

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1B. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-29228	
D. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Meridian Oil Inc. ✓		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 21 Desta Drive, Midland, Texas 79705		8. FARM OR LEASE NAME Benson "3" Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 330' FNL & 330' FEL, Sec. 3, T19S, R30E At proposed prod. zone 480' (330') O.C.D. ARTESIA, NM		9. WELL NO. 2	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 11 miles Southeast of Maljamar, NM		10. FIELD AND POOL, OR WILDCAT Shugart (Queen) Y-SR 8-6	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 330'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 3, T19S, R30E	
16. NO. OF ACRES IN LEASE 160		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1800'		19. PROPOSED DEPTH 3700'	
20. ROTARY OR CABLE TOOL Rotary		21. APPROX. DATE WORK WIGG START* 12/15/89	
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 3440' GR			
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE 11" → 12 1/4"	SIZE OF CASING 8 5/8"	WEIGHT PER FOOT 24	SETTING DEPTH 500'
7 7/8"	5 1/2"	15.5	3500'
		QUANTITY OF CEMENT 280 sx, Circulate 700 sx, Circulate	

Drill 11" hole to 500'. Set 8 5/8" casing @ 500'. Cmt. w/ 280 sx, Circ.

Drill 7 7/8" hole to 3500'. Set 5 1/2" casing @ 3500'. Cmt. w/ 700 sx, Circ.

MUD PROGRAM: 0-500' Fresh water gel & lime; 500' - 3500' salt water;
MW 9.8-10.2; No abnormal pressures or temperatures expected.

BOP PROGRAM: 10" - 3M BOP stack to be installed on 8 5/8" & left on for remainder of drilling. Stack to consist of annular BOP, blind ram BOP, and one pipe ram BOP. Test BOP's after setting 8 5/8" csg with independent tester.

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.

SIGNED Robert L. Bradshaw TITLE Sr. Staff Env./Reg. Spec. DATE 11/13/89
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY Chg. Eng. [Signature] TITLE Chg. Eng. DATE 12-15-89
CONDITIONS OF APPROVAL, IF ANY: _____

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

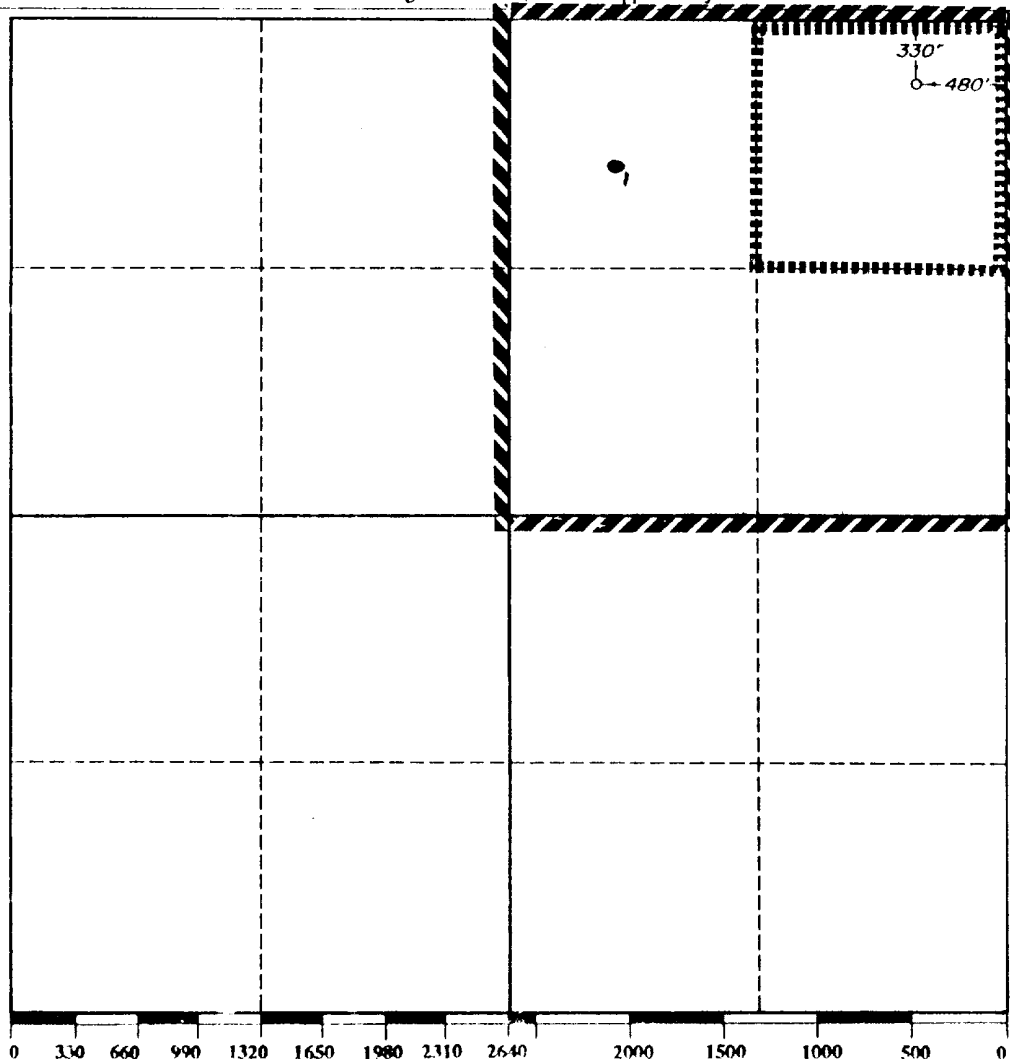
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MERIDIAN OIL INC.			Lease BENSON "3" FEDERAL		Well No. 2
Unit Letter A	Section 3	Township 19-SOUTH	Range 30-EAST	County EDDY	
Actual Footage Location of Well: 330 feet from the NORTH line and 480 feet from the EAST line					
Ground level Elev. 3440'	Producing Formation QUEEN		Pool SHUGART	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

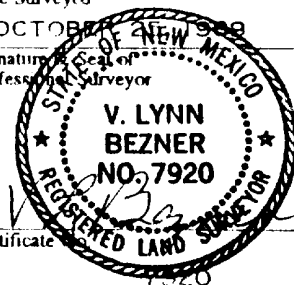
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Robert L. Bradshaw
Printed Name
Robert L. Bradshaw
Position
Sr. Staff Env./Reg. Spec.
Company
Meridian Oil Inc.
Date
14 December 1989

SURVEYOR CERTIFICATION

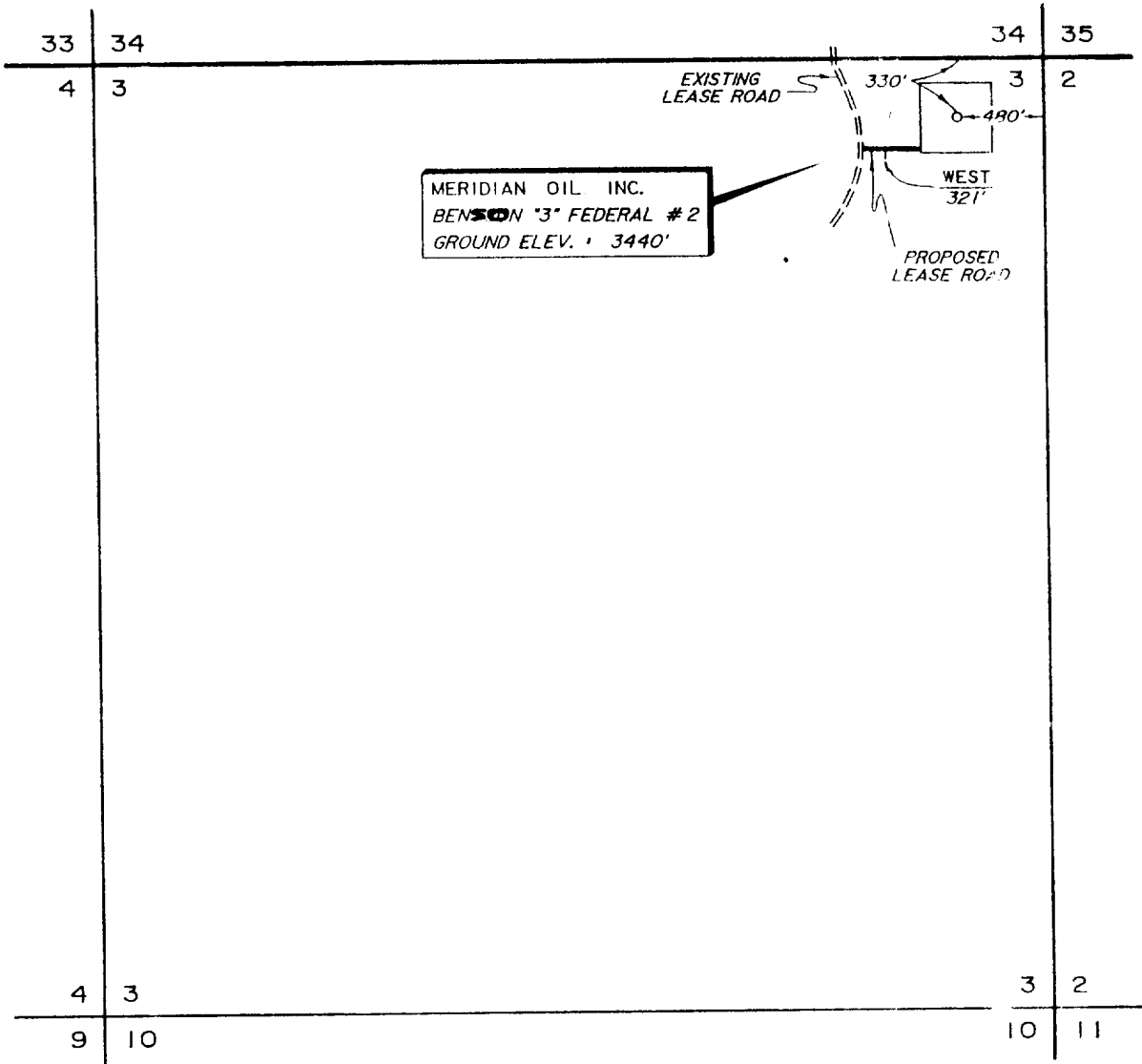
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
OCTOBER 1988
Signature of Professional Surveyor
V. Lynn Beznar
Professional Surveyor
V. LYNN BEZNER
NO. 7920
Certificate

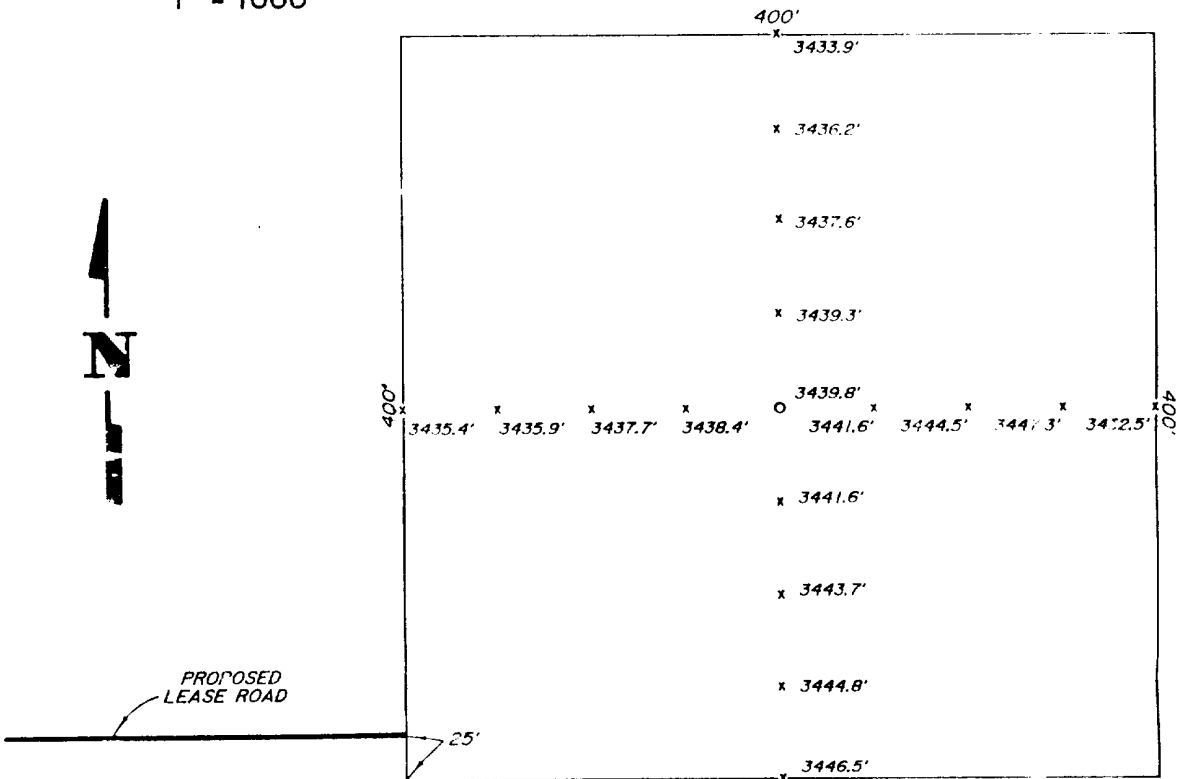


PLAT SHOWING a PROPOSED
WELL LOCATION and LEASE ROAD in
SECTION 3, T-19-S, R-30-E,
EDDY COUNTY, NEW MEXICO

FROM THE J. OF U.S. 180 & HWY 360, 15 MILES EAST OF
CARLSBAD, GO NORTH 11.6 MILES ON HWY 360, THENCE
NORTHEAST 1.9 MILES ON COUNTY ROAD 251, THENCE
EAST 1.5 MILES ON COUNTY ROAD 250, THENCE SOUTH
0.6 MILE TO A POINT ± 1100' WEST OF THE NE⁴ OF SECTION 3



PLAN VIEW
1" = 1000'



DETAIL VIEW
1" = 100'

				MERIDIAN OIL INC.	SCALE • AS SHOWN
					DATE • OCTOBER 25, 1989
NO.	REVISION	DATE	BY	MIDLAND, TEXAS	JOB NO. • 73754
SURVEYED BY •		B.B.		SURVEYING AND MAPPING BY TOPOGRAPHIC LAND SURVEYORS MIDLAND, TEXAS	DRAWING NUMBER •
DRAWN BY •		P.D.			73 NW
APPROVED BY •		D.K.			SHEET

MERIDIAN OIL INC.

Benson "3" Federal No. 2
330' FNL & 330' FEL
Sec. 3, T-19-S, R-30-E
Eddy County, New Mexico
NM-29228

To supplement USGC 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:

Yates	2,050'	Queen Sand	2,950'
Seven Rivers	2,325'	Grayburg	3,430'
7. The estimated depths at which anticipated water, oil, gas, and mineral bearing strata are as follows:

Queen	2,950 - Oil
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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. 8 5/8" csg: Cement w/280 sx Cl. "C" + 2% CaCl₂.
 - b. 5 1/2" csg: Cement w/450 sx Cl. "C" Lite and tail-in w/ 250 sx Cl. "C".
10. The pressure control diagram is attached to Form 3160-3. The following additional information is as follows:

8 5/8" casing installation: 10" - 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 an annular BOP, 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: 1 man unit 2000' - TD.
 - D. Wire Line Logs:

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

CNL/FDC/GR	TD-2000' (GR/CNL to surf)
DLL/RXO	TD-2000'
13. No abnormal pressures are anticipated. Bottom hole pressures at TD expected to be 1600 psi. Bottom hole temperature 100° F. No Hydrogen Sulfide expected in this known drilling area. No crooked hole or abnormal deviation problems.
14. Anticipated starting date to spud - on or before 12-15-89. Anticipated drilling time expected to be 10 days from surface to TD.

SURFACE USE PLAN

MERIDIAN OIL INC.

Benson "3" Federal No. 2
330' FNL & 330' FEL
Sec. 3, T-19-S, R-30-E
Eddy County, New Mexico
NM-29228

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: From the junction of US 180 and Hwy. 360, 15 miles east of Carlsbad, go N 11.6 miles on Hwy. 360, thence NE 1.9 miles on Co. Rd. 251, thence east 1.5 miles on Co. Rd. 250, thence south 0.6 mile to a point $\pm 1100'$ west of the NEC of Section 3.

2. Planned Access Road:

a. A 400' long access road will be constructed to an existing lease road.

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:

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 NE/4 SE/4 of Sec. 29 T18S, R31E.

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, and junk will be disposed of into a dumpster and hauled from the site to an authorized disposal site.
- h. All trash and debris will be removed from well site within 30 days after drilling and/or completion operations are finished.

8. Ancillary Facilities:

None

9. 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.

10. Topography and Soil:

New Mexico Archaeological Services, Inc. Report by Dr. J. Loring Haskell is attached.

11. Land Use:

Grazing and hunting - Federal

Surface Lessee - Snyder Ranch
c/o Mr. Larry Squires
P. O. Box 726
Lovington, New Mexico 88260

12. Surface Ownership:

Bureau of Land Management (Federal)

13. Operators Representatives:

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

Meridian Oil Inc.
P. O. Box 837
Hobbs, New Mexico 88240
Office: 505-393-5844

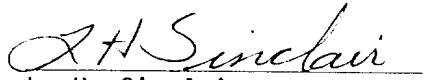
Mr. Johnny Ellis, Drilling Foreman, or a consultant
Hobbs, New Mexico
Home: 505-393-8150

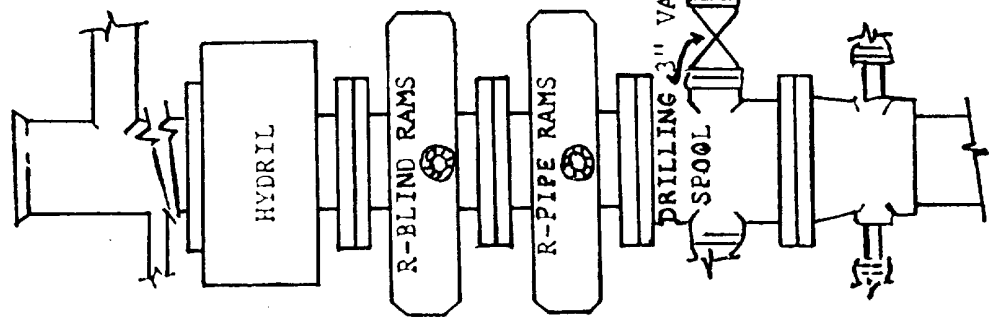
Mr. Bill Dawson, Drilling Superintendent
Midland, Texas Office: 915-686-5600
Home: 915-682-9037

14. Certification:

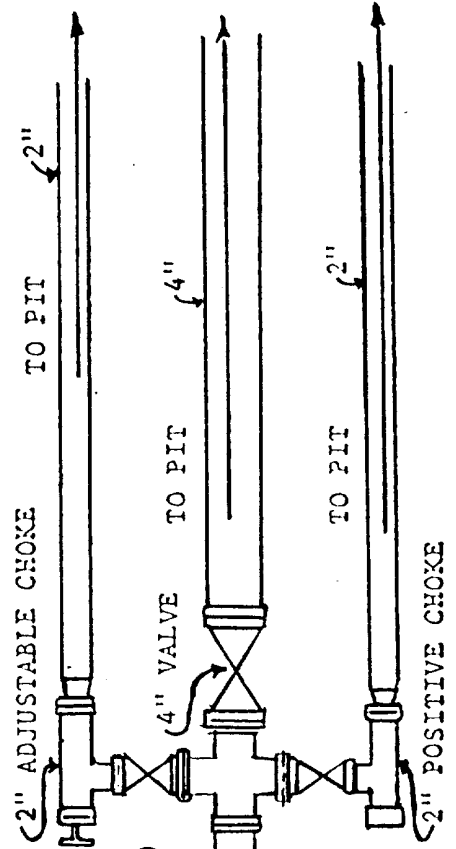
I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route; that I am familiar with conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations 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.

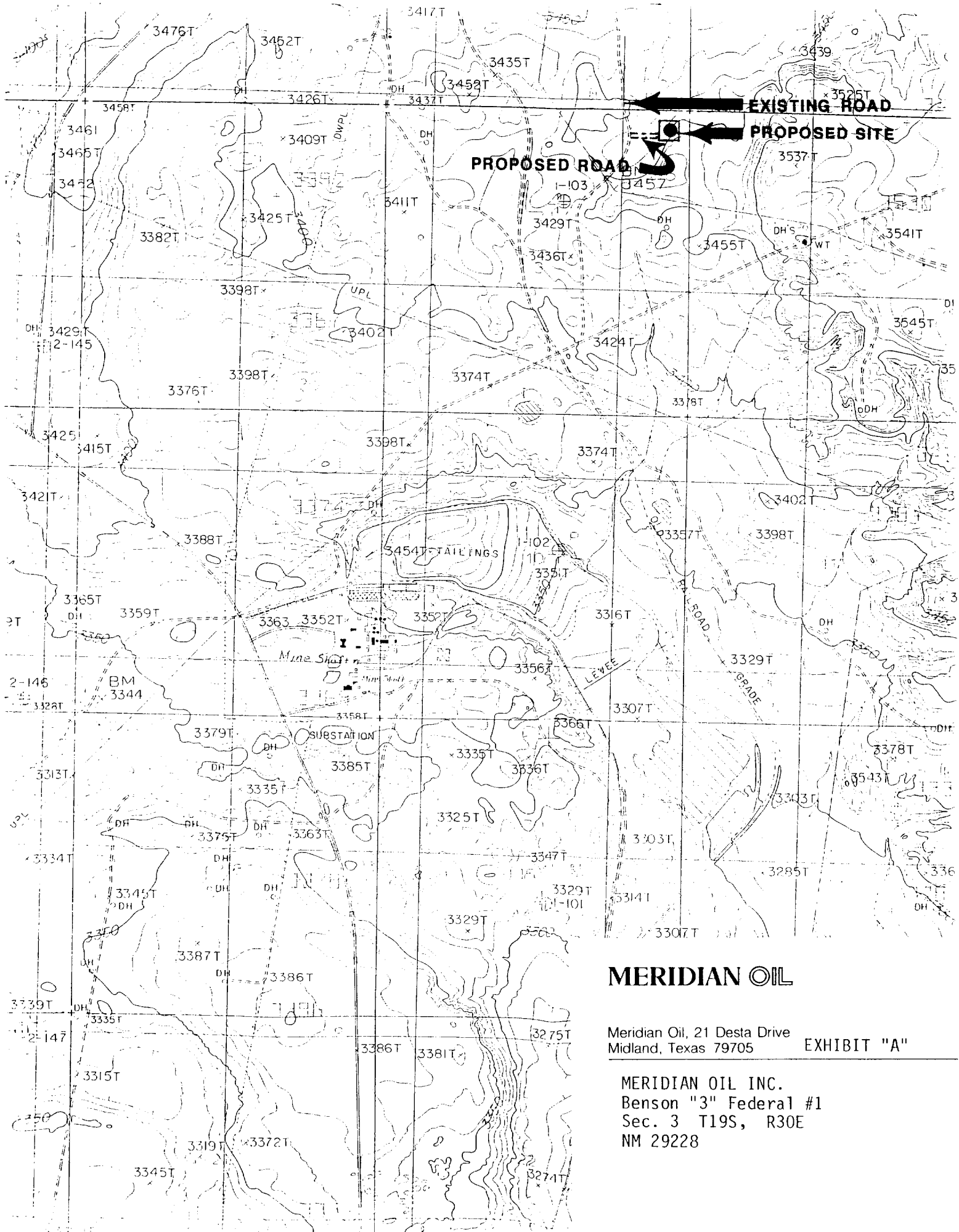
Date: 11/13/89


L. H. Sinclair
Senior Drilling Engineer
Meridian Oil Inc.



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



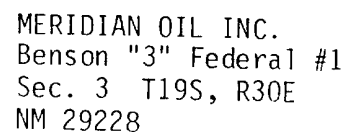


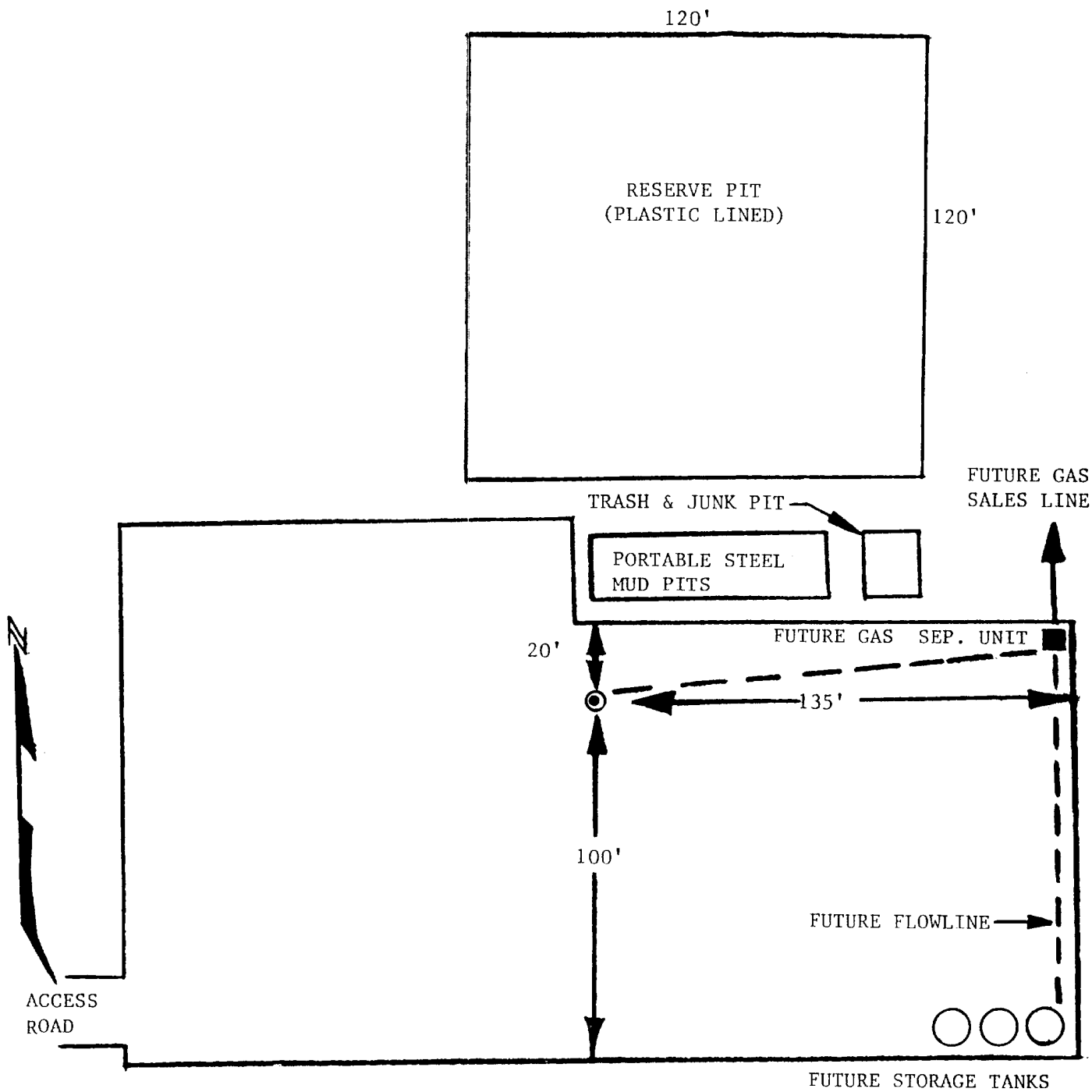
MERIDIAN OIL

Meridian Oil, 21 Desta Drive
Midland, Texas 79705

EXHIBIT "A"

MERIDIAN OIL INC.
Benson "3" Federal #1
Sec. 3 T19S, R30E
NM 29228





MERIDIAN OIL

Meridian Oil, 21 Desta Drive
Midland, Texas 79705

EXHIBIT "C"

MERIDIAN OIL INC.
Benson "3" Federal #1
Sec. 3 T19S, R30E
NM 29228