

N.M. OIL CO. VS.
P.O. BOX 1000
HOBBS, NEW MEXICO
DEPARTMENT M

OPER. OGRID NO. 26485
PROPERTY NO. 16353
POOL CODE 15476
EFF. DATE 1/25/95
API NO. 30-025-3283D

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

MERIDIAN OIL INC.

3. ADDRESS AND TELEPHONE NO.

P.O. Box 51810, Midland, TX 79710-1810

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface
330' FNL & 2310' FEL
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

27 MILES WEST OF EUNICE, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 330'

16. NO. OF ACRES IN LEASE

520

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
5350'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GR2 3634'

Capitan Controlled Water Basin

22. APPROX. DATE WORK WILL START*
UPON APPROVAL

23.

PROPOSED CASING AND CEMENTING PROGRAM

Secretary's Potash

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" K55	28# LTIC	600'	1000 SXS - SURFACE
7 7/8"	5 1/2" K55	17# LTIC	5350'	1600 SXS - SURFACE

NOT IN HYDROGEN SULFIDE AREA
NOT IN DESIGNATED PRAIRIE CHICKEN AREA

DESIGNATED POTASH: THIS LOCATION IS NOT LEASED OUT. NOTIFICATION WAS GIVEN TO EDDY POTASH COMPANY AS AN OFFSET TO SAID LOCATION. SEE COPY OF NOTIFICATION.

NOTICE OF STAKING SUBMITTED ON DECEMBER 8, 1994

Approval Subject to
General Requirements and
Special Stipulations
Attached

**NOTE: REQUEST APPROVAL AS SOON AS POSSIBLE AS WE ARE UNDER A LEASE EXPIRATION DEADLINE OF JANUARY 31, 1994. SPOKE W/ARMANDO LOPEZ ON DECEMBER 8, 1994 REGARDING THIS SITUATION.

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.

24.

SIGNED

TITLE REGULATORY ASSISTANT

DATE

12/13/94

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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 thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Gilbert Lucero

TITLE

Assoc. State Dir

DATE

1-11-95

*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.

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill or deepen an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0136), Washington, D.C. 20503.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the operator elects to initiate drilling operation on an oil and gas lease.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-32830 Unassigned		2 Pool Code 15470		3 Pool Name Dagger Lake Delaware	
4 Property Code 16353		5 Property Name DAGGER LAKE "8" FEDERAL			6 Well Number 2
7 OGRID No. 26485		8 Operator Name MERIDIAN OIL INC.			9 Elevation 3634

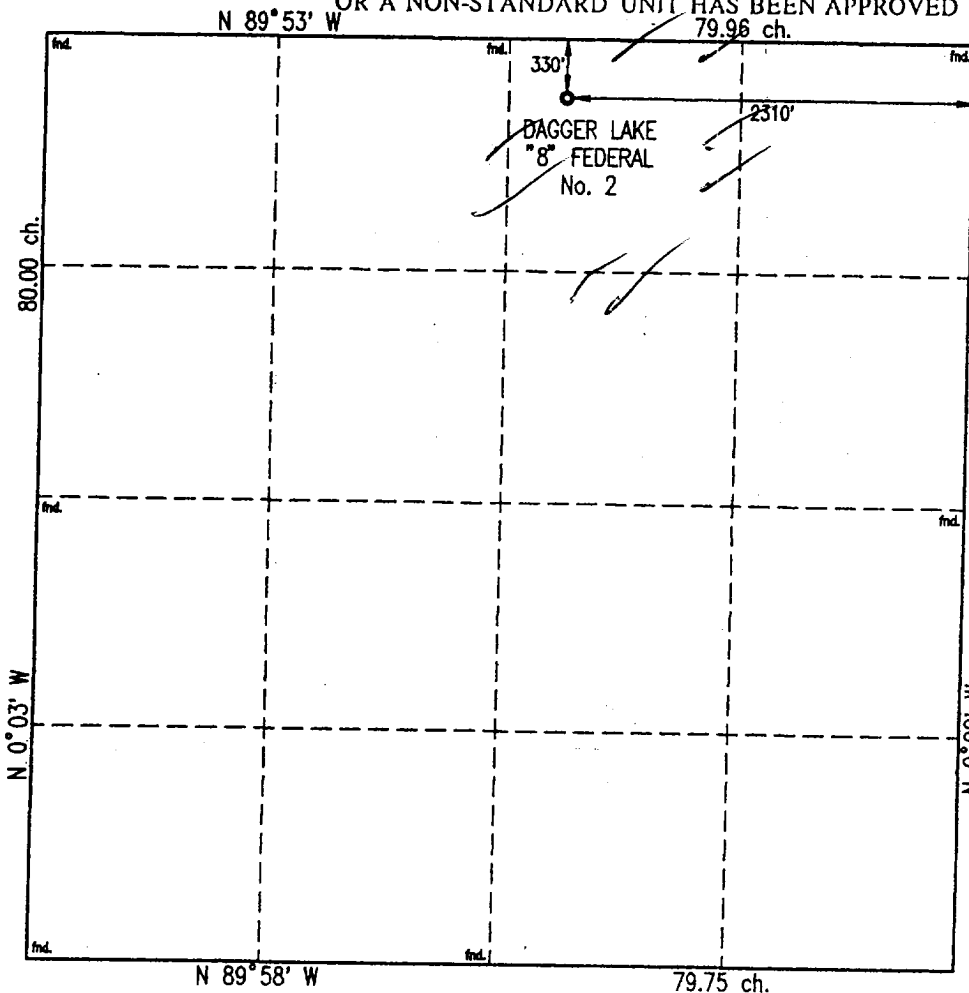
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	8	22 S	33 E		330	NORTH	2310	EAST	LEA

11 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
Same as Surface									
12 Dedicated Acres 40		13 Joint or Infill		14 Consolidation Code		15 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



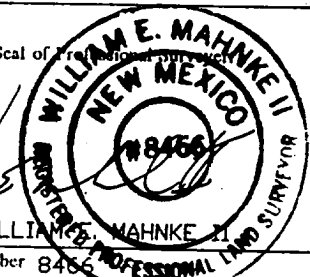
17 OPERATOR CERTIFICATION

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


Signature
Donna Williams
Printed Name
Regulatory Assistant
Title
12/12/94
Date

18 SURVEYOR CERTIFICATION

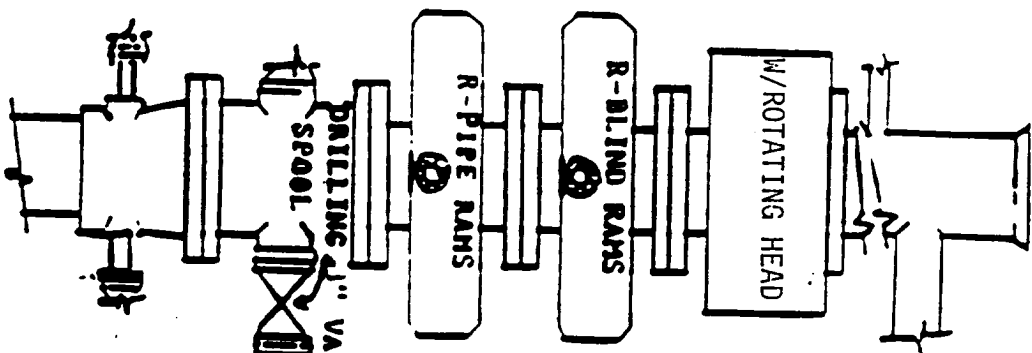
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DECEMBER 9, 1994
Date of Survey
Signature and Seal of

WILLIAM E. MAHNKE II
Certificate Number 8466

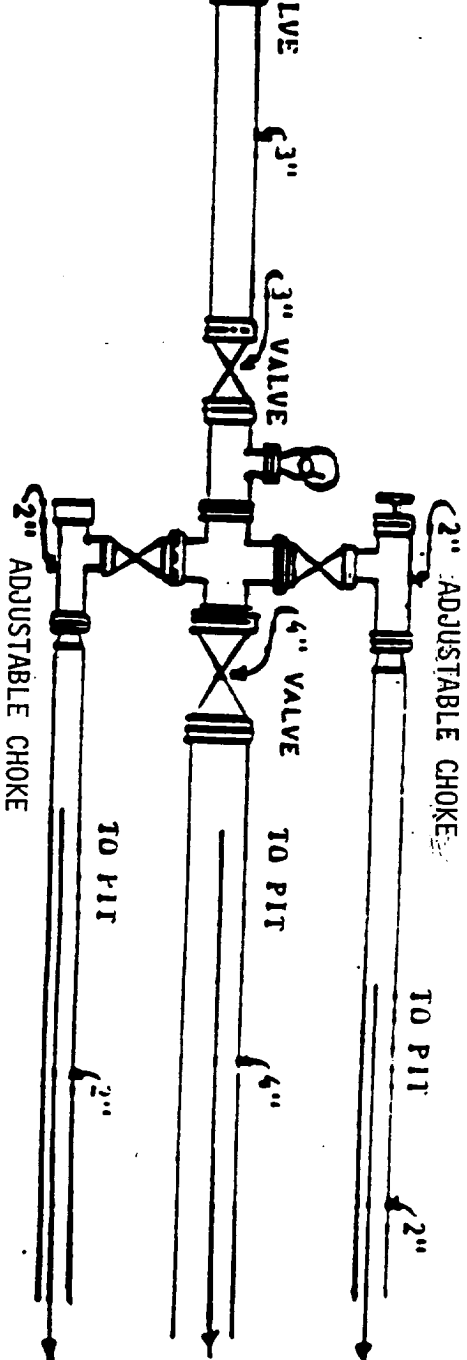
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JUL 20 1966
CIVIL RIGHTS
OFFICE

DOUBLE RAM



BLOW OUT PREVENTION EQUIPMENT
 10" 900S ALL FLANGED CONNECTIONS
 3000# WORKING PRESSURE



OPERATORS NAME:	Meridian Oil Inc.
LEASE NAME AND WELL NO.:	Dagger Lake '8' Federal No. 2
LOCATION:	B, 330' FNL & 2310' FEL, Sec. 8, T22S, R33E
FIELD NAME:	Dagger Lake Delaware
COUNTY:	Lea County, NM
LEASE NUMBER:	NM 70343

The following information is to supplement BLM form 3160-3 Application for permit to drill in accordance with Onshore Oil and Gas Order No. 1:

9 - POINT DRILLING PLAN

1. Name and estimated tops of important geologic formation/marker horizons.

<u>FORMATION</u>	<u>DEPTH</u>
Red Beds	1130'
Salado	1265'
Tansill	3750'
Delaware	4910'

2. Estimated depths at which the top and bottom of formations potentially containing usable water, oil, gas, or prospectively valuable deposits of other minerals are expected to be encountered and the operator's plans for protecting such resources.

Delaware	4910'-5250'
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3. The operator's minimum specifications for Blowout Preventer (BOP) and related equipment to be used and schematic diagrams thereof showing sizes, pressure ratings, and the testing procedures and testing frequency. BOP and BOP - related equipment (BOPE) schematics shall include schematics of choke manifold equipment. Accumulator systems and remote controls shall be utilized.

11" 3M BOP stack to be installed on the 8 5/8" casing. The BOP stack will consist of one blind ram BOP, one pipe ram BOP, and a rotating head. Tested to 1500 psi before drilling the 8 5/8" casing shoe.

4. The proposed casing program including size, grade, weights, type of thread and coupling, and the setting depth of each string and its condition (new or acceptably reconditioned). For exploratory wells, or for wells as otherwise specified by the authorized officer, the operator shall include the minimum design factors for tensions, burst, and collapse that are incorporated into the casing design. In cases where tapered casing strings are utilized, the operator shall also include and/or setting depths of each portion.

- 12 1/4" hole, 8 5/8" 28# csg set @ 600'
- 7 7/8" hole, 5 1/2" 17# csg set @ 5350'

5. The amount and type(s) of cement, including anticipated additives to be used in setting each casing string, shall be described. If stage cementing techniques are to be employed, the setting depth of the stage collars and amount and type of cement, including additives, and preflush amounts to be used in each stage, shall be given. The expected linear fill-up of each cemented string, or each stage when utilizing stage-cementing techniques, shall also be given.

- a. 8 5/8" 28# csg: Cmt w/1000 sxs Class 'C' + 2% CaCl₂. Circ to surface
- b. 5 1/2" 17# csg: Cmt w/1600 sxs Class 'C' Lite +5 pps salt + .25 pps flocele. Circ. to surface

6. The anticipated characteristics, additives, use, and testing of drilling mud to be employed, along with the types and quantities of mud products to be maintained, shall be given. When air or gas drilling is proposed, the operator shall submit the following specific information:

Mud Program:

0-600' fresh water, gel and lime system
600'-5250' salt water

7. The anticipated testing, logging, and coring procedures to be used, including drill stem testing procedures, equipment, and safety measures.

- a. DST Program: None
- b. Core: None

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JAN 2 1946
ELMO HOLLAND
DIRECTOR

- c. Mud Logging: Two-man unit 2500' to TD.
 - d. Logs to be run: CN-FDC/GR/CAL: TD SCP (CNL/GR to surface & DDL/MSFL/GR: TD-SCP)
8. The expected bottom-hole pressure and any anticipated abnormal pressures, temperatures or potential hazards that are expected to be encountered, such as lost circulation zones and hydrogen sulfide. The operator's plans for mitigating such hazards shall be discussed. Should the potential to encounter hydrogen sulfide exist, the mitigation procedures shall comply with the provisions of Onshore Oil and Gas Order No. 6.

No abnormal pressures are anticipated. Bottom hole pressures at TD expected to be 1500 psi. Bottom hole temperature 110° F. There is no anticipated Hydrogen Sulfide in this known drilling area

9. Any other facets of the proposed operation which the operator wishes for BLM to consider in reviewing the application.

Anticipated drilling time expected to be 9 days from surface to TD.