

OCD-ARTESIA

Form 3160-3
(August 1999)FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

EC

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMNM22080

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
BARCLAY FEDERAL 33

9. API Well No.

30-015-33656

10. Field and Pool, or Exploratory

Livingston Ridge, Delaware, South

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

Sec 12 T23S R31E Mer NMP
SME: BLM

RECEIVED

12. County or Parish
EDDY13. State
NM

17. Spacing Unit dedicated to this well

80.00

20. BLM/BIA Bond No. on file

23. Estimated duration
45-60 DAYS1a. Type of Work: ☒ DRILL ☐ REENTER
R-111-POTASH

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 NWSW 2180FSL 860FWL

At proposed prod. zone

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

OCT 05 2004

15. Distance from proposed location to nearest property or
lease line, ft. (Also to nearest drig. unit line, if any)
860' - LEASE16. No. of Acres in Lease
1280.0018. Distance from proposed location to nearest well, drilling,
completed, applied for, on this lease, ft.
1,100' - BARCLAY FEDERAL #719. Proposed Depth
8400 MD21. Elevations (Show whether DF, KB, RT, GL, etc.)
3495 GL22. Approximate date work will start
09/24/2004

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
08/25/2004Title
AGENTApproved by (Signature)
/s/ Linda S. C. RundellName (Printed/Typed)
/s/ Linda S. C. RundellDate
29 Sep 2004Title
STATE DIRECTOROffice
NM STATE OFFICE

Application 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 #35051 verified by the BLM Well Information System
For FOREST OIL CORPORATION, sent to the Carlsbad

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

Witness Surface &
Intermediate Casing

** 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

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: <u>Forest Oil Corporation</u> Telephone: <u>303-812-1400</u> e-mail address: _____		
Address: <u>1600 Broadway, Suite 2200, Denver, CO 80202</u>		
Facility or well name: <u>Barclay Federal #33</u> API #: _____ U/L or Qtr/Qtr <u>NWSW</u> Sec <u>12</u> T <u>23S</u> R <u>31E</u>		
County: <u>Eddy</u> Latitude <u>32° 19' 03.26"N</u> Longitude <u>103° 44' 12.30" W</u> NAD: 1927 <input type="checkbox"/> 1983 <input checked="" type="checkbox"/> Surface Owner Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
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

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 Gail Sep II

Signature [Signature]

SEP 14 2004
Date: _____

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Drawer 80, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, 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 33
OGRID No. 8041	Operator Name FOREST OIL CORPORATION	Elevation 3495'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	12	23-S	31-E		2180'	SOUTH	860"	WEST	EDDY

Bottom Hole Location If Different From Surface

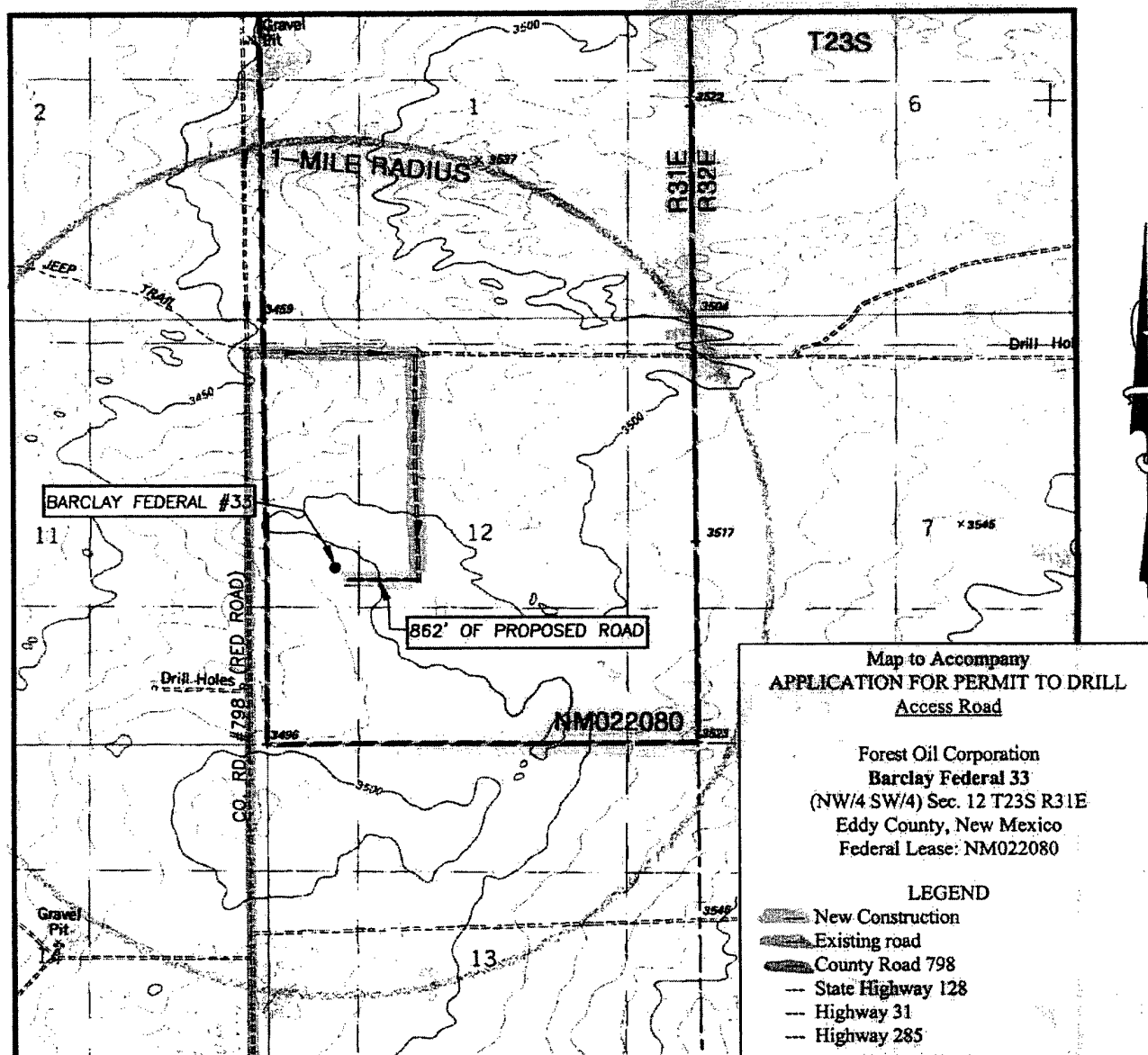
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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

<p>3496.7' 3499.5' 600' 860' 3489.1' 3494.9' 2180'</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=479760.7 N X=684298.5 E</p> <p>LAT.=32°19'03.26" N LONG.=103°44'12.30" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kathy L. Schneebeck</i> Signature</p> <p>Kathy L. Schneebeck Printed Name</p> <p>Agent for Forest Oil Corp. Title</p> <p>August 24, 2004 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 3, 2004</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>GARY EIDSON</i> GARY EIDSON 04.11.0494</p> <p>Certificate No. GARY EIDSON 12641</p>

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 12 TWP. 23-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

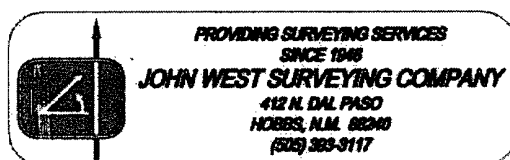
DESCRIPTION 2180' FSL & 860' FWL

ELEVATION 3495'

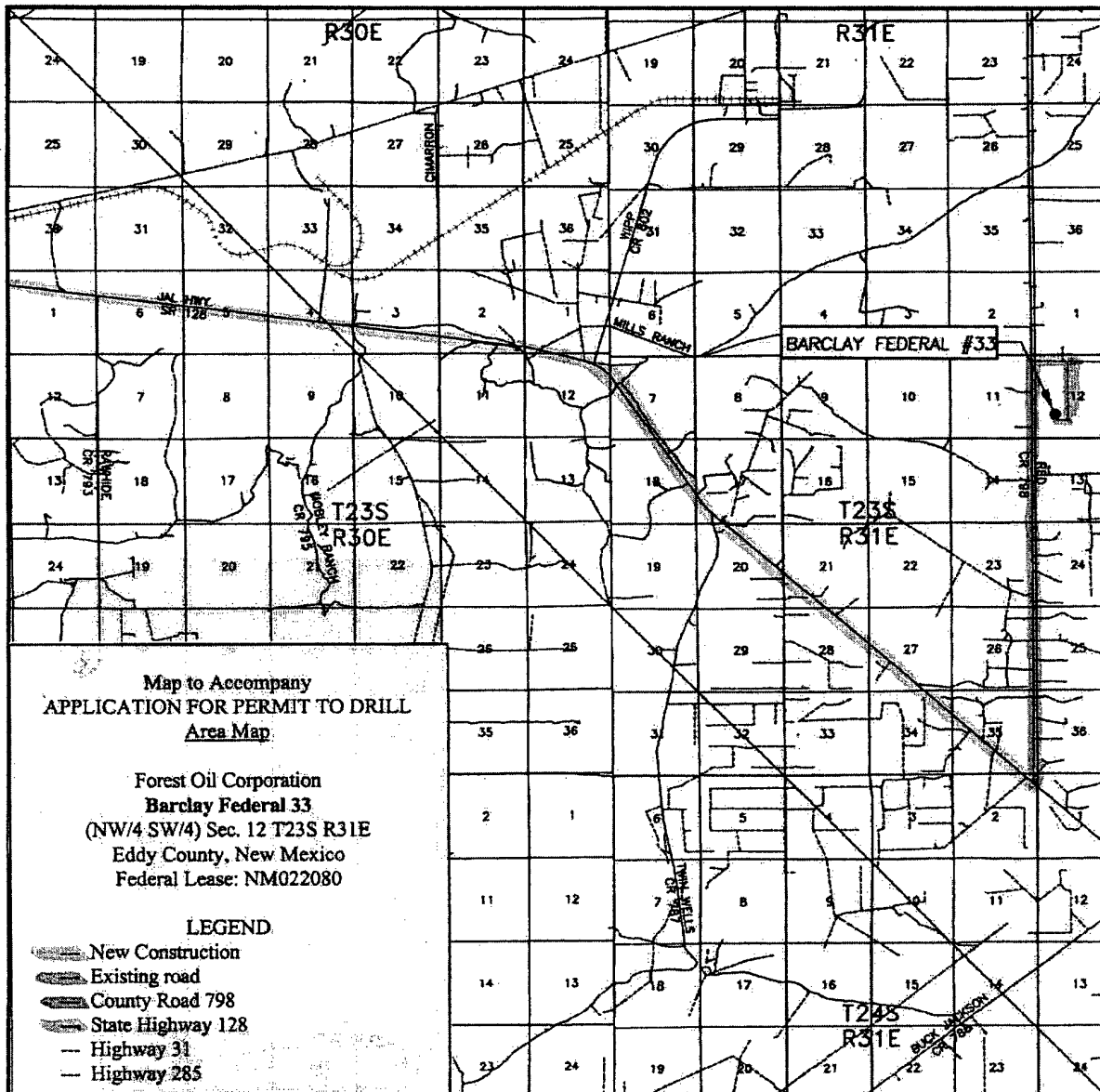
OPERATOR FOREST OIL CORPORATION

LEASE BARCLAY FEDERAL

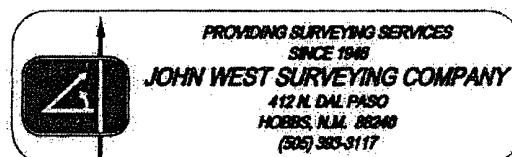
U.S.G.S. TOPOGRAPHIC MAP
BOOTLEG RIDGE, N.M.

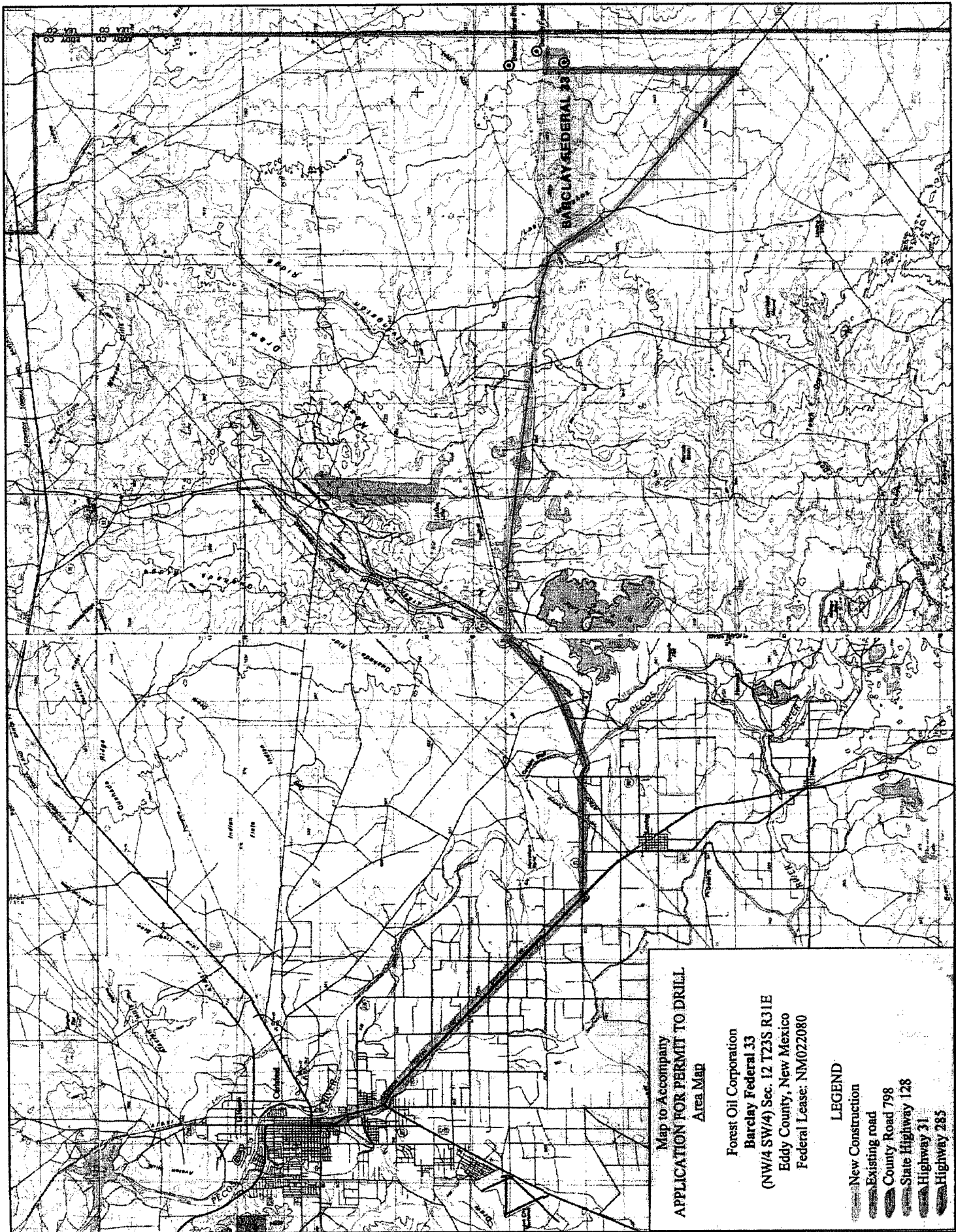


VICINITY MAP



SEC. 12 TWP. 23-S RGE. 31-E
 SURVEY N.M.P.M.
 COUNTY EDDY
 DESCRIPTION 2180' FSL & 860' FWL
 ELEVATION 3495'
 OPERATOR FOREST OIL CORPORATION
 LEASE BARCLAY FEDERAL



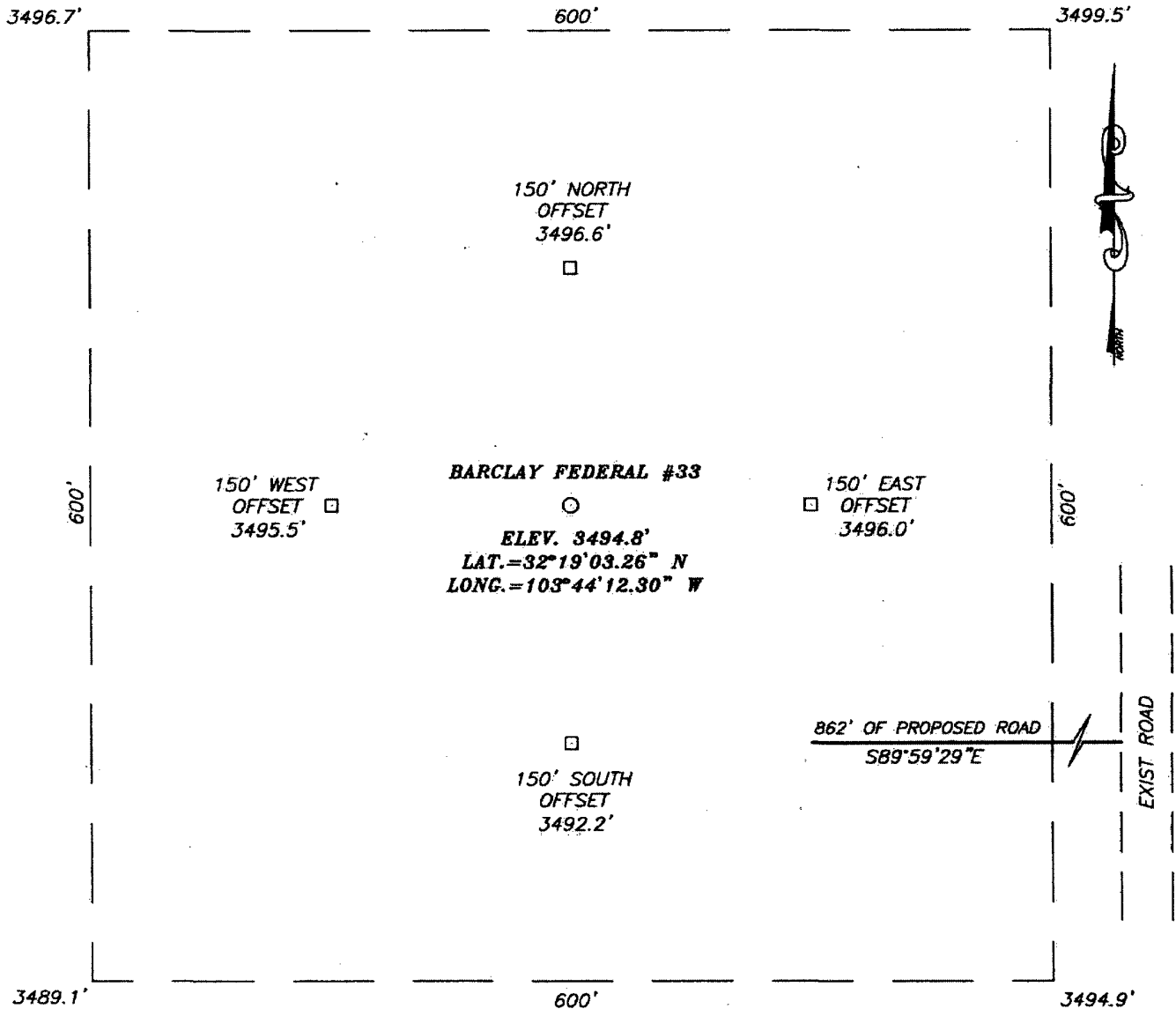


Map to Accompany
APPLICATION FOR PERMIT TO DRILL
Area Map

Forest Oil Corporation
Barclay Federal 33
(NW/4 SW/4) Sec. 12 T23S R31E
Eddy County, New Mexico
Federal Lease: NM022080

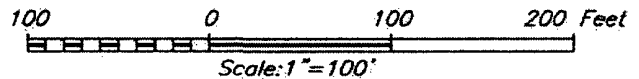
- LEGEND
- New Construction
 - Existing road
 - County Road 798
 - State Highway 128
 - Highway 31
 - Highway 285

SECTION 12, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF MILLS RANCH ROAD AND CO. RD. 798 (APPROX. 15 MILES SOUTH OF U.S. HWY 62-180). GO SOUTH 2.7 MILES TO ROAD TO THE LEFT. TURN LEFT (WEST) GO 0.4 MILES TO A ROAD ON THE RIGHT. TURN RIGHT (SOUTH) AND GO 0.5 MILES TO A STAKED ROAD TO THE RIGHT. FOLLOW STAKE ROAD WEST 0.2 MILES TO THIS LOCATION.



PROVIDING SURVEYING SERVICES
 SINCE 1948
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

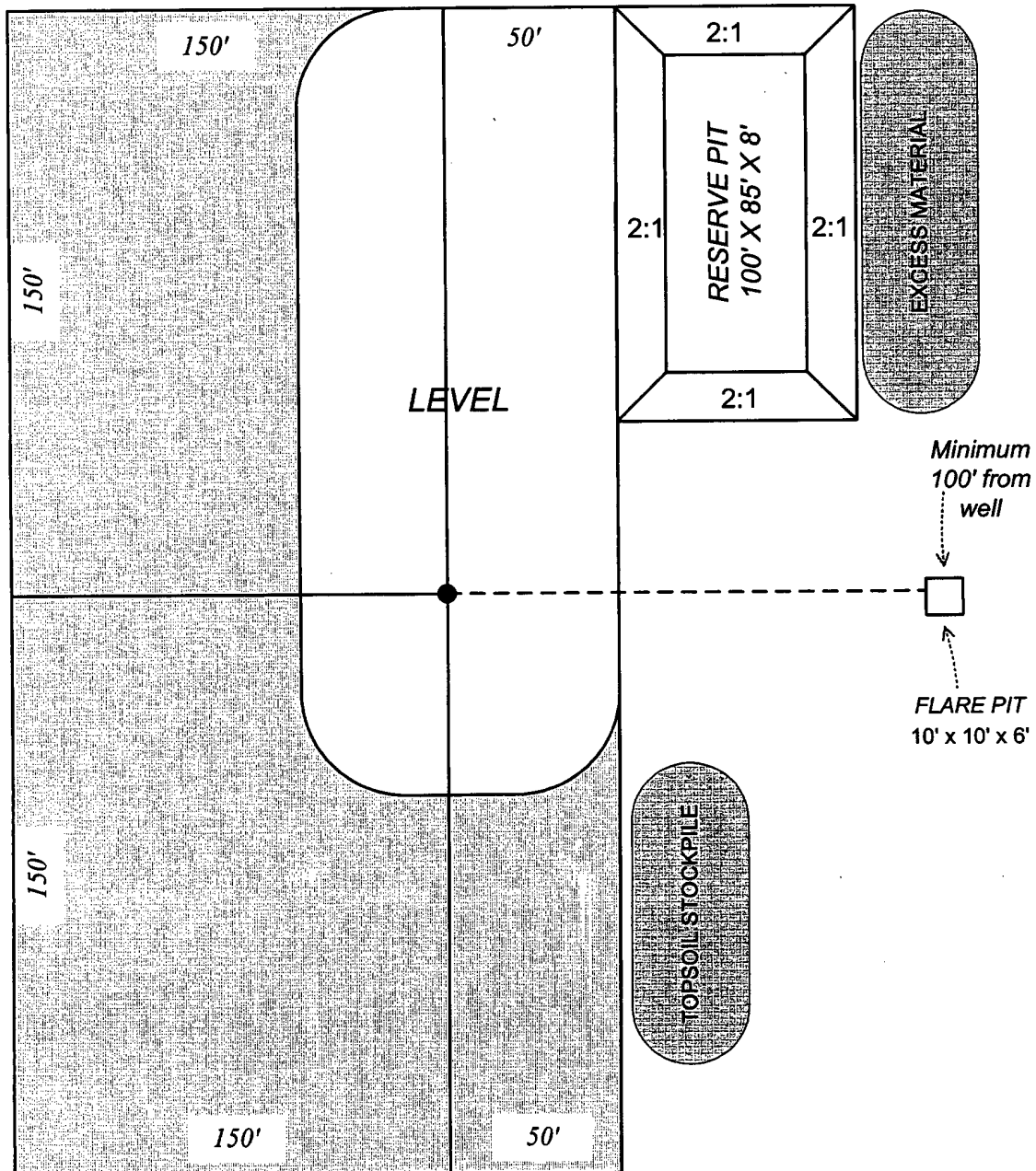
FOREST OIL CORPORATION

BARCLAY FEDERAL #33 WELL
 LOCATED 2180 FEET FROM THE SOUTH LINE
 AND 860 FEET FROM THE WEST LINE OF SECTION 12,
 TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 05/03/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.0723	Dr By: J. RIVERO
Date: 05/12/04	Disk: CD#10
04110723	Scale: 1"=100'

Forest Oil Corporation
Barclay Federal 33
2,180' FSL 860' FWL (NW/4 SW/4)
Sec. 12 T23S R31E
Eddy County, New Mexico
Federal Lease: NM022080

DRILL PAD DIMENSIONS



BANKO
PETROLEUM
MANAGEMENT INC.

Via Electronic Submission #35051

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

August 24, 2004

RE: Application for Permit to Drill - **CONFIDENTIAL**
Electronic Submission #35051
Forest Oil Corporation
Barclay Federal 33
2,180' FSL 860' FWL (NW/4 SW/4)
Sec. 12 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 nearby Barclay Federal 7 oil well location was applied for by ARCO Permian at a location of 1,980' FSL 1,980' FWL (NE/4 SW/4) Sec. 12 T23S R31E. The well was given API #30-015-29785 by NMOCD. We were unable, however, to determine the current status for this well from the information obtained from the NMOCD website. 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.

Ms. Leslie Theiss
August 24, 2004
Page 2

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 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

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
⁴ Property Code 20761	⁵ Property Name Barclay Federal	⁶ Well No. 33

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
L	12	23-S	31-E		2,180'	South	860'	West	Eddy

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1dn	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 3,495' GR
¹⁶ Multiple No	¹⁷ Proposed Depth 8,400'	¹⁸ Formation Delaware	¹⁹ Contractor	²⁰ Spud Date September 24, 2004

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	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

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 24, 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

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: <u>Forest Oil Corporation</u> Telephone: <u>303-812-1400</u> e-mail address: _____		
Address: <u>1600 Broadway, Suite 2200, Denver, CO 80202</u>		
Facility or well name: <u>Barclay Federal #33</u> API #: _____ U/L or Qtr/Qtr <u>NWSW</u> Sec <u>12</u> T <u>23S</u> R <u>31E</u>		
County: <u>Eddy</u> Latitude <u>32° 19' 03.26"N</u> Longitude <u>103° 44' 12.30" W</u> NAD: 1927 <input type="checkbox"/> 1983 <input checked="" type="checkbox"/> Surface Owner Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
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 50 feet or more, but less than 100 feet <u>100 feet or more</u>	(20 points) (10 points) (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 <u>No</u>	(20 points) (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet <u>1000 feet or more</u>	(20 points) (10 points) (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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 08/24/04

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 _____

Signature _____

Date: _____

Forest Oil Corporation
Barclay Federal 33
2,180' FSL 860' FWL (NW/4 SW/4)
Sec. 12 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 – 3,495'

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

Rustler	771'	Sandstone, shales & siltstones
Castile Anhydrite/Salt	1,175'	Sandstone, shales & siltstones
Delaware – Lamar Sh	4,489'	Shales & siltstones
Delaware – Bell Canyon	4,517'	Sandstone, shales & siltstones
Delaware – Cherry Canyon	5,429'	Sandstone, shales & siltstones
Delaware – Brushy Canyon	7,067'	Sandstone, shales & siltstones
Delaware – L. Brushy Canyon	8,131'	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) **

WITNESS

WITNESS

- * 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 ft³/sx
 Tail: Class "C" yield = 1.34 ft³/sx
 - Intermediate: Lead: 50:50 yield = 2.45 ft³/sx
 Tail: Class "C" yield = 1.34 ft³/sx
 - Production: Lead: 35:65 Class "C" yield = 1.92 ft³/sx
 Tail: Class "H" = 1.79 ft³/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. Electronic/mechanical mud monitoring will utilize a Pason Unit with a minimum: pit volume totalizer (PVT); stroke counter; flow sensor.

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

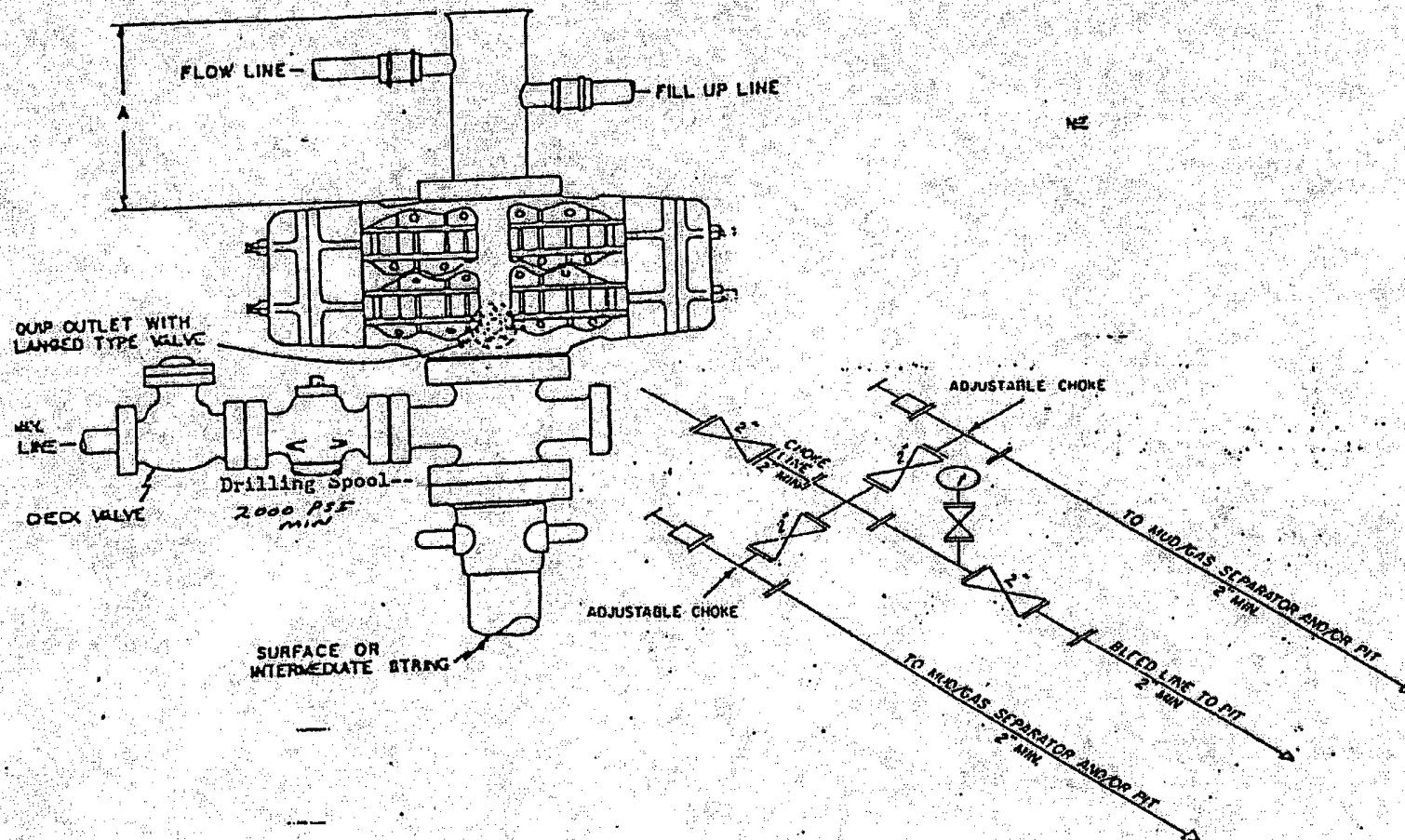
ANTICIPATED START DATE

September 24, 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#, N-80, EUE 8rd will be run as production tubing. A Sundry Notice will be submitted with a revised completion program if warranted.

ANNULAR PREVENTOR MAY BE SUBSTITUTED FOR DOUBLE GATE PREVENTORS
 ROTATING HEAD TO BE USED WHEN AIR/AIR MIST DRILLING



2M CHOKES MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

BLOWOUT PREVENTER

9-10 inch 2000 psi minimum