRESSURES OR TEMPERATURES: None anticipated.

10. ESTIMATED STARTING DATE:

September 15, 1992

SURFACE USE AND OPERATIONS PLAN

**BIRD CREEK RESOURCES, INC.
HALLWOOD FEDERAL WELL NO. 1
P - 3 - T23S - R28E
EDDY COUNTY, NEW MEXICO**

LEASE INFORMATION

FEDERAL LEASE NUMBER: NM 13233

LEASE ISSUED: 4-1-71. Lease is held by production.

LEASE ACREAGE: 200 acres, more or less

LEASE DESCRIPTION: All SE/4 of Section 3 and
NE/SW/4 of Section 3
T23S R28E

RECORD LESSEE: Hallwood Energy Company

SURFACE OWNERSHIP: Federal

POOL: East Loving Delaware

POOL RULES: Statewide rules. Delaware oil has 40 acre
spacing.

LOCATION: 3 miles NNE of village of Loving, New Mexico

SURFACE LOCATION

STAKED FOOTAGES: 990' FSL, 660' FEL, Unit P
Section 3 - T23S - R28E

SURFACE OWNERSHIP: Federal. Grazing permittee appears to be
Mr. Curtis K. Skeen of Carlsbad, New
Mexico.

EXHIBITS A. Road Map
B. Well and Road Map
C. Topography Map
D. Drilling Rig Layout

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a highway map showing southeast New Mexico. The proposed well is approximately 3 miles north-northeast of Loving, New Mexico. A red circle drawn near Loving encompasses the proposed site.
- B. Exhibit "B" shows existing pertinent roads in the vicinity of the proposed well site. To go to the site, go south from Carlsbad, New Mexico on U.S. 285. Near Loving, turn left on S.H. 31. Go east on S.H. 31 3.5 miles, turn left on County blacktop road (Donaldson Farm Rd.). Go north 1.2 miles on blacktop/dirt road. The staked location is to the west one tenth mile. The surface location of the proposed well is on Federal land, Sec. 3, T-23-S, R-28-E.

2. PLANNED ACCESS ROAD:

- A. For the most part, an existing county road will be used for access to the proposed site. A caliche road (one tenth mile long) will be built from Donaldson Farm Road west to the staked location. See Exhibits B, C, and D.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells in the immediate area are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. Necessary production facilities for this well will be located on the compound of Well No. 1, Unit P, Section 3. Storage tanks, will be isolated with an earthen firewall to prevent any loss of liquids off the pad of Well No. 1.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. A water well will not be drilled. Water necessary for drilling and completion operations will be purchased and trucked to the well site.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche needed for construction work will be taken from within the 200' X 200' well pad during the leveling of the site. A pit will be constructed on the south side of the well pad and will be reclaimed, after operations, in accordance with BLM requirements. The majority of the access road may provide its own caliche by blading the right-of-way,

but additional caliche will be secured from a pit, located SW/SW/4, Section 2.

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry. The pits will then be reclaimed when dry.
- C. Water produced during tests will be disposed of into the drilling pits.
- D. Oil produced during tests will be stored in test tanks until sold.
- E. Trash, waste paper, garbage and junk will be disposed of in a portable trash bin and hauled to an authorized public dump. All waste material will therefore be contained to prevent scattering by the wind. Location of the trash bin is shown on Exhibit "D".
- F. All debris will be removed from the well site within thirty days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, steel mud pits, reserve pits, and trash bin, and the location of major drilling rig components.
- B. The well pad will be oriented so the drilling rig will V-door west, allowing the pits to be south of the well. Cut and fill will be minimal; however, clearing and leveling of the well site will be necessary. Although drainage will not be hindered by the proposed pad, it will be constructed to divert sheetwash around the pad.
- C. The pad and pit area is staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location will be cleaned of all

debris to leave the well site in an as aesthetically pleasing condition as possible.

- B. Any unguarded pits containing fluids will be fenced with barbed wire until the pits are dry.
- C. After abandonment, all equipment and any debris will be removed and the well site will be cleaned. Any special rehabilitation and/or special revegetation requirements of the BLM will be complied with and will be accomplished as rapidly as possible.

11. OTHER INFORMATION:

- A. Topography: The pad is located on relatively flat terrain 0.4 mile south of the Pecos River. Sheetwash drainage is to the north toward the river. See attached Exhibits C and D.
- B. Soil: Top soil in the area of the well site is Upton loam situated on top of Pleistocene conglomerate.
- C. Flora and Fauna: The vegetative cover is minimal to moderate and includes mesquite, creosote bush, salt bush, weeds, and range grasses. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.
- D. Ponds and Streams: There are no ponds in this area. The Pecos River (fresh water, 3600 ppm chlorides) forms a bend 0.4 mile north of the proposed well pad. Water in the river flows to the east, then bends and flows south. A low water dam exists 1 mile down river which serves as a source of crop irrigation water.
- E. Residences and Other Structures: There are no occupied dwellings or structures within one-half mile of the proposed well site. Two dwellings exist to the south on Donaldson Farm Road.
- F. Archaeological, Historical, and Other Cultural Sites: None observed in the immediate area of the well site. Undocumented sites appear to exist closer to the Pecos River.
- G. Land Use: Grazing.
- H. Surface/Mineral Ownership: Federal.

12. OPERATORS REPRESENTATIVE:

Brad D. Burks, Agent
Bird Creek Resources, Inc.
810 South Cincinnati, Suite 110
Tulsa, Oklahoma 74119

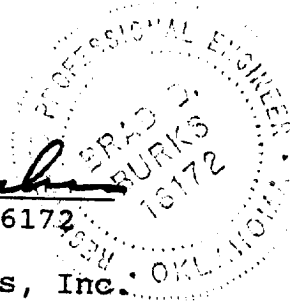
Phone: 918-582-3855
Fax: 918-582-3865

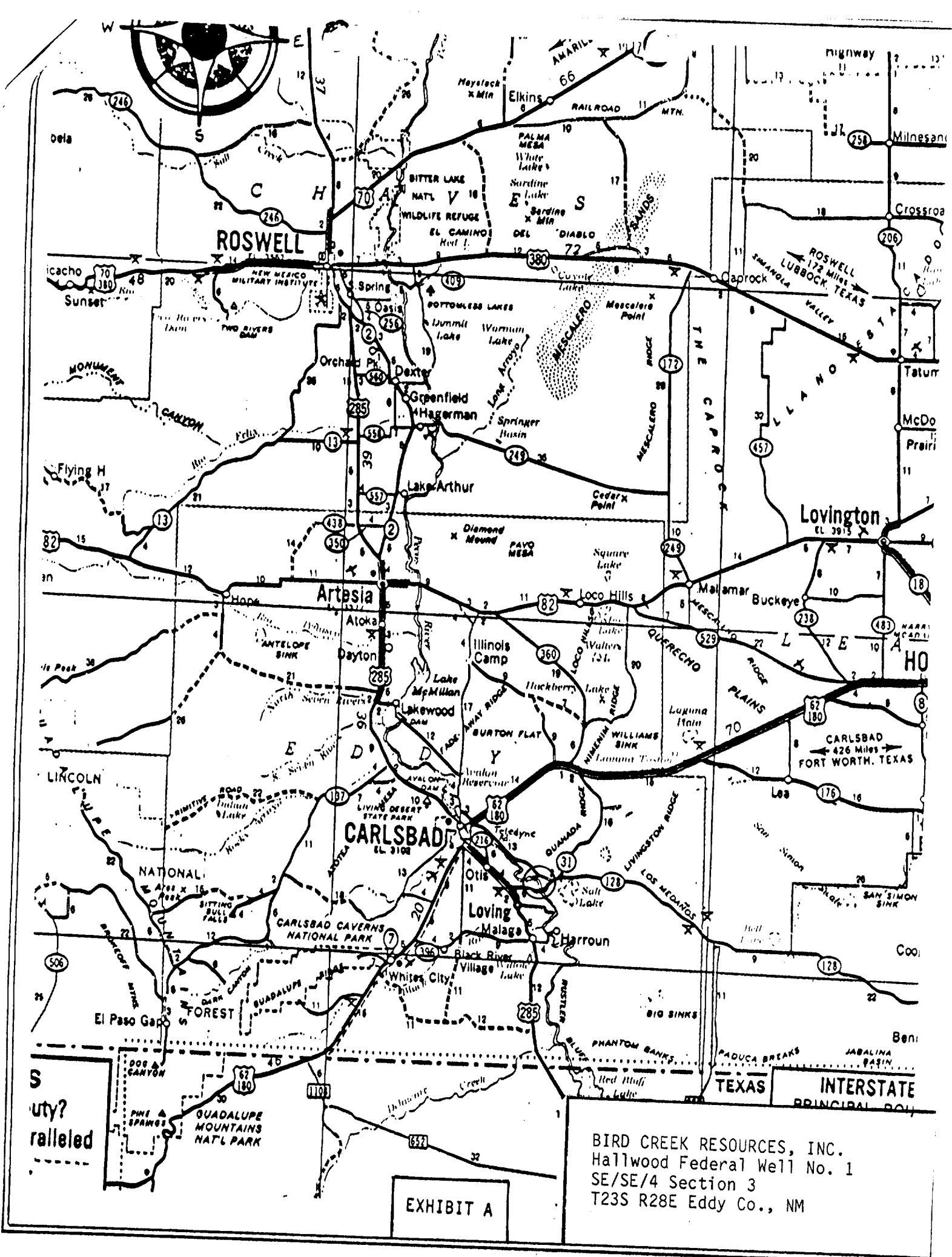
13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Bird Creek Resources, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

7-8-92
Date:

Brad D. Burks
Brad D. Burks, PE 16172
Agent for
Bird Creek Resources, Inc.





BIRD CREEK RESOURCES, INC.
Hallwood Federal Well No. 1
SE/SE/4 Section 3
T23S R28E Eddy Co., NM

EXHIBIT A

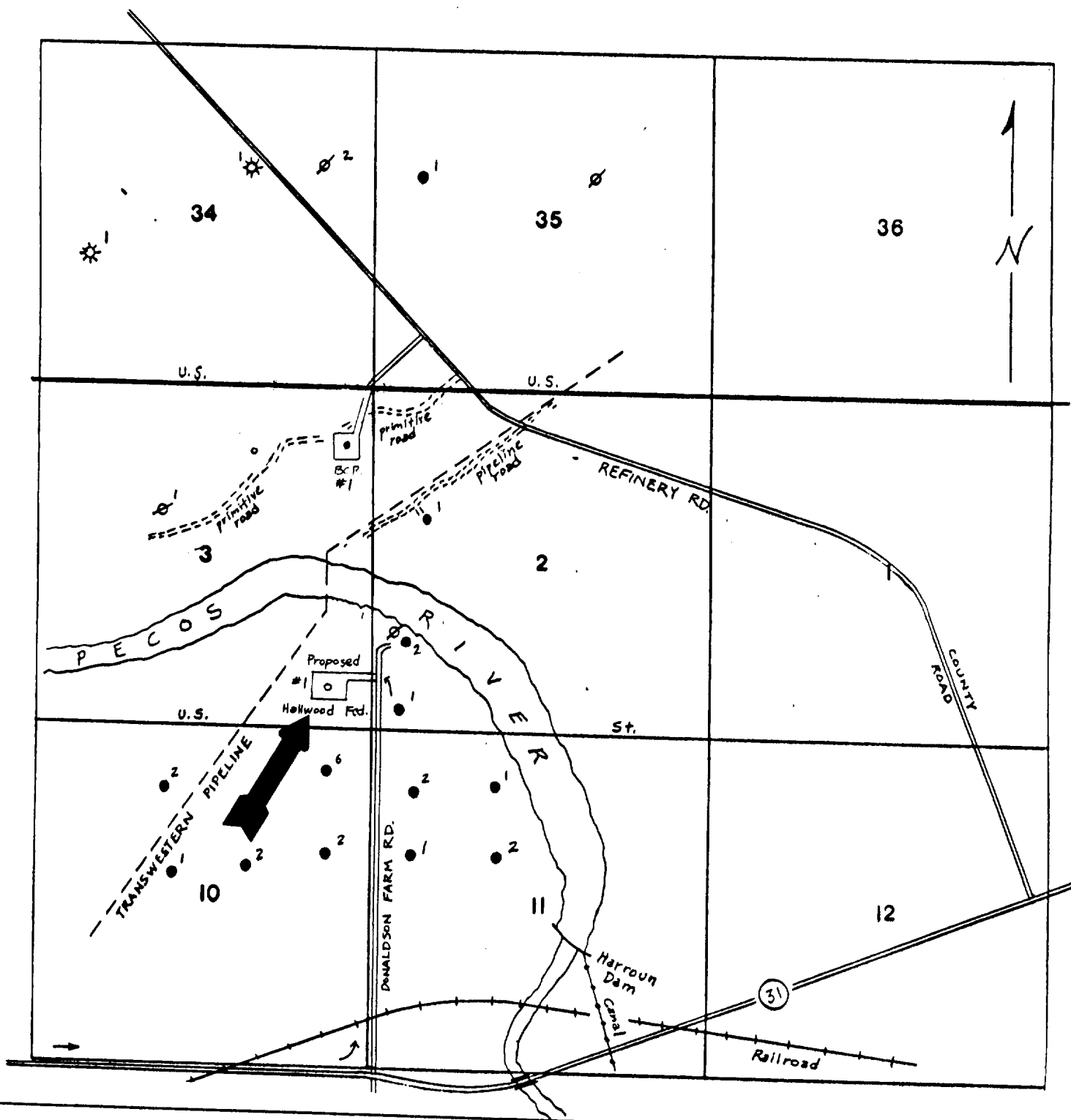
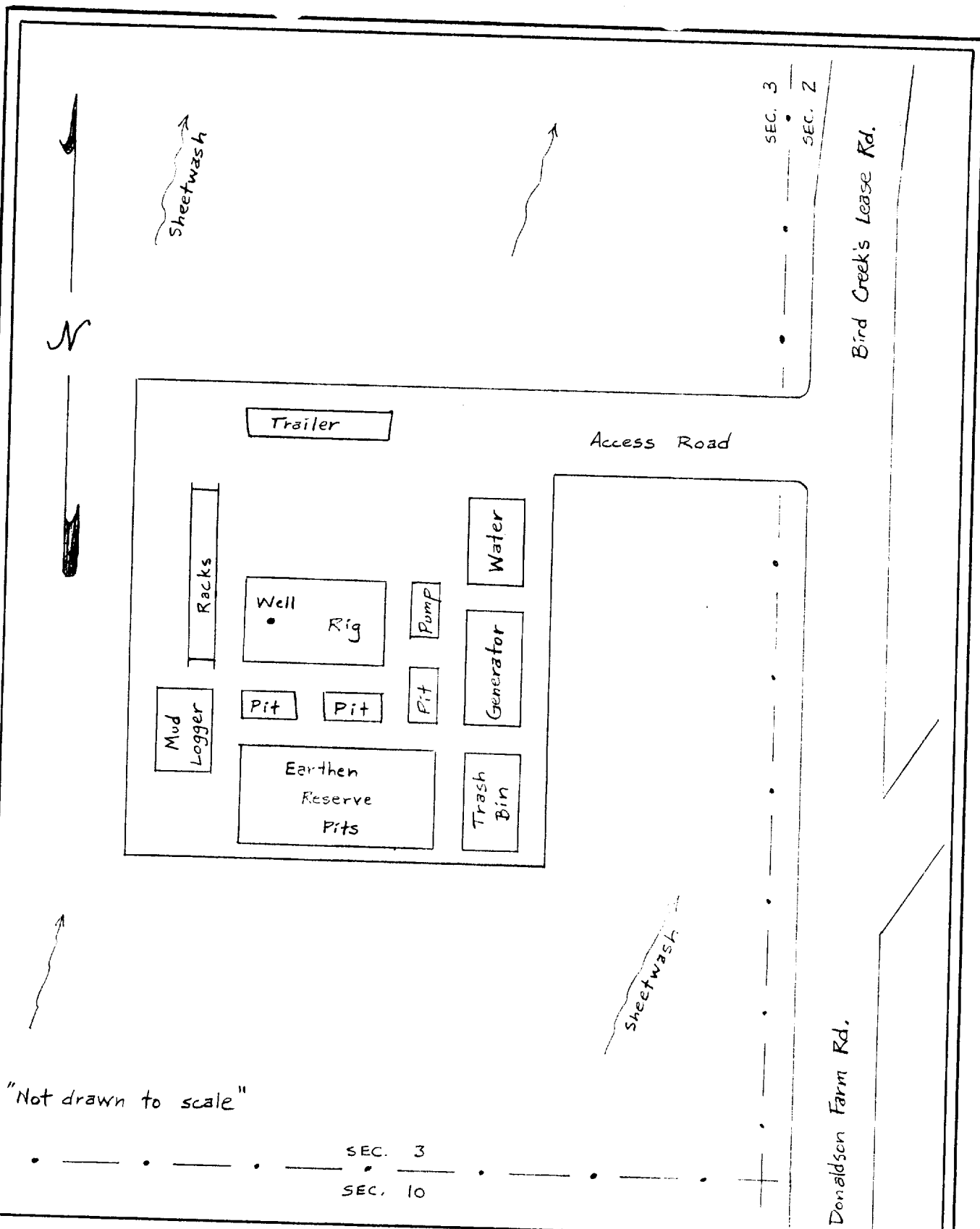


Exhibit B

BIRD CREEK RESOURCES, INC.
Hallwood Federal Well No. 1
SE/SE/4 Section 3
T23S R28E Eddy Co., NM

BIRD CREEK RESOURCES, INC.
Hallwood Federal Well No. 1
SE/SE/4 Section 3
T23S R28E Eddy Co., NM



"Not drawn to scale"

Exhibit D

BIRD CREEK RESOURCES, INC.
Hallwood Federal Well No. 1
SE/SE/4 Section 3
T23S R28E Eddy Co., NM