

0885

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

K-04-28

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER

CONFIDENTIAL

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone2. Name of Operator
FOREST OIL CORPORATIONContact: ANNA WALLS
E-Mail: AVWalls@forestoil.com3a. Address
1600 BROADWAY SUITE 2200
DENVER, CO 802023b. Phone No. (include area code)
Ph: 303.812.1400
Fx: 303.812.1602

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface NWNW 660FNL 460FWL

At proposed prod. zone

Secretary's Potash

14. Distance in miles and direction from nearest town or post office*
29 MILES SOUTHEAST OF CARLSBAD, NEW MEXICO

RECEIVED

15. Distance from proposed location to nearest property or
lease line, ft. (Also to nearest drig. unit line, if any)
460' - LEASE16. No. of Acres in Lease
1280.00

OCT 05 2004

OCD-ARTESIA

18. Distance from proposed location to nearest well, drilling,
completed, applied for, on this lease, ft.
1,300' - BARCLAY FEDERAL #1419. Proposed Depth
8400 MD21. Elevations (Show whether DF, KB, RT, GL, etc.)
3436 GL22. Approximate date work will start
09/16/20049. API Well No.
30-015-33653

10. Field and Pool, or Exploratory

17. Sec., T., R., M., or Blk. and Survey or Area

Sec 1 T23S R31E Mer NMP
SME: BLM12. County or Parish
EDDY13. State
NM17. Spacing Unit dedicated to this well
80.00

20. BLM/BIA Bond No. on file

23. Estimated duration
45-60 DAYS

24. Attachments

CARLSBAD CONTROLLED WATER BASIN

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall 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 shall 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 authorized officer.

25. Signature
(Electronic Submission)Name (Printed/Typed)
KATHY L. SCHNEEBECK Ph: 303.820.4480Date
08/16/2004Title
AGENT

Approved by (Signature) /s/ Linda S. C. Rundell

Name (Printed/Typed) /s/ Linda S. C. Rundell

Date
20 SEP 2004Title
STATE DIRECTOROffice
NM STATE OFFICEApplication approval does not warrant or certify 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 1 YEAR

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.

Additional Operator Remarks (see next page)

Electronic Submission #34309 verified by the BLM Well Information System
For FOREST OIL CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by ARMANDO LOPEZ on 08/16/2004 (04AL0324AE)APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional Operator Remarks:

Please find attached in two Adobe files:

- 1) Cover Letter, New Mexico APD form, New Mexico Pit Permit Form, Drilling Program, Casing Design, BOP Diagram, Surface Use Plan, Table 1 Nearby Wells
- 2) Survey Plat, Offset Plat, Drill Pad Dimensions Plat, Location Verification Map, Vicinity Map, and Area Map.

Per BLM in Carlsbad, a Cultural Resources block study was conducted and no further arch work is required for this location.

Please send a copy of all correspondence to Banko Petroleum Management Inc. at 385 Inverness Parkway, Suite 420, Englewood, CO 80112-5849. Please contact David Banko or Kathy Schneebeck at 303-820-4480, or at david@banko1.com or kathys@banko1.com, respectively, if you have any questions. Thank you.

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

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

Form C-144
June 1, 2004

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 Corporation Telephone: 303-812-1400 e-mail address: _____
Address: 1600 Broadway, Suite 2200, Denver, CO 80202
Facility or well name: Barclay Federal #16 API #: Pending U/L or Qtr/Qtr NWNW Sec 1 T 23S R 31E
County: Eddy Latitude 32° 20' 19.67" N Longitude 103° 44' 17.07" W NAD: 1927 ☐ 1983 ☒ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>±12,000</u> bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> 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)
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)
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	

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SEP 13 2004

OOD-ARTESIA

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: 09/08/04

Printed Name/Title Kathy L. Schneebeck Signature Kathy L. Schneebeck

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:

Printed Name/Title Wild Sep 14 Signature [Signature] SEP 14 2004

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., Artec, 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 Livingston Ridge (Delaware)
Property Code 20761	Property Name BARCLAY FEDERAL	Well Number 16
OGRID No. 8041	Operator Name FOREST OIL CORPORATION	Elevation 3436'

Surface Location

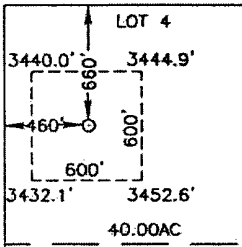
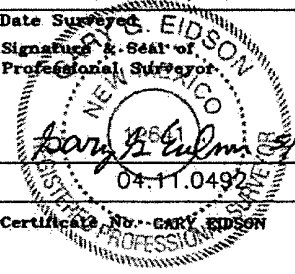
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	1	23-S	31-E		660'	NORTH	460'	WEST	EDDY

Bottom Hole Location If Different From Surface

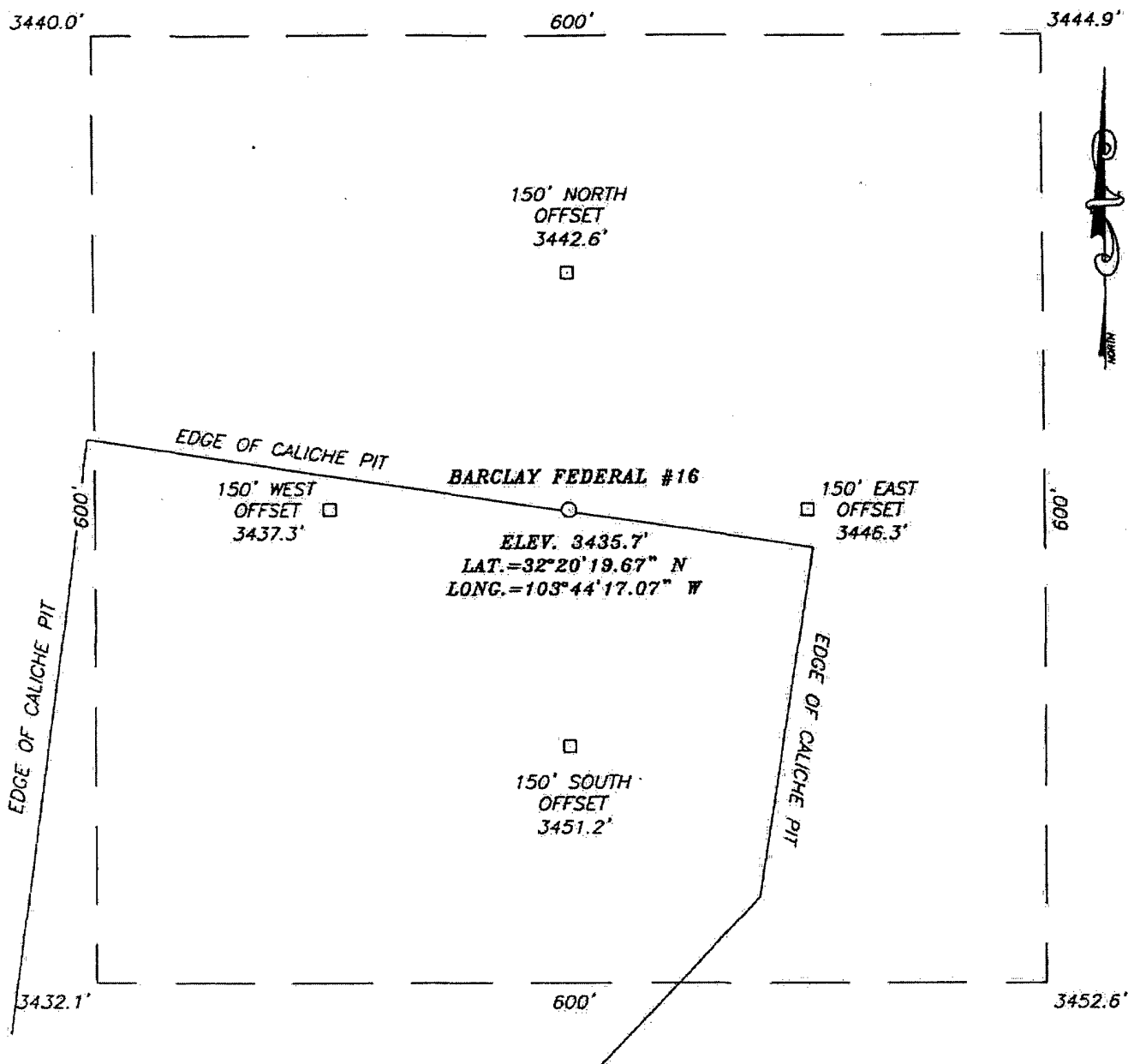
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

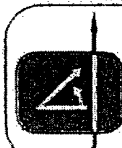
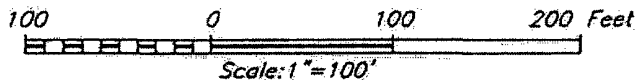
	LOT 3 40.00AC	LOT 2 40.00AC	LOT 1 40.00AC
GEODETIC COORDINATES NAD 27 NME Y=487481.2 N X=683846.7 E LAT.=32°20'19.67" N LONG.=103°44'17.07" W			
OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>Kathy L. Schneebeck</u> Signature Kathy L. Schneebeck Printed Name Agent for Forest Oil Corp. Title August 10, 2004 Date			
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. MAY 12, 2004 Date Surveyed Signature & Seal of Professional Surveyor  Certificate No. GARY EDSON 12841			

SECTION 1, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF MILLS RANCH RD
 AND RED ROAD (CO. RD. 798) GO SOUTH 2
 MILES. LOCATION IS 500' EAST IN THE CALICHE
 PIT.



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 383-3117

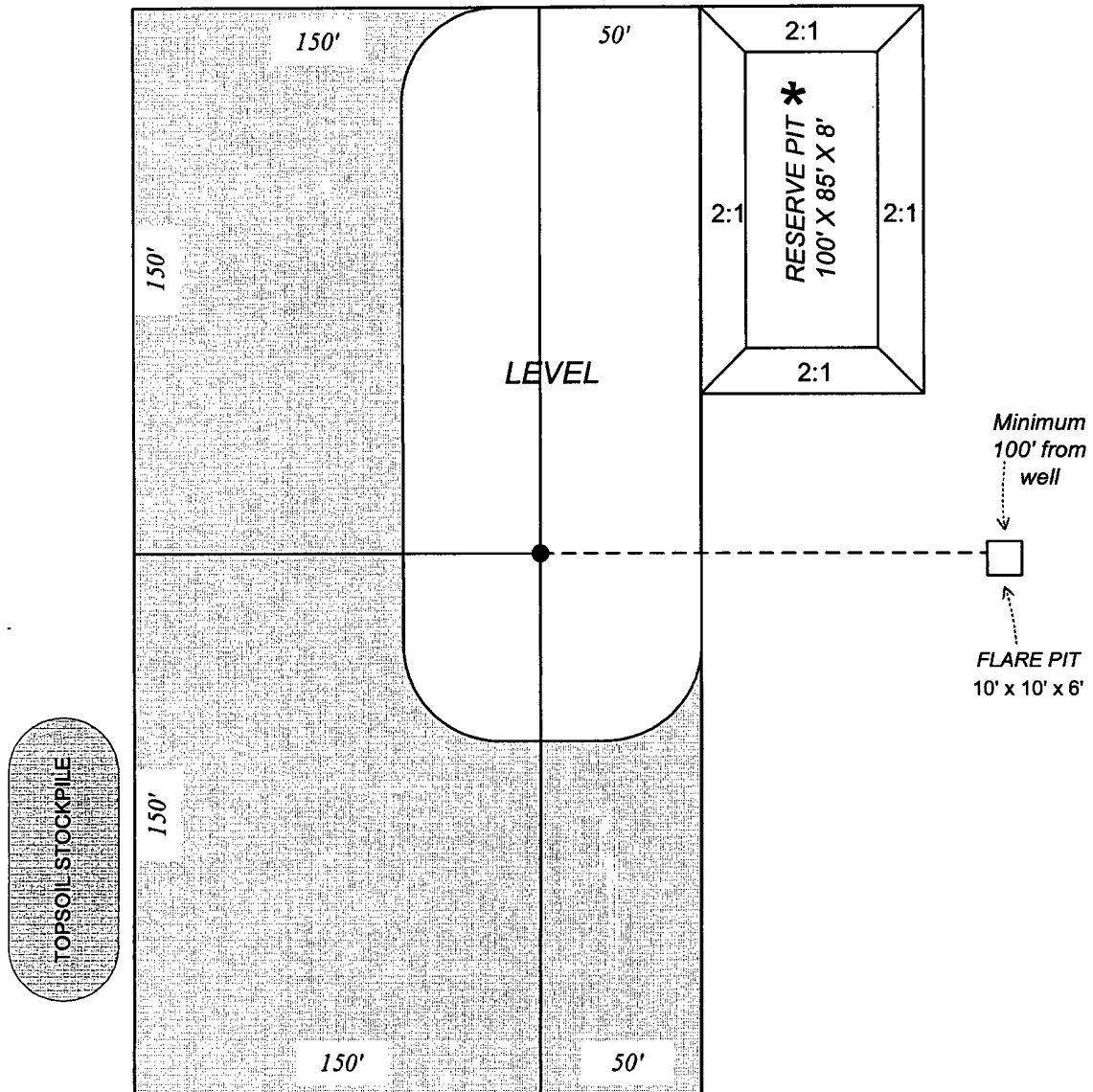
FOREST OIL CORPORATION

BARCLAY FEDERAL #16 WELL
 LOCATED 660 FEET FROM THE NORTH LINE
 AND 460 FEET FROM THE WEST LINE OF SECTION 1,
 TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 05/12/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.0492	Dr By: J. RIVERO
Date: 05/13/04	Rev 1: N/A
Disk: CD#10	04110492
	Scale: 1"=100'

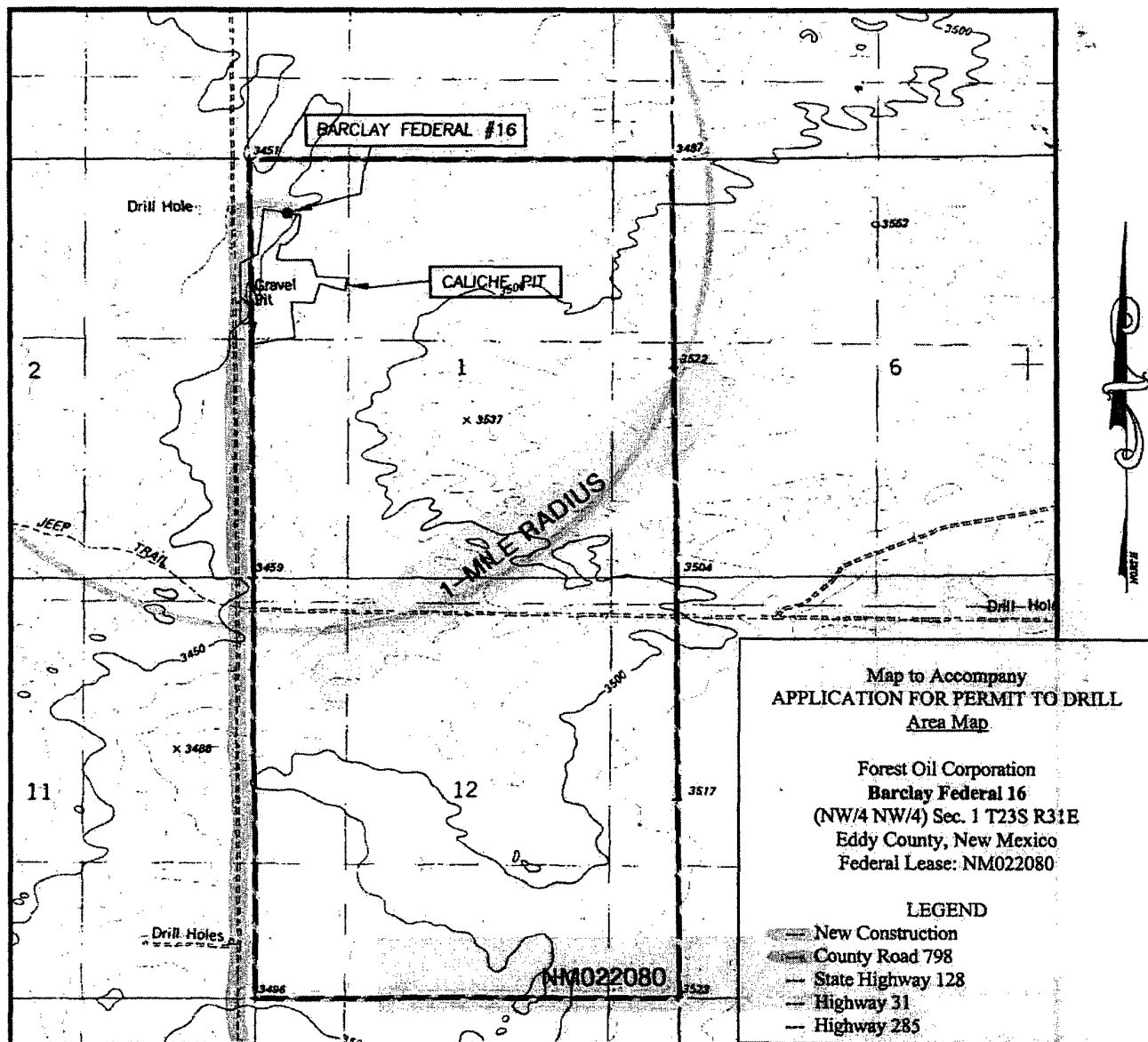
Forest Oil Corporation
Barclay Federal 16
660' FNL 460' FWL (NW/4 NW/4)
Sec. 1 T23S R31E
Eddy County, New Mexico
Federal Lease: NM022080

DRILL PAD DIMENSIONS



* The reserve pit will be located south of the center-stake

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 1 TWP. 23-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

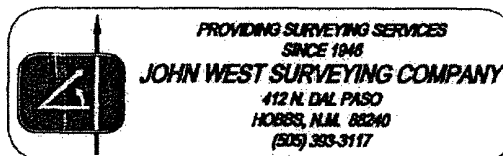
DESCRIPTION 660' FNL & 460' FWL

ELEVATION 3436'

OPERATOR FOREST OIL CORPORATION

LEASE BARCLAY FEDERAL

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



Map to Accompany
APPLICATION FOR PERMIT TO DRILL
Area Map

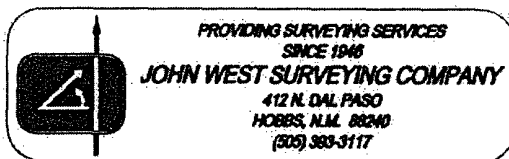
Forest Oil Corporation
Barclay Federal 16
1/4 NW/4) Sec. 1 T23S R31E
Sandoz County, New Mexico
Federal Lease: NM022080

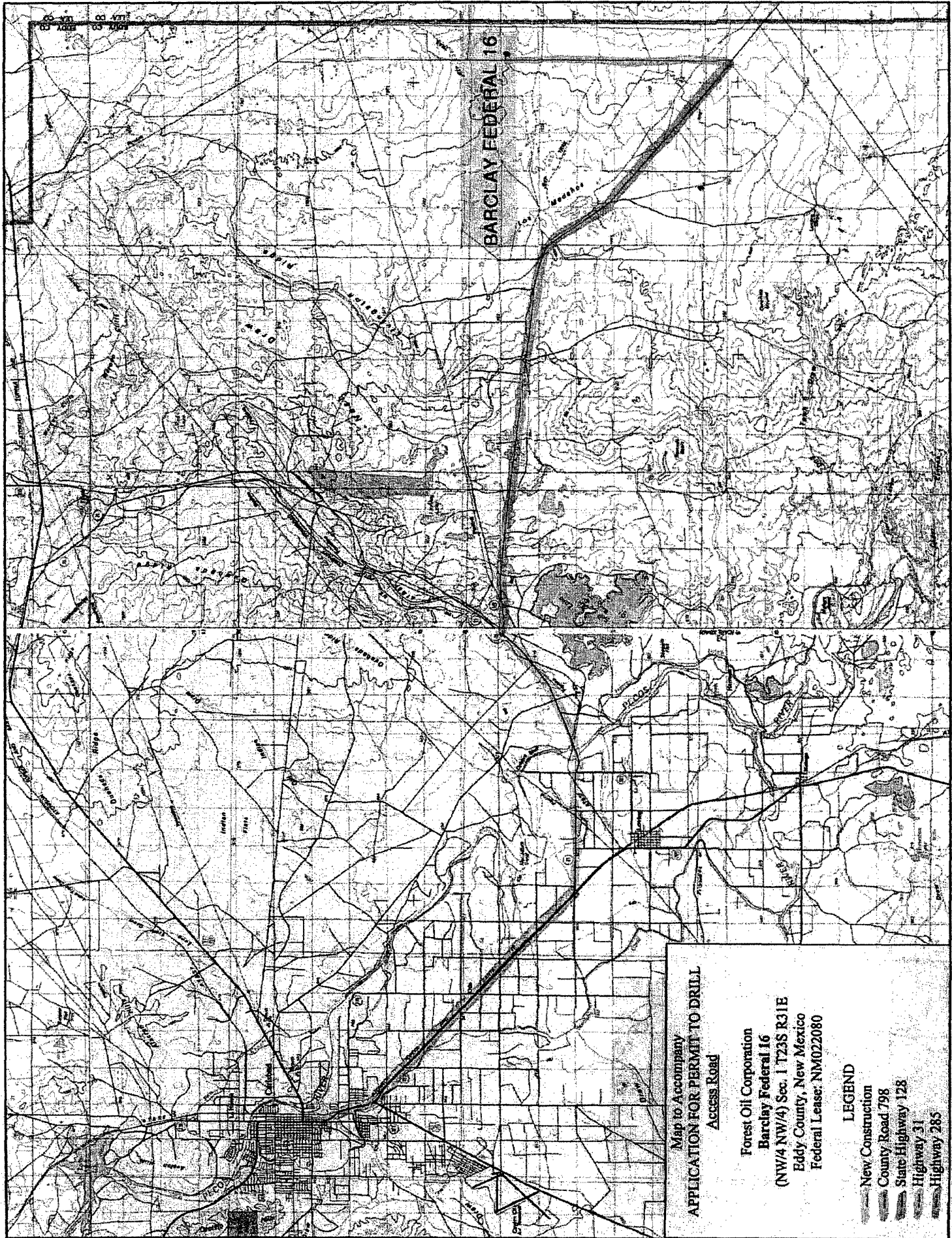
LEGEND

Construction
County Road 798
Highway 128
Highway 31
Highway 285

- New Construction
- County Road 798
- State Highway 128
- Highway 31
- Highway 285

SEC. 1 TWP. 23-S RGE. 31-E
SURVEY _____ N.M.P.M. _____
COUNTY _____ EDDY _____
DESCRIPTION 660' FNL & 460' FWL
ELEVATION _____ 3436'
OPERATOR _____ FOREST OIL CORPORATION _____
LEASE _____ BARCLAY FEDERAL _____





Map to Accompany
APPLICATION FOR PERMIT TO DRILL
Access Road

Forest Oil Corporation
Barclay Federal 16
(NW/4 NW/4) Sec. 1 T2S R31E
Eddy County, New Mexico
Federal Lease: NM022080

LEGEND

- New Construction
- County Road 798
- State Highway 128
- Highway 31
- Highway 285

Ms. Leslie Theiss
August 16, 2004
Page 2

calculations, BOP diagram, the wells within a one-mile radius, survey plats, cross-sections, cut and fills, and area road/access maps.

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

Very truly yours,

/s/ Kathy L. Schneebeck

Kathy L. Schneebeck
Agent for Forest Oil Corporation

KLS:tpk

Enclosures

cc: State of New Mexico, Energy, Mineral & Natural Resources Department, Oil Conservation Division
Forest Oil Corporation

**BANKO
PETROLEUM
MANAGEMENT INC.**

Via Electronic Submission #34309

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

August 16, 2004

RE: Application for Permit to Drill - **CONFIDENTIAL**
Forest Oil Corporation
Barclay Federal 16
660' FNL 460' FWL (NW/4 NW/4)
Sec. 1 T23S R31E
Eddy County, New Mexico
Federal Lease: NM022080

Dear Ms. Theiss:

Enclosed please find originals of the Application for Permit to Drill (APD) for the above-referenced well filed on behalf of Forest Oil Corporation (Forest). Originals were submitted under separate cover to the State of New Mexico, Energy, Mineral & Natural Resources Department, Oil Conservation Division (NMOCD) in Artesia, New Mexico.

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

An APD for the Barclay Federal 16 location was originally applied for by ARCO Permian and approved by BLM on January 27, 1998 at a location of 660' FNL 660' FWL (NW/4 NW/4) Sec. 1 T23S R31E. The well was given API #30-015-30067 by NMOCD. The well was never drilled. We understand that Forest has been declared the designated operator for this location.

An on-site meeting was held on June 17, 2004. Present were Barry Hunt (previously inspected 06/08/04) – Bureau of Land Management; Mike Cason and Brian Baiz – John West Surveying Company; Jerry Boswell, Roy Muniz – Forest Oil Corporation; Paul Carrasco – Key Energy (dirt contractor) and Dave Banko – Permit Agent, Banko Petroleum.

We are sending this APD electronically to your office via the Well Information System (WIS). This filing contains the following attachments: the drilling program, the surface use plan, the On-shore Order #2 casing

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

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

Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

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

¹ Operator Name and Address Forest Oil Corporation 1670 Broadway, Suite 2800, Denver, CO 80202		² OGRID Number 8041
		³ API Number
³ Property Code 20761	³ Property Name Barclay Federal	⁶ Well No. 16

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	1	23-S	31-E		660'	North	460'	West	Eddy

⁸ 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
⁹ Proposed Pool 1 Livingston Ridge South (Delaware) 96149						¹⁰ Proposed Pool 2			

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3,436' GR
¹⁶ Multiple No	¹⁷ Proposed Depth 8,400'	¹⁸ Formation Delaware	¹⁹ Contractor	²⁰ Spud Date September 16, 2004

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
13-1/2"	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

²² 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.
See attached drilling program and surface use plan

NOTE: COLLAPSE STRENGTH S.F. OF 1.125
EXCEEDED FOR 8-5/8" K-55 24# LTC CSG
SET @ 4500' W/10 PPG MUD AS FOLLOWS:
STRENGTH/LOAD=1370/2300=0.59

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

²³ 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: August 16, 2004

Phone: 303-820-4480

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

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 Corporation Telephone: 303-812-1400 e-mail address: _____
Address: 1600 Broadway, Suite 2200, Denver, CO 80202
Facility or well name: Barclay Federal #16 API #: Pending U/L or Qtr/Qtr NWNW Sec 1 T 23S R 31E
County: Eddy Latitude 32° 20' 19.67"N Longitude 103° 44' 17.07" W NAD: 1927 ☐ 1983 ☒ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

<u>Pit</u>	<u>Below-grade tank</u>	
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u><12</u> mil Clay <input type="checkbox"/> Pit Volume <u>±12,000</u> bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> 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)
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)
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 <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		
Date: <u>08/16/04</u>	Printed Name/Title <u>Kathy L. Schneebeck</u> Signature <u>Kathy L. Schneebeck</u>	
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:		
Printed Name/Title _____	Signature _____	Date: _____

Forest Oil Corporation
Barclay Federal 16
660' FNL 460' FWL (NW/4 NW/4)
Sec. 1 T23S R31E
Eddy County, New Mexico
Federal Lease: NM022080

CONFIDENTIAL

DRILLING PROGRAM

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 and supporting Bureau of Land Management (BLM) documents. This NOS process included on-site meetings on June 17, 2004, prior to the submittal of the application, at which time the specific concerns of Forest Oil Corporation (Forest) and the BLM were discussed. All specific concerns of the BLM representatives are addressed herein, as are specific stipulations from the BLM.

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

SURFACE FORMATION – Rustler

GROUND ELEVATION – 3,436'

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

Rustler	646'	Sandstone, shales & siltstones
Castile Anhydrite/Salt	1,089'	Sandstone, shales & siltstones
Delaware – Lamar Sh	4,430'	Shales & siltstones
Delaware – Bell Canyon	4,461'	Sandstone, shales & siltstones
Delaware – Cherry Canyon	5,349'	Sandstone, shales & siltstones
Delaware – Brushy Canyon	6,979'	Sandstone, shales & siltstones
Delaware – L. Brushy Canyon	8,049'	Sandstone, shales & siltstones

TOTAL DEPTH 8,400'

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# ST&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 ³ /sx
	Tail: Class "C" yield = 1.34 ft ³ /sx
Intermediate:	Lead: 50:50 yield = 2.45 ft ³ /sx
	Tail: Class "C" yield = 1.34 ft ³ /sx
Production:	Lead: 35:65 Class "C" yield = 1.92 ft ³ /sx
	Tail: Class "H" = 1.79 ft ³ /sx

Surface casing top 100' will use 1" tubing, with Class "G" cement with 3% CaCl₂ 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
	MW: 10 ppg

4,500' - TD 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. Mechanical mud monitoring will utilize a Pason Unit.

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. H₂S: None Anticipated.
- D. Estimated bottom hole pressure: 3,612 psi at TD

ANTICIPATED START DATE

September 16, 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#, J-55, or 2 7/8", 6.5#, J-55, EUE 8rnd will be run as production tubing. A Sundry Notice will be submitted with a revised completion program if warranted.

Barclay Federal 16
 660' FNL 460' FWL (NW /4 NW /4)
 Sec. 1 T 23S R 31E
 Eddy County, New Mexico
 Lease: NM 22080

SURFACE CASING AND CENTRALIZER DESIGN

Proposed Total Depth: 4,500 '
 Proposed Depth of Surface Casing: 900 '
 Estimated Pressure Gradient: 0.43 psi/ft
 Bottom Hole Pressure at 4,500 '
 $0.43 \text{ psi/ft} \times 4,500' = 1,935 \text{ psi}$
 Hydrostatic Head of gas/oil mud: 0.22 psi/ft
 $0.22 \text{ psi/ft} \times 4,500' = 990 \text{ psi}$

Maximum Design Surface Pressure

Bottom Hole Pressure - Hydrostatic Head =
 $(0.43 \text{ psi/ft} \times 4,500') - (0.22 \text{ psi/ft} \times 4,500') =$
 $1,935 \text{ psi} - 990 \text{ psi} = 945 \text{ psi}$

Casing Strengths 13-3/8" K-55 54.5# Butt

<u>Wt.</u>	<u>Burst (psi)</u>
55 #	2,730
61 #	3,090

Safety Factors

Burst: 1.0
 Burst: Safety Factor = $\frac{2,730 \text{ psi}}{945 \text{ psi}} = 2.89$ ok

Use 900' 13-3/8" K-55 54.5# Butt

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.

Barclay Federal 16
 660' FNL 460' FWL (NW /4 NW /4)
 Sec. 1 T 23S R 31E
 Eddy County, New Mexico
 Lease: NM 22080

INTERMEDIATE CASING AND CENTRALIZER DESIGN

Proposed Total Depth: 8,400 '
 Proposed Depth of Intermediate Casing: 4,500 '
 Estimated Pressure Gradient: 0.43 psi/ft
 Bottom Hole Pressure at 8,400 '
 $0.43 \text{ psi/ft} \times 8,400' = 3,612 \text{ psi}$
 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" K-55 24# ST&C

<u>Wt.</u>	<u>Burst (psi)</u>
24 #	2,950
32 #	3,930

Safety Factors

Burst: 1.0
 Burst: Safety Factor = $\frac{2,950 \text{ psi}}{1,764 \text{ psi}} = 1.67$ ok

Use 4,500' 8-5/8" K-55 24# ST&C

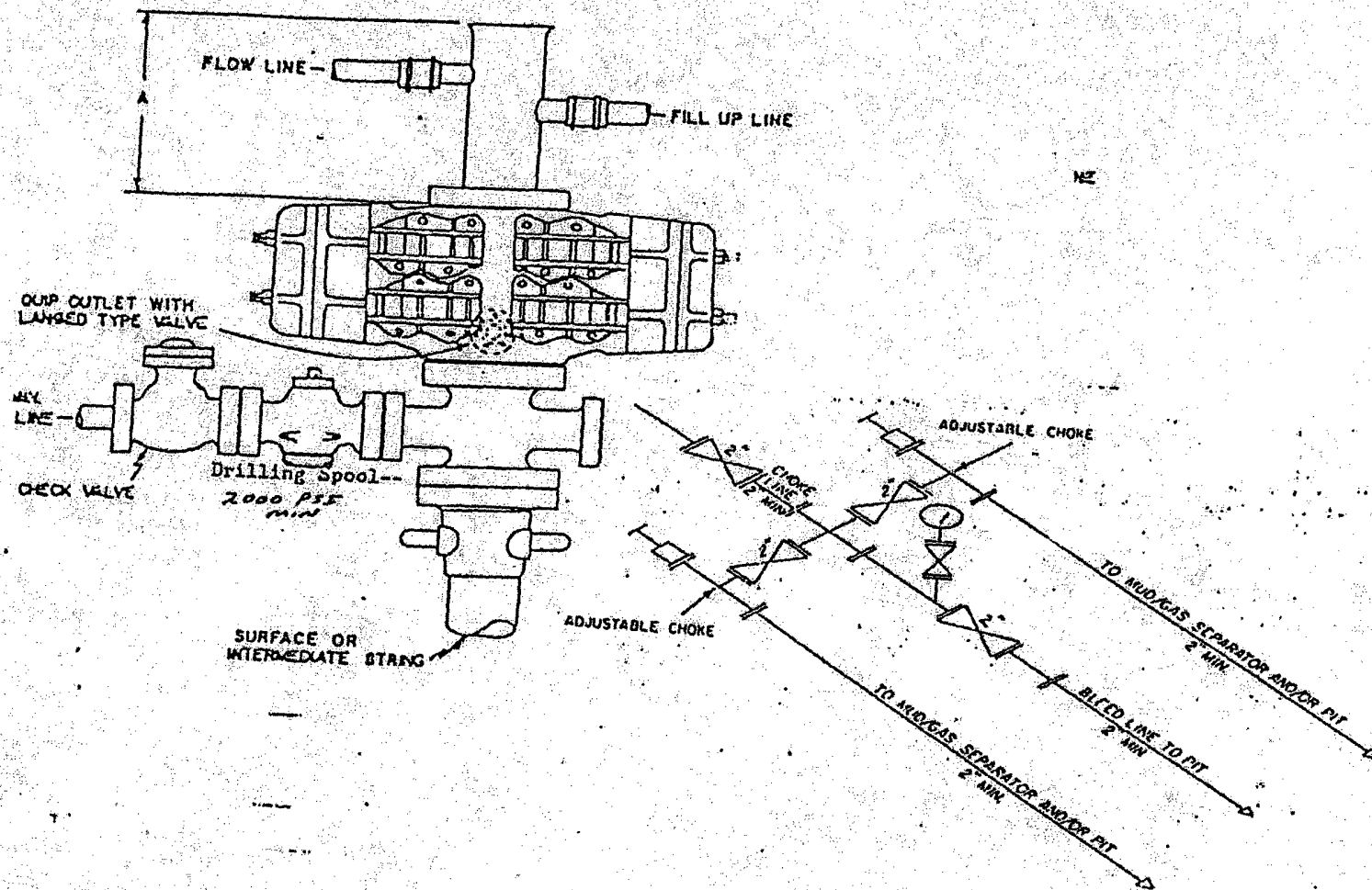
Use 2,000 psi minimum casinghead and BOP's but will test to 1,000 psi

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 $\pm 440' (4,060' - 4,500')$

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 CHOKING MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

BLOWOUT PREVENTER

9-10 Inch

2000 psi *minimum*

12) LESSEE'S OR OPERATOR'S REPRESENTATIVE:

Operator

Forest Oil Corporation
1670 Broadway, Suite 2800
Denver, CO 80202

Agent

Banko Petroleum Management, Inc.
385 Inverness Parkway, Suite 420
Englewood, CO 80112-5849
(303) 820-4480

Ms. Anna Walls - Regulatory Specialist
Western Division

Main Phone 303-812-1400
Fax 303-812-1590

- + David Banko - Consulting Petroleum Engineer
david@banko1.com
- + Kathy Schneebeck - Regulatory Analyst
kathys@banko1.com
- Keith Dana - Range Mgmt. Consultant
(307) 362-5822 - home
(307) 389-8227 - mobile
krlcdana@fascination.com

- + Contact for any questions or comments regarding this permit.

13) CERTIFICATION:

Forest Oil Corporation is responsible under the terms and conditions of the lease to conduct lease operations in conjunction with the application. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Forest Oil Corporation under their nationwide bond, BLM Bond #WIB00101.

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access road; that I am familiar with the conditions which presently exist; that the statements made in this plan area, to the best of my knowledge, are true and correct; and that the work associated with the operations proposed herein will be performed by Forest Oil Corporation and its contractors and sub-contractors in conformity with this plan 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.

August 16, 2004

Kathy L. Schneebeck
Kathy L. Schneebeck
Agent for Forest Oil Corporation

Electronic Submission #34309

Nearby Wells

TABLE 1
 Barclay Federal 16
 NWNW SEC. 1 T23S R31E
 Eddy County, New Mexico

API	WELL NAME	NS FTG	EW FTG	OGRID CDE	OPERATOR	PROPE RTY	WELL TYPE	PLUG DATE	ELEV	TVD DEPTH	POOL ID	2003 PRODUCING POOL	FORMATION AND NOTES	COUNTY	STATUS	Sec.	T	R	UL
30-015-28629	DAVID ROSS AIT FEDERAL #001	1980N	660E	25575	YATES PETROLEUM CORPORATION	12173	S	9999-12-31			96100	SWD;DELAWARE		EDDY	ACTIVE	35	22S	31E	H
30-015-28171	MEDANO STATE #001	1980S	1980W	8041	FOREST OIL CORP	32709	S	9999-12-31	4368	15120	96100	SWD;DELAWARE		EDDY	ACTIVE	36	22S	31E	K
30-015-29525	MEDANO STATE #002	660S	1980W	8041	FOREST OIL CORP	32709	O	9999-12-31	3460	8355	39360	LIVINGSTON RIDGE;DELAWARE	DELAWARE	EDDY	ACTIVE	36	22S	31E	N
30-015-24954	BARCLAY FEDERAL #001	660S	1980W	8041	FOREST OIL CORP	32710	G	9999-12-31	3495	11549	0			EDDY	T/A	1	23S	31E	N
30-015-27998	UNION FEDERAL #001	1980S	660W	16668	OWENS PET INC	15171	O	1995-06-09	3477	8450	0		DELAWARE	EDDY	ZONE ABAN	1	23S	31E	L
30-015-28119	UNION FEDERAL #002	1910N	660W	16668	OWENS PET INC	15171	O	1995-06-08	3482	9999	0		DELAWARE	EDDY	ZONE ABAN	1	23S	31E	E
30-015-29787	BARCLAY FEDERAL #009	660S	1980E	8041	FOREST OIL CORP	32710	O	9999-12-31	3506	8390	96149	LIVINGSTON RIDGE;DELAWARE, SOUT	DELAWARE	EDDY	ACTIVE	1	23S	31E	O
30-015-30065	BARCLAY FEDERAL #014	1980N	660W	8041	FOREST OIL CORP	32710	O	9999-12-31	3505	8450	96149	LIVINGSTON RIDGE;DELAWARE, SOUT	DELAWARE	EDDY	ACTIVE	1	23S	31E	E
30-015-30066	BARCLAY FEDERAL #015	660S	660W	8041	FOREST OIL CORP	32710	O	9999-12-31	3505	8450	0		DELAWARE	EDDY	ACTIVE	1	23S	31E	M
30-015-30239	BARCLAY FEDERAL #010	1980S	1980W	8041	FOREST OIL CORP	32710	O	9999-12-31	3520	8450	96149	LIVINGSTON RIDGE;DELAWARE, SOUT	DELAWARE	EDDY	ACTIVE	1	23S	31E	K
30-015-30783	BARCLAY FEDERAL #024	660N	1980W	778	BP AMERICA PRODUCTION COMPANY	29381	O	9999-12-31	3498	0	0		DELAWARE	EDDY	NO COMPL	1	23S	31E	3
30-015-30786	BARCLAY FEDERAL #021	1980N	1980W	8041	FOREST OIL CORP	32710	O	9999-12-31	3498	8480	96149	LIVINGSTON RIDGE;DELAWARE, SOUT	DELAWARE	EDDY	ACTIVE	1	23S	31E	F
30-015-30820	BARCLAY FEDERAL #018	1800S	1720E	8041	FOREST OIL CORP	32710	O	9999-12-31	3517	8472	96149	LIVINGSTON RIDGE;DELAWARE, SOUT	DELAWARE	EDDY	ACTIVE	1	23S	31E	J
30-015-30821	BARCLAY FEDERAL #020	660S	660E	8041	FOREST OIL CORP	32710	O	9999-12-31	3506	8490	96149	LIVINGSTON RIDGE;DELAWARE, SOUT	DELAWARE	EDDY	ACTIVE	1	23S	31E	P
30-015-30883	BARCLAY FEDERAL #027	1980S	660E	8041	FOREST OIL CORP	32710	O	9999-12-31	3524	8480	96149	LIVINGSTON RIDGE;DELAWARE, SOUT	S LIVINGSTON RIDGE DELAWARE	EDDY	ACTIVE	1	23S	31E	I
30-015-05840	STATE AA-2 #001	660N	660E	8041	FOREST OIL CORP	32712	S	9999-12-31	3442	5800	96100	SWD;DELAWARE	DELAWARE	EDDY	ACTIVE	2	23S	31E	1
30-015-24112	PRE-ONGARD WELL #001	1980S	1980E	214283	PRE-ONGARD WELL OPERATOR	30041	O	1900-01-01	0	0	0		THE SUPERIOR OIL CO/DUNES ST	EDDY	NO COMPL	2	23S	31E	J
30-015-25534	BARCLAY STATE #001	1980S	660E	8041	FOREST OIL CORP	32711	G	9999-12-31	3459	15136	0			EDDY	ACTIVE	2	23S	31E	I
30-015-29527	BARCLAY STATE #003	1980N	660E	8041	FOREST OIL CORP	32711	O	9999-12-31	3444	8450	96149	LIVINGSTON RIDGE;DELAWARE, SOUT	DELAWARE	EDDY	ACTIVE	2	23S	31E	H
30-015-29590	BARCLAY STATE #002	1980S	1980E	8041	FOREST OIL CORP	32711	O	9999-12-31	3436	8470	96149	LIVINGSTON RIDGE;DELAWARE, SOUT	DELAWARE	EDDY	ACTIVE	2	23S	31E	J
30-015-29792	BARCLAY STATE #004	660S	1980E	8041	FOREST OIL CORP	32711	S	9999-12-31	3431	8450	96100	SWD;DELAWARE	DELAWARE	EDDY	ACTIVE	2	23S	31E	O
30-015-29826	BARCLAY STATE #008	990N	470E	8041	FOREST OIL CORP	32711	O	9999-12-31	3447	8400	96149	LIVINGSTON RIDGE;DELAWARE, SOUT	DELAWARE	EDDY	ACTIVE	2	23S	31E	1
30-015-30809	BARCLAY STATE #007	660S	660E	8041	FOREST OIL CORP	32711	O	9999-12-31	3454	8482	96149	LIVINGSTON RIDGE;DELAWARE, SOUT	DELAWARE	EDDY	ACTIVE	2	23S	31E	P
30-015-30810	BARCLAY STATE #009	660N	1980E	8041	FOREST OIL CORP	32711	O	9999-12-31	3439	8600	96149	LIVINGSTON RIDGE;DELAWARE, SOUT	DELAWARE	EDDY	ACTIVE	2	23S	31E	2
30-015-30989	BARCLAY STATE #010	660N	1980W	778	BP AMERICA PRODUCTION COMPANY	29382	O	9999-12-31	3439	0	0		S LIVINGSTON RIDGE DELAWARE	EDDY	NO COMPL	2	23S	31E	3
30-015-31078	BARCLAY STATE #006A	1980S	1980W	778	BP AMERICA PRODUCTION COMPANY	29382	G	9999-12-31	3429	0	0		S LIVINGSTON RIDGE DELAWARE	EDDY	NO COMPL	2	23S	31E	K
30-015-30597	BARCLAY FEDERAL #025	660N	660W	8041	FOREST OIL CORP	32710	O	9999-12-31	3463	8377	96149	LIVINGSTON RIDGE;DELAWARE, SOUT	DELAWARE	EDDY	ACTIVE	12	23S	31E	D