



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
ROSWELL DISTRICT OFFICE  
P.O. BOX 1397  
ROSWELL, NEW MEXICO 88201

NM-54865 (21)  
3160.2 (065)

RECEIVED

NOV 30 '88

O. C. D.  
ARTESIA, OFFICE

NOV 29 1988

Meridian Oil Inc.  
21 Desta Drive  
Midland, Texas 79705

Gentlemen:

Your application for Permit to Drill well No. 2 Apache Federal in the SE $\frac{1}{4}$ NE $\frac{1}{4}$  sec. 35, T. 19 S., R. 29 E., Eddy County, New Mexico, lease NM-54865, to a depth of 4,500 feet to test the Delaware formation in the oil-potash area, is hereby approved as amended by stipulations attached to the application.

One copy of the application is returned herewith. Please notify the Bureau of Land Management office checked on the enclosed special stipulation, in sufficient time for a representative to witness all cementing operations.

Sincerely,

Orig. Sgd. Francis R. Cherry, Jr.

Francis R. Cherry, Jr.  
District Manager

1 Enclosure

cc:  
NMOCD - 2

RECEIVED

NOV 30 1988

U.S. DEPT. OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

NOV 30 1988

TO : DIRECTOR, FBI (100-441100)  
FROM : SAC, NEW YORK (100-100000)  
SUBJECT: [Illegible]

RE: [Illegible]

1. [Illegible]

2. [Illegible]

3. [Illegible]

4. [Illegible]

5. [Illegible]

6. [Illegible]

7. [Illegible]

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		
2. NAME OF OPERATOR Meridian Oil Inc.		
3. ADDRESS OF OPERATOR 21 Desta Drive, Midland, Texas 79705		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FNL & 660' FEL, Sec. 35, T-19-S, R-29-E At proposed prod. zone		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 62 miles Northwest of Hobbs, NM		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	660'	16. NO. OF ACRES IN LEASE 40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	NA	19. PROPOSED DEPTH 4500'
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3339' GR		17. NO. OF ACRES ASSIGNED TO THIS WELL 40
22. APPROX. DATE WORK WILL START* 11-21-88		20. ROTARY OR CABLE TOOLS Rotary
23. PROPOSED CASING AND CEMENTING PROGRAM		

5. LEASE DESIGNATION AND SERIAL NO. NM-54865
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME Apache Federal
9. WELL NO. 2
10. FIELD AND POOL, OR WILDCAT Parkway (Delaware)
11. SEC., T., R., M., OR ELE. AND SURVEY OR AREA Sec. 35, T-19-S, R-29-E
12. COUNTY OR PARISH Eddy
13. STATE N.M.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48#	350'	350 sx., Circulate
12 1/4"	8 5/8"	24 & 28#	3200'	3000 sx., Circulate
7 7/8"	5 1/2"	15.5#	4500'	500 sx. TOC @ Surface

Drill 17 1/2" hole to 350'. Set 13 3/8" csg @ 350'. Cmt w/350 sx C1 "C". Circ. Drill 12 1/4" hole to 3200'. Set 8 5/8" csg @ 3200'. With stage collar @ +1600', cement 1st stage w/1000 sx C1 "C" w/2% CaCl2. Cement 2nd stage to circ to surf w/2000 sx. C1 "C" Lite & tail in w/100 sx C1 "C". Drill to TD to test Delaware. If commercial, run 5 1/2" csg to 4500'. Cmt w/sufficient volume to bring above all prospective zones. Est TOC @ surface. Perf & stimulate Delaware for production.

MUD PROGRAM: 0-350' spud mud; 350-3200' brine & sweeps; 3200-TD cut brine & Drispac. MW 9-9.2, VIS 32-36 (solids must be less than 5%).

BOP PROGRAM: 11"-3M stack to be installed on 8 5/8" & left on for remainder of drlg. Stack to consist of Double ram type BOP & choke manifold. Will test to rated working pressure w/independent tester on initial NU & prior to drlg into Delaware.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Cathy Hughes TITLE Operations Tech III DATE 11/19/88  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-162  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator <b>MERIDIAN OIL COMPANY</b>			Lease <b>APACHE FEDERAL</b>			Well No. <b>2</b>
Unit Letter <b>H</b>	Section <b>35</b>	Township <b>19-SOUTH</b>	Range <b>29-EAST</b>	County <b>EDDY</b>		

Actual Footage Location of Well:  
**1980** feet from the **NORTH** line and **660** feet from the **EAST** line

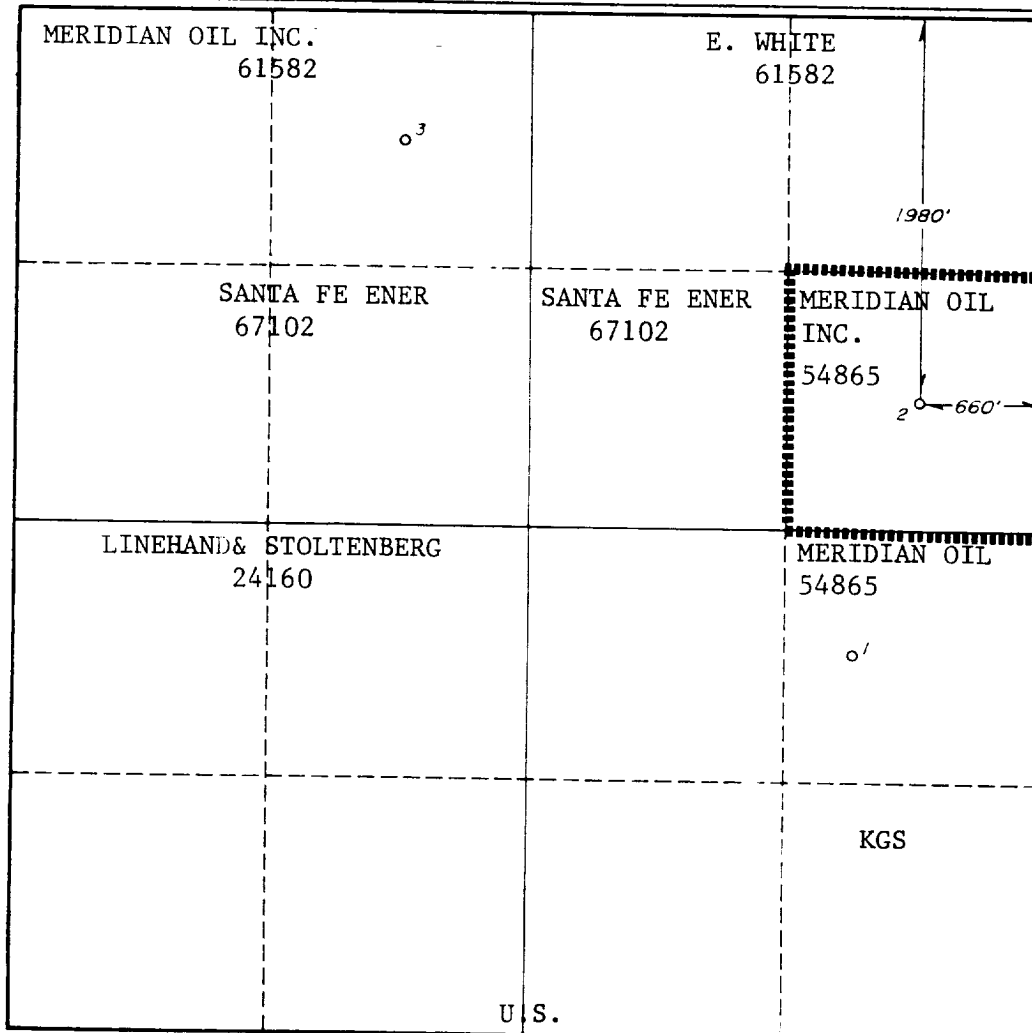
Ground Level Elev. <b>3339'</b>	Producing Formation <b>Delaware</b>	Pool <b>UND Parkway DELAWARE</b>	Dedicated Acreage: <b>40</b> Acres
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1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

*Cathy Nokes*  
Name

**Cathy Nokes**  
Position  
Operations Tech III

Company  
**Meridian Oil Inc.**

Date  
**10/19/88**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**OCTOBER 7, 1988**  
Registered Professional Engineer  
and/or Land Surveyor  
**GARY BOSWELL**  
No. **6689**  
Certificate No. **6689**

MERIDIAN OIL INC.

Apache Federal No. 2  
1980' FNL & 660' FEL  
Sec. 35, T-19-S, R-29-E  
Eddy County, New Mexico  
NM-54865

To supplement USGS Form 3160-3 Application to Drill the following additional information is submitted concerning questions on Page 5 of NTL-6:

1. See Form 3160-3.
2. See Form 3160-3.
3. The geological name of surface formation is: Ochoa
4. See Form 3160-3.
5. See Form 3160-3.
6. The estimated tops of important geological markers are:

Rustler	350'	Capitan Reef	1825'
Yates	1570'	Delaware Sand	3750'

7. The estimated depths at which anticipated water, oil, gas and mineral bearing strata are as follows:

Yates	1570' - Oil
Delaware Sand	3750' - Oil

8. See Form 3160-3. All casing will be new.
9. See Form 3160-3 for depths of strings. Cement volumes and additions as follows:
  - a. 13 3/8" csg: Cement w/350 sxs Lite "C" cmt. Circ to surface.
  - b. 8 5/8" csg: With stage collar @  $\pm$  1600', cement 1st stage w/1000 sx Cl "C" w/2% CaCl<sub>2</sub>. Cement 2nd stage to circ to surface w/2000 sx Cl "C" Lite & tail in w/100 sx Cl "C".
  - c. 5 1/2" csg: Cement w/ $\pm$ 500 sx Cl "C". TOC @ Surface.

A caliper log will be run prior to setting 5 1/2" pipe to determine exact cement volumes required and a fluid caliper will be run prior to setting 8 5/8" casing to determine same.

10. The pressure control diagram is attached to Form 3160-3. The following additional information is as follows:

8 5/8" casing installation: 11"-3M BOP stack to be installed and tested by an independent tester to 3,000 psi before drilling the 8 5/8" casing shoe. The BOP stack to consist of a blind ram BOP and one pipe ram BOP.

11. See Form 3160-3.

12. A. DST Program: None

B. Core: None

C. Mud Logging: 3200 to TD, Two-man unit

D. Wire Line Logs:

The following suite of logs will be run in both of the listed intervals:

DLL/MSFL/CNL/LDT/GR/Cal TD-3200' (GR/CNL to surf)

13. No abnormal pressures are anticipated. Bottom hole pressures at TD expected to be 2000 psi. Bottom hole temperature 138° F. No Hydrogen Sulfide expected in this know drilling area. No crooked hole or abnormal deviation problems.

14. Anticipated starting date to spud - on or before 11-21-88. Anticipated drilling time expected to be 10 days from surface to TD.

C. Nokes  
10/19/88

## SURFACE USE PLAN

### MERIDIAN OIL INC.

Apache Federal No. 2  
1980' FNL & 660' FEL  
Sec. 35, T-19-S, R-29-E  
Eddy County, New Mexico  
NM-54865

This plan is submitted with Application to Drill on above described well. The minerals are federal and the surface is leased for grazing (See below for surface lessee). The purpose of this plan is to describe the location, proposed construction activities and operations plans, magnitude of necessary surface disturbance and procedures to be followed in rehabilitating the surface after completion of the operation so that complete appraisal can be made of the environmental effects associated with the operations.

#### 1. Existing Roads:

Exhibit "A" is a portion of a USGS Topograph map showing the location of the proposed well as staked.

Directions to the well are as follows: Go 55 miles west of Hobbs on Hwy 62-180. Go 1.2 miles west of Junction 31 and 360. Turn right on Burton Flat Road or CR 238 and go north 7/10 mile on pavement. Turn north 5.4 miles. Turn right approximately 1.9. Road ends at Osage Federal #1. Go east 990' to Apache Federal #1 location. Turn north and go approximately 1320' to Apache Federal #2 location.

#### 2. Planned Access Road:

- a. Temporary access road will be 12 feet wide and 1600 feet long. The center line of the proposed temporary road from the beginning to the well site has been staked and flagged with the stakes being visible from any one to the next.
- b. Surfacing Material: 6" of caliche, watered, compacted and graded.

#### 3. Location of Existing Wells in Area:

See Exhibit "B"

#### 4. Location of Proposed Facilities:

Location of proposed well site and tank battery is shown on Exhibit "C". The battery will be located on proposed well pad, no additional surface disturbance will be necessary.

#### 5. Water Supply:

- a. No available surface or sub-surface fresh water exists in the vicinity of the proposed well. Drilling water will be transported or pumped to the drill site from the nearest commercial source.

#### 6. Source of Construction Material:

Caliche for surfacing access road and pad will be obtained from existing pit located in the SW/4 NE/4 of Sec. 3, T-20-S, R-29-E. This pit has been cleared by BLM.

7. Handling Waste Disposal:

- a. Drill cuttings - disposed into drilling pits.
  - b. Drill fluids - allowed to evaporate in drill pits until pits dry.
  - c. Produced water during testing - drill pits.
  - d. Produced oil during testing - storage tank until sold.
  - e. Current laws and regulations pertaining to disposal of human waste will be observed.
  - f. Reserve pit will be plastic lined.
  - g. Waste paper, garbage, junk disposed of into special trash container on location and hauled off upon completion of the well or as required. All waste material will be contained to prevent scattering by wind.
8. All trash and debris will be removed from well site within 30 days after drilling and/or completion operations are finished.

9. Ancillary Facilities:

None

10. Plans for Restoration of Surface:

- a. After completion of drilling and/or completion of operations, all equipment and other material not needed for operations will be removed. Pits will be filled and locations cleaned of trash and junk to leave well in as aesthetically pleasing a condition as possible.
- b. Any unguarded pits containing fluids will be fenced until filled.
- c. After abandonment of well, surface restoration will be in accordance with the Bureau of Land Management Surface Requirements.

11. Topography and Soil:

New Mexico Archaeological Services, Inc. Report by Dr. J. Loring Haskell will be sent when it is received in this office.

12. Land Use:

Grazing and hunting - Federal

Surface Lessee - Snyder Ranch, Inc.  
P. O. Box 726  
Lovington, New Mexico 88260

13. Surface Ownership:

Bureau of Land Management (Federal)



14. Operators Representatives:

Field representatives (Responsible for compliance with approved surface use and operations plan):

Meridian Oil Inc.  
416 E. Main  
Artesia, New Mexico  
Office: 505/748-1321

Mr. Wayne Grubbs, Drilling Foreman  
Artesia, New Mexico  
Home: 505/746-6057

Mr. Bill Dawson, Drilling Superintendent  
Midland, Texas Office: 915/686-5600  
Home: 915/682-9037

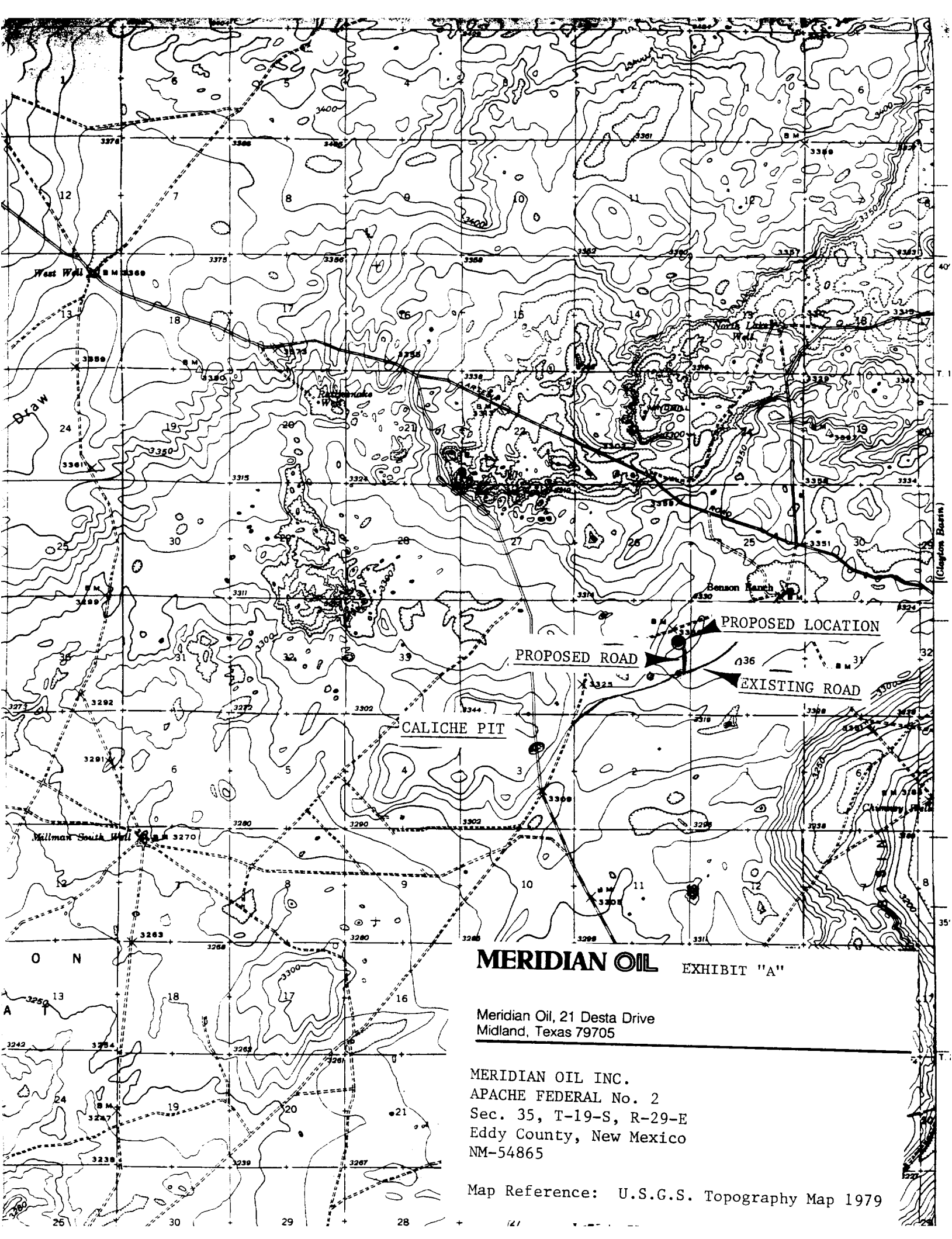
15. Certification:

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route; that I am familiar with conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Meridian Oil Inc. and its contractors and sub-contractors in uniformity with this plan and the terms and conditions under which it is approved.

Date: 10/20/88

Darrell D. Roberts  
Darrell D. Roberts  
Senior Drilling Engineer  
Meridian Oil Inc.

C. Nokes/  
10/19/88

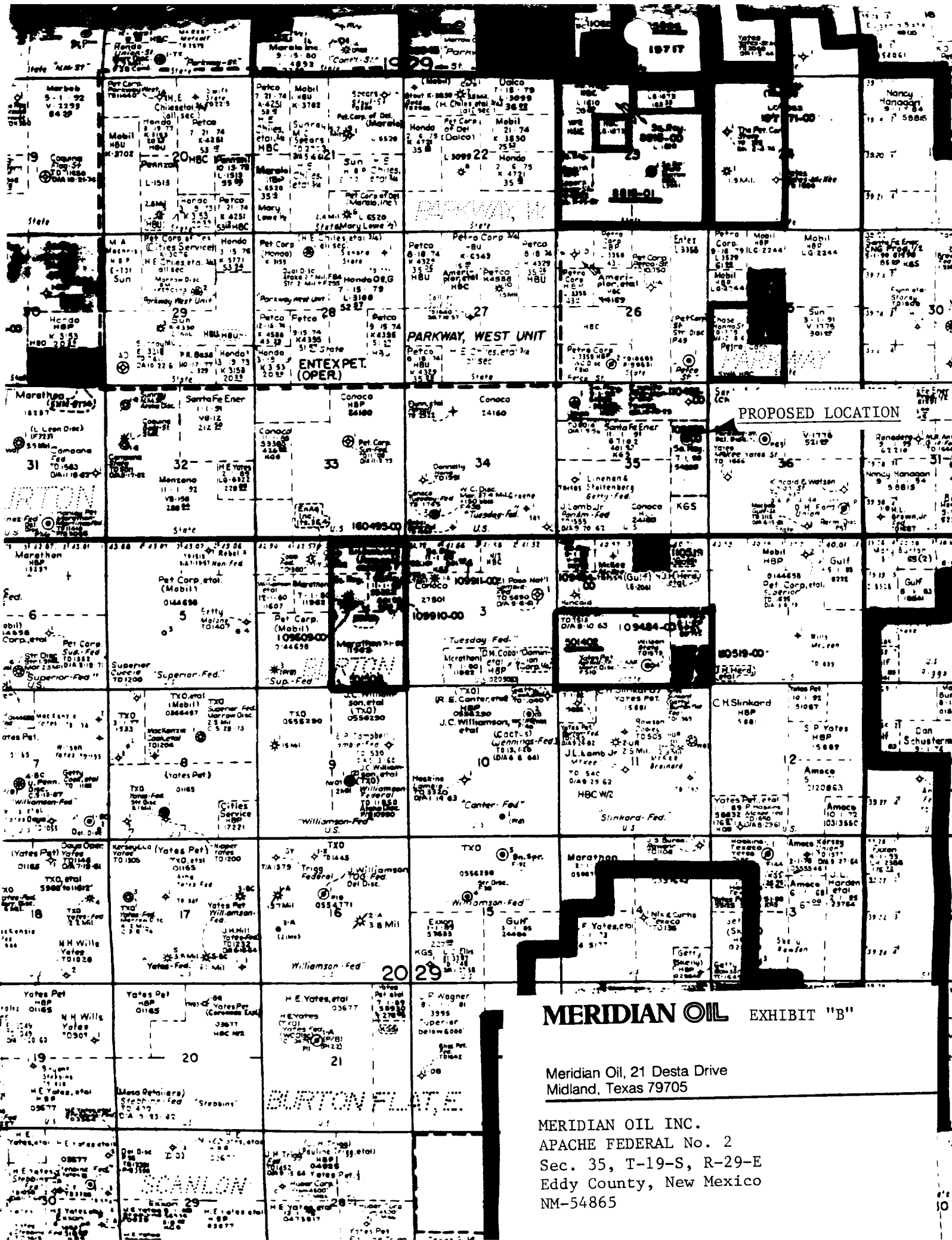


**MERIDIAN OIL** EXHIBIT "A"

Meridian Oil, 21 Desta Drive  
Midland, Texas 79705

MERIDIAN OIL INC.  
APACHE FEDERAL No. 2  
Sec. 35, T-19-S, R-29-E  
Eddy County, New Mexico  
NM-54865

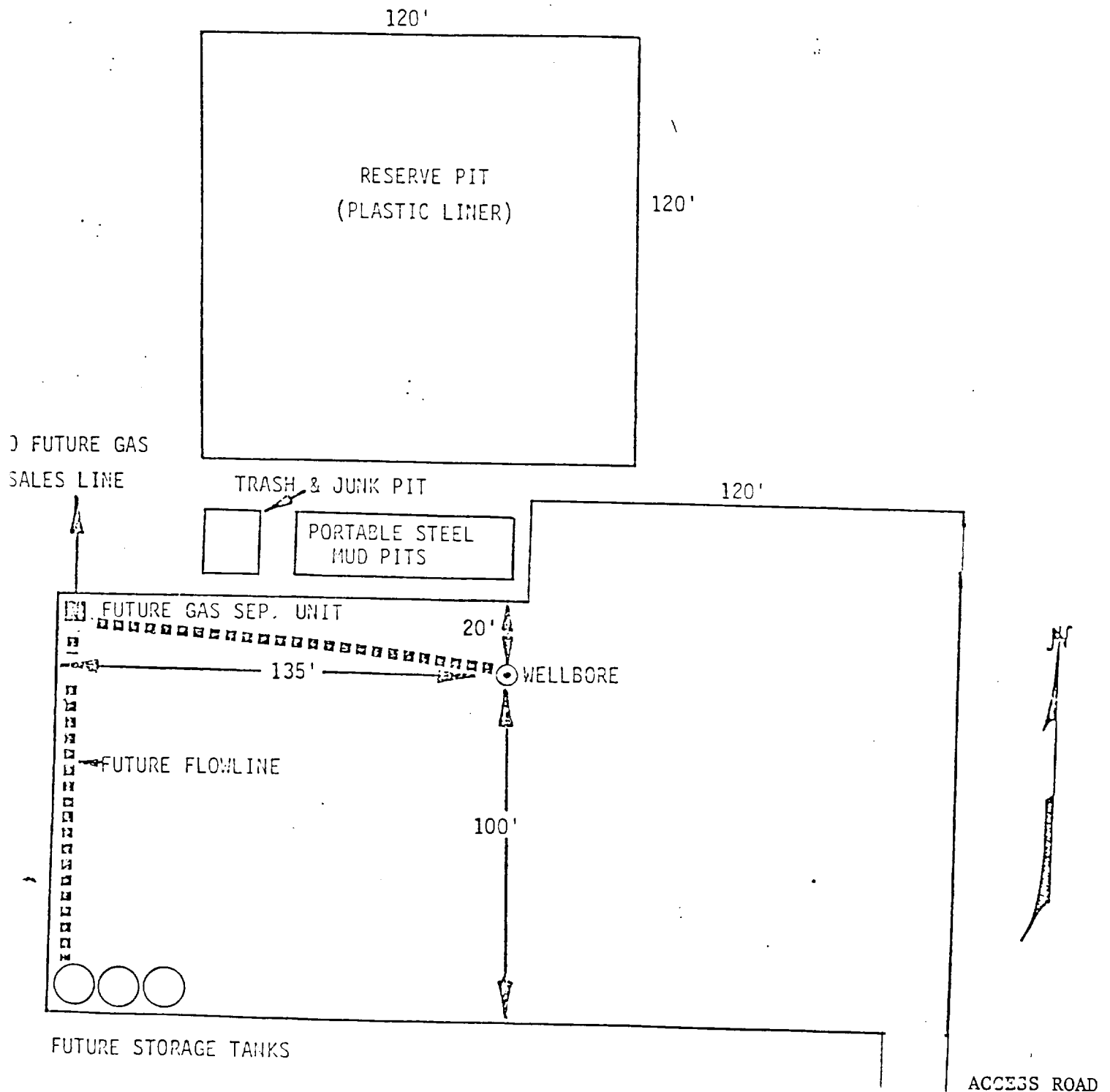
Map Reference: U.S.G.S. Topography Map 1979



## MERIDIAN OIL EXHIBIT "B"

Meridian Oil, 21 Desta Drive  
Midland, Texas 79705

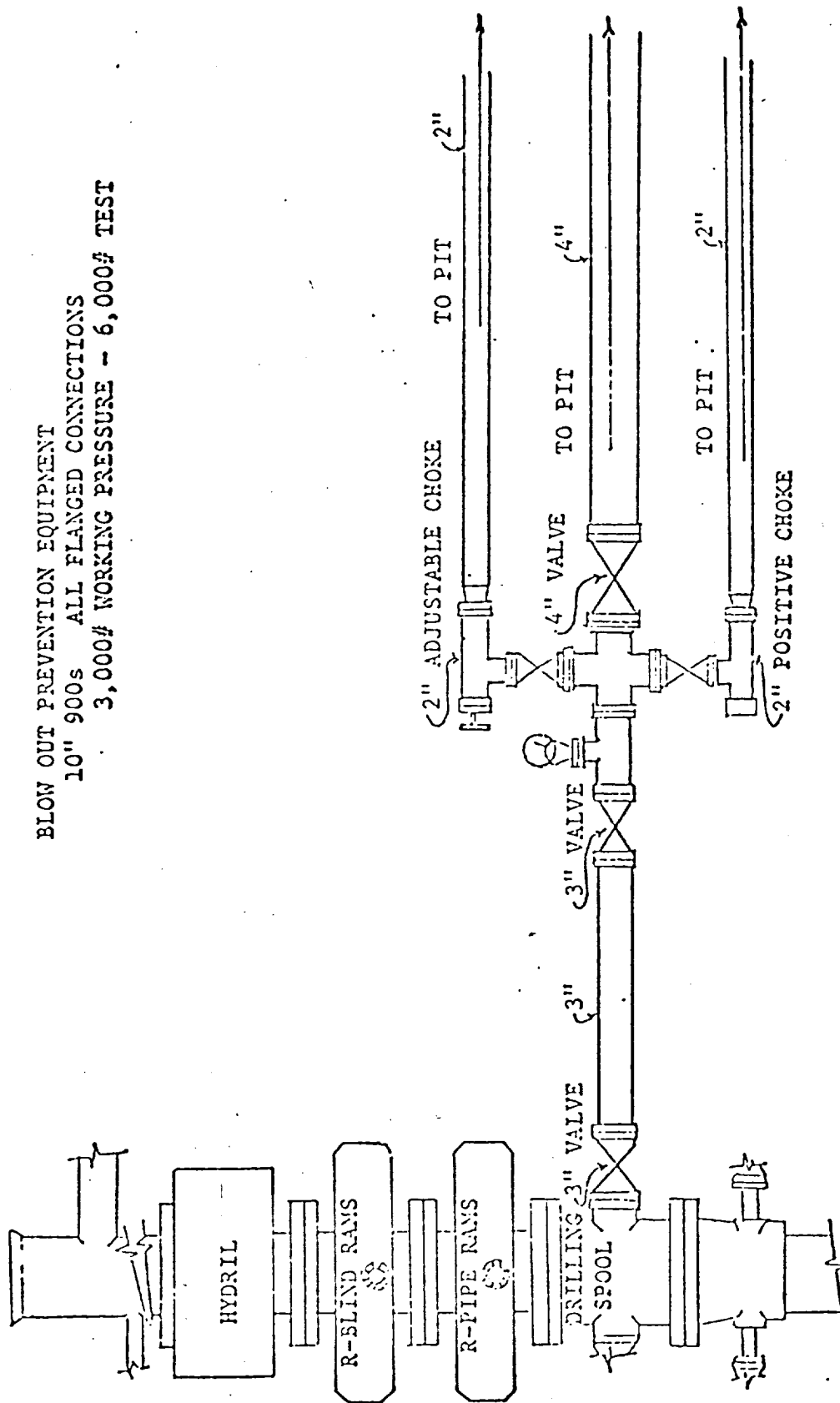
MERIDIAN OIL INC.  
APACHE FEDERAL No. 2  
Sec. 35, T-19-S, R-29-E  
Eddy County, New Mexico  
NM-54865



## MERIDIAN OIL EXHIBIT "C"

Meridian Oil, 21 Desta Drive  
Midland, Texas 79705

MERIDIAN OIL INC.  
APACHE FEDERAL No. 2  
Sec. 35, T-19-S, R-29-E  
Eddy County, New Mexico  
NM-54865



BLOW OUT PREVENTION EQUIPMENT  
 10" 900s ALL FLANGED CONNECTIONS  
 3,000# WORKING PRESSURE - 6,000# TEST