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OCD Hobbs

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MAY 19 2015

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Form 3160-3
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

5. Lease Serial No.
NMNM-90161

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.
APACHE CORP - NMNM-120042X

8. Lease Name and Well No.
WEST BLINEBRY DRINKARD UNIT #188

9. API Well No.
30-025-42569

10. Field and Pool, or Exploratory
EUNICE; BLI-TU-DR, NORTH <22900>

11. Sec., T. R. M. or Blk. and Survey or Area
SEC: 9 T21S R37E

1a. Type of work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator APACHE CORPORATION (879)

3a. Address 303 VETERANS AIRPARK LN #1000
MIDLAND, TX 79705

3b. Phone No. (include area code)
432-818-1167

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface 640' FSL & 2170' FWL (N)
At proposed prod. zone SAME

14. Distance in miles and direction from nearest town or post office*
APPROX 4.5 MILES NORTH OF EUNICE, NM

12. County or Parish
LEA

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
640'

16. No. of acres in lease
640 ACRES

17. Spacing Unit dedicated to this well
40 ACRES

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
~250'

19. Proposed Depth
7200'

20. BLM/BIA Bond No. on file
BLM-CO-1463 NATIONWIDE / NMB000736

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
GL: 3500'

22. Approximate date work will start*
AS SOON AS APPROVED

23. Estimated duration
~ 10 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification
- 6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature *Sorina L. Flores* Name (Printed/Typed) SORINA L. FLORES Date 4/23/14

Title SUPV OF DRILLING SERVICES

Approved by (Signature) /s/George MacDonell Name (Printed/Typed) Date MAY 11 2015

Title FIELD MANAGER Office CARLSBAD FIELD OFFICE

Application approval 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.
Conditions of approval, if any, are attached. APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Continued on page 2)

Ka
04/19/15

*(Instructions on page 2)

Capitan Controlled Water Basin

Approval Subject to General Requirements
& Special Stipulations Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

MAY 19 2015

DRILLING PLAN: BLM COMPLIANCE

(Supplement to BLM 3160-3)

MAY 19 2015

APACHE CORPORATION (OGRID: 873) WEST BLINEBRY DRINKARD UNIT #188W

Projected TD: 7200' GL: 3500'

640' FSL & 2170' FWL UL: N Sec: 9 T21S R37E LEA COUNTY, NM

RECEIVED

1. GEOLOGIC NAME OF SURFACE FORMATION: Quaternary Aeolian Deposits
2. ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

Quaternary Aeolian	Surface	San Andres	4136'
Rustler	1250'	Glorieta	5175'
Top of Salt	1340'	Paddock	5240'
Base of Salt/Tansill	2513'	Blinebry	5680'
Yates	2656'	Tubb	6126'
Seven Rivers	2899'	Drinkard	6437'
Queen	3463'	ABO	6683'
Grayburg	3746'	TD	7200'

Depth to Ground Water: ~ 65'

All fresh water & prospectively valuable minerals, as described by BLM, encountered during drilling, will be recorded by depth & adequately protected. All oil & gas shows within zones of correlative rights will be tested to determine commercial potential.

CASING PROGRAM: All casing is new & API approved

See COA

HOLE SIZE	DEPTH	OD CSG	WEIGHT	COLLAR	GRADE	COLLAPSE	BURST	TENSION
11"	0' - 1275'	8-5/8"	24#	STC	J-55	1.125	1.0	1.8
7-7/8"	0' - 7200'	5-1/2"	17#	LTC	L-80	1.125	1.0	1.8

3. CEMENT PROGRAM:

A. 8-5/8" Surface (100% excess cmt to surf):

Lead: 240 sx Cl C w/ 2% CaCL2 + 0.13# CF + 3# LCM1 _ 0.005 gps FP-6L + 4% Bentonite
(13.5 wt, 1.75 yld, 8.962 gal/sx) Comp Strengths: 12 hr - 500 psi 24 hr - 782 psi

Tail: 200 sx Cl C w/1% CaCL@ + 0.13# CF + 0.005 gps FP-6L
(14.8 wt, 1.34 yld, 6.302 gal/sx) Comp Strengths: 12 hr - 755psi 24hr - 1347psi

B. 5-1/2" Production (Cmt to surf / 30 % excess cmt):

Lead: 700 sx (35:65) Poz Cl C w/ 5% CaCL2 + 0.125 # CF + 3# LCM1 + 0.5% FL52 + 0.005 gps FP6L + 6% Bentonite, 0.3% Sodium Metasilicate (12.6 wt, 2.07 yld, 10.995 gal/sx) Comp Strengths: 12 hr - 580 psi 24 hr - 1072 psi

Tail: 275 sx (50:50) Poz Cl C w/ 5% CaCL2 + 0.13% CF + 3# LCM1 + 0.005 gps FP6L + 2% Bentonite + 1% FL25 + 1% BA58 + 0.1% Sodium Metasilicate (14.2 wt, 1.37 yld, 5.971 gal/sx) Comp Strengths: 12 hr - 1130 psi 24 hr - 1633 psi

** The above cmt volumes could be revised pending caliper measurement from open hole logs. For Surface csg: If cmt does not circ to surface, the appropriate BLM office shall be notified, TOC shall be determined by running a temperature log, operator will propose a remediation method & request BLM approval.

Must test BOP to 3,000 psi

4. PROPOSED CONTROL EQUIPMENT

See COA

"EXHIBIT 3" shows an 11" 3M psi WP BOP consisting of an annular bag type preventer, middle pipe rams, bottom blind rams. The BOP will be nipped up on the 8-5/8" surface csg head & tested to 2000psi using test plug & utilized continuously until TD is reached. The BOP will be tested at 2000psi, maximum surface pressure is not expected to exceed 2000psi, BHP is calculated to be approximately 3168 psi. *All BOP's and associated equipment will be tested as per BLM *Drilling Operations Order #2*. The BOP will be operated and checked each 24 hr period & the blind rams will be operated & checked when the drill pipe is out of the hole. Function tests will be documented on the daily driller's log. "EXHIBIT 5" also shows a 3M psi choke manifold with a 3" panic line. Full opening stabbing valve & Kelly cock will be on derrick floor in case of need. No abnormal pressures of temperatures are expected in this well. No nearby wells have encountered any problems.

5. PROPOSED MUD CIRCULATION SYSTEM: (Closed Loop System)

See COA

INTERVAL	MW (ppg)	VISC (sec/qt)	FLUID LOSS (cc)	MUD TYPE
0' - 1275'	8.3 - 8.8	28 - 32	NC	Fresh Water
1275' - 7200'	9.8 - 10.2	28 - 32	NC	Brine

** Visual mud monitoring equipment shall be in place to detect volume changes. A mud test shall be performed every 24 hrs after mudding up to determine, as applicable: density, visc, gel strength, filtration, and pH. The necessary mud products for weight addition & fluid loss control will be on location at all times. In order to run open hole logs & casing, the above mud properties may have to be altered to meet these needs.

6. AUXILIARY WELL CONTROL EQUIPMENT / MONITORING EQUIPMENT:

- 11" x 3000 psi Double BOP/Blind & pipe ram (3M BOP/BOPE to be used as 2M system)
- 4-1/2" x 3000 psi Kelly valve
- 11" x 3000 psi mud cross - H2S detector on production hole
- Gate-type safety valve - 3" choke line from BOP to manifold
- 2" adjustable chokes - 3" blow down line
- Fill up line as per Onshore Order 2

7. LOGGING, CORING & TESTING PROGRAM:

- A. OH logs: Dual Laterolog, MSFL, CNL, Litho-Density, Gamma Ray, Caliper from TD back to 8-5/8" csg shoe.
- B. Run CNL, Gamma Ray from 8-5/8" csg shoe back to surface.
- C. No cores, DST's or mud logger are planned at this time.
- D. Additional testing will be initiated subsequent to setting the 5-1/2" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows & drill stem tests.

8. POTENTIAL HAZARDS:

See COA

No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, however, the proposed mud program will be modified to increase the mud-weight. There is known presence of H2S in this area. If H2S is encountered the operator will comply with the provisions of *Onshore Oil & Gas Order No. 6*. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP: 3168 psi and estimated BHT: 115°.

9. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

Road and location construction will begin after BLM has approved APD. Anticipated spud date will be as soon after BLM approval and as soon as rig will be available. Move in operations and drilling is expected to take approx 10 days. If production casing is run then an additional 90 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

10. OTHER FACETS OF OPERATION:

After running csg, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The Eunice; Bli-Tu-Dr, North formation will be perforated to increase oil recovery. The well will be tested & potentialized as a water injection well.

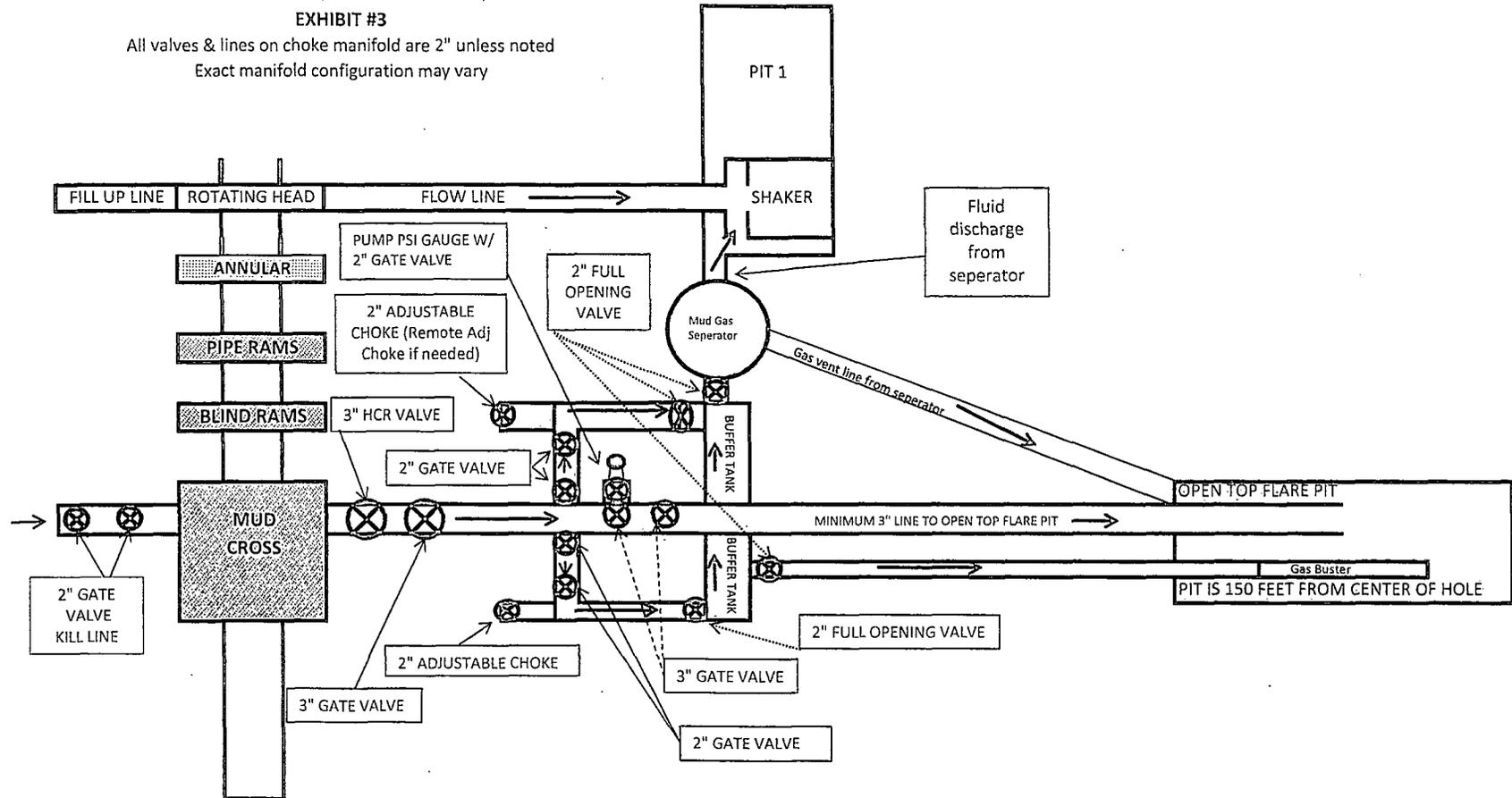
APACHE BOP AND CHOKE MANIFOLD SCHEMATIC

Must test to 3,000 PSI

11" 3M PSI BOP (to be tested as a ZM)

EXHIBIT #3

All valves & lines on choke manifold are 2" unless noted
Exact manifold configuration may vary



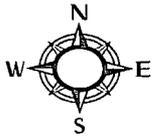
*** If H2S is encountered in quantities greater than 100ppm, Apache will shut in well & install a remote operated choke ***

Apache

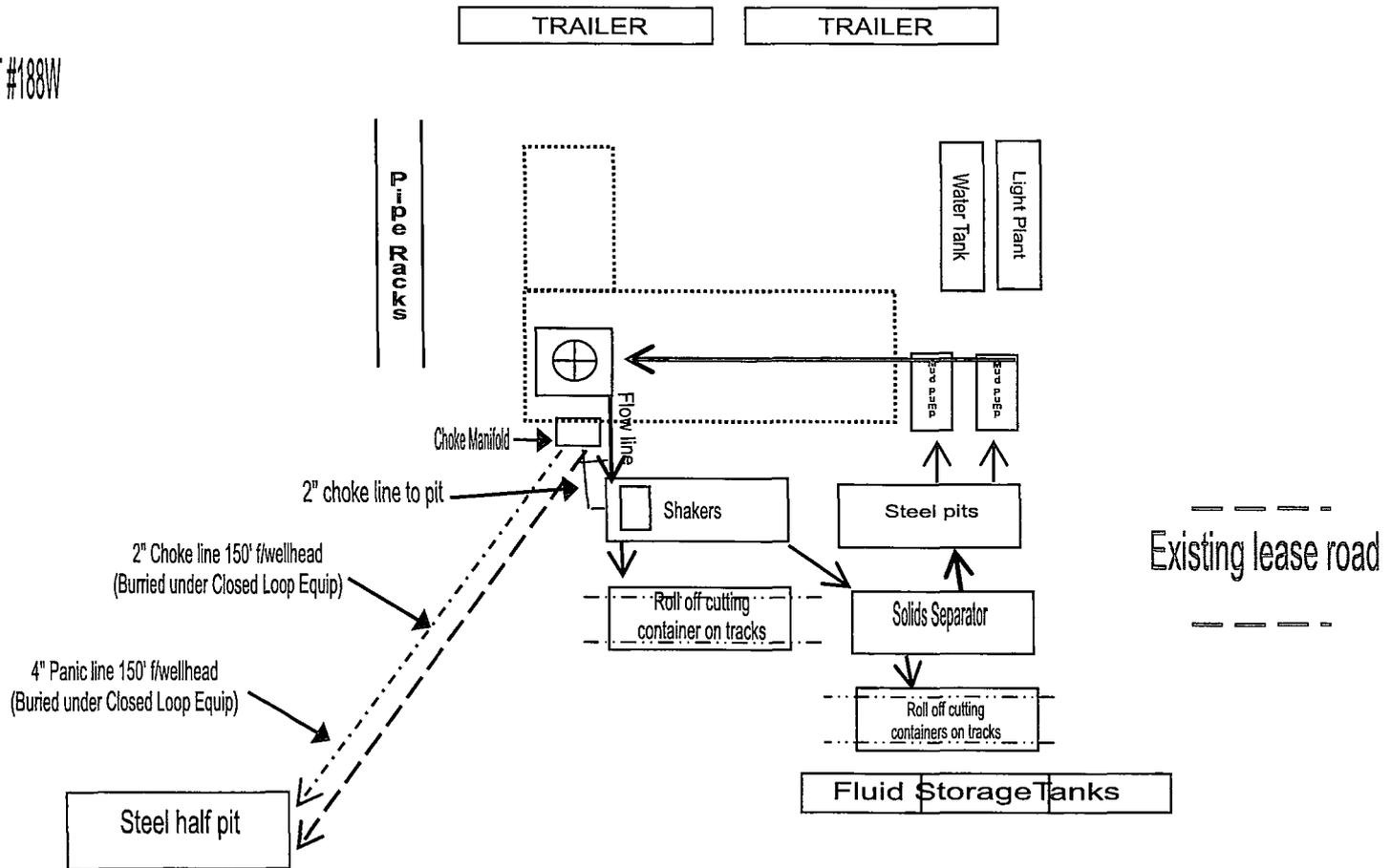
Closed Loop Equipment Diagram

Exhibit 4

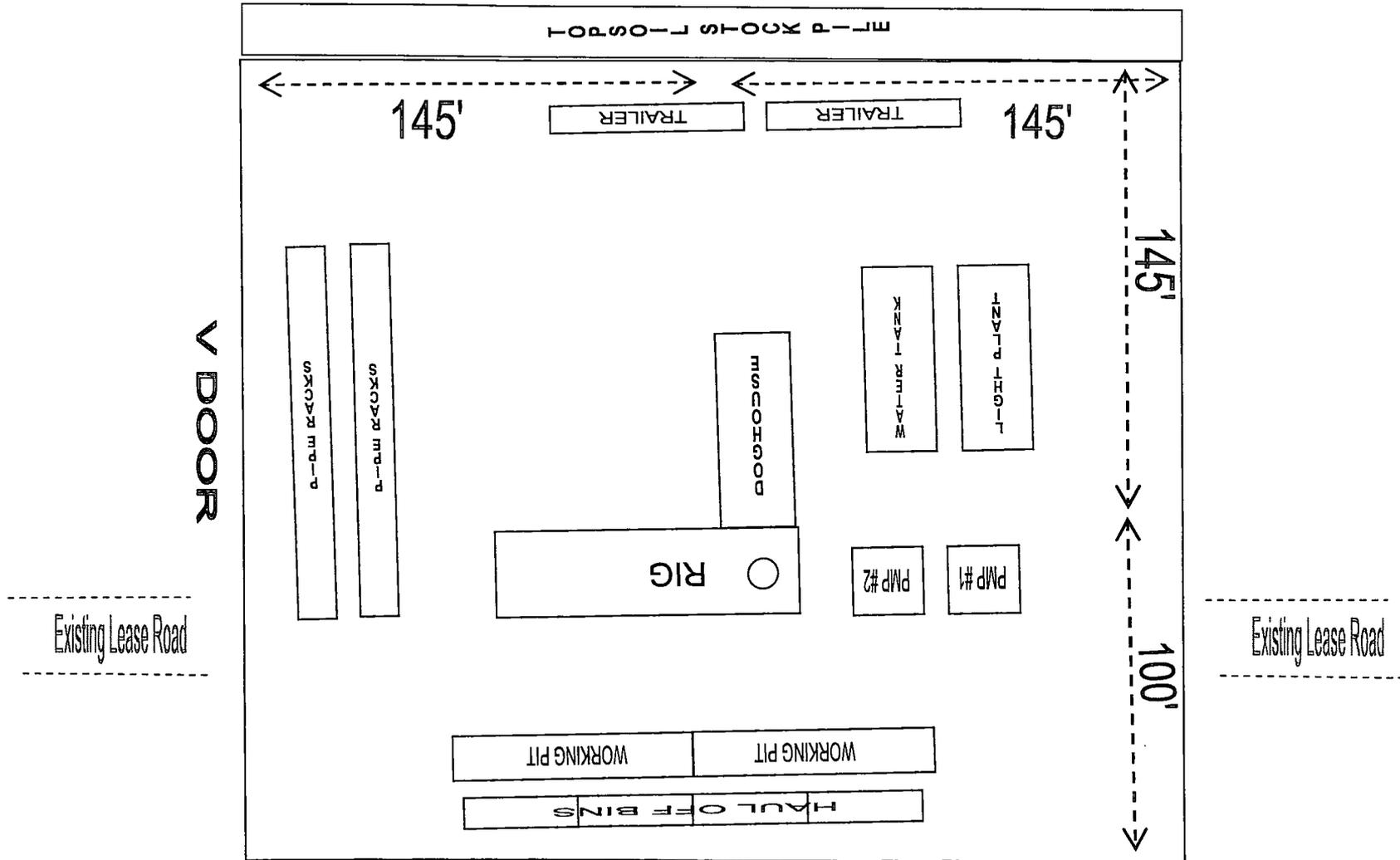
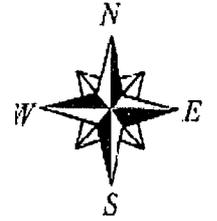
WEST BLINEBRY DRINKARD UNIT #188W



Existing lease road



RIG ORIENTATION & LAYOUT
WEST BLINEBRY DRINKARD UNIT #188W
EXHIBIT 5



PRIVATE SURFACE OWNER AGREEMENT

OPERATOR: APACHE CORPORATION

WELL NAME: WEST BLINEBRY DRINKARD UNIT #188W

UL: N SECTION: 9 TOWNSHIP: 21S RANGE: 37E

LOCATION: 640' FSL & 2170' FWL COUNTY: LEA STATE: NM

LEASE NUMBER: NMNM-90161

STATEMENT OF SURFACE USE

The surface to the subject land is owned by Millard Deck Estate, c/o Bank of America NA, Trustee of Millard Deck Testamentary Trust under Last Will & Testament of Millard Deck, ATTN: Jeff Petter, Asst VP, US Trust-Farm & Ranch, Bank of America Private Wealth Mgmt, PO Box 270, Midland, TX 79702 (303 W. Wall St, Midland, TX 79701) 432-688-7926

The surface owner has been contacted regarding the drilling of the subject well, and an agreement for surface use has been negotiated.

CERTIFICATION: I hereby certify that the statements made in this statement are to the best of my knowledge, true and correct.

NAME: MAXWELL GROVE

SIGNATURE: *Maxwell Grove*

DATE: 04/15/2014

TITLE: DRILLING ENGINEER

To expedite your Application to Drill please fax the completed form to the Bureau of Land Management (575) 234-5927 or (575) 885-9264
Attn: Legal Instruments Examiner
620 E. Green Street
Carlsbad, NM 88220

The original document with signature should be mailed as soon as possible.