

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

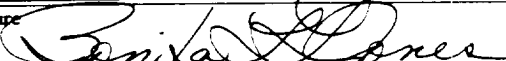
FORM APPROVED  
OMB No 1004-0136  
Expires November 30, 2000

1a. Type of Work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. NM-2512
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
2. Name of Operator Apache Corporation		7. If Unit or CA Agreement, Name and No.
3a. Address c/o Bonnie Jones, P.O. Box 8309, Roswell, NM 88202	3b. Phone No. (include area code) 505-624-9799	8. Lease Name and Well No. Hawk B-3 #1
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 510' FSL, 660' FEL, Unit X At proposed prod. zone 510' FSL, 660' FEL, Unit X <b>Cachon Controlled Water Basin</b>		9. API Well No. 30-025-06498
14. Distance in miles and direction from nearest town or post office* Approximately 4 miles north of Eunice, NM		10. Field and Pool, or Exploratory Penrose Skelly; Grayburg
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 510'	16. No. of Acres in lease 708.67	11. Sec., T., R., M., or Blk. and Survey or Area Sec. 3, T21S-R37E, NMPM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 300'	19. Proposed Depth 7975'	12. County or Parish Lea
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3453' (GL)	22. Approximate date work will start* ASAP	13. State NM
17. Spacing Unit dedicated to this well 40		
20. BLM/BIA Bond No. on file CO-1047		
23. Estimated duration 1 day Drill-5 days Compl		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall 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 shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Bonita L. L. Jones	Date 8-24-01
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Title

Agent for Apache Corporation

Approved by (Signature) /S/ JOE G. LARA	Name (Printed/Typed) /S/ JOE G. LARA	Date OCT 09 2001
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Title

FIELD MANAGER

Office

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 thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 on reverse)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

873  
24433  
50350  
10-12-01  
30-025-06498

KZ

mlp

SCA

BUREAU OF LAND MGMT  
ROSWELL OFFICE

2001 AUG 24 PM 4:08

RECEIVED

SEN. JOE G. LARA

SEN. JOE G. LARA

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
P O Drawer DD, Artesia, NM 88210

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

District IV  
1220 South St. Francis, Santa Fe, NM 87505

EXHIBIT "D-1"  
State of New Mexico  
Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION**

2040 S. Pacheco  
Santa Fe, New Mexico 87505

Form C-102

Revised October 18, 1994

Instruction on Back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-06498		<sup>2</sup> Pool Code 50350		<sup>3</sup> Pool Name Penrose Skelly; Grayburg	
<sup>4</sup> Property Code 24433		<sup>5</sup> Property Name Hawk B-3			<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 000873		<sup>8</sup> Operator Name Apache Corporation			<sup>9</sup> Elevation 3453

<sup>10</sup> Surface Location

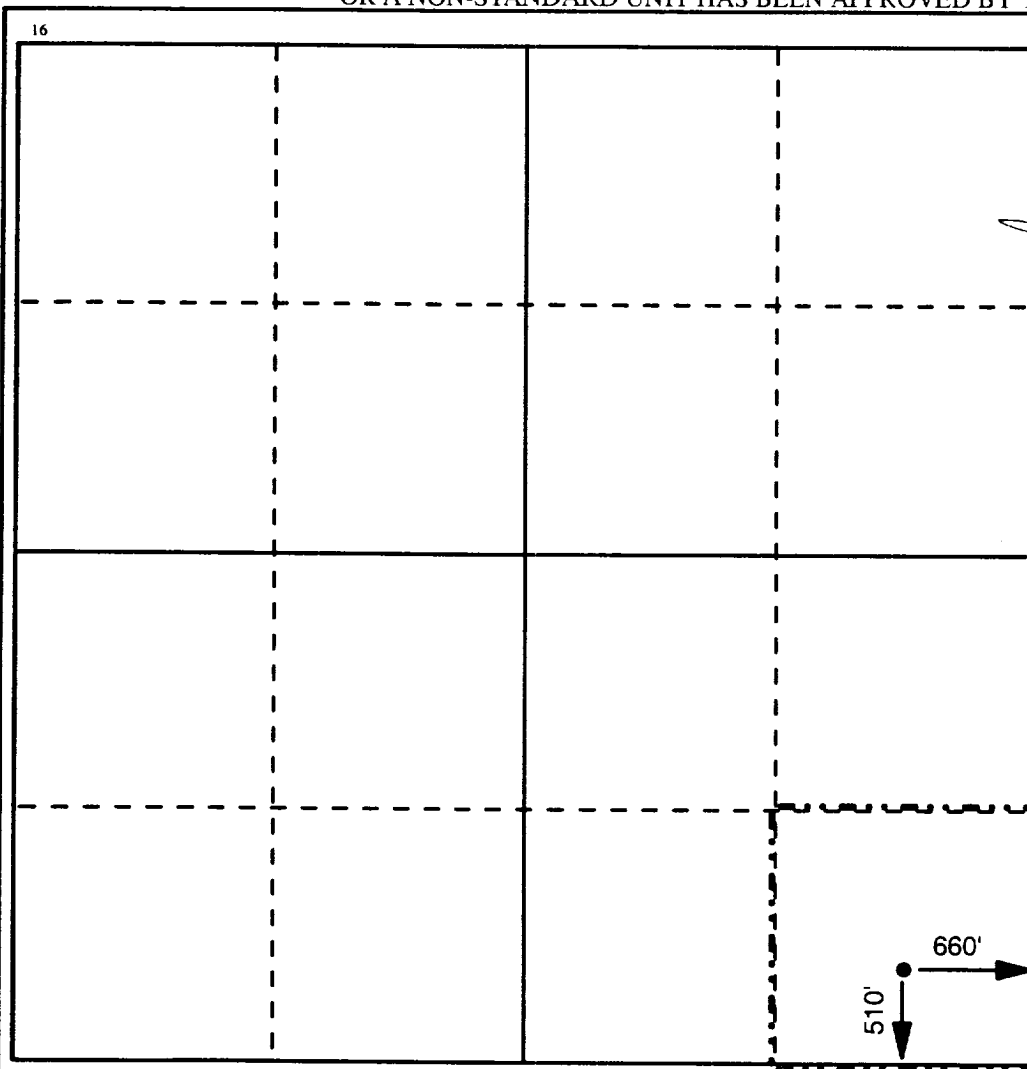
UL or Lot No. X	Section 3	Township 21S	Range 37E	Lot Idn	Feet from the 510	North/South line South	Feet from the 660	East/West line East	County Lea
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>14</sup> Order No.
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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



<sup>17</sup> OPERATOR CERTIFICATION

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

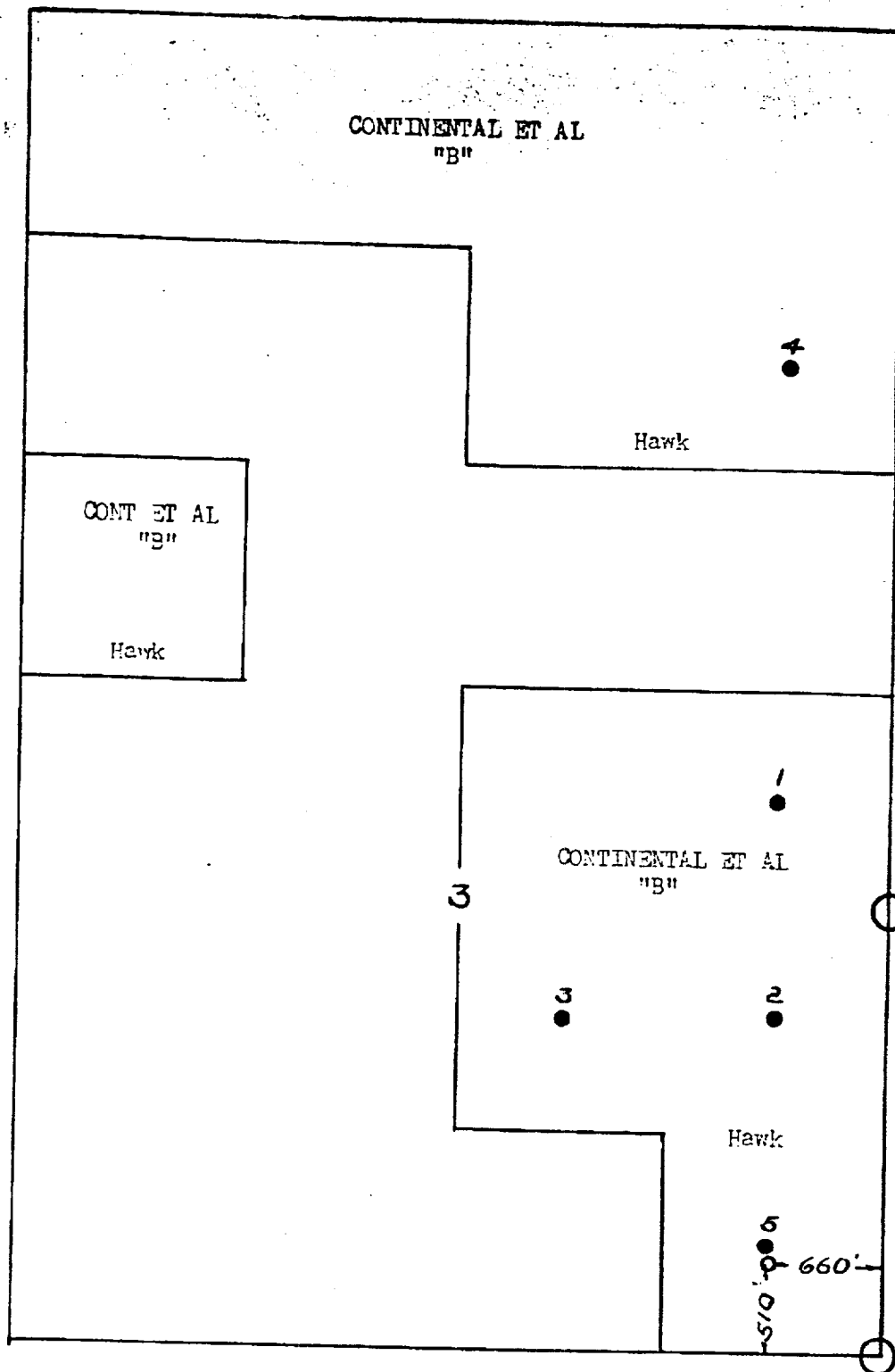
Signature  
*Debra J. Anderson*  
Printed Name  
Debra J. Anderson  
Title  
Sr. Engineering Technician  
Date  
02/06/01

<sup>18</sup> 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.

Date Surveyed  
Signature and Seal of Professional Surveyor

Certificate Number



scale: 1" = 1000'

CONTINENTAL OIL COMPANY  
Well No. 1-B, Hawk 3-3 Lease  
Sec. 3-21-37, Lea Co, N.M.

I, Frank Elliott, do hereby certify that  
this location was made on the ground by  
me and is correct,

*Frank Elliott*

**EXHIBIT "A"**  
**HAWK B-3 #1**  
**DRILLING PROGRAM**

Apache Corporation plans on re-entering this well, drilling out plugs with a workover rig down to the cement plug @ 5594', which will become the PBTD of the well, and perforating the Grayburg formation at an estimated depth of 3904' to 4016'. See Exhibit A-1 for diagrams of the P&A'd Wellbore and the proposed Re-Entry.

I. The geological surface formation is recent Permian with quaternary alluvium and other surficial deposits.

II. Estimated Tops of Geological Markers:

<u>FORMATION</u>	<u>DEPTH</u>
Yates	2625'
Grayburg	3800'
Glorieta	5258'
Tubb	6186'
Drinkard	6517'
McKee	7516'
Ellenburger	7795'
TD	7975'

III. Estimated depths at which water, oil, gas, or other mineral-bearing formations are expected to be encountered:

<u>SUBSTANCE</u>	<u>DEPTH</u>
Oil	Grayburg at 3800'
Gas	None anticipated
Fresh Water	None anticipated

All fresh water and prospectively valuable minerals (as described by BLM) encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows within zones of correlative rights will be tested to determine commercial potential.

IV. A. Proposed Casing Program: No new casing will be installed. Existing casing as follows:

<u>HOLE</u>	<u>CASING</u>		<u>WEIGHT</u>		<u>SACKS</u>	
<u>SIZE</u>	<u>SIZE</u>	<u>GRADE</u>	<u>PER FOOT</u>	<u>DEPTH</u>	<u>CEMENT</u>	<u>EST. TOC</u>
13 3/4"	10 3/4"	H-40	32#	259'	250 sx	Circulated
8 3/4"	7 5/8"	J-55	26#	3194'	1392 sx	TOC @ 1225' (TS)
6 3/4"	5 1/2"	J-55	17#	7975'	550 sx	TOC @ 2275' (TS)

B. Proposed Cement Program: No new cement program will be necessary.

V. Proposed Mud Program: No new mud program will be necessary.

VI. Proposed Control Equipment:

Will install on the 10 3/4" surface casing an 11" x 3000 PSI Shafter. Double hydraulic BOP and will test before drilling out of surface casing. See Exhibit "H" for BOP layout.

VII. Auxiliary Equipment:

11" x 3000 psi double BOP/blind & pipe ram; 11" x 3000 psi Kelly Lock; 11" x 3000 psi mud cross – H<sub>2</sub>S detector or production hole; TIW type safety valve 4" choke line from BOP to manifold; 2" adjustable chokes – 1.4 blowdown line.

As only a 2000psi BOP is needed on this well, a remote control for the accumulator will not be needed.

VIII A. Testing Program: Drill Stem Tests: None planned

B. Logging Program: None planned

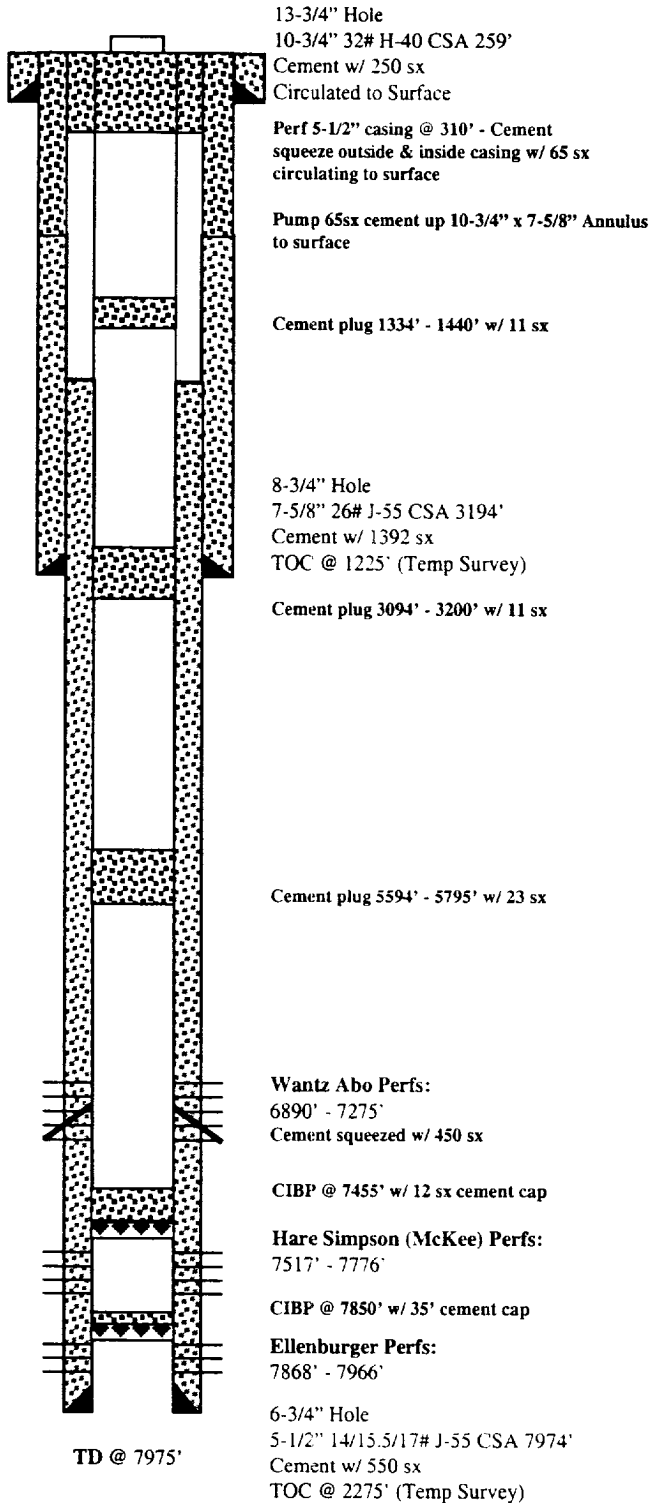
C. Coring Program: None planned

IX. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, however, the proposed mud program will be modified to increase the mud-weight. The estimated maximum bottom hole pressure is 1980 psi.

# EXHIBIT "A-1"

WELL: Hawk B-3 # 1  
 POOL: Penrose Skelly; Grayburg (Proposed)  
 LOCATION: 510' FSL & 660' FEL  
 Unit X, Sec 3, T-21S, R-37E  
 COUNTY/STATE: Lea County, New Mexico

## P&A'd Wellbore



## Proposed Re-Entry

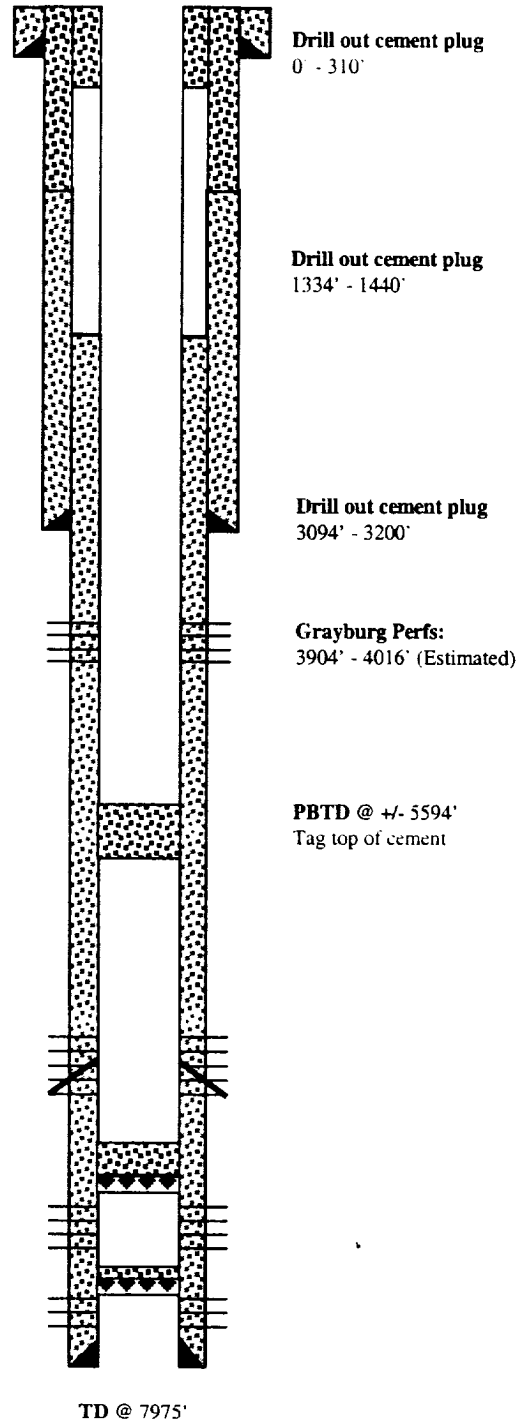


EXHIBIT "B"  
HAWK B-3 #1

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

No H<sub>2</sub>S is anticipated.

EXHIBIT "C"

SURFACE USE AND OPERATIONS PLAN  
CULTURAL RESOURCES SURVEY  
APPROXIMATE REHABILITATION SCHEDULE

LOCALITY: **HAWK B-3 #1**  
OPERATOR: **APACHE CORPORATION**

LOCATION: SE¼SE¼ (UNIT X) OF SECTION 3, T21S-R37E, N.M.P.M.  
LEA COUNTY, NEW MEXICO

SUBMITTED TO:

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
ROSWELL DISTRICT OFFICE  
2909 WEST 2<sup>ND</sup> STREET  
ROSWELL, NEW MEXICO 88201  
TELEPHONE (505) 627-0272

This plan is submitted to provide permitting agencies with information necessary to allow an appraisal of the environmental effects associated with the proposed drilling operations. Within the context of typical drilling operations, this plan provides for protection of surface resources and other environmental components. This plan has been developed in conformity with the United States Geological Survey NTL-6 guidelines, Bureau of Land Management Oil and Gas Order No. 1, and in connection and consultation with the private surface owner of record, if other than the United States of America, as well as the Roswell District Office for the Bureau of Land Management and the United States Department of the Interior personnel.

PART #1:

- 1) Surface Location:  
SE¼SE¼ of Section 3, Township 21 South, Range 37 East, N.M.P.M.  
Lea County, New Mexico  
510' FSL, 660' FEL, Unit X  
See attached Exhibits "D" and "E"
- 2) Bottom Hole Location:  
SE¼SE¼ of Section 3, Township 21 South, Range 37 East, N.M.P.M.  
Lea County, New Mexico  
510' FSL, 660' FEL, Unit X  
See attached Exhibits "D" and "E"
- 3) Leases Issued: NM-2512



- 4) Record Lessee:

Apache Corporation	50%
Atlantic Richfield Company	25%
Chevron USA Inc.	25%
- 5) Acres in Lease:

Section 3: Lots 1, 2, 3, 4, 7, 8, 12, 15, 16,  
N $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 4: Lot 1

Section 10: W $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$

Total Acres: 708.67
- 6) Acres Dedicated to Well:

There are 40.00 acres dedicated to this well, which takes in SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 3, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

**PART #2:**

- 1) Existing Roads:

Exhibit "E" comprises 2 maps showing the well site in relation to existing roads and State Highway 18. The well is  $\pm$ 4 miles north of Eunice, New Mexico.
- 2) Planned Access:
  - A. Length and Width: Existing lease/access roads will be used into the well site.
  - B. Construction: Existing roads will need no upgrading
  - C. Turnouts: None required.
  - D. Culverts: None required.
  - E. Cuts and Fills: As needed.
  - F. Gates and Cattleguards: None required.
- 3) Location of Existing Wells:

Exhibit "F" shows existing wells within a 1-mile radius of the proposed re-entry.
- 4) Location of Existing and/or Proposed Facilities:
  - A. Existing production facilities are located in Unit I of Section 3. T21S-R37E.
  - B. If the oil well proves to be commercial, any necessary production facilities will be installed on the drilling pad, and flow lines will be installed along the proposed route to the production facilities and storage tanks, as shown on Exhibit "E-3".
- 5) Location and Type of Water Supply:

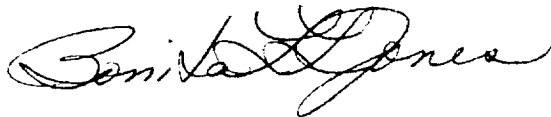
Apache Corporation plans to use produced water for this re-entry.
- 6) Source of Construction Materials: None required.
- 7) Method of Handling Waste Material:
  - A. Drill cuttings will be disposed of in the reserve pits.
  - B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
  - C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
  - D. Water produced during operations will be collected in tanks until hauled to an approved disposal system.
  - E. Oil produced during operation will be stored in tanks until sold.
  - F. Apache Corporation will comply with current laws and regulations pertaining to the disposal of human waste.
  - G. All waste materials will be contained to prevent scattering by the wind and will be removed from the well site within 30 days after drilling and/or completion operations are finished.

- 8) Ancillary Facilities: None planned.
- 9) Well Site Layout:
- A. Exhibit "G" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area have been staked and flagged.
  - B. Mat Size: 200' x 200' including reserve pits as shown on Exhibit "G".
  - C. Cut & Fill: None anticipated.
  - D. Reserve pits will be lined with 6 mil plastic.
- 10) Plans for Restoration of the Surface:
- A. After completion of drilling and/or completion operations, all equipment and other material, not needed for operations, will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
  - B. Any unguarded pits containing fluids will be fenced until they are filled.
  - C. If the proposed well is non-productive, Apache Corporation will comply with all rehabilitation and/or vegetation requirements of the Bureau of Land Management, and such rehabilitation will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.
- 11) Other Information:
- A. Topography: The wellsite and access road are located in the Querecho Plains and are relatively flat.
  - B. Soil: The proposed location, access road and production facilities consist of sandy soil. Slope in the proposed area ranges from zero (0) to five (5) degrees.
  - C. Flora and Fauna: Vegetation is one of a grassland environment and a scrub-grass, scrub disclimax community. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
  - D. Ponds and Streams: There are no ponds, lakes, streams or feeder creeks in the immediate area.
  - E. Residences and Other Structures: There are no occupied residences or other structures on or near the proposed location.
  - F. Land Use: The land is used for grazing cattle.
  - G. Surface Ownership: The surface is owned by McNeill Ranches, P. O. Box 1058, Hobbs, NM 88241. A Surface Damage Release agreement was executed by McNeill Ranches and Apache Corporation on June 25, 2001.
  - H. Archaeological, Historical, and Other Cultural Sites:  
As no new surface will be disturbed in this re-entry operation, Rosemarie Havel with the Carlsbad Resource Area office of the Bureau of Land Management has indicated no new archaeological survey is needed on the well pad. Don Clifton, Archaeological Consultant, is preparing an archaeological survey on the flow-line route which will be filed under separate cover.
  - I. Operator's Representative:

Senior Representative: Lee R. White 2000 Post Oak Blvd., Suite 100 Houston, Texas 77056 713-296-6291  Project (Operations Engineer): Bruce West 2000 Post Oak Blvd., Suite 100 Houston, Texas 77056 713-296-7127	Drilling Operations: Mike Warren P. O. Box 848 Wink, Texas 79789 505-394-2743
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## CERTIFICATION

I hereby certify that Apache Corporation has inspected the proposed drill-site and access route; that they are familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Apache Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



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Bonita L. L. Jones, RLP, Consulting Landman  
Agent for Apache Corporation  
P. O. Box 8309  
Roswell, New Mexico 88202-8309  
(505) 624-9799 FAX (505) 624-9799  
E-Mail: [senoj@dfn.com](mailto:senoj@dfn.com)

Date: 8-24-01

EXHIBIT "D-2"

Hawk B-3 # 21

Hawk B-3

# 3  
# 8

Hawk B-3 # 4

Hawk B-3 # 9

Hawk B-3 # 6

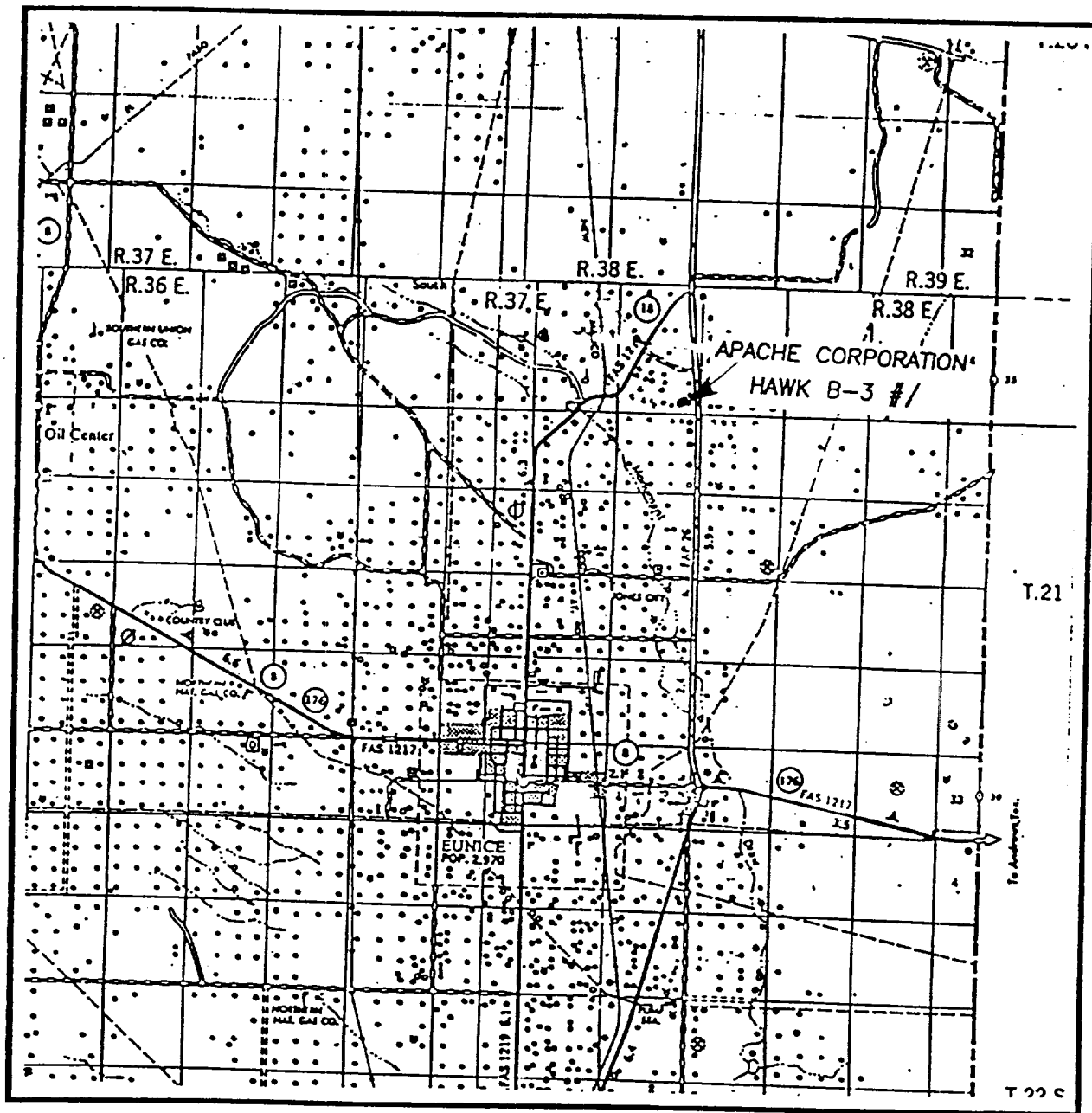
Hawk B-3 # 1

40 Acres

APACHE CORPORATION  
HAWK B-3 NO. 1  
SEC 3 / T-21S / R-37E  
LEA COUNTY, NEW MEXICO

EXHIBIT "E-1"

# VICINITY MAP



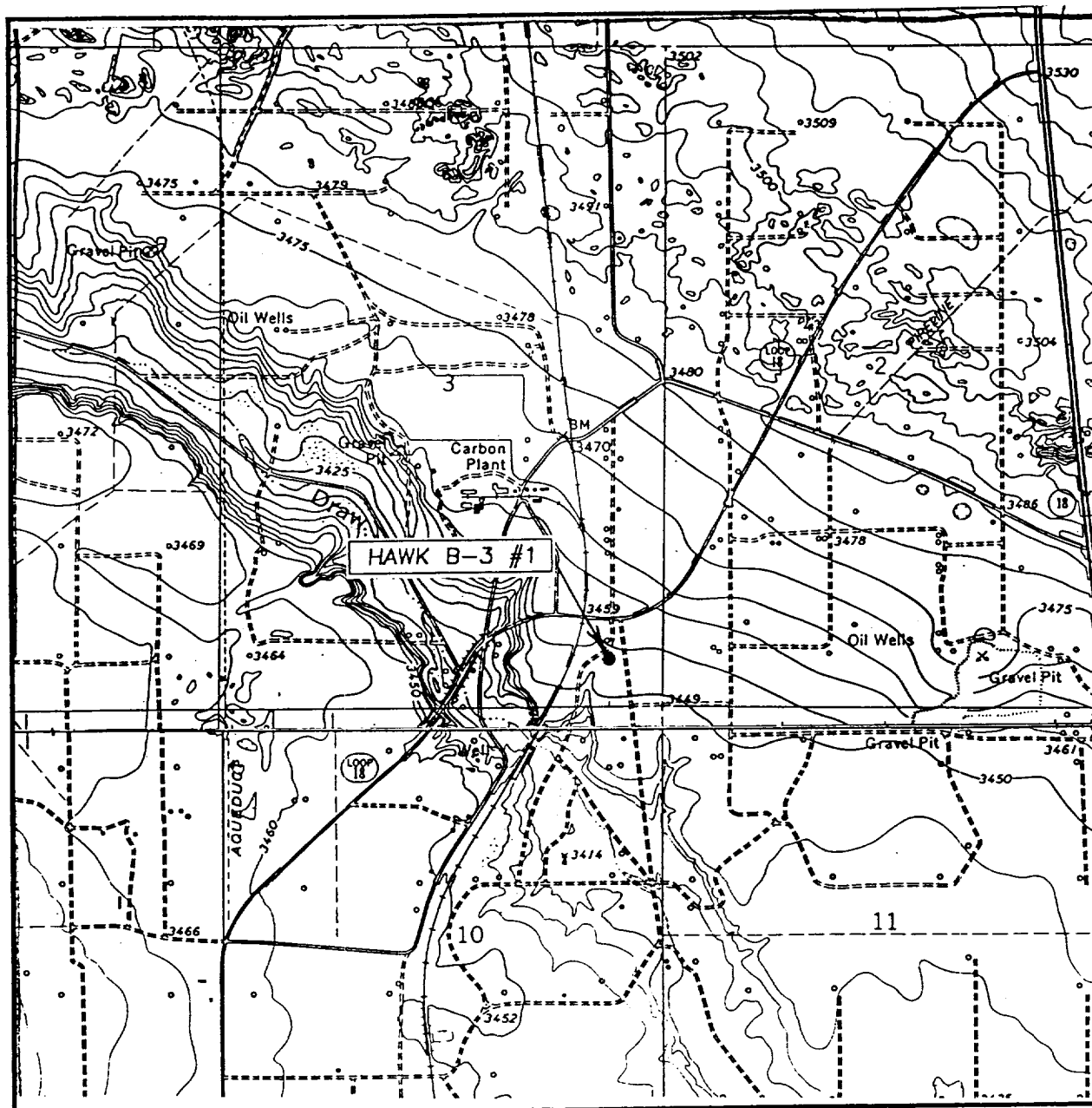
SCALE: 1" = 2 MILES

SEC. 3 TWP. 21-S RGE. 37-E  
SURVEY N.M.P.M.  
COUNTY LEA  
DESCRIPTION .510' FSL, 660' FEL, Unit X  
ELEVATION 3453' GL  
OPERATOR APACHE CORPORATION  
LEASE HAWK B-3

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117

# LOCATION VERIFICATION MAP

EXHIBIT "E-2"



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

EUNICE, HOBBS SW. N.M. 5'

SEC. 3 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 510' FSL & 660' FEL

ELEVATION

OPERATOR APACHE CORPORATION

LEASE HAWK B-3

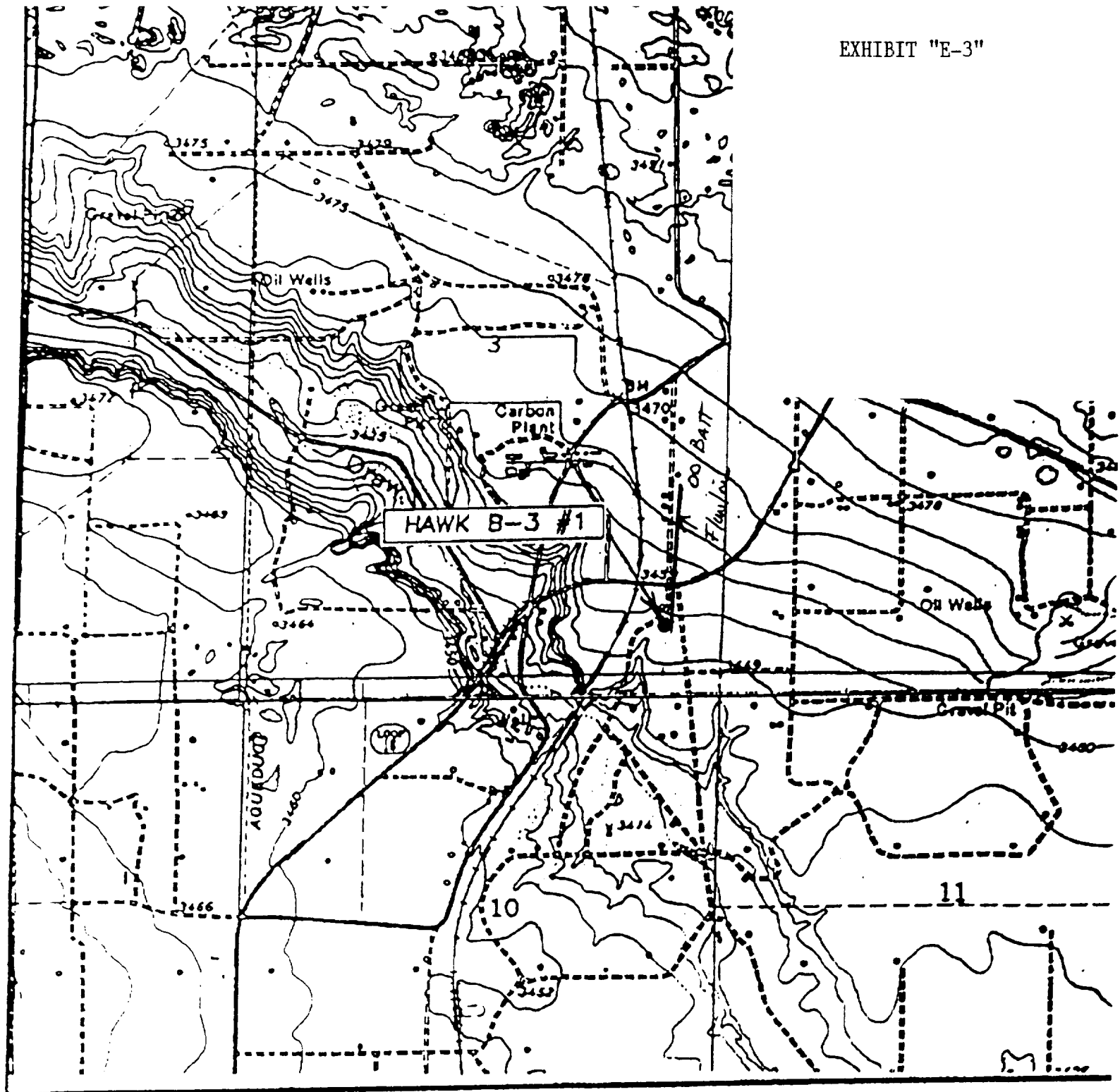
U.S.G.S. TOPOGRAPHIC MAP

EUNICE, N.M.

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117

01.11.0808

EXHIBIT "E-3"



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

EUNICE, HOBBS SW. N.M. 5'

SEC. 3 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 510' FSL & 660' FEL

ELEVATION

OPERATOR APACHE CORPORATION

CASE HAWK B-3

**JOHN WEST SURVEY**  
**HOBBS, NEW MEXICO**  
**(505) 393-3117**

# EXHIBIT "F"

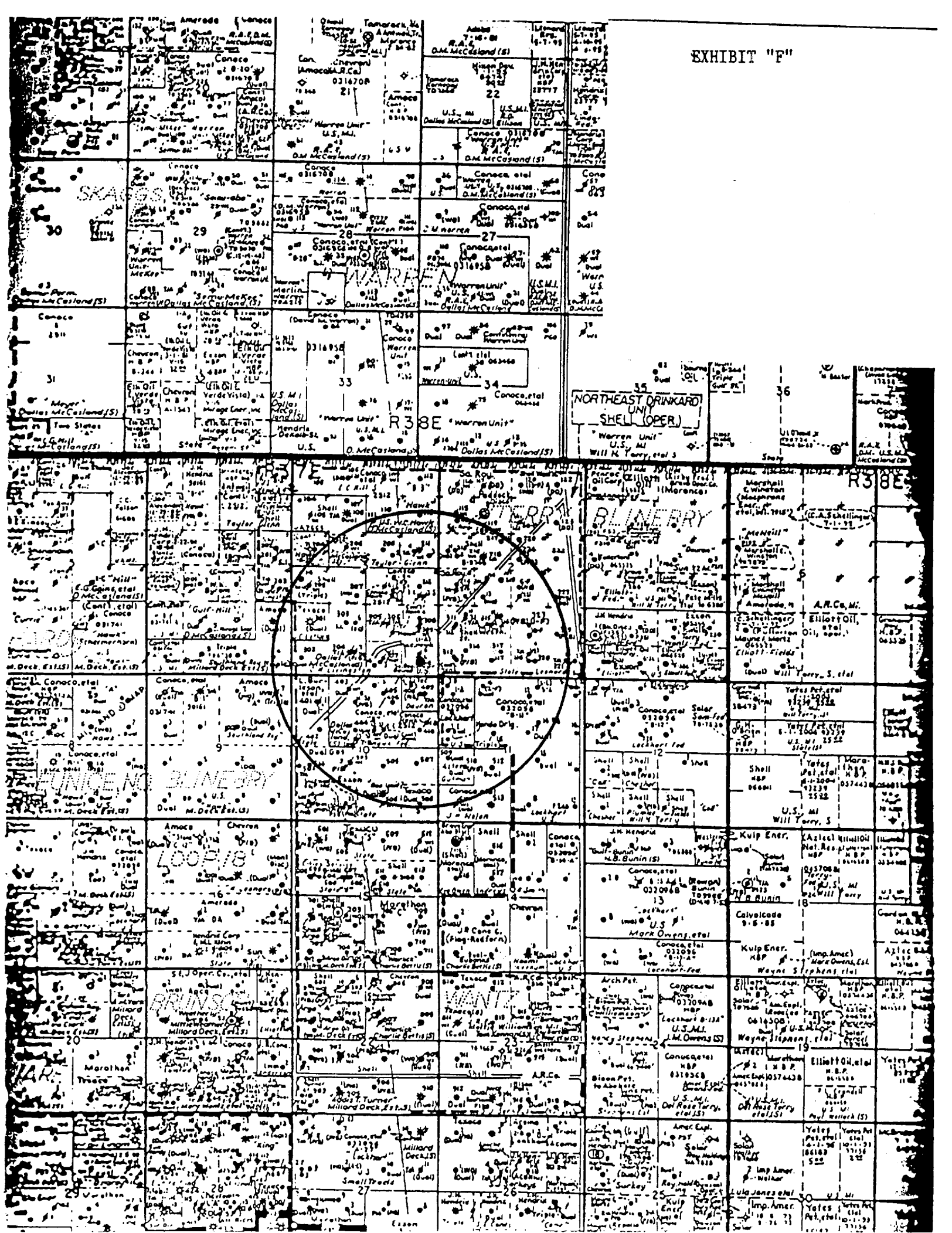
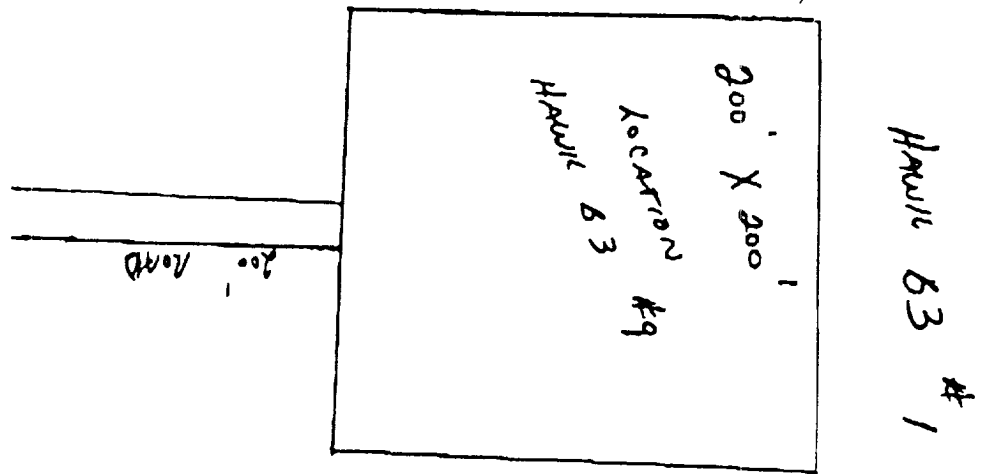




EXHIBIT "G"  
NORTH



SOUTH

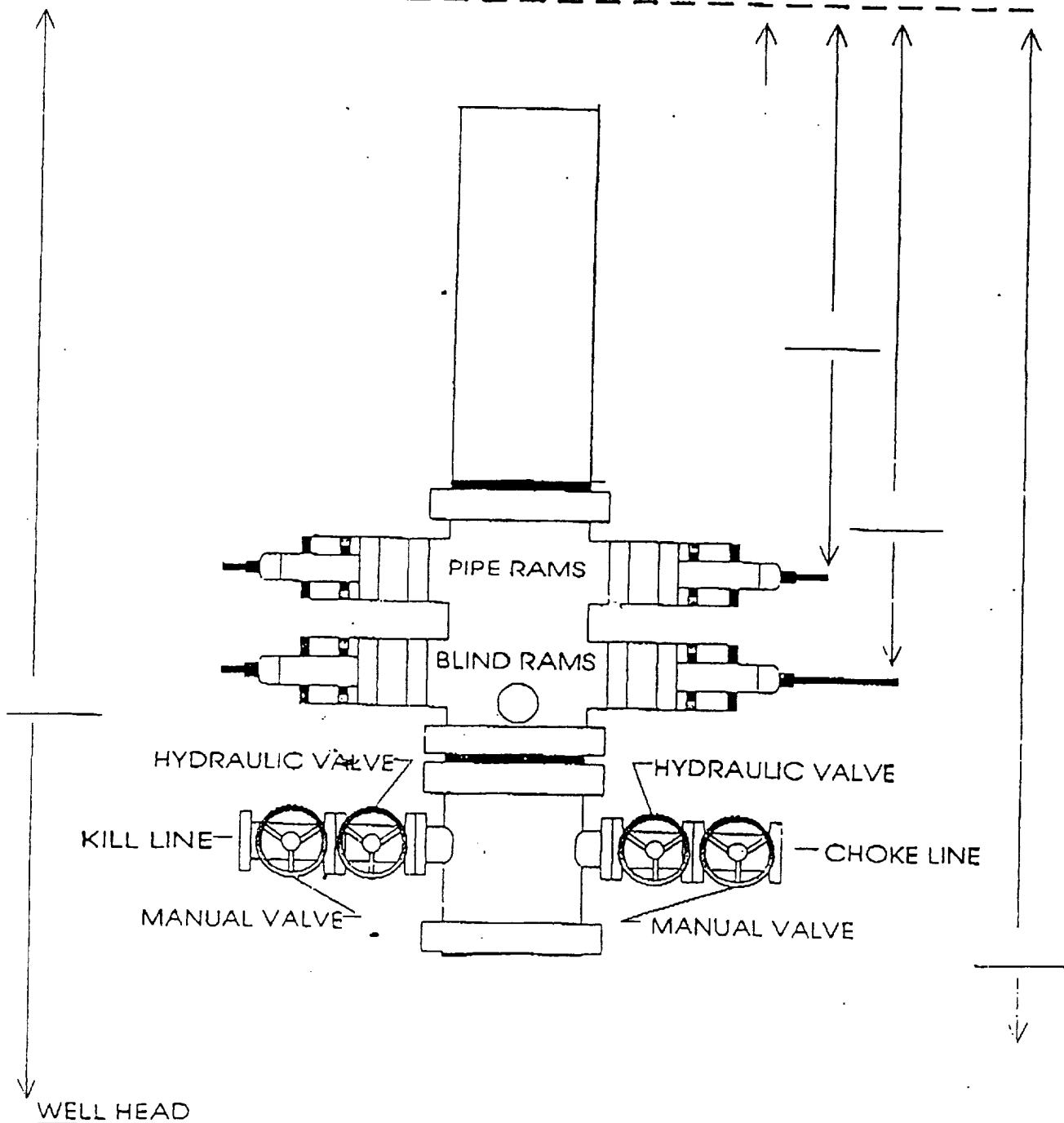
EXHIBIT "H-1"

# B.O.P. STACK SPACING

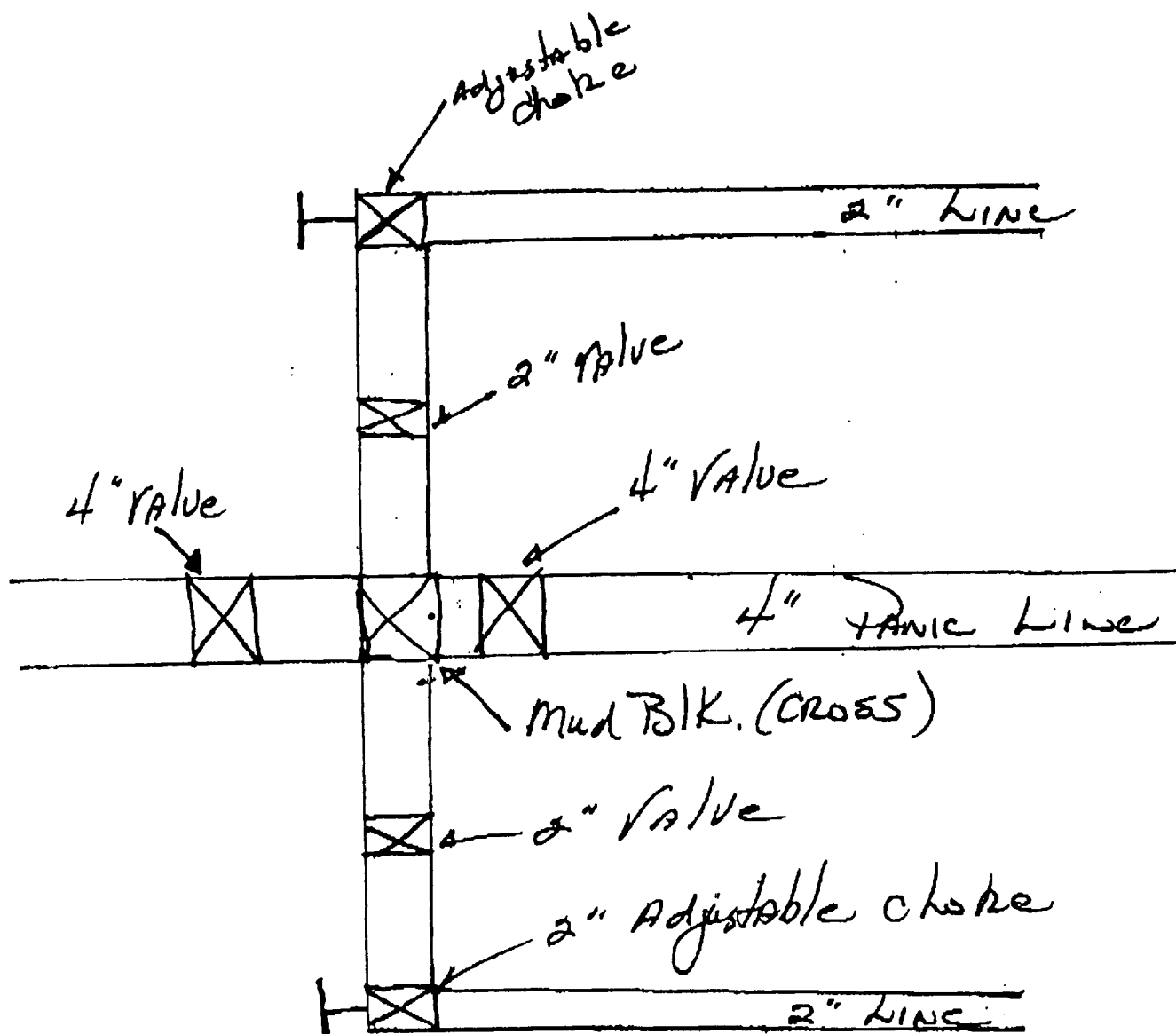
AHEP-3187

SIZE: 11" 3000

TOP OF ROTARY



WELL \_\_\_\_\_ CONTRACTOR \_\_\_\_\_



3000# choke manifold

EXHIBIT "H-3"

## BIG DOG DRELLING

110 NORTH MARIENFELD MIDLAND TEXAS STE-200-79701

RIG # 5

CLOSING UNIT:

MELCO 4 STATION W/ 80 GAL. SPHERICAL ACCUMALATOR 1-AIR AND 1-ELECTRIC PUMPS.

CHOKE MANIFOLD: (3000# CHOKES)

2-HAND ADJUSTABLE CHOKES  
2-2" VALVES  
2-4" VALVES

RIG# 9

CLOSING UNIT:

MELCO 4-STATION W/ 80 GAL. SPHERICAL ACCUMALATOR 1-ELECTRIC 2-AIR PUMPS

CHOKE MANIFOLD: (3000# CHOKES).

2-HAND ADJUSTABLE CHOKES  
2-2" VALVES  
2-4" VALVES