

OCD Hobbs

**HOBBS OCD**

ATS-16-932

FORM APPROVED  
OMB No. 1004-0137  
Expires October 31, 2014

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

MAY 09 2016

RECEIVED

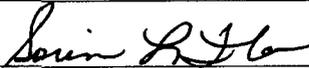
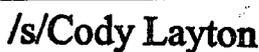
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM-90161
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <span style="border: 1px solid black; padding: 2px;">D</span>
2. Name of Operator APACHE CORPORATION (877) /		7. If Unit or CA Agreement, Name and No. NMNM-12042X; W. Blinebry Drinkard
3a. Address 303 VETERANS AIRPARK LN #1000 MIDLAND, TX 79705		8. Lease Name and Well No. WEST BLINEBRY DRINKARD UNIT #244
3b. Phone No. (include area code) 432-818-1167		9. API Well No. 43223 (77746) /
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface 1765' FSL & 1555' FWL At proposed prod. zone 1870' FSL & 1340' FWL		10. Field and Pool, or Exploratory EUNICE;BLI-TU-DR, N <22900> Kz
14. Distance in miles and direction from nearest town or post office* APPROX 5 MILES NORTH OF EUNICE, NM		11. Sec., T. R. M. or Blk. and Survey or Area UL: K SEC: 9 T21S R37E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) ~19.08'	16. No. of acres in lease 640 ACRES	17. Spacing Unit dedicated to this well 40 ACRES
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. ~300'	19. Proposed Depth MD: 6855' TVD: 6850'	20. BLM/BIA Bond No. on file BLM-CO-1463 NATIONWIDE / NMB000736
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GL: 3506'	22. Approximate date work will start* AS SOON AS APPROVED	23. Estimated duration ~ 8 DAYS
24. Attachments		

NATIONWIDE LOCATIONS

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- |  |   |
|--|---|
| 1. Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan.  | 5. Operator certification   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM.             |

25. Signature 	Name (Printed/Typed) SORINA L. FLORES	Date 3/21/16
Title SUPV OF DRILLING SERVICES		
Approved by (Signature) 	Name (Printed/Typed) CODY LAYTON	Date APR 20 2016
Title FIELD MANAGER		
Office BLM-CARLSBAD FIELD OFFICE		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to

conduct operations if  
Conditions of approval  
See attached NMOCD  
Conditions of Approval

APPROVAL FOR TWO YEARS

person knowingly and willfully to make to any department or agency of the United within its jurisdiction.

(Continued on

\*(Instructions on page 2)

**APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED**

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

*Kz*  
*05/11/16*

Witness Surface Casing

Lea County Controlled Water Basin

MAY 12 2016

**APACHE CORPORATION (OGRID: 873)  
WEST BLINEBRY DRINKARD UNIT #244**

**HOBBS OCD**

MAY 09 2016

**1. Geologic Formations**

TVD of target	6850'	Pilot hole depth	N/A
MD at TD:	6855'	Deepest expected fresh water:	65'

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**Back Reef**

Formation	Depth (TVD) from KB.	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Aeolian	Surface	Water	
Rustler	1369'	Water	
Salado	1518'	Salt	
Tansil	2572'	Barren	
Yates	2708'	Oil, Gas, Water	
Seven Rivers	2927'	Oil, Gas, Water	
Queen	3458'	Oil, Gas, Water	Loss circ
Grayburg	3816'	Oil, Gas, Water	Loss circ
San Andres	4158'	Oil, Gas, Water	Loss circ
Glorieta	5202'	Oil, Gas, Water	
Paddock	5272'	Oil	
Blinebry	5689'	Oil	Target Zone
Tubb	6174'	Oil	Target Zone
Drinkard	6482'	Oil	Target Zone
ABO	6741'	Oil	
TD	6855'	Target Zone	

see  
COA

\*H2S, water flows, loss of circulation, abnormal pressures, etc.

**2. Casing Program**

Hole Size	Casing Interval		Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
	From	To							
11"	0	1400'	8-5/8"	24	J55	STC	3.41	1.95	1.8
7-7/8"	0	6855'	5-1/2"	17	L80	LTC	1.74	1.93	1.8
BLM Minimum Safety Factor							1.125	1	1.6 Dry 1.8 Wet

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

Must have table for contingency casing

Is casing new? If used, attach certification as required in Onshore Order #1	Y or N
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	N/A
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N

**APACHE CORPORATION (OGRID: 873)  
WEST BLINEBRY DRINKARD UNIT #244**

If yes, are the first 2 strings cemented to surface and 3 <sup>rd</sup> string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 <sup>nd</sup> string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

**3. Cementing Program**

Casing	# Sk	Wt. lb/ gal	Yld ft <sup>3</sup> / sack	H <sub>2</sub> O gal/sk	500# Comp. Strength (hours)	Slurry Description
Surf.	250	13.5	1.75	9.13	9	Lead: Cl C + 4% Bentonite + 1% CaCL <sub>2</sub> + 0.25# CF (12hr: 677psi, 24hr: 1093psi)
	200	14.8	1.34	6.34	5	Tail: Cl C + 2% CaCL <sub>2</sub> + 0.25# CF (12hr: 1121psi, 24hr: 1795psi)
Prod.	600	12.6	1.95	10.65	9	Lead: Cl C 35/65 + 6% Bentonite + 0.1% R-20 + 0.25# CF + 3% Salt (12hr-677psi, 24hr-1093psi)
	DV/ECP Tool : N/A					
	300	14.2	1.28	5.81	5	Tail: Cl C 50:50 + 2% Bentonite + 0.4% FI-12 + 0.1% R-20 + 0.25# CF + 3% Salt (12hr-1121psi, 24hr-1795psi)

*\*\*If DVT used: DV tool depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.*

\*\*\*\*\*PRODUCTION CMT CONTINGENCY IF WATER FLOWS ENCOUNTERED\*\*\*\*\*

Casing	# Sk	Wt. lb/ gal	Yld ft <sup>3</sup> / sack	H <sub>2</sub> O gal/sk	500# Comp. Strength (hours)	Slurry Description
Prod 1 <sup>st</sup> Stage	200	12.6	1.95	10.65	8.5	Lead: Cl C 35/65 + 6% Bentonite + 0.1% R-20 + 0.25# CF + 3% Salt (12hr-671psi, 24hr-979psi)
	300	14.2	1.28	5.81	8.5	Tail: Cl C 50/50 + 2% Bentonite + 0.4% FL-12 + 0.1% R-20 + 0.25# CF + 3% Salt (12hr-910psi, 24hr-16985psi)
DV/ECP Tool : 4300'						
Prod 2 <sup>nd</sup> Stage	415	12.6	1.95	10.65	8.5	Lead: Cl C 35/65 + 6% Bentonite + 0.1% R-20 + 0.25# CF + 3% Salt (12hr-671psi, 24hr-979psi)
	100	14.8	1.33	6.32	6.5	Tail: Cl C (12hr-1281psi, 24hr-1951psi)

Casing String	TOC	% Excess
Surface	0'	100%
Production	0'	30%

**LOW  
CEMENT  
SEE  
COA**

**APACHE CORPORATION (OGRID: 873)  
WEST BLINEBRY DRINKARD UNIT #244**

Include Pilot Hole Cementing specs:

**Pilot hole depth: N/A**

**KOP: N/A**

Plug top	Plug Bottom	% Excess	No. Sacks	Wt. lb/gal	Yld ft3/sack	Water gal/sk	Slurry Description and Cement Type

**4. Pressure Control Equipment**

N/A	A variance is requested for the use of a diverter on the surface casing. See attached for schematic.
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BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
7-7/8"	11"	3M	Annular	x	50% of working pressure  3M
			Blind Ram	x	
			Pipe Ram	x	
			Double Ram		
			Other*		

*\*Specify if additional ram is utilized.*

BOP/BOPE will be tested by an independent service company to 250 psi low & the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional & tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock & floor safety valve (inside BOP) & choke lines and choke manifold. See attached schematics.

	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil & Gas Order #2 III.B.1.i.
NO	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs & hydrostatic test chart.
Y/N	Are anchors required by manufacturer? <b>NO</b>
NO	A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. <ul style="list-style-type: none"> <li>• Provide description here</li> </ul> See attached schematic.

**APACHE CORPORATION (OGRID: 873)  
WEST BLINEBRY DRINKARD UNIT #244**

**5. Mud Program**

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	Surf. shoe	FW	8.7 – 9.1	32-34	N/C
Surf shoe	TD	Brine	9.8 – 10.2	32-34	N/C

*Sufficient mud materials to maintain mud properties & meet minimum lost circulation & weight increase requirements will be kept on location at all times.*

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring
---	-----------------------------

**6. Logging and Testing Procedures**

Logging, Coring and Testing.	
X	Will run GR/CNL from TD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.
	No Logs are planned based on well control or offset log information.
	Drill stem test? If yes, explain
	Coring? If yes, explain

Additional logs planned	Interval
X Resistivity	Surf. shoe to TD
X Density	Surf. shoe to TD
X CBL	Production casing
	Mud log
	PEX

SEE  
COA

**7. Drilling Conditions**

Condition	Specify what type and where?
BH Pressure at deepest TVD	3016 psi
Abnormal Temperature	NO

Mitigation measure for abnormal conditions. Describe: Lost circulation material/sweeps/mud scavengers.

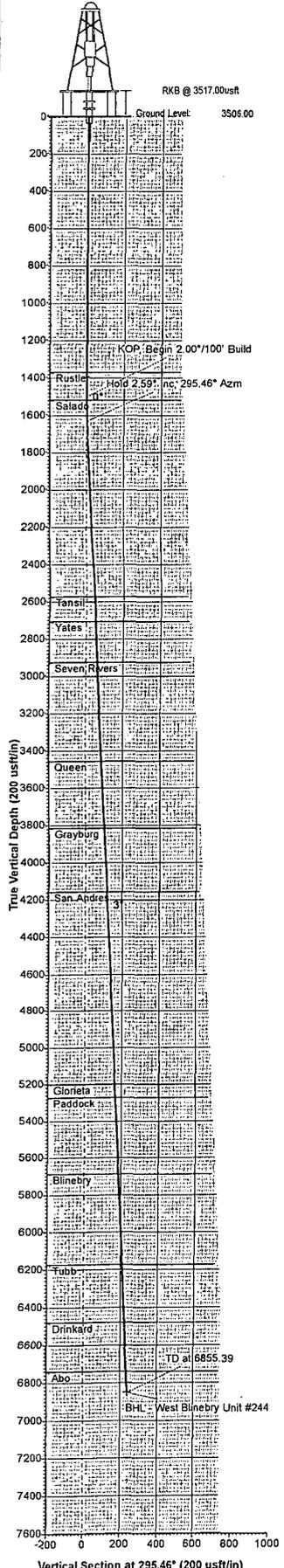
Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.	
X	H2S is present
	H2S Plan attached

**8. Other facets of operation**

Is this a walking operation? If yes, describe. N/A  
Will be pre-setting casing? If yes, describe. N/A

Attachments

Y Directional Plan  
N/A Other



**WELL DETAILS**

+N-S	+E-W	Northing	Easting	Latitude	Longitude
0.00	0.00	544256.50	858374.80	32° 29' 27.25464 N	103° 10' 15.83294 W

**SECTION DETAILS**

Sec	MD	Inc	Azi	TVD	+N-S	+E-W	Dleg	TFace	VSec	Target	Annotation
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	KOP_Begin 2.00°/100' Build
2	1500.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.00	0.00	0.00	Hold 2.59° Inc, 295.46° Azm
3	1629.65	2.59	295.46	1628.60	1.26	-2.65	2.00	295.46	2.93		
4	6855.39	2.59	295.46	6850.00	102.90	-216.10	0.00	0.00	239.35		BHL - West Blinebry Unit #244TD at 6855.39

**DESIGN TARGET DETAILS**

Name	TVD	+N-S	+E-W	Northing	Easting	Latitude	Longitude	Shape
BHL - West Blinebry Unit #244	6850.00	102.90	-216.10	544359.40	858158.70	32° 29' 28.29602 N	103° 10' 18.34246 W	Point

- plan hits target center

**CASING DETAILS**

No casing data is available

Map System: US State Plane 1927 (Exact solution)  
Datum: NAD 1927 (NADCON CONUS)  
Ellipsoid: Clarke 1866  
Zone Name: New Mexico East 3001  
Local Origin: Well #244, Grid North  
Latitude: 32° 29' 27.25464 N  
Longitude: 103° 10' 15.83294 W  
Grid East: 858374.80  
Grid North: 544256.50  
Scale Factor: 1.000  
Geomagnetic Model: HDGM  
Sample Date: 15-Mar-16  
Magnetic Declination: 7.02°  
Dip Angle from Horizontal: 60.58°  
Magnetic Field Strength: 48476

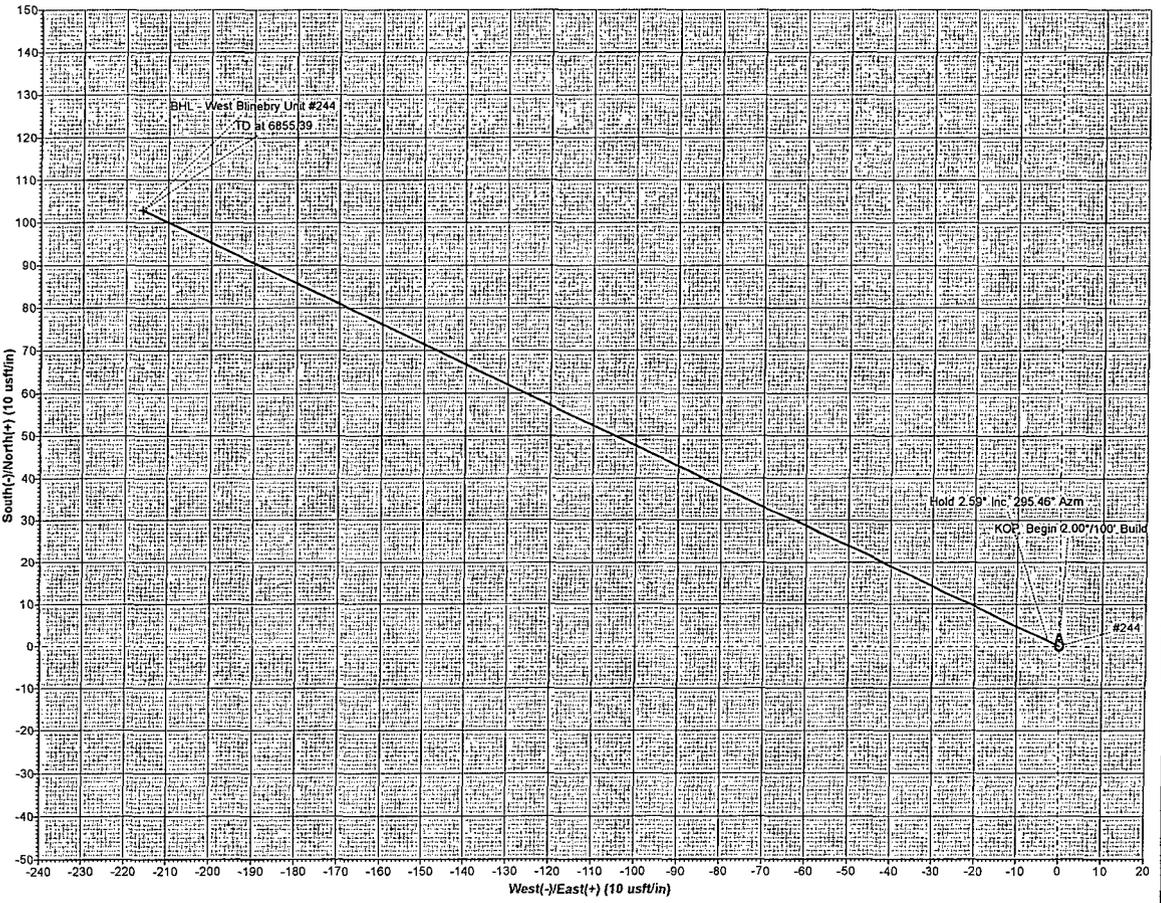
To convert a Magnetic Direction to a Grid Direction, Add 6.39°  
To convert a Magnetic Direction to a True Direction, Add 7.02° East  
To convert a True Direction to a Grid Direction, Subtract 0.62°

**FORMATION TOP DETAILS**

TVDPath	MDPath	Formation	DipAngle	DipDr
1369.00	1369.00	Rustler	0.00	
1518.00	1518.00	Salado	0.00	
2572.00	2573.01	Tensil	0.00	
2708.00	2708.15	Yates	0.00	
2927.00	2928.37	Seven Rivers	0.00	
3458.00	3459.92	Queen	0.00	
3816.00	3818.29	Grayburg	0.00	
4158.00	4160.64	San Andre	0.00	
5202.00	5205.71	Glorieta	0.00	
5272.00	5275.76	Paddock	0.00	
5689.00	5693.20	Blinebry	0.00	
6174.00	6178.70	Tubb	0.00	
6482.00	6487.02	Drinkard	0.00	
6741.00	6746.28	Abo	0.00	

**LEGEND**

— Plan 1 03-15-16



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
620 E. Greene Street  
Carlsbad, NM 88220

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STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Operator Name: APACHE CORPORATION

Street or Box: 303 VETERANS AIRPARK LANE, STE. 1000

City, State: Midland, TX

Zip Code: 79705

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No: NMNM-90161 / WEST BLINEBRY DRINKARD UNIT #244

Legal Description of Land: SHL: 1765' FSL & 1555' FWL BHL: 1870' FSL & 1340' FWL  
Section: 9 Township: 21S Range: 37E

County: LEA State: NM

Bond Coverage: \$150,000

Statewide Oil and Gas Surety Bond, APACHE CORPORATION.

BLM Bond File No.: BLM-CO-1463 NATIONWIDE / NMB000736

Signature: *Bobby L. Smith* Printed Name: BOBBY L. SMITH

Title: DRILLING MANAGER, PERMIAN REGION

Date: 3/21/16

PRIVATE SURFACE OWNER AGREEMENT

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MAY 09 2016

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OPERATOR: APACHE CORPORATION

WELL NAME: WEST BLINEBRY DRINKARD UNIT #244

SECTION: 9 TOWNSHIP: 21S RANGE: 37E

LOCATION: 1765' FSL & 1555' FWL COUNTY: LEA STATE: NM

LEASE NUMBER: NMNM-90161

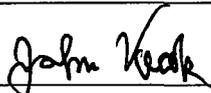
STATEMENT OF SURFACE USE

The surface to the subject land is owned by Millard Deck Estate, c/o Bank of America NA, Trustee of Millard Deck Testamentary Trust under Last Will & Testament of Millard Deck, ATTN: Jeff Petter, Asst VP, US Trust-Farm & Ranch, Bank of America Private Wealth Mgmt, PO Box 270, Midland, TX 79702 (303 W. Wall St, Midland, TX 79701) 432-688-7926

The surface owner has been contacted regarding the drilling of the subject well, and an agreement for surface use has been negotiated.

**CERTIFICATION:** I hereby certify that the statements made in this statement are to the best of my knowledge, true and correct.

NAME: JOHN VACEK

SIGNATURE: 

DATE: 3/21/2016

TITLE: DRILLING ENGINEER

To expedite your Application to Drill please fax the completed form to the Bureau of Land Management (575) 234-5927 or (575) 885-9264  
Attn: Legal Instruments Examiner  
620 E. Green Street  
Carlsbad, NM 88220

The original document with signature should be mailed as soon as possible.