

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL **DEEPEN**

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
MERIDIAN OIL INC.

3. ADDRESS AND TELEPHONE NO.
P.O. Box 51810, Midland, TX 79710-1810 915-688-6943

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)
 At surface
2310' FNL & 990' FEL
 At proposed prod. zone
SAME AS SURFACE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
28 MILES WEST OF EUNICE, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) **990'**

16. NO. OF ACRES IN LEASE **560**

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. **330'**

19. PROPOSED DEPTH **5250'**

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3747'

22. APPROX. DATE WORK WILL START*
UPON APPROVAL

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	28#	850'	550 SXS 'C' CIRC.
7 7/8"	5 1/2"	17#	5250'	775 SXS 'C' CIRC.

OPER. OGRID NO. 26485
 PROPERTY NO. 13136
 POOL CODE 51689
 EFF. DATE 3/14/95
 API NO. 30-D25-32885

RECEIVED
 MAR 10 10 20 AM '95
 OFFICE OF THE
 STATE ENGINEER

NO HYDROGEN SULFIDE
NOT IN DESIGNATED POTASH AREA

CONTACT PERSON: **DONNA WILLIAMS**
915-688-6943

WELL WILL BE COMPLETED IN RAMSEY DELAWARE FORMATION. SIMULTANEOUSLY DEDICATED WITH CHECKERBOARD 23 FEDERAL WELL NO. 13 (PRO)

SHOULD BE COVERED UNDER ARCH REPORT PREVIOUSLY SUBMITTED.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 [Signature] TITLE **REGULATORY ASSISTANT** DATE **1/23/95**

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Approval 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: **APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED**

APPROVED BY /s/ Yolanda Vega TITLE [Signature] DATE **MAR 1 1995**

*See Instructions On Reverse Side [Signature]

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.

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill or deepen an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0136), Washington, D.C. 20503.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the operator elects to initiate drilling operation on an oil and gas lease.

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised February 21, 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

1 API Number 30-025-32885 UNASSIGNED		2 Pool Code 51689		3 Pool Name WEST RED TANK DELAWARE	
4 Property Code 13136		5 Property Name CHECKERBOARD "23" FEDERAL			6 Well Number 16
7 OGRID No. 26485		8 Operator Name MERIDIAN OIL INC.			9 Elevation 3747

10 Surface Location

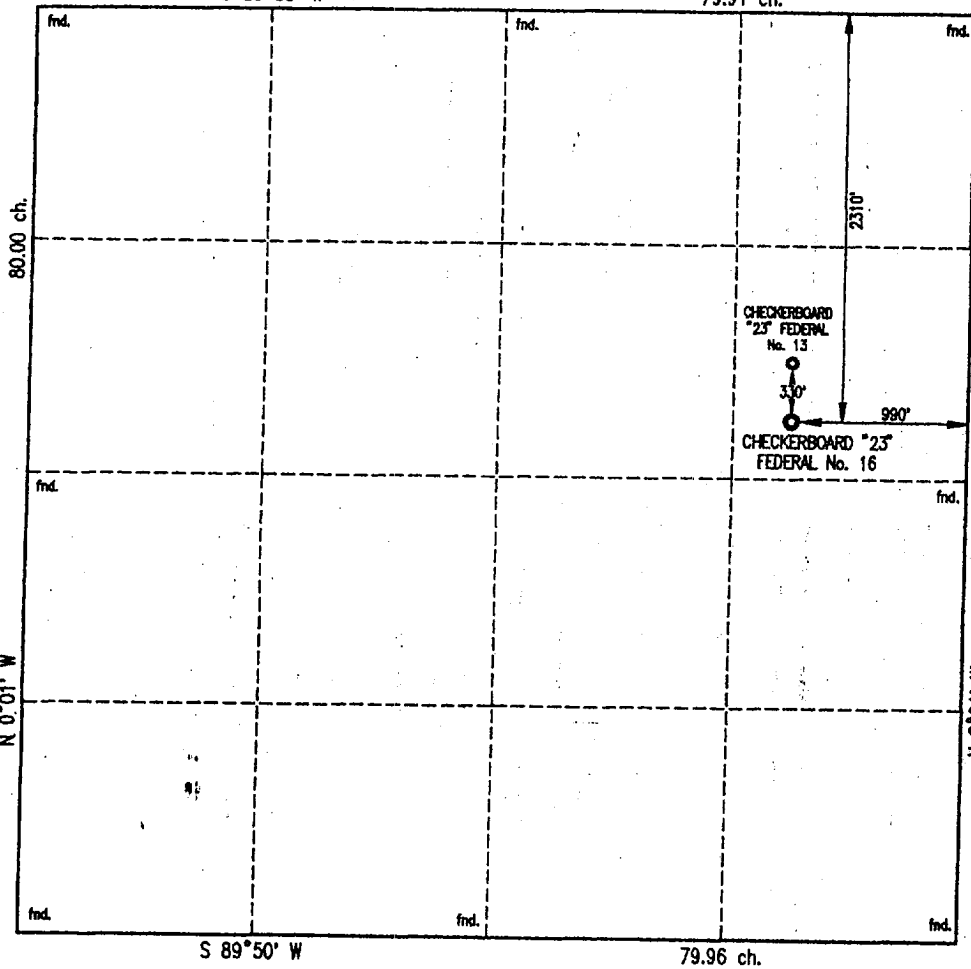
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	23	22 S	32 E		2310	NORTH	990	EAST	LEA

11 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

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No. FILED FOR SIMULTANEOUS DEDICATION
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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



17 OPERATOR CERTIFICATION

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

Donna Williams
 Signature

DONNA WILLIAMS
 Printed Name

REGULATORY ASSISTANT
 Title

1/23/95
 Date

18 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 belief.

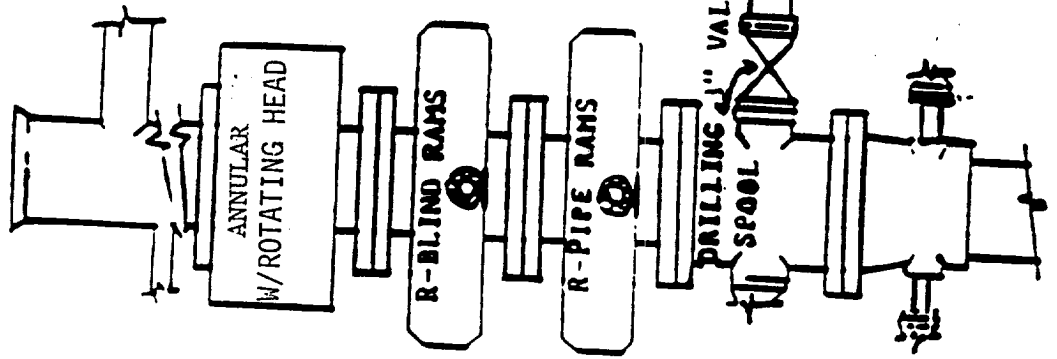
JANUARY 6, 1995
 Date of Survey

Signature and Seal of Professional Surveyor
William E. Mahinke

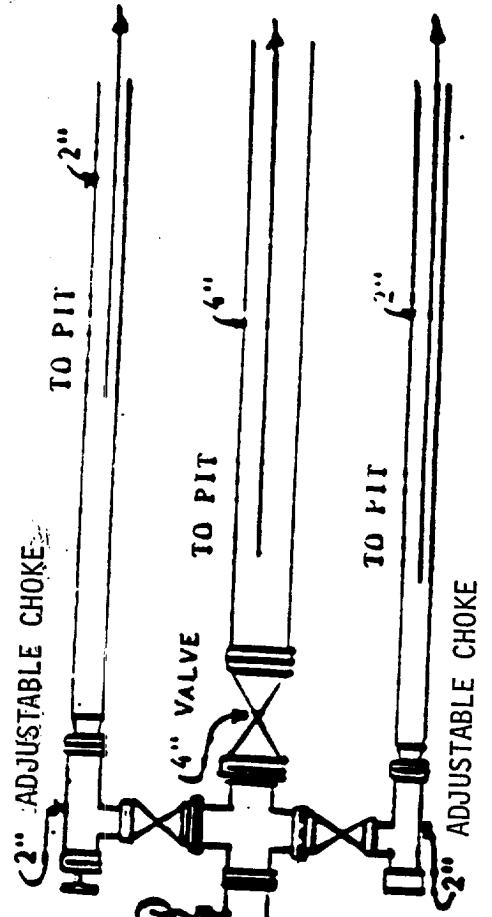
WILLIAM E. MAHINKE
 #8466
 NEW MEXICO
 PROFESSIONAL LAND SURVEYOR

Certificate Number 8466

DOUBLE RAM



BLOW OUT PREVENTION EQUIPMENT
10" 900S ALL FLANGED CONNECTIONS
3000# WORKING PRESSURE



RECEIVED
MAY 13 1963
COMMUNICATIONS
OFFICE

OPERATORS NAME:	Meridian Oil Inc.
LEASE NAME AND WELL NO.:	Checkerboard '23' Federal No. 16
LOCATION:	2310' FNL & 990' FEL, Sec. 24, T22S, R32E
FIELD NAME:	West Red Tank Delaware
COUNTY:	Lea County, NM
LEASE NUMBER:	NM 81633

The following information is to supplement BLM form 3160-3 Application for permit to drill in accordance with Onshore Oil and Gas Order No. 1:

9 - POINT DRILLING PLAN

1. Name and estimated tops of important geologic formation/marker horizons.

<u>FORMATION</u>	<u>DEPTH</u>
Rustler	970'
T/Salt-B/Salt	1100'-4500'
Delaware Sandstone	4850'

2. Estimated depths at which the top and bottom of formations potentially containing usable water, oil, gas, or prospectively valuable deposits of other minerals are expected to be encountered and the operator's plans for protecting such resources.

Delaware	4850' (Oil)
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3. The operator's minimum specifications for Blowout Preventer (BOP) and related equipment to be used and schematic diagrams thereof showing sizes, pressure ratings, and the testing procedures and testing frequency. BOP and BOP - related equipment (BOPE) schematics shall include schematics of choke manifold equipment. Accumulator systems and remote controls shall be utilized.

11" 3M BOP stack to be installed on the 8 5/8" casing. The BOP stack will consist of one blind ram BOP, one pipe ram BOP, and a rotating head. Tested to 3000 psi before drilling the 8 5/8" casing shoe.

4. The proposed casing program including size, grade, weights, type of thread and coupling, and the setting depth of each string and its condition (new or acceptably reconditioned). For exploratory wells, or for wells as otherwise specified by the authorized officer, the operator shall include the minimum design factors for tensions, burst, and collapse that are incorporated into the casing design. In cases where tapered casing strings are utilized, the operator shall also include and/or setting depths of each portion.

- 12 1/4" hole, 8 5/8" 28# K-55 BTC csg set @ 850' ***


7 7/8" hole, 5 1/2" 17# K-55 LTC csg set @ 5250'

**** SPECS: 8 5/8" K-55 BTC - ID=8.017", DRIFT=7.892",
BURST=3390 PSI, COLLAPSE=1880 PSI, AND TENSION=43700 lbs.

5. The amount and type(s) of cement, including anticipated additives to be used in setting each casing string, shall be described. If stage cementing techniques are to be employed, the setting depth of the stage collars and amount and type of cement, including additives, and preflush amounts to be used in each stage, shall be given. The expected linear fill-up of each cemented string, or each stage when utilizing stage-cementing techniques, shall also be given.

- a. 8 5/8" csg: Cmt w/550 sxs Class 'C' + 2% CaCl₂ + 1/4 pps Celloflake.

- b. 5 1/2" csg: Cmt (2 Stages) Stage 1: Cmt w/150 sxs Class 'C' 50/50 Poz + 2% D20 Gel + 3% KCl + 0.6% D112FLAC + .25 pps D29 Celloflake.
Stage 2: Lead w/425 sxs Class 'C' + 4% D20 Gel + 5 pps D44 Salt + .25 pps D29 Celloflake. Tail w/200 sxs Class 'C' + 5 pps D44 Salt + .25 pps D29 Celloflake.

- c. 5 1/2" csg: Cmt first stage w/600 sxs Class 'H' 50/50 Poz + 2% gel + .6% Halad-9 + 3 pps KCL + 1/4 pps Flocele, displace to seal plug/ Cmt second stage 500 sxs Class 'H' Lite + .4% Halad-9. Tail w/100 sxs Class 'H' neat. Bring TOC to +/- 4480'.


6. The anticipated characteristics, additives, use, and testing of drilling mud to be employed, along with the types and quantities of mud products to be maintained, shall be given. When air or gas drilling is proposed, the operator shall submit the following specific information:

Mud Program:

0-850' fresh water, gel and lime system
850'-5250' Brine, MW 10.0-10.1

7. The anticipated testing, logging, and coring procedures to be used, including drill stem testing procedures, equipment, and safety measures.
- a. DST Program: None
 - b. Core: None
 - c. Mud Logging: Two-man unit 2500' to TD.
- d. Logs to be run: CN-FDC/GR/CAL: TD SCP (CNL/GR to surface & DDL/MSFL/GR: TD-SCP)
8. The expected bottom-hole pressure and any anticipated abnormal pressures, temperatures or potential hazards that are expected to be encountered, such as lost circulation zones and hydrogen sulfide. The operator's plans for mitigating such hazards shall be discussed. Should the potential to encounter hydrogen sulfide exist, the mitigation procedures shall comply with the provisions of Onshore Oil and Gas Order No. 6.

No abnormal pressures are anticipated. Bottom hole pressures at TD expected to be 1600 psi. Bottom hole temperature 90° F. There is no anticipated Hydrogen Sulfide in this known drilling area

SSS

9. Any other facets of the proposed operation which the operator wishes for BLM to consider in reviewing the application.

Anticipated drilling time expected to be 10 days from surface to TD.