

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT


APPLICATION FOR PERMIT TO DRILL OR REENTER

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		8. Lease Name and Well No. Hawk B-3 #9
3b. Phone No. (include area code) 505-624-9799		9. API Well No. 30-025-06501
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1650' FSL, 1650' FEL, Unit R At proposed prod. zone 1650' FSL, 1650' FEL, Unit R		10. Field and Pool, or Exploratory Penrose Skelly; Grayburg
14. Distance in miles and direction from nearest town or post office* Approximately 4.25 miles north of Eunice, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 3, T21S-R37E, NMPM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330'	16. No. of Acres in lease 708.67	12. County or Parish Lea
17. Spacing Unit dedicated to this well 40	13. State NM	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1100'	19. Proposed Depth 8070'	20. BLM/BIA Bond No. on file CO-1047
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3423' [GL]	22. Approximate date work will start* ASAP	23. Estimated duration 1 day Drill-5 days Comp.

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 5-7-01
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Title

Agent for Apache Corporation

Approved by (Signature) /s/ LESLIE A. THEISS	Name (Printed Typed) /s/ LESLIE A. THEISS	Date JUL 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**



BUREAU OF LAND MGMT.
ROSWELL OFFICE

2001 MAY -7 PM 3:35

RECEIVED



UNIT STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Lease Serial No.	NM-2512
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA/Agreement, Name and/or No.	
8. Well Name and No.	Hawk B-3 #9
9. API Well No.	30-025-
10. Field and Pool, or Exploratory Area	Penrose Skelly; Grayburg
11. County or Parish, State	Lea, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator Apache Corporation	
3a. Address c/o Bonita L. L. Jones, P. O. Box 8309, Roswell, NM 88202	3b. Phone No. (include area code) 505-624-9799
4. Location of Well (Footage, Sec., T, R., M., or Survey Description) 1650' FSL, 1650' FEL, Unit R, Sec. 3, T21S-R37E, NMPM	


12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Revise BOP</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Apache Corporation hereby requests your waiver of the requirement that a remote control for the accumulator be used on the 3000 psi BOP provided for in our APD for the Re-entry of this well, dated 5-7-01.

Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi with a minimum of One Annular Preventer or Two Ram-Type Preventers and a Kelly Cock/Stabbing Valve. A 2000 psi BOPE does not require a remote control for the accumulator.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Bonita L. L. Jones		Title Agent for Apache Corporation
Signature 		Date 6-27-01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature) <u>/s/ LESLIE A. THEISS</u>	Name (Printed/Typed) <u>LESLIE A. THEISS</u>	Title <u>FIELD MANAGER</u>
Conditions of approval, if any, are attached. Approval of this notice 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.		Office <u>CARLSBAD FIELD OFFICE</u>
		Date <u>JUL 09 2001</u>

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.

RECEIVED

2001 JUN 27 PM 3:38

BUREAU OF LAND MGMT.
ROSSELL OFFICE

2001 JUN 27
11:11 AM
RECEIVED
BUREAU OF LAND MGMT.
ROSSELL OFFICE

EXHIBIT "A"
HAWK B-3 #9
DRILLING PROGRAM

Apache Corporation plans on re-entering this well, drilling out plugs with a workover rig down to the cement plug @ 5583', which will become the PBTD of the well, and perforating the Grayburg formation at an estimated depth of 3902' to 4010'. 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	8070'

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>PER FOOT</u>	<u>CEMENT</u>	<u>EST. TOC</u>
13 3/4"	10 3/4"	H-40 32#	266'	250 sx Circulated
8 3/4"	7 5/8"	J-55 26#	3154'	1335 sx Circulated
6 3/4"	5 1/2"	J-55 17#	8069'	680 sx TOC @ 3098' (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: 10 3/4" Will install on the 8 5/8" surface casing an 11" x 3000 PSI shafter, Double hydrolic 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 – H₂S detector or production hole; TIW type safety valve 4" choke line from BOP to manifold; 2" adjustable chokes – 1.4 blowdown line

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

B. Logging Program: None planned

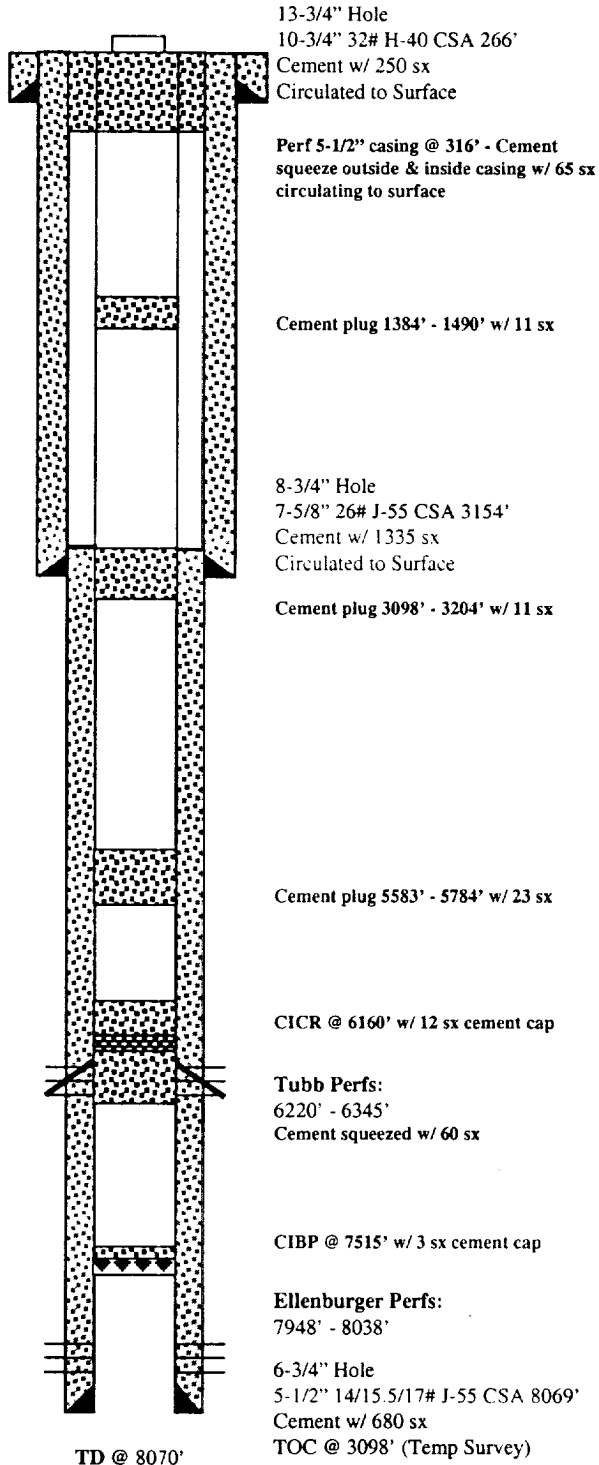
C. Coring Program: None planned

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 #9
 POOL: Penrose Skelly; Grayburg (Proposed)
 LOCATION: 1650' FSL & 1650' FEL
 Unit R, Sec 3, T-21S, R-37E
 COUNTY/STATE: Lea County, New Mexico

P&A'd Wellbore



Proposed Re-Entry

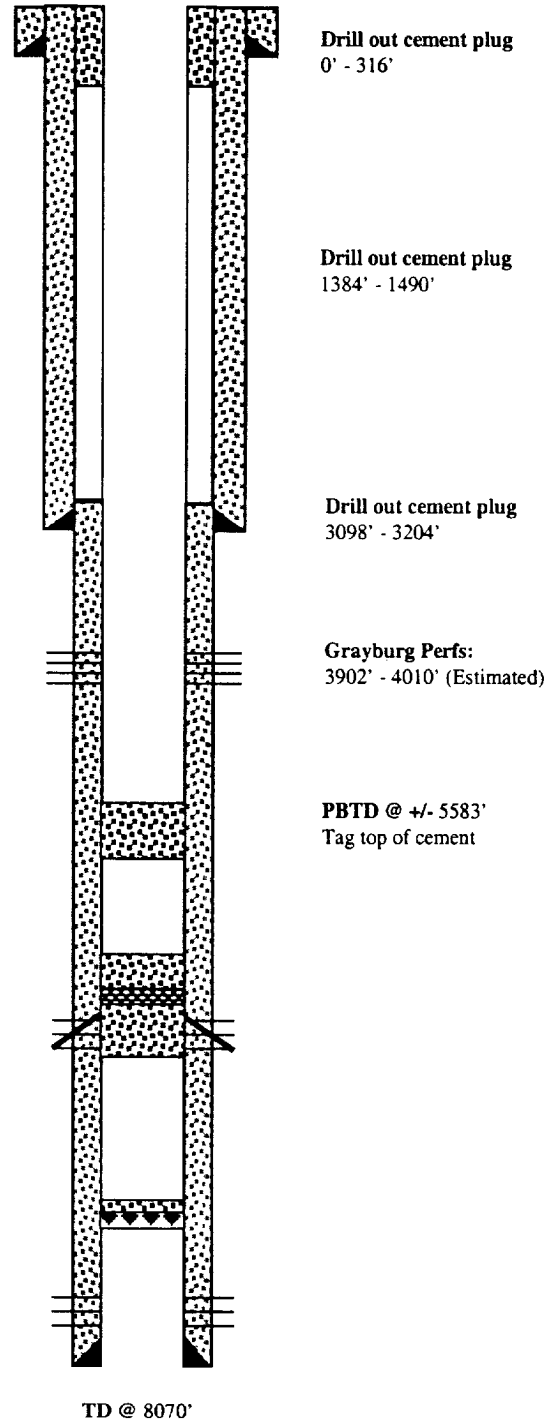


EXHIBIT "B"
HAWK B-3 #9

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

No H₂S is anticipated.

EXHIBIT "C"

SURFACE USE AND OPERATIONS PLAN
CULTURAL RESOURCES SURVEY
APPROXIMATE REHABILITATION SCHEDULE

LOCALITY: **HAWK B-3 #9**
OPERATOR: **APACHE CORPORATION**

LOCATION: NW¼SE¼ (UNIT R) 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 2ND 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:
NW¼SE¼ of Section 3, Township 21 South, Range 37 East, N.M.P.M.
Lea County, New Mexico
1650' FSL, 1650' FEL, Unit R
See attached Exhibits "D" and "E"
- 2) Bottom Hole Location:
NW¼SE¼ of Section 3, Township 21 South, Range 37 East, N.M.P.M.
Lea County, New Mexico
1650' FSL, 1650' FEL, Unit R
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,
N½SE¼, SE¼SE¼

Section 4: Lot 1

Section 10: W½NE¼, SE¼NE¼, E½NW¼

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

There are 40.00 acres dedicated to this well, which takes in NW¼SE¼ 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 ±4.25 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 and existing roads to the production facilities and storage tanks. Exhibit "E-3" shows the proposed route.
- 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 G. P. Sims, P. O. Box 1046, Eunice, New Mexico 88231.
- H. Archaeological, Historical, and Other Cultural Sites:
As no new surface will be disturbed in this re-entry operation, Tiffany Sullivan with the Carlsbad Resource Area office of the Bureau of Land Management has indicated no new archaeological survey is needed.
- I. Operator's Representative:

Senior Representative:

Lee R. White
2000 Post Oak Blvd., Suite 100
Houston, Texas 77056
713-296-6291

Drilling Operations

Mike Warren
P. O. Box 848
Wink, Texas 79789
505-394-2743

Project (Operations Engineer)

Bruce West
2000 Post Oak Blvd., Suite 100
Houston, Texas 77056
713-296-7127

CERTIFICATION

I hereby certify that Apache Corporation has inspected the proposed drillsite 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.



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

Date: 5-7-01

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

¹ API Number 30-025-06501		² Pool Code 50350		³ Pool Name Penrose Skelly; Grayburg	
⁴ Property Code 24433		⁵ Property Name Hawk B-3			⁶ Well Number 9
⁷ OGRID No. 000873		⁸ Operator Name Apache Corporation			⁹ Elevation 3423

¹⁰ Surface Location

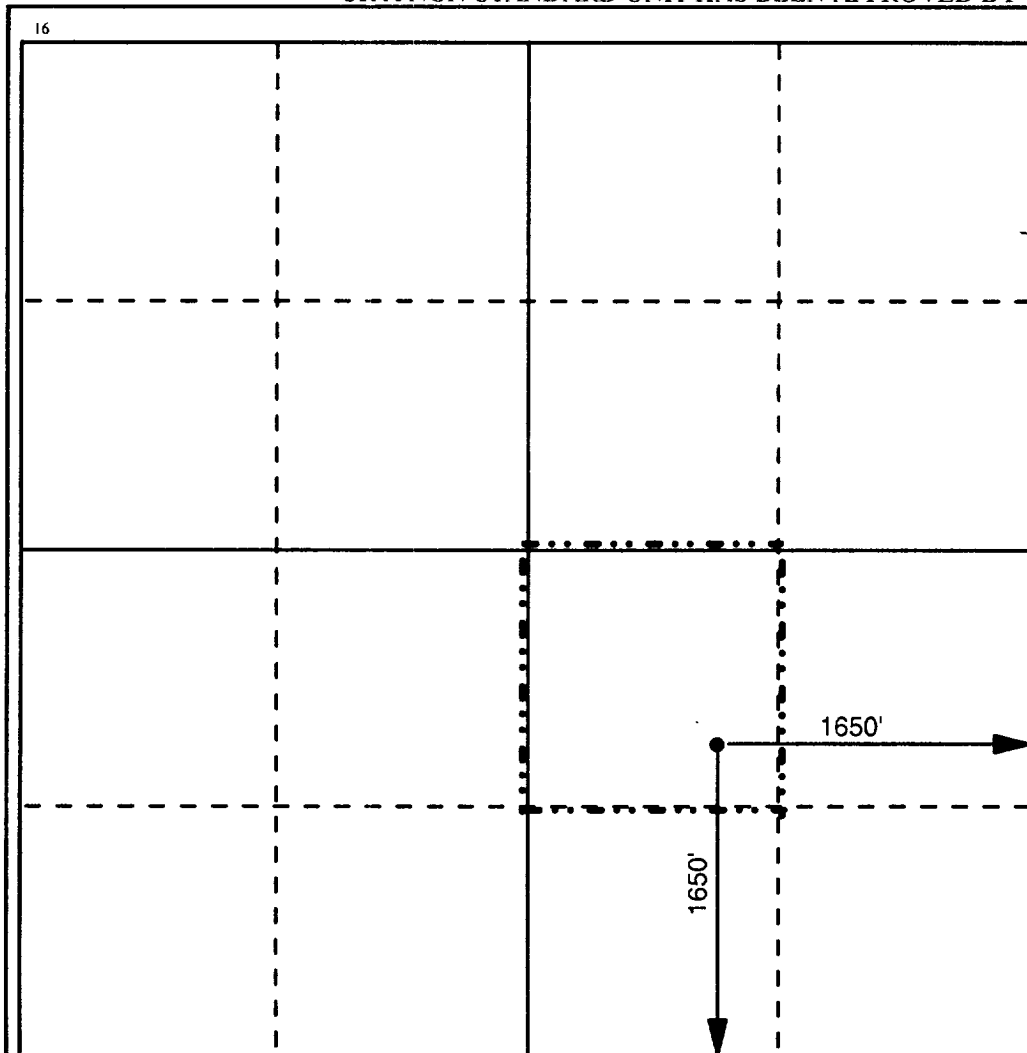
UL or Lot No. R	Section 3	Township 21S	Range 37E	Lot Idn	Feet from the 1650	North/South line South	Feet from the 1650	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

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



¹⁷ OPERATOR CERTIFICATION

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

Signature

Printed Name

Debra J. Anderson

Title

Sr. Engineering Technician

Date

02/06/01

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.

Date Surveyed

Signature and Seal of Professional Surveyor

Certificate Number

EXHIBIT "D-2"

Hawk B-3 # 21



6

Hawk B-3 # 8 # 3



40 Acres

Hawk B-3 # 4



Hawk B-3 # 9



Hawk B-3 # 6

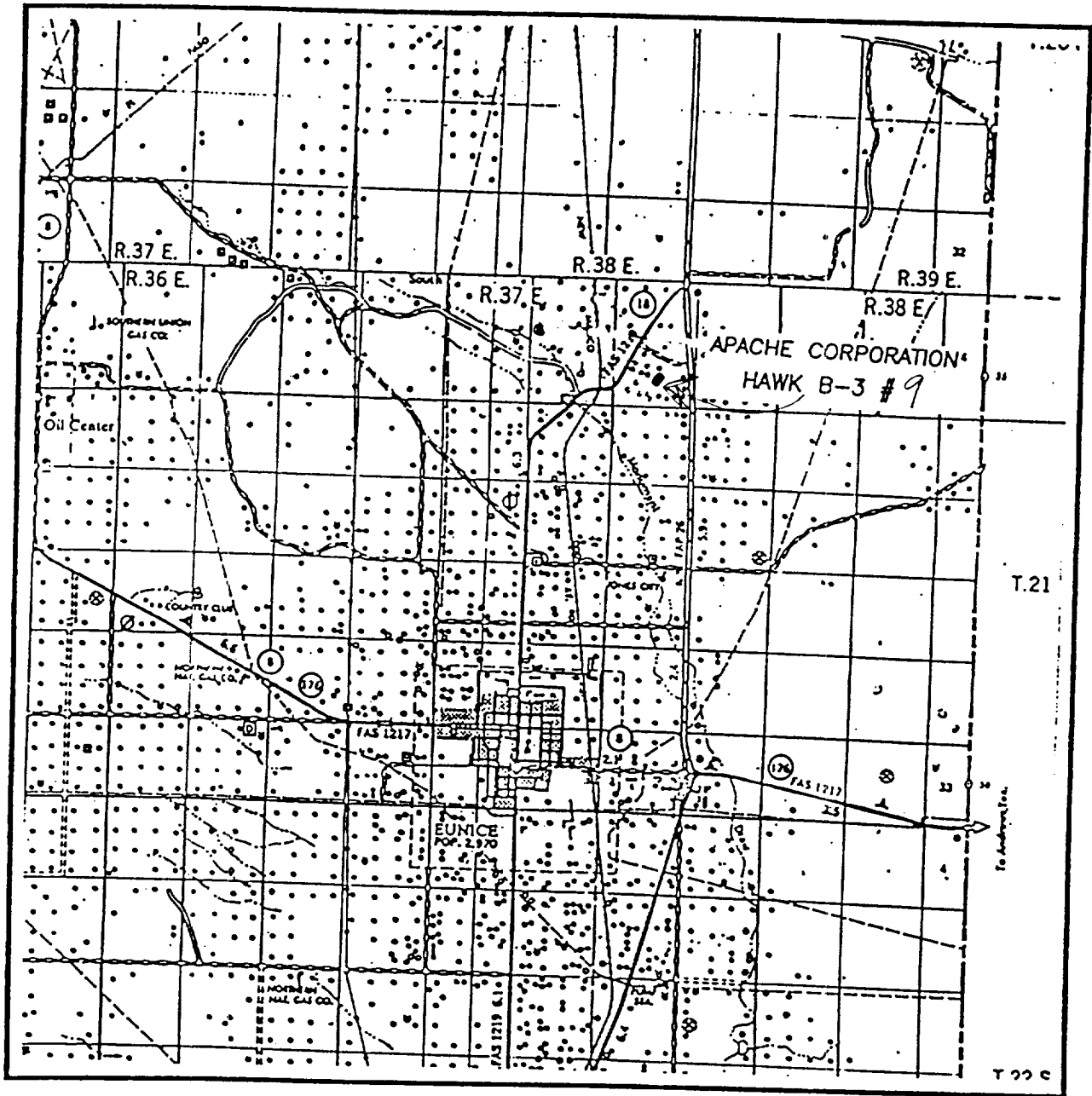


Hawk B-3 # 1



APACHE CORPORATION
HAWK B-3 NO. 9
SEC 3 / T-21S / R-37E
LEA COUNTY, NEW MEXICO

VICINITY MAP



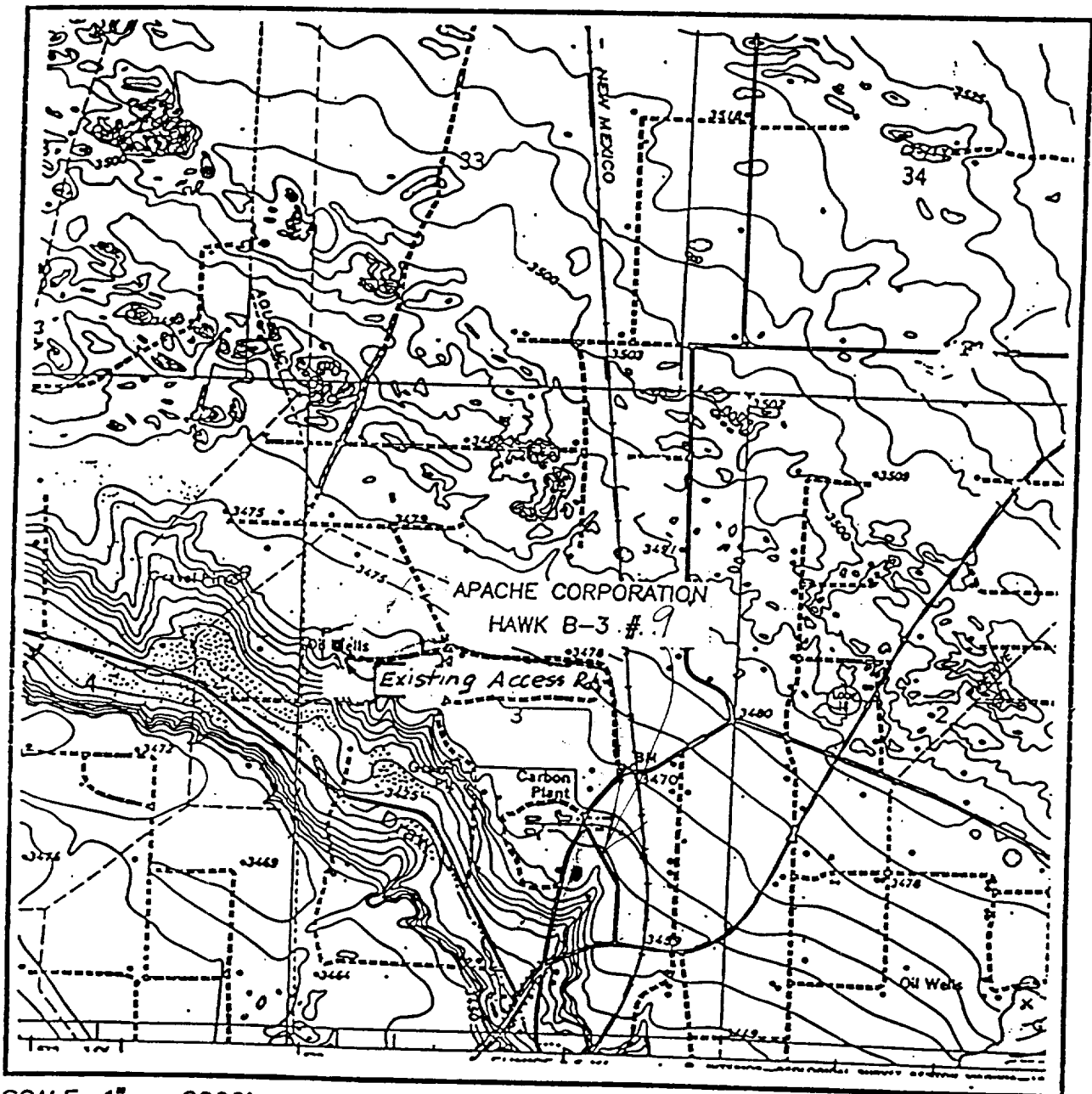
SCALE: 1" = 2 MILES

SEC. 3 TWP. 21-S RGE. 37-E
SURVEY _____ N.M.P.M. _____
COUNTY _____ LEA _____
DESCRIPTION _____
ELEVATION _____
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 - 5'

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

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION

ELEVATION

OPERATOR APACHE CORPORATION

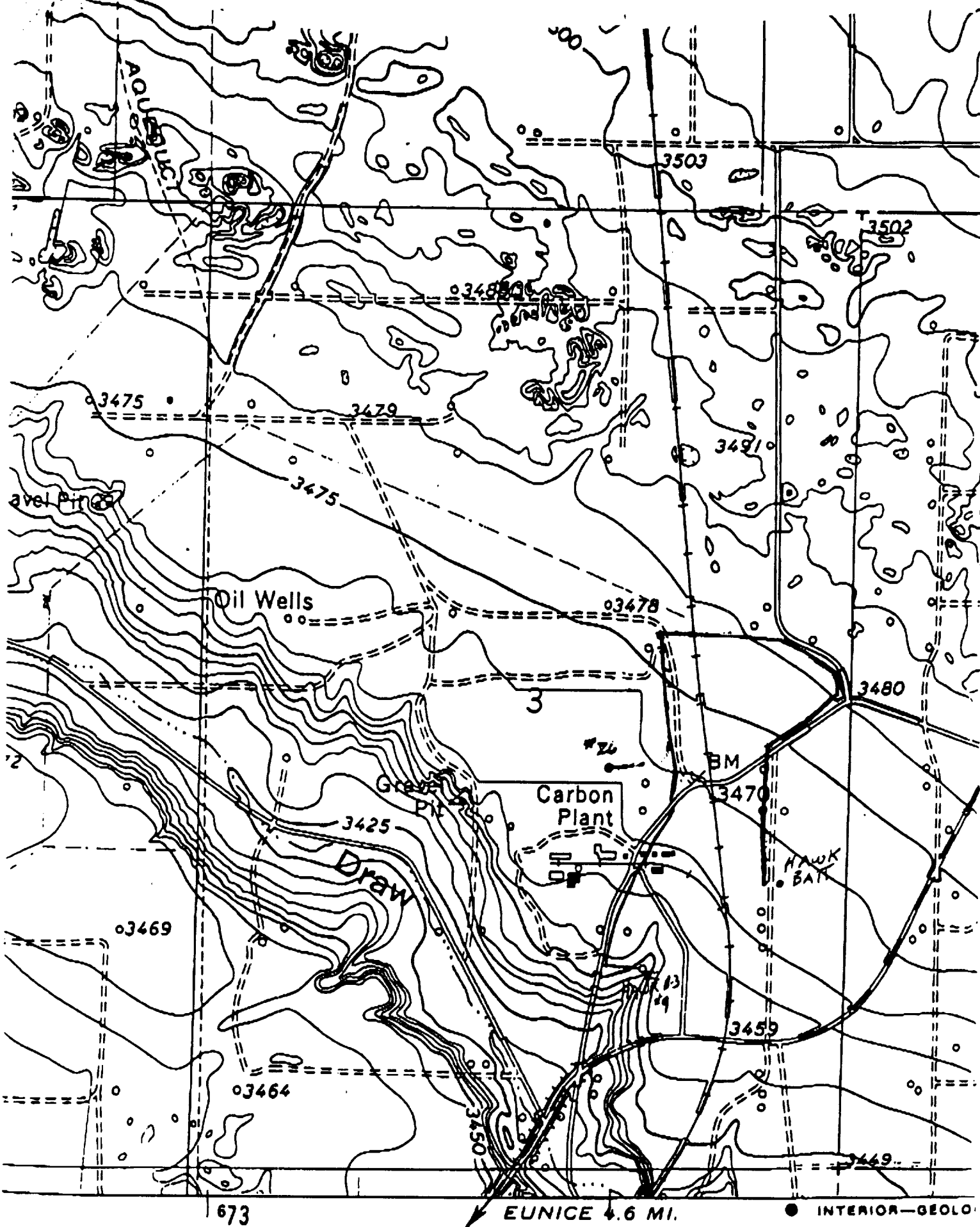
LEASE HAWK B-3

U.S.G.S. TOPOGRAPHIC MAP

HOBBS SW, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO

(505) 393-3117



673

EUNICE 4.6 MI.

● INTERIOR-GEOLO

ROAD

EXHIBIT "F"

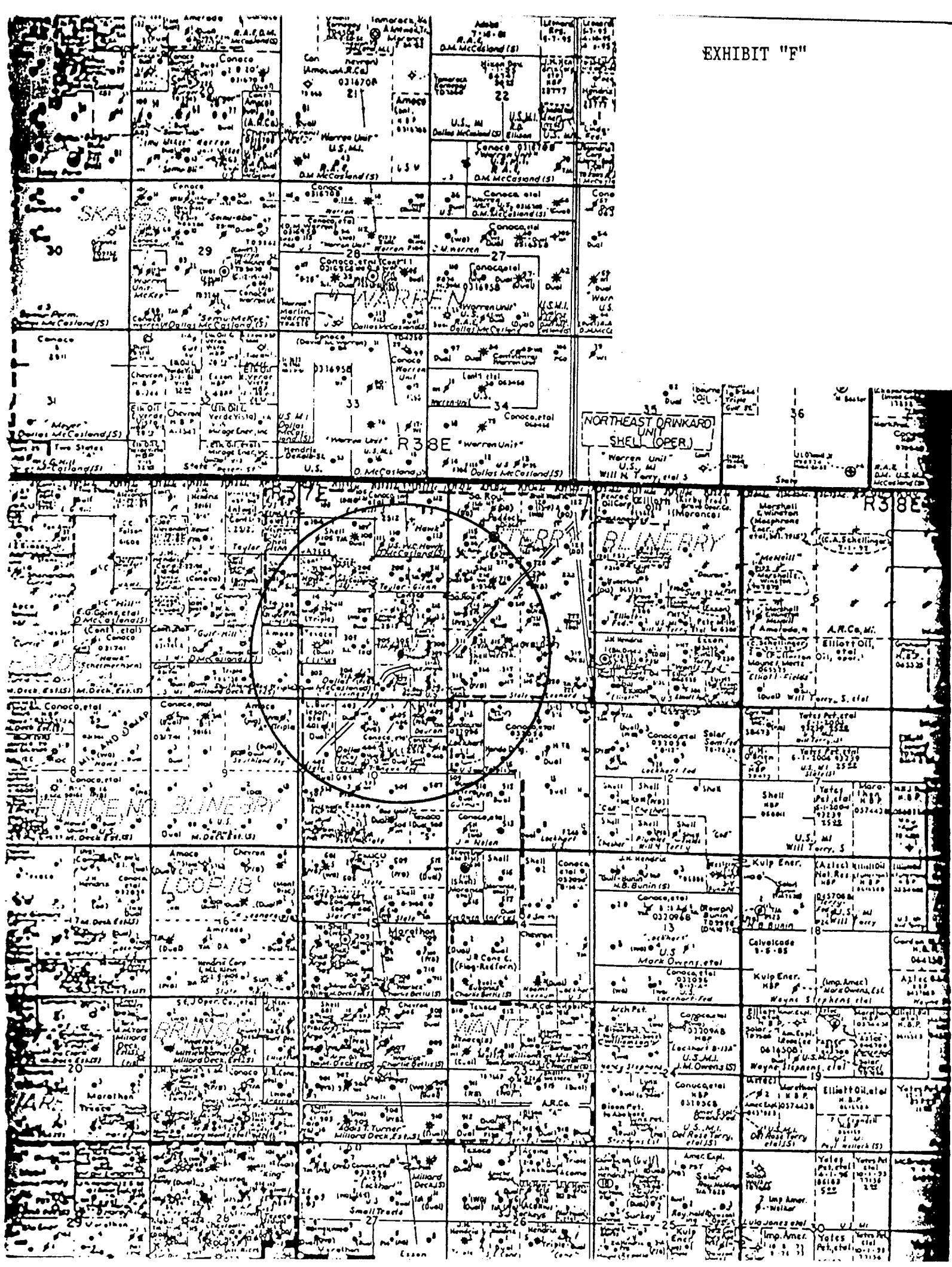
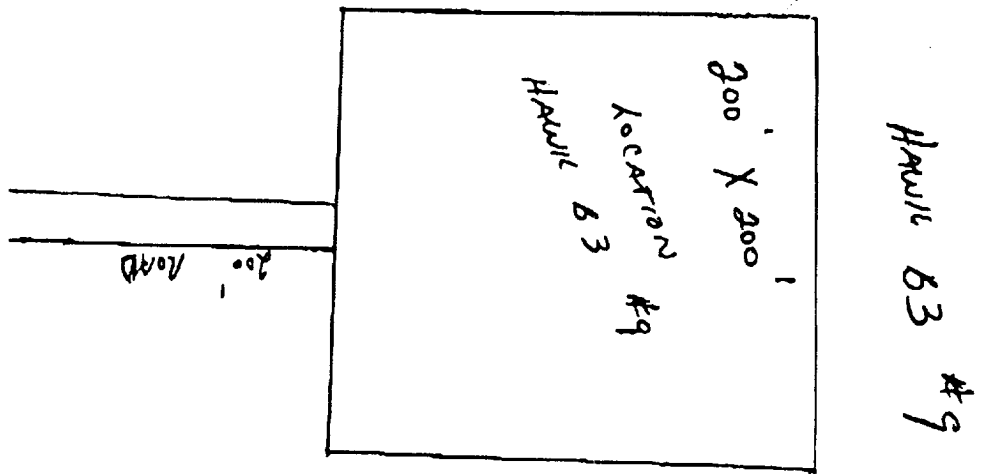


EXHIBIT "G"
NORTH



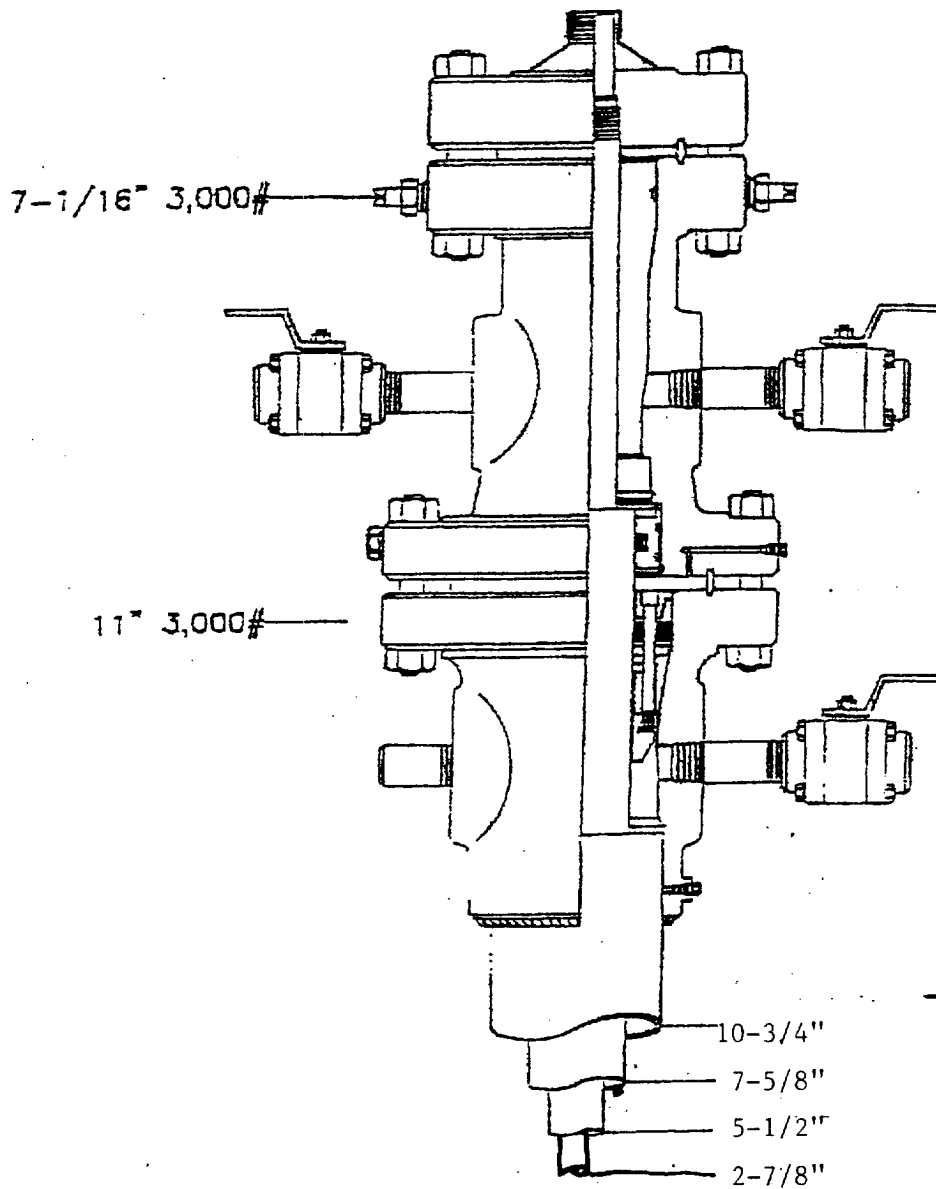
SOUTH

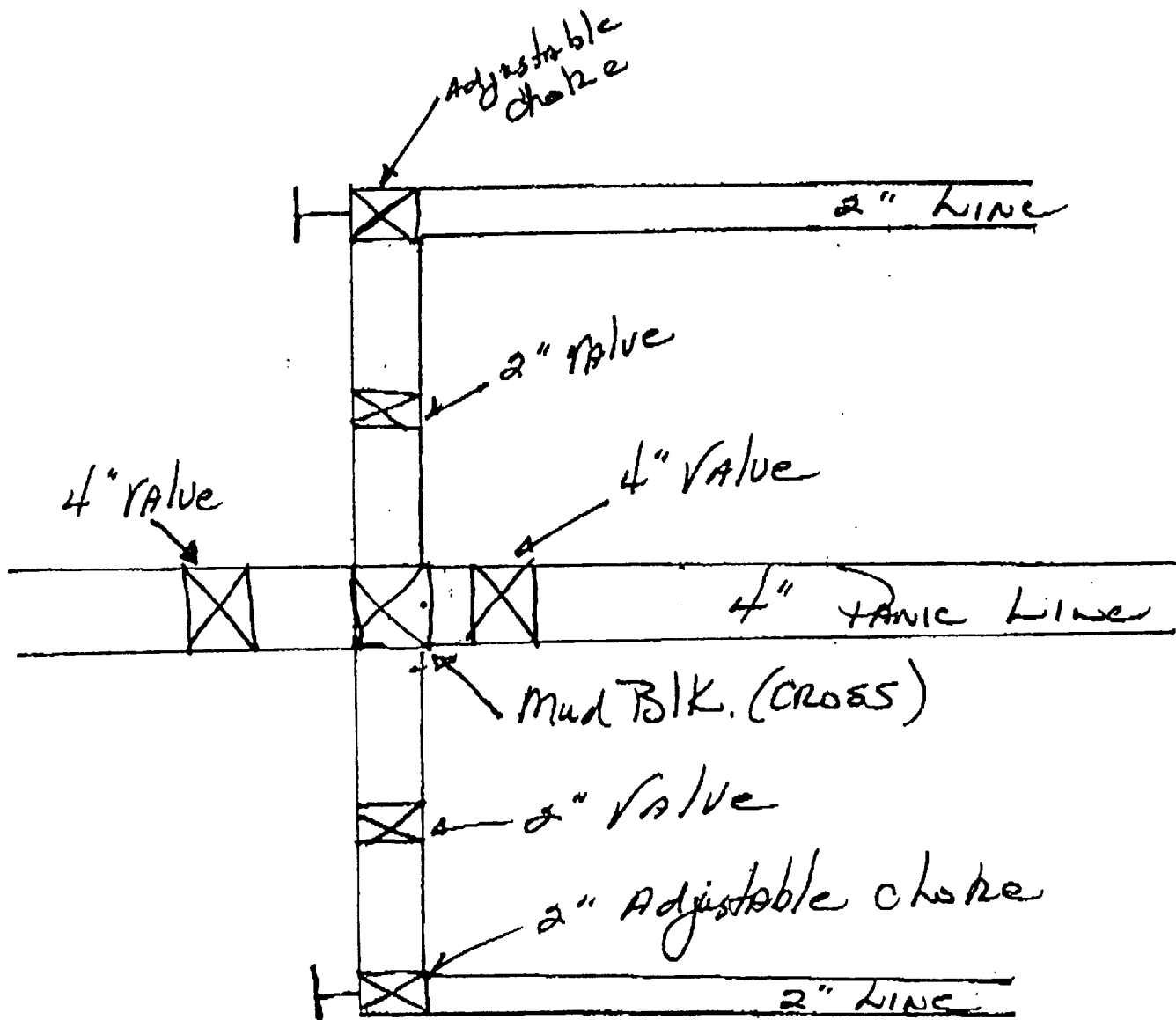
Alene Corporation

HAWK B-03 # 9

LEA COUNTY, NEW MEXICO

DATE	APPROVED BY	DATE	4/23/78
DESIGNED BY	ENGINEER	CHECKED BY	





3000# choke manifold



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

