District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410

Date: 11/17/04

Phone: 505-393-5905

State of New Mexico Energy Minerals and Natural Resources

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Form C-101 May 27, 2004

Oil Conservation Division 1220 South St. Francis Dr. COD: A Submit to appropriate District Office

☐ AMENDED REPORT

District IV Santa Fe, NM 87505 1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address OGRID Number 14744 Mewbourne Oil Company API Numbe Po Box 5270 Hobbs, NM 88240 30 -Property Code Property Name Angel Draw 2 State Com 9 Proposed Pool 1 10 Proposed Pool 2 Angel Ranch Morrow Surface Location Feet from the North/South line Lot Idn Feet from the East/West line County UL or lot no. Section Township Range **20S** 27E 1700 1980 Eddy K No8 Proposed Bottom Hole Location If Different From Surface Lot Idn Feet from the North/South line Feet from the East/West line County UL or lot no. Township Range Section Additional Well Information 13 Cable/Rotary 15 Ground Level Elevation 11 Work Type Code 12 Well Type Code ⁴ Lease Type Code N 20 Spud Date ¹⁶ Multiple Proposed Depth 18 Formation Contractor ASAP Morrow TBA No Depth to Groundwater Depth to Groundwater Depth to Groundwater 50 ' or more but less than 100 (100' or more) 50 ' or more but less than 100 (100' or more) 50 ' or more but less than 100 (100' or more) Liner: Synthetic X 12 mils thick Clay 🔲 bbls Drilling Method: Production Pit: Pit Volume: 24000 Fresh Water X Brine X Diesel/Oil-based Gas/Air Closed-Loop System Proposed Casing and Cement Program Hole Size Casing Size Casing weight/foot Setting Depth Sacks of Cement Estimated TOC 17 1/2" 13 %" 48# 450' 500 Surface 12 1/4" 9 %" 40# 3000' 1400 Surface 8 3/4" 5 1/2" 17# 11300' 1100 Cover all oil, water & fcam gas bearing zones ²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. BOP Program: 2k Hydril (see Exhibit #2) from surface casing to intermediate TD. Schaffer LWS or equivalent (Double-Ram Hydraulic) 900 series with Hydril 900 Series (See Exhibit #2A) from intermediate casing to total depth. Rotating head, PVT, flow monitors and mud gas Separator from the Wolfcamp to TD. Mud Program: 0' to 450' Fresh Water, spud mud, lime for PH and LCM as needed for seepage. 450' to 3000' Brine Water, lime for PH and LCM as needed for seepage. 3000' to TD Cut brine. 9.3 #/g, Caustic for PH, Starch for WL control and LCM as needed for seepage ²³ I hereby certify that the information given above is true and complete to the OIL CONSERVATION DIVISION best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines X, a general permit , or an Approved by: (attached) alternative OCD-approved plan . TIM W. GUM Printed name: Kristi Green Title: DISTRICT IT SUPERVISOR Approval Date: DEC Title: Hobbs Production E-mail Address: kgreen@mewbourne.com

Conditions of Approval Attached

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State of New Mexico Energy Minerals and Natural Resources

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For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Form C-144

March 12, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Pit or Below-Grade Tank Registration or Closure
Is pit or below-grade tank covered by a "general plan"? Yes X No

Type of action: Registration of a pit of	or below-grade tank Closure of a pit or below-grade	e tank		
Operator:Mewbourne Oil Company	Telephone:505-393-5905 e-mail ad	ddress: hobeng@mewbourne.com		
Address: PO Box 5270 Hobbs, NM 88240				
Facility or well name:Angel Draw 2 St Com #2API #:	U/L or Qtr/Qtr_KSec_2_T_20 <u>S_</u> F	₹_27 <u>E</u>		
County: <u>Eddy</u> <u>Latitude_32-35-59.7N</u> <u>Longitude_104-</u>	-15-13.1W NAD: 1927 [_] 1983 🔀			
Surface Owner Federal X State Private Indian				
Pit	Below-grade tank			
Type: Drilling X Production Disposal	Volume:bbl Type of fluid:			
Workover	Construction material:			
Lined ☑ Unlined □	Double-walled, with leak detection? Yes If not,	, explain why not.		
Liner type: Synthetic X Thickness _12_mil Clay □				
Volume _24000_bbl				
D. d	Less than 50 feet	(20 points)		
Depth to ground water (vertical distance from bottom of pit to seasonal	50 feet or more, but less than 100 feet	(10 points)		
high water elevation of ground water.)	100 feet or more X	(0 points) X		
Wellhead protection area: (Less than 200 feet from a private domestic	Yes	(20 points)		
water source, or less than 1000 feet from all other water sources.)	No X	(0 points) X		
	Less than 200 feet	(20 points)		
Distance to surface water: (horizontal distance to all wetlands, playas,	200 feet or more, but less than 1000 feet	(10 points)		
irrigation canals, ditches, and perennial and ephemeral watercourses.)	1000 feet or more X	(0 points) X		
	Ranking Score (Total Points)	0 points		
If this is a pit closure: (1) attach a diagram of the facility showing the pit's	relationship to other equipment and tanks. (2) Indicat	te disposal location:		
onsite offsite foffsite, name of facility	(3) Attach a general description of remedial action	on taken including remediation start date and end		
date. (4) Groundwater encountered: No \square Yes \square If yes, show depth belo	w ground surfaceft. and attach sample	results. (5) Attach soil sample results and a		
diagram of sample locations and excavations.				
I hereby certify that the information above is true and complete to the best of has been/will be constructed or closed according to NMOCD guidelines Date:11/17/04	X, a general permit D, or an (attached) alternative	above-described pit or below-grade tank e OCD-approved plan □.		
Printed Name/TitleKristi Green - Hobbs Regulatory	Signature Street Green			
Your certification and NMOCD approval of this application/closure does no otherwise endanger public health or the environment. Nor does it relieve the regulations.	t relieve the operator of liability should the contents of	f the pit or tank contaminate ground water or other federal, state, or local laws and/or		
Appropri				
Date: UEC 12004		77)		
Printed Name/Title	_SignatureSignatureSignature			
	The state of the s			
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DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised March 17, 1999

Submit to Appropriate District Office

Submit to Appropriate District Office State Lease – 4 Copies Fee Lease – 3 Copies

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

811 South First, Artesia, NM 88210

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Angel Ranch Morrow
Property Code		"2" STATE COM Well Number 2
OGRID No. 14744		otor Name Elevation OIL COMPANY 3387'

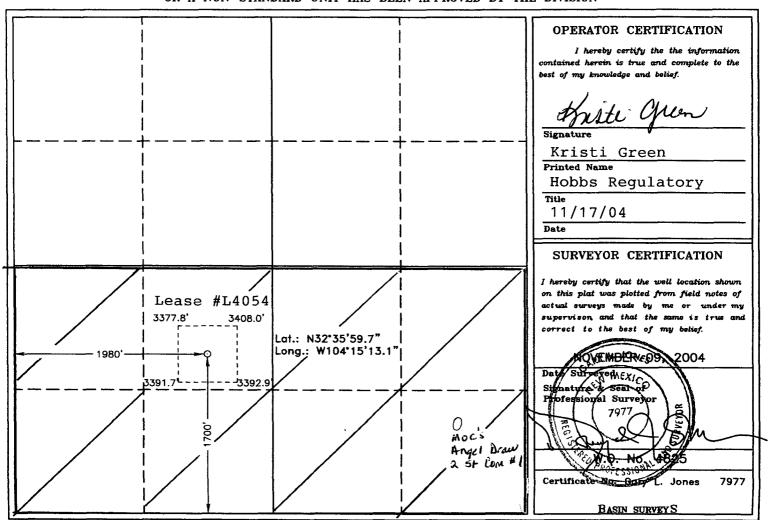
Surface Location

UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	20 S	27 E		1700	SOUTH	1980	WEST	EDDY

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
Dedicated Acres	Dedicated Acres Joint or Infill Consolidation Code			Code Or	der No.				
320									

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



MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Angel Draw 2 St Com #2 1700' FSL & 1980' FWL Section 2-T20S-R27E Eddy County, New Mexico

This plan is submitted with Form C101, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved, and the procedures to be followed in restoring the surface so that a complete appraisal can be made of the environmental impact associated with the proposed operations.

1. Existing Roads:

- A. Exhibit #3 is a road map showing the location of the proposed well. Exhibit #3A is a topographic map showing the location of the proposed well and access road. Existing roads are highlighted in red and proposed roads are highlighted in yellow.
- B. Directions to location from Carlsbad: Go North on Canal Street to Relief route. Continue North on Illinois Camp Rd (CR206) 8 miles. Turn west (left) 1 mile. Turn north (right) 1/4 mile. Go thru MOC Angel Draw 2 #1 location. Go north on new road ½ mile. Turn west 1/4 mile. Turn south 1/4 mile to new location.

2. Proposed Access Road:

A Will improve existing roads as needed.

3. Location of Existing and/or Proposed Facilities:

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, production facilities will be located on the well pad.

4. Location and Type of Water Supply

The well will be drilled with a combination of fresh water and brine water based mud systems. The water will be obtained from commercial suppliers in the area and/or hauled to the location by transport trucks over existing and proposed roads as indicated in Exhibit #3.

5. Source of Construction Materials

All material required for construction of the drill pad and access roads will be obtained from private, state, or federal pits. The construction contractor will be solely responsible for securing construction materials required for this operation and paying any royalties that may be required on those materials.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Angel Draw 2 St Com #2 Page 2

6. Methods of Handling Waste Disposal:

- A. Drill cuttings not retained for evaluation purposed will be disposed of in the reserve pit.
- B. Drilling fluids will be allowed to evaporate in the reserve pit prior to closure.
- C. Water produced during operations will be disposed of in the reserve pit.
- D. If any liquid hydrocarbons are produced during operations, those liquids will be stored in suitable tanks until sold.
- E. Current regulations regarding the proper disposal of human waste will be followed.
- F. All trash, junk, and other waste materials will be stored in proper containers to prevent dispersal and will be removed to an appropriate facility within one week of cessation of drilling and completion activities.

7. Ancillary Facilities

There are no ancillary facilities within the immediate vicinity of the proposed well site.

8. Well Site Layout

- A diagram of the drill pad is shown in Exhibit #5. Dimensions of the pad, pits, and location of major rig components are shown.
- B. The reserve pit will be lined with a high quality plastic sheeting to prevent migration of fluids as per OCD regulations.
- C. The pad dimension of 400' X 250' have been staked and flagged.

9. Plans for Restoration of Surface

A. Upon cessation of the proposed operations, if the well is abandoned, the location and road will be ripped and re-seeded. The reserve pit area, after allowing to dry will be leveled. The entire location will be restored to the original contour as much as reasonable possible. All trash, garbage, and pit lining will be hauled to appropriate disposal to assure the location is aesthetically pleasing as reasonable possible. All restoration work will be completed within 180 days of cessation of activities.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Angel Draw 2 St Com #2 Page 3

- B. The disturbed area will be restored by re-seeding during the proper growing season.
- C. Three sides of the reserve pit will be fenced prior to and during drilling operations. The reserve pit will be fenced on the fourth side after the drilling rig is removed to prevent the endangerment of livestock. The fence will remain in place until the pit area has been leveled and restored.
- D. Upon cessation of the proposed operations, if the well is not abandoned, the reserve pit area will be restored as per OCD guidelines. Any additional caliche required for production facilities will be obtained from a source as described in Section 6.
- E. Within 90 days of cessation of drilling and completion operations, all equipment not necessary for production operations will be removed. The location will be cleaned of all trash and junk to assure the well site is left as aesthetically pleasing as reasonably possible

10. Surface Ownership:

The surface is owned by: Bureau of Land Management

11. Other Information

A. The primary use of the surface at the location is for grazing of livestock.

<u>Hydrogen Sulfide Drilling Operations Plan</u>

Mewbourne Oil Company

Angel Draw 2 St Com #2 1700' FSL & 1980' FWL Section 2-T20S-R27E Eddy County, New Mexico

1. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will have received training from a qualified instructor in the following areas prior to entering the drilling pad area of the well:

- 1 The hazards and characteristics of hydrogen sulfide gas.
- 2 The proper use of personal protective equipment and life support systems.
- The proper use of hydrogen sulfide detectors, alarms, warning systems, briefing areas, evacuation procedures.
- 4 The proper techniques for first aid and rescue operations.

Additionally, supervisory personnel will be trained in the following areas:

- The effects of hydrogen sulfide on metal components. If high tensile tubular systems are utilized, supervisory personnel will be trained in their special maintenance requirements.
- 2 Corrective action and shut in procedures, blowout prevention, and well control procedures while drilling a well.
- The contents of the Hydrogen Sulfide Drilling Operations Plan.

There will be an initial training session prior to encountering a know hydrogen sulfide source. The initial training session shall include a review of the site specific Hydrogen Sulfide Drilling Operations Plan.

2. Hydrogen Sulfide Safety Equipment and Systems

All hydrogen sulfide safety equipment and systems will be installed, tested, and operational prior to drilling below the intermediate casing.

1. Well Control Equipment

- A. Flare line with automatic igniter or continuous ignition source.
- B. Choke manifold with minimum of one adjustable choke.
- C. Blowout preventers equipped with blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
- D. Auxiliary equipment including rotating head and annular type blowout preventer.

Hydrogen Sulfide Drilling Operations Plan

Mewbourne Oil Company

Angel Draw 2 St Com #2

Page 2

2. Protective Equipment for Essential Personnel

Thirty minute self contained work unit located at briefing area as indicated on wellsite diagram.

3. Hydrogen Sulfide Protection and Monitoring Equipment

Two portable hydrogen sulfide monitors positioned on location for optimum coverage and detection. The units shall have audible sirens to notify personnel when hydrogen sulfide levels exceed 20 ppm.

4. <u>Visual Warning Systems</u>

- A. Wind direction indicators as indicated on the wellsite diagram.
- B. Caution signs shall be posted on roads providing access to location. Signs shall be painted a high visibility color with lettering of sufficient size to be readable at reasonable distances from potentially contaminated areas.

3. Mud Program

The mud program has been designed to minimize the amount of hydrogen sulfide entrained in the mud system. Proper mud weight, safe drilling practices, and the use of hydrogen sulfide scavengers will minimize hazards while drilling the well.

4. Metallurgy

All tubular systems, wellheads, blowout preventers, drilling spools, kill lines, choke manifolds, and valves shall be suitable for service in a hydrogen sulfide environment when chemically treated.

5. Communications

State & County Officials phone numbers are posted on rig floor and supervisors trailer. Communications in company vehicles and toolpushers are either two way radios or cellular phones.

6. Well Testing

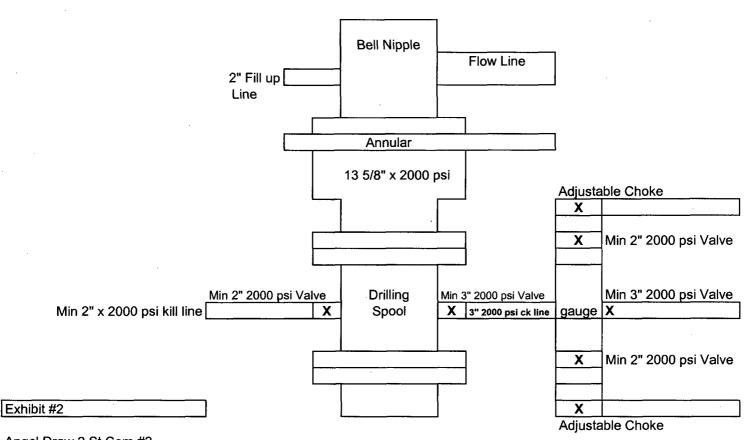
Drill stem testing is not an anticipated requirement for evaluation of this well. A drill stem test is required, it will be conducted with a minimum number of personnel in the immediate vicinity. The test will be conducted during daylight hours only.

Hydrogen Sulfide Drilling Operations Plan Mewbourne Oil Company Angel Draw 2 St Com #2 Page 3

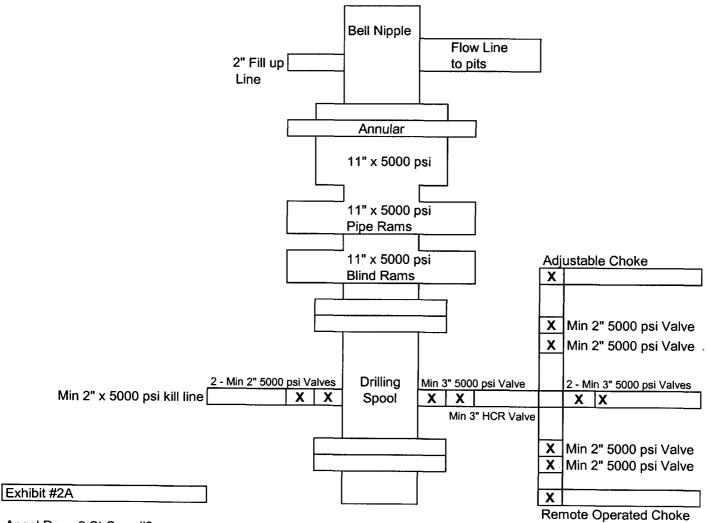
7. General Requirements

MOC has researched this area and no high concentrations of H2S was found. MOC will have on location and working all H2S safety equipment before Delaware formation.

Mewbourne Oil Company BOP Scematic for 12 1/4" Hole



Angel Draw 2 St Com #2 Sec 2-T20S-R27E 1700' FSL & 1980' FWL Eddy County, NM



Angel Draw 2 St Com #2 Sec 2-T20S-R27E 1700' FSL & 1980' FWL Eddy County, NM

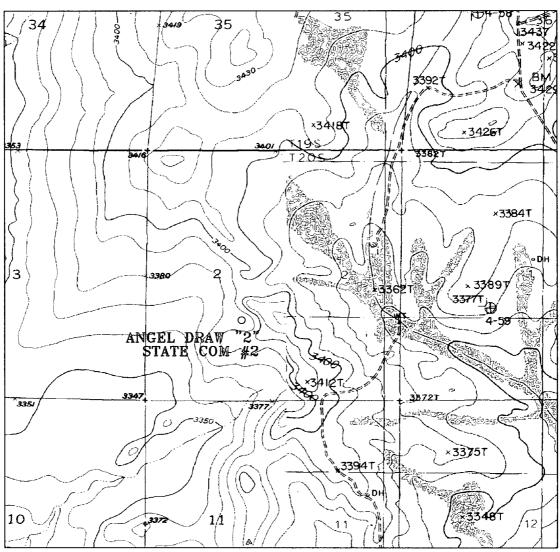


Exhibit 3

ANGEL DRAW "2" STATE COM #2 Located 1700' FSL and 1980' FWL Section 2, Township 20 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Date:



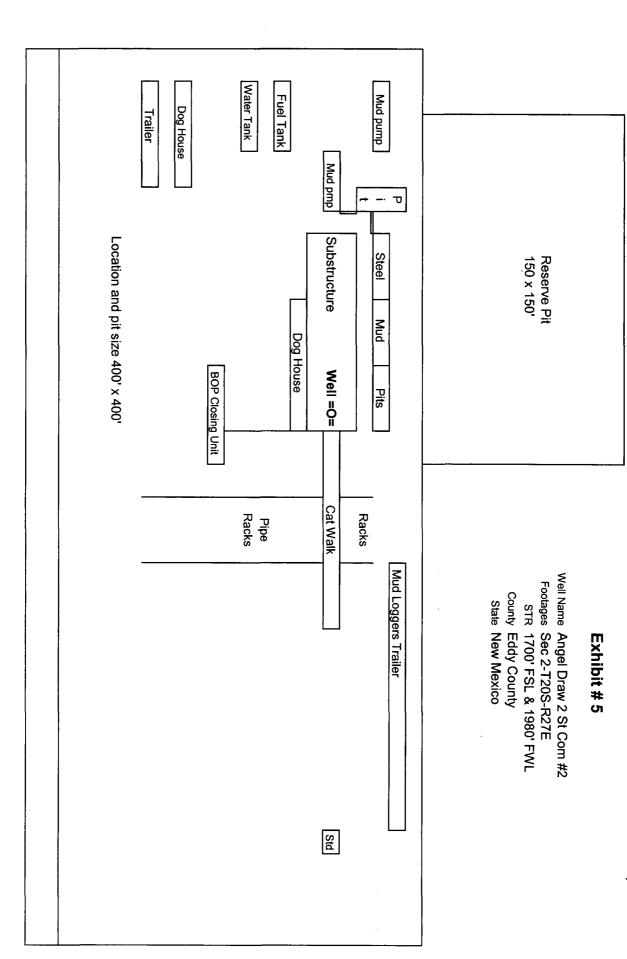
P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 - Office (505) 392-3074 - Fax basinsurveys.com

W.O. Number:	4825AA KJG #7
Survey Date:	11-09-2004
Scale: 1" = 20	000'

11-11-2004

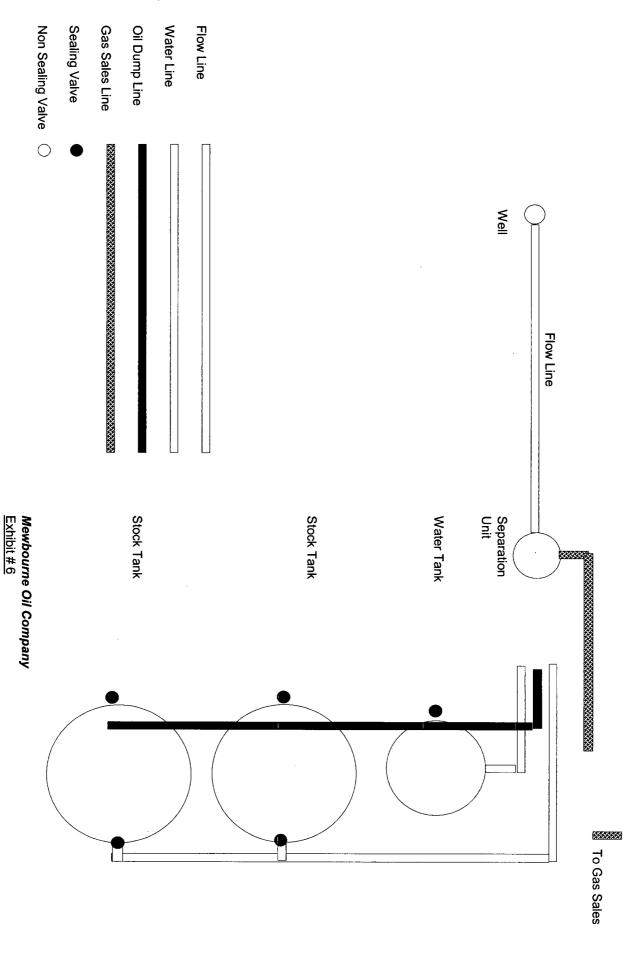
MEWBOURNE OIL CO.

Mewbourne Oil Company



Rig Location Schematic

Proposed Production Facilities Schematic



Angel Draw 2 St Com #2 Sec 2-T20S-R27E 1700' FSL & 1980' FWL Eddy County, NM

Proposed Production Facilities Schematic