

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
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
MAR 18 2008
OCD-ARTESIA

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address MYCO INDUSTRIES, INC. P.O. BOX 840, ARTESIA, NM 88211-0840		² OGRID Number 015445
³ Property Code 35683	⁵ Property Name STARR 34 FEE	⁴ API Number 30-005-64018
⁹ Proposed Pool 1 WOLFCAMP Cottonwood Creek		⁶ Well No. #1H
¹⁰ Proposed Pool 2		

⁷ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	34	15S	24E		241'	SOUTH	198'	EAST	CHAVES

⁸ Proposed 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
M	34	15S	24E		660'	SOUTH	1228'	WEST	CHAVES

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3532'
¹⁶ Multiple NO	¹⁷ Proposed Depth 5200'	¹⁸ Formation WOLFCAMP	¹⁹ Contractor	²⁰ Spud Date 04/01/2008
Depth to Groundwater 100'		Distance from nearest fresh water well >1000'		Distance from nearest surface water >1000'
Pit: Liner Synthetic <input type="checkbox"/> milst thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: _____ Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	32#/J-55	950'	400 SXS	CIRCULATE
7-7/8"	5-1/2"	17#/N-80	9250'	1200 SXS	CIRCULATE
NOTE: SET 40' OF 20' CONDUCTOR PIPE & CIRCULATE CEMENT					

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

NOTIFY NMOCD OF SPUD AND WITNESS CMT. SURFACE CASING. INSTALL 3000# DOUBLE-RAM B.O.P. AND TEST DAILY. DRILL PILOT HOLE TO 5,200'. PLUG BACK AND DRILL A 3,400' LATERAL DUE WEST (270) INTERCEPTING THE BASE OF THE WOLFCAMP (APPROX. 4,635') AT 660' FSL & 660' FEL PER NMOCD RULE #111.

ATTACHED: PERMIT INFORMATION, C-102, H2S CONTINGENCY PLAN

*NOTE: DETAILED WELL SURVEY PROFILE TO FOLLOW.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name. A.N. MUNCY, PELS *ahimuncy*

Title: OPERATIONS/EXPLORATION MGR.

E-mail Address anmuncy@mycoinc.com

Date: 03/18/2008

Phone: (575)748-4289

OIL CONSERVATION DIVISION

Approved by

Jim W. Green

Title:

District II Supervisor

Approval Date: 3/26/08

Expiration Date: 7/26/10

Conditions of Approval Attached ☐

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <i>30-005-64018</i>	Pool Code <i>75250</i>	Pool Name <i>Cottonwood Creek, Wolfcamp (G)</i>
Property Code <i>35683</i>	Property Name STARR 34 FEE	Well Number 1H
OGRIID No. <i>15445</i>	Operator Name MYCO INDUSTRIES, INC.	Elevation 3532'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	34	15-S	24-E		241	SOUTH	198	EAST	CHAVES

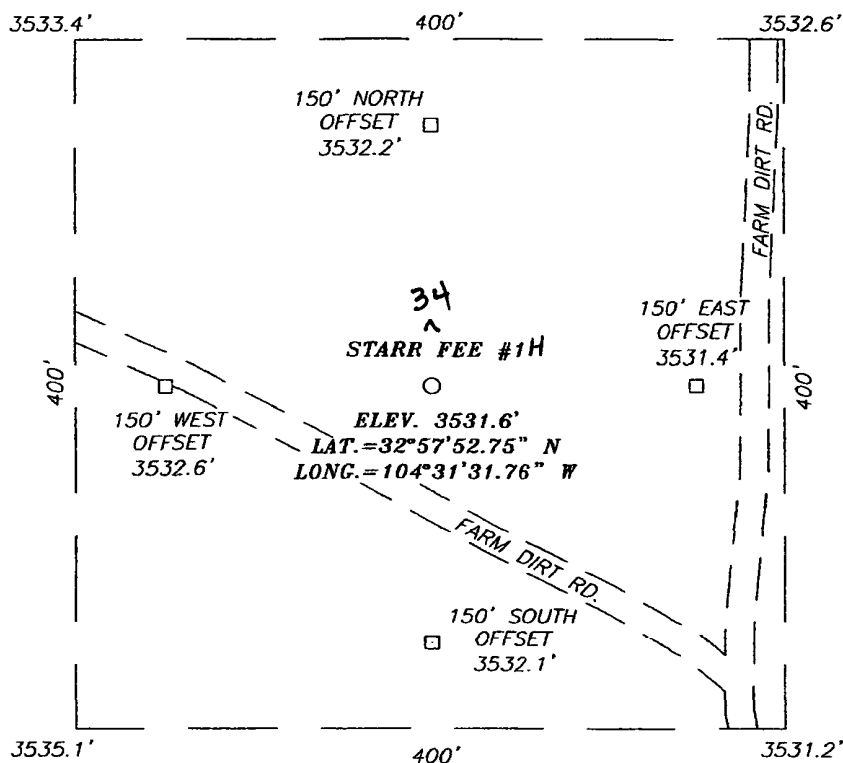
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	15-S	24-E		660	SOUTH	1228	WEST	CHAVES
Dedicated Acres	Joint or Infill	Consolidation Code	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

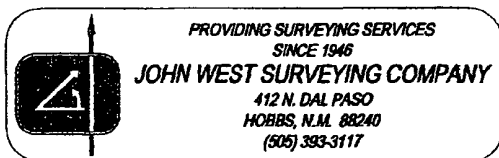
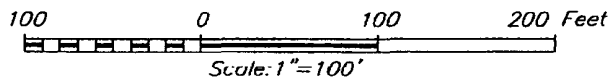
<p>Producing Area</p> <p>Project Area</p> <p>GEODETIC COORDINATES NAD 27 NME SURFACE Y=714706.4 N X=441064.9 E LAT.=32°57'52.75" N LONG.=104°31'31.76" W</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>A.N. Muncy, PELS</i> Signature Date <i>A.N. Muncy</i> Printed Name</p>
<p>PENETRATION POINT Y=715123.5 N X=440604.2 E</p> <p>BOTTOM HOLE Y=715110.5 N X=437205.1 E</p> <p>152</p> <p>1228' B.H.</p> <p>660'</p> <p>GRAZ.=269°46'48" H.DIST.=3399.1'</p> <p>660' SEE DETAIL</p> <p>3533.4' 3532.6' 3535.1' 3531.2'</p> <p>241' 198'</p>		<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 1, 2006</p> <p>Date Surveyed JR</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald J. Eidson</i> 5/03/06 06.11.0668</p> <p>Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>

SECTION 34, TOWNSHIP 15 SOUTH, RANGE 24 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #285 AND
 ST. HWY. #438. GO WEST ON ST. HWY. #438
 APPROX. 5.0 MILES. THIS LOCATION IS APPROX.
 200' NORTH.

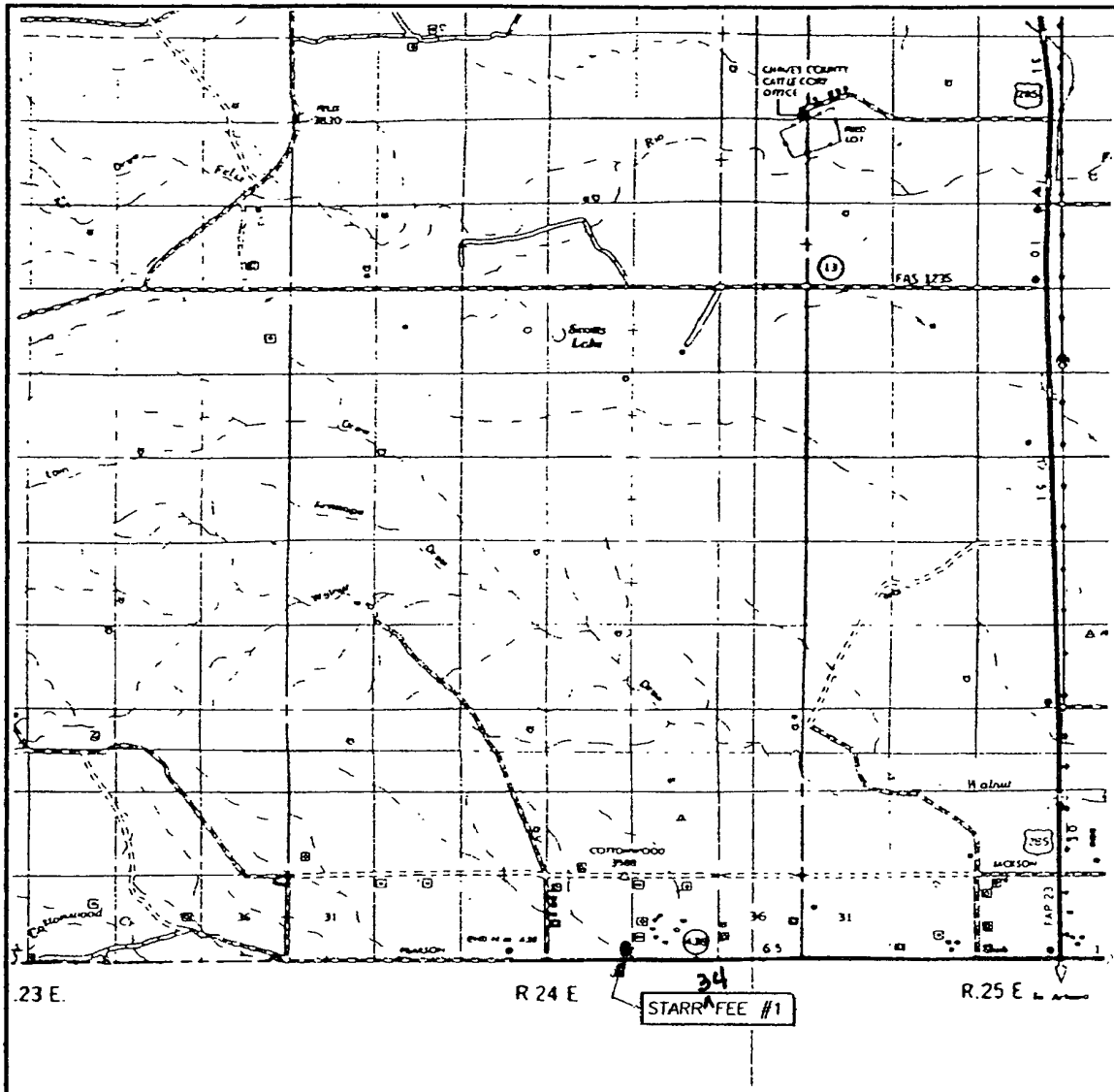


MYCO INDUSTRIES, INC.

34
 STARR FEE #1 WELL
 LOCATED 241 FEET FROM THE SOUTH LINE
 AND 198 FEET FROM THE EAST LINE OF SECTION 34,
 TOWNSHIP 15 SOUTH, RANGE 24 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO.

Survey Date: 05/01/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.0668	Dr By: J.R.
Date: 05/03/06	Disk: CD#6
06110668	Scale: 1"=100'

VICINITY MAP



SCALE: 1" - 2 MILES

SEC. 34 TWP. 15-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY CHAVES STATE NEW MEXICO

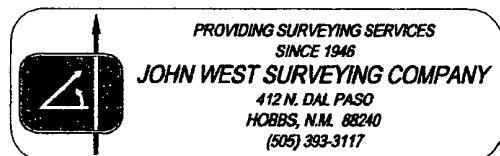
DESCRIPTION 241' FSL & 198' FEL

ELEVATION 3532'

OPERATOR MYCO INDUSTRIES, INC.

LEASE STARR FEE #1H

34



PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY

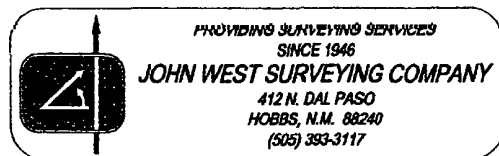
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

This topographic map depicts a section of land in the 24th and 25th ranges of the 6th township, 28th, 27th, and 26th meridians. Key features include:

- Geographic Features:** Nelson Landing Field, Windmill, Cottonwood, and several wells (e.g., Well 3530, Well 3531, Well 3545).
- Topography:** Contour lines indicating elevations such as 3500, 3520, 3540, and 3560.
- Infrastructure:** A road or path running vertically through the center, and a horizontal line labeled "STARRS FEE #1" near the bottom center.
- Grid and Coordinates:** Township and Range lines (R. 24 E., R. 25 E., T. 6 N.) and Meridian lines (28, 27, 26) are shown.

CONTOUR INTERVAL:
HOPE NE, N.M. - 10'

U.S.G.S. TOPOGRAPHIC MAP
HOPE NE, N.M.



MYCO INDUSTRIES, INC.

Well Name: Starr 34 Fee #1H

Location:

SL 241' FSL & 198' FEL, Section 34, T-15-S, R-24-E, Chaves Co, NM
BHL 660' FSL & 1228' FWL, Section 34, T-15-S, R-24-E, Chaves Co, NM

Casing Program:

Casing	Setting Depth	Hole Size	Casing Size	Casing Weight	Casing Grade	Desired TOC
Surface	950'	12-1/4"	8-5/8"	32#	J-55	Surface
Production	9250'	7-7/8"	5-1/2"	17#	N-80	Surface

Cement Program:

Depth	No. Sacks	Slurries:
950'	150	Lead: Premium Plus + 2% CaCl ₂ + 3% Econolite + ¼ pps Flocele
	250	Tail: Premium Plus + 2% CaCl ₂ + ¼ pps Flocele
9250'	500	Lead: Interfill C + ¼ pps Flocele
	700	Tail: Premium Cement + 100% Acid Soluable Additive + 0.6% Halad®-344 + 0.8% Econolite + 0.2% HR-55

Mud Program:

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0-950'	Fresh-Gel	8.6-8.8	28-34	N/c
950-4400'	Cut Brine	8.8-9.2	28-34	N/c
4400-5200'	Cut Brine	8.8-9.2	28-34	10-15
4468-9250'	Polymer (Lateral)	9.0-9.4	40-45	10-20



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

March 18, 2008

New Mexico Oil Conservation Division
Kimberly Wilson
1301 W. Grand
Artesia, New Mexico 88210

Re: Myco Industries, Inc.
Starr 34 Fee #1H
H2S Contingency Plan

Dear Ms. Wilson:

Sources at Myco Industries, Inc. have relayed information to me that they believe there will not be enough H2S found from the surface through the Wolfcamp Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Please note that I have enclosed our Contingency Plan for this well based on a remote chance that Rule 118 might become applicable.

Thank you,

MYCO INDUSTRIES, INC.

A.N. Muncy, PELS
Operations/Engineering Manager

ANM:hp
Enclosure

Myco Industries, Inc.

**423 W. Main Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

For

Starr 34 Fee #1H

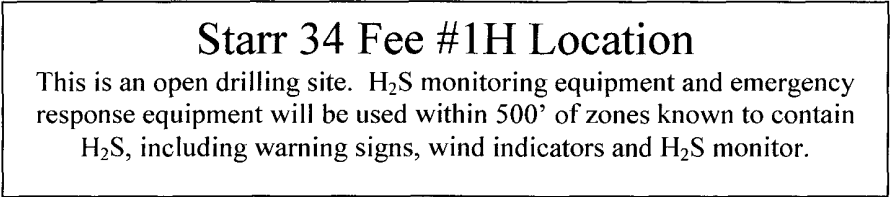
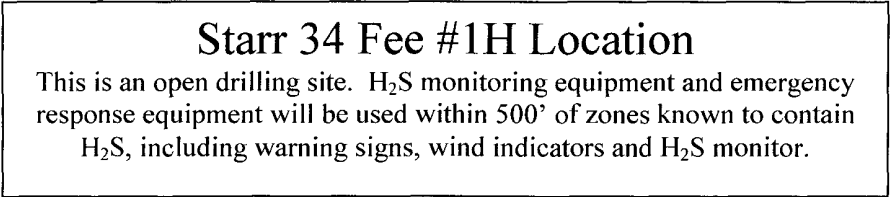
**241' FSL & 198' FEL (Surface)
660' FSL & 1228' FWL (Bottom-Hole)
Sec-34, T-15S, R-24E
Chaves County NM**

Starr 34 Fee #1H Location

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.

Starr 34 Fee #1H Location

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Assumed 100 ppm ROE = 3000²
100 ppm H₂S concentration shall trigger activation of this plan.

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100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs in order to control the release. Use the “buddy system” to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Myco personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Myco Company response must be in coordination with the State of New Mexico’s ‘Hazardous Materials Emergency Response Plan’ (HMER)

Myco Industries, Inc. Phone Numbers

Myco Office(505) 748-4280
Nelson Muncy/Operations Engineering Manager(505) 748-4289
.....(505) 308-3502
Carlos Guerrero/Field Supervisor(505) 746-7318
.....(505) 513-2492
Artesia Answering Service(505) 748-4302
(During non-office hours)

Agency Call List

Eddy County (505)

Artesia

State Police746-2703
City Police.....746-2703
Sheriff's Office746-9888
Ambulance.....911
Fire Department746-2701
LEPC (Local Emergency Planning Committee)746-2122
NMOCD.....748-1283

Carlsbad

State Police885-3137
City Police.....885-2111
Sheriff's Office.....887-7551
Ambulance.....911
Fire Department885-2111
LEPC (Local Emergency Planning Committee)..... 887-3798
US Bureau of Land Management 887-6544

New Mexico Emergency Response Commission (Santa Fe) (505)476-9600
24 HR (505) 827-9126
New Mexico State Emergency Operations Center (505) 476-9635
National Emergency Response Center (Washington, DC) ... (800) 424-8802

Other

Boots & Coots IWC1-800-256-9688 or (281) 931-8884
Cudd Pressure Control.....(915) 699-0139 or (915) 563-3356
Halliburton(505) 746-2757
B. J. Services.....(505) 746-3569

Flight For Life -4000 24th St, Lubbock, TX(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM(505) 842-4949



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

MAR 18 2008
OCD-ARTESIA

March 18, 2008

Hand Delivery / Hannah Palomin

Oil Conservation Division
Attn: Kimberly Wilson
1301 West Grand
Artesia, New Mexico 88210

Re: Starr 34 Fee #1H
Township 15 South, Range 24 East, NMPM
Section 34: 241' FSL & 198' FEL (Surface)
Section 34: 660' FSL & 1228' FWL (Bottom Hole)
Chaves County, New Mexico

Dear Kimberly:

Enclosed, for your approval, please find one original and one (1) copy of the Application for Permit to Drill (Form C-101) for the captioned well. Should you need any additional information, please do not hesitate to call me at 575.748.4288 or e-mail me at hannah@mycoinc.com.

Very truly yours,

MYCO INDUSTRIES, INC.

Hannah Palomin
Hannah Palomin
Land Tech

HP:me
Enclosures