

New Mexico Oil Conservation Division
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1625 N. French Drive
Hobbs, NM 88240

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

0695

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input 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 (873), c/o Agent		7. If Unit or CA Agreement, Name and No. Northeast Drinkard Unit
3a. Address Bonnie Jones, POB 8309, Roswell, NM 88202-8309		8. Lease Name and Well No. #143
3b. Phone No. (include area code) Bonnie Jones: 505-624-9799		9. API Well No. 30-025-35944
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 330' FNL, 1330' FWL, Lot 3 At proposed prod. zone 330' FNL, 1330' FWL, Lot 3 Captain Controlled Water Basin		10. Field and Pool, or Exploratory Eunice:BH-Tu-Dr, North(22900)
14. Distance in miles and direction from nearest town or post office* Approximately 5 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	17. Spacing Unit dedicated to this well 37.75
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 729.3'	19. Proposed Depth 6,990'	20. BLM/BIA Bond No. on file CO-1047
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3485'	22. Approximate date work will start* ASAP	23. Estimated completion Drill: 15 days

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 <i>Bonita L. Jones</i>	Name (Printed/Typed) Bonita L. L. Jones	Date 6-5-02
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Title

Permit Agent for Apache Corporation

Approved by (Signature) <i>JOE G. LARA</i>	Name (Printed/Typed) JOE G. LARA	Date JUL 03 2002
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Title

ACTING 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**

OPER. OGRID NO. 873
PROPERTY NO. 22503
POOL CODE 22900
EFF. DATE 7-5-02
API NO. 30-025-35944

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EXHIBIT "A"
NEDU #143

DRILLING PROGRAM

- 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>
Quaternary alluvials	Surface
Rustler	1300'
Yates	2620'
San Andres	3765'
Glorietta	5215'
Blaine	5665'
Tubb	6165'
Drinkard	6565'
TD	6990'

- 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	Blaine/ Tubb/ Drinkard at 5665'
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:

<u>HOLE SIZE</u>	<u>CASING SIZE</u>	<u>GRADE</u>	<u>WEIGHT PER FOOT</u>	<u>DEPTH</u>
12 1/4"	8 5/8"	K-55	24#	1,300'
7 7/8"	5 1/2"	J-55	17#	6,990'

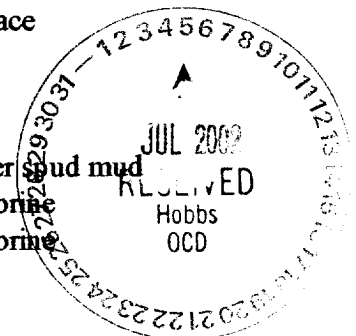
- B. Proposed Cement Program:

8 5/8" 400 sx Class C + Additives @ 12.8ppg & 2.06 cuft/sk + 185 sx Class C + additives @ 14.8ppg & 1.34 cuft/sk - Circulate to Surface

5 1/2" 477 sx 35:65 Poz C + Salt @ 11.8ppg & 2.54 cuft/sk + 360 sx 50:50 Poz H + F.L. @ 14.2ppg & 1.30 cuft/sk - Circulate to Surface

- V. Proposed Mud Program:

<u>DEPTH</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>TYPE</u>
0'-1300'	8.6-9.2 ppg	32-36 sec/1000cc	Fresh water mud
1300'-5000'	10.0-10.1 ppg	28-29 sec/1000cc	Saturated brine
5000'-6990'	10.0-10.2 ppg	31-38 sec/1000cc	Saturated brine



- VI. Proposed Control Equipment:

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. As expected pressures will not exceed 2000 psi, we request a waiver of the remote control requirement on the accumulator of the 3M BOP and a variance to run a 2M BOP, if available, and to test to 1000 psi using the rig pump. See Exhibit "H" for BOP layout.

VII. Auxiliary Equipment:

11" x 3000 psi double BOP/blind & pipe ram **(2M BOP if available)**

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:

CNL, LDT, GR, Cal, from TD-5400'

CNL, GR from TD-Surface

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.

