		S. 1ST ST.	sion		. ~ .	1		11.8
Hore 21:50-3 (July 1992)	UNITED STATES (Other instructions on reverse side)				ns on)	FORM APPROVED (1977) OMB NO. 1004-0136 Expires: February 28, 1995		
DEPARTMENT OF THE INTERIOR 5-13-97 JP BUREAU OF LAND MANAGEMENT 5-7-97 POM							5. LEASE DESIGNATION AND SERIAL NO.	
APPLICATION FOR PERMIT TO DRILL OR DEEPEN					6. IF INDIAN, ALLOTTEE OR TRIBE NAME			
					7. UNIT AGREEMENT NAME 20860			
	GAS OTHER			ZONE X	MULTIPL ZONE	E	8. FARM OR LEASE NAME,	WELL NO.
2. NAME OF OPERATOR ARCO Permian	9	90			a cra-		9. API WELL NO.	$\frac{2}{2}$
3. ADDRESS AND TELEPHONE P.O.BOX 1610,	MIDLAND, TX 79	702	स् स स्	91	5 688-5	570	30.015. L4685	
4. LOCATION OF WELL (Report At Eurface 660' FSL, 198	rt location clearly and in accord	ance with any State re	equireme	nts.*) JUN 18	1397		LIVINGSTON RIDGE (DEL) S	
At proposed prod. zone(7 SAME	<i>to</i> ''' ()n	IT 0	e.	 ft ut e.a	en d	ħ <i>ŋ</i>	AND SURVEY OR AREA	
14. DISTANCE IN MILES AND D	FROM LOVING,	VN OR POST OFFICE*		uyya d Dati	Vi Ud i S	3/s	12. COUNTY OR PARISH EDDY	13. STATE NM
15. DISTANCE FROM PROPOSE LOCATION TO NEAREST				OF ACRES IN LEAS	<u> </u>	17. NO. OF ACRES ASSIGNED TO THIS WELL 40		
Also to nearest drig, unit line, if any) 660 (Also to nearest drig, unit line, if any) 660 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 5442				PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS ROTARY				
21. ELEVATIONS (Show whether DF.RT. GR. etc.) 3500 GR							22. APPROX. DATE WOR SPUD 5/97	K WILL START*
23.		PROPOSED CASING	FAND C	EMENTING PRO	GRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOO		SETTING D	EPTH	775 5		CARCULATE
1/ 1/2	<u>13 3/8 H-40</u> 8 5/8 K-55	48 STS 32 ST		860 4600		775 SKURENCELE CIRCUL		C.
7 7/8	5 1/2 J-55	15.5, 17 L	, τ ς ς	8600		480 5		
Subject well 3.000 psi BOP	' is planned as a E will be used	/ 8600 ' , 680 0' stra from 860' t	ight o TD	hole.				
3,000 psi BOPE will be used from 860' to TD. Attachments are as follows:					RECEIVED			
1. Certified Location Plat 2. Drilling Plan with attachments 3. Surface Use Plan with attachments				MAY 07 '97			7	
							BLIM Roswell, M	IM

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

SIGNED Charles W. (mi	TITLE REGULATORY COMPLIANCE	05-06-97
This space for Federal or State office use)	Appreval Subject to	
РЕ КМП NO	General Repercements and — Special Chipatisticns — Approval date — — — —	
Application approval does not warrant or certify that the CONDITIONS OF APPROVAL, IF ANY:	app with the subject lease which would entitle the applicant	it to conduct operations thereon.
APPROVED BY) (a side mile deling a tol a la conse	DATE

*See Instructions On Reverse Side Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. P.O. Box 1980 Hobbs, NM 86241-1980

DISTRICT II P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV P.O. BOX 2088, SANTA FE, N.M. 87504-2088 State of New Mexico

Energy, Minerals and Natural Resources Departmen

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code Pool Name (DELAWARE) RIDGE LIVINGSTON **Property** Name **Property** Code Well Number BARCLAY FEDERAL 2 OGRID No. Operator Name Elevation 000990 ARCO PERMIAN 3496 Surface Location UL or lot No. Lot Idn Feet from the North/South line Section Feet from the East/West line Township Range County 31 E 0 12 23 S 660 SOUTH 1780 EAST EDDY Bottom Hole Location If Different From Surface UL or lot No. Lot Idn Feet from the North/South line East/West line Section Feet from the Township Range County Dedicated Acres Joint or Infill Consolidation. Code Order No. 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 Signature CHARLES W. Printed Name REGULATORY AGENT Title 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 supervison, and that the same is true and correct to the best of my belief. MAY 22, 1997 anninninnin Date Sugar DMCC al Se Flo Sign

> _____3496.5 3498.3 1780 3498.0 3494.1

OPERATOR CERTIFICATION	
I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.	
Charle W. Knister f.	



DRILLING OPERATIONS CLASS -1: NORMAL PRESSURE < 10PPG OPTION - 2: MMS STANDARD; SINGLE SIZE DRILL STRING



DRILLING OPEF....ONS CHOKE MANIFOLD 2M AND 3M SERVICE



5. **Proposed Casing and Cementing Program**

	Hole <u>Size</u>	Interval, M.D.	Casing <u>Size</u>	Weight & <u>Grade</u>
Surface	17 1/2"	o (⁰⁻⁸⁶⁰ '	13-3/8" 9 <u>-5/8</u> " 8 ⁻⁵ 8	48.0# H-40
Intermediate	11"	, 860' -4600'	9-5/8m 8 78	32.0# J-55
Production	7 7/8"	^O _4600'-8600'	5-1/2"	15.5# & 17.0# J-55 LT IC
		·		15.5# & 17.0# J-55 LTIC 7000 15.5 PPF 1600 17 PPF
Cement Program	: (Actual)	volumes will be based or	n caliper log when a	available)

Cement Program: (Actual volumes will be based on caliper log when available)

Surface - Cement to surface with total of ± 1360 cu ft as follows: Lead Slurry - 575 sks 35:65 Poz: C + 2% CaCl₂ + 6% Gel + 1/4 pps Cello-Seal + 10 pps Gilsonite Tail Slurry - 200 sks Class "C" + 2% CaCl₂ + 1/4 pps Cello-Seal

Intermediate - Cement to surface with total of ± 3572 cu ft as follows: Lead Slurry - 1600 sks 35:65 Poz: C + 2% CaCl₂ + 6% Gel + 1/4 pps Cello-Seal Tail Slurry - 200 sks Class "C" + 2% CaCl₂ + 1/4 pps Cello-Seal

Production - Cement to 6500' with a total of \pm 875 cu ft as follows:

Lead Slurry - 155 sks 35:65Class "H" Poz + 6% Gel + 5% salt + .25 pps Cello-Seal <u>Tail Slurry</u> - 325 sks Class "H" + 12 pps BA-90 + 0.4% FL52 + 3% salt + .2%

CD-32 - 1/4 pps Cello-Seal

6. **Mud Program**

		Weight	Funnel	Water
Depth	Mud Type	ppg	<u>Viscositv</u>	Loss
0-860'	Spud Mud	8.4-8.9	29-34	NC
860'-4600'	Brine	10.0-10.2	28-30	NC
4600'-8400'	FW	8.4-8.8	28-30	NC
8400" -8600`	FW LSND	8.6-9.0	32-34	<10

7. **Auxiliary Equipment**

Upper Kelly Cock, Lower Kelly Cock, and Full Opening Stabbing Valve

Testing, Coring and Logging Program 8.

- Drill Stem Tests None Planned. A.
- Coring None planned. Β.
- Logging Mud logging planned from 4000° to TD. С.

D. Electric Logs

Open Hole:	DLL/MLL, CNL/LDT, GR:	Shoe of 8 5/8" csg to TD
Cased Hole:	GR/CNL	Surface to shoe of 8 5/8" csg
	GR/CCL	TD to top cement in prod csg

9. Anticipated Abnormal Temperature, Pressure, or Hazards

Possible water flow from ± 3500 ' to 4200'. Seepage is expected starting in the Cherry Canyon Formation and continuing to TD (5650'-8600').

10. Anticipated Starting Date and Duration of Operations

Pending favorable weather and permit approval, construction work on this location is planned to begin in May, 1997. Construction work will require 4 days, move-in and rig up rotary tools, 1 day, drill and complete, 21 days. It is planned to spud the well in May, 1997.

EXHIBIT 3

Blowout Prevention Equipment Specifications

- 1. All BOP equipment shall be fluid and/or mechanically operated.
- 2. BOP's and all fittings will be in good working condition.
- 3. Equipment through which the bit must pass shall be at least as large as the casing size being drilled
- 4. The nipple above the BOP shall be at least the same size as the last casing set.
- 5. The upper kelly cock with handle and lower kelly cock shall be rated at the BOP working pressure.
- 6. A floor safety valve (full opening) or drill string BOP with appropriate pressure ratings shall be available on the rig floor with connections or subs to fit any tool joint in the string.
- 7. The minimum size choke line shall be 3 inches nominal diameter, with a minimum size for vent lines downstream of chokes of 2 inches nominal, and vent lines which by-pass shall be a minimum of 3 inches nominal and as straight as possible.
- 8. All valves, fittings and lines between the closing unit and the blowout preventer stack should be of steel construction with rated working pressure at least equal to working pressure rating of the stack. Lines shall be bundled and protected from damage.
- 9. Minimum size for kill line is 2 inches nominal.
- 10. Ram type preventers shall be equipped with extension hand wheels or hydraulic locks.

TITLE PAGE/ABSTRACT/ NEGATIVE SITE REPORT ROSWELL DISTRICT

BLM/ RDO 1/95 3. NMCRIS No. 57026 2. (ACCEPTED) (REJECTED) 1. BLM Report No. 4. Title of Report (Project Title): Archaeological Survey of ARCO-PERMANS 5. Project Date(s) May 22, 1997 proposed Access Road (100' X 850'; 1.95 acres) to connect the Barcley Federal Well No.s 2, 3, and 4, located within a 1,280 acre tract of land; located 6. Report Date - May 22, 1997 in Section 13, T236, R31E, NMPM. Eddy County, NM 8. Permit No. 7. Consultant Name & Address: 123-2920-97-K **Direct Charge: David Wilcox** Name: Descri West Archaeological Services Address: 102 N. Main, Carlsbad, NM \$\$220 9. Consultant Report No. Authors Name: David Wilcox DWAS 97-17 MY field personnel names - James Hollen, Staff Archaeologist, Phone (505 887-7646) 11. For BLM Use only. 10. Sponsor Name and Address: Indiv. Responsible: Arco-Permian Name: Bob Lange Address; P.O. Box 50203, Midland, TX, 12 ACREAGE: Phone: (915) 688-5762 Total No. of serve surveyed 1.51 -**Per Serie Ownership:** Federal 13. Location & Area: (Maps Attached If negative survey) a. State - New Mexico b. County - Eddy c. BLM District: Rorwell Resource Area: Carisbed d. Nearest City or town: Carlsbad, NM s. Location: T238, R31E, Section 13, NMPM, Eddy County, NM SE% NW% NE%; NE% NW% NE%; f. 7.5 ' Map Name(s) and Code Numbers(s): Bootleg Ridge, NM (1984)[32103-C6] RECE g. Area Block Impact: N/A Surveyed: N/A Linear Impact: Unknown; within a 100' wide conterline staked corridor Serveyed: Access Road (100' X 850'; 1.95 ecres) ų

14. a. Records Search: BLM and ARMS prefield literature searches conducted by Chris Owens on May 15, 1997. These record searches revealed no previously recorded sites within a .25 mile radius of the project area.

Location: BLM and ARMS Date: 5-15-1997

List by LA# All sites within .25 miles of the project: N/A

(These sites within \$60' are to be shown on the project map)

b. Description of undertaking:

Class III pedestrian survey

a. Environmental Setting (NRCS soil designation; vegetative community; etc.)

Vegetation -chin oak, mesquite, yucca, sage, crocecte, chinchweed, shakeweed, prickly pear, Mormon tee, sand burr, little-leaf homebrush, devil claw, walking stick and pencil cholia. Russian thistle, abundant assorted grasses, wildflowers, forbe, and edaphic plants.

Topography-The proposed project area consists of low, moderate and high relief, stabilized to slightly active dunal plains, complexes, coalesced dunal basins and subsided dunal basins or catchments with mesquite stabilized dunal hummocks rising 1-1.5 meters above defleted surfaces and exposed Paleosol Horizons. Defleted surfaces contain abundant callche gravel deposits as well as siliceous gravels of the Dockum Group.

Solis -range from mostly: Kermit-Berino Association: Sandy, deep solis from wind-worked mixed sand deposits, to Pyote-Maljamar Association: gently undulating and rolling, deep, sandy solis, to some occurrence of Simona-Tonuco Association: nearly level and gently undulating, loamy and sandy solis that are shallow to indursted cellche.

d. Field Mathema:

Transact Intervals: straight and zig-zag transects, spaced not greater than 1.5 meters apart. Crow Sime: 1 archaeologist Time in Field: approximately 1 hour. Collections: n/a

15. Cultural Resource Findings:

a. Identification and description: No cultural resources were encountered during the archaeological investigation.

16. Management Summary (Recommendations): Archaeological clearance for ARCO-PERMIAN'S proposed Access Road (100' X 850'; 1.95 acres) to connect the Barcley Federal Well No.s 2, 3, and 4, located within a 1,280 acre tract of land; is recommended as staked. If cultural resources are encountered during construction and development activities, the BLM and DWAS should be notified immediately. Final Archaeological clearance is granted by the BLM.

I confirm that the information provided above is correct and accurate and mosts all appreciable BLM standards.

5.22.97 Responsible / mature Date