

Submit 3 Copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

CTB 461 11/12/97

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

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

OCT 23 1997

WELL API NO. 5. Indicate Type of Lease STATE [] FEE [X] 6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: OIL WELL [X] GAS WELL [] OTHER [] 2. Name of Operator: MEW Enterprise 3. Address of Operator: 500 ECR 140 Midland TX 79703 4. Well Location: Unit Letter : Feet From The Line and Feet From The Line Section 30 and 31 Township 6 S Range 26 E NMPM Chaves County 10. Elevation (Show whether DF, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [] PLUG AND ABANDON [] TEMPORARILY ABANDON [] CHANGE PLANS [] PULL OR ALTER CASING [] OTHER: SURFACE COMINGLE [] SUBSEQUENT REPORT OF: REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT [] CASING TEST AND CEMENT JOB [] OTHER: []

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Please See Attachments, your consideration is greatly Appreciated.

PHONED MARGARET w/ MEW + TOLD HER OF SEPERATE METERING RQMT FOR DIVERSE OWNERSHIP AGREED. 11-24-97

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE Russell White TITLE Owner DATE 10-4-97 TYPE OR PRINT NAME TELEPHONE NO.

(This space for State Use) APPROVED BY TITLE DATE CONDITIONS OF APPROVAL, IF ANY: J.S.M.

M.E.W. Enterprise

10-6-97

Oil Conservation Division
P.O. Box
Santa Fe, NM
RE: Off lease storage & commingling.

To whom it may concern;

MEW Enterprise respectfully request your approval for off lease storage and commingling of the following wells:

A. Well# proposed for commingling and off lease storage:

Johnson IL Fee #1, SW/4 SE/4 Sec 30 - T06S - R26E.

B. Well# proposed for commingling, only:

Federal HJ #2, NW/4 NE/4 Sec 31 - T06S - R26E

Federal HJ #9, NE/4 SE/4 Sec 31 - T06S - R26E

Federal HJ #10, NE/4 NE/4 Sec 31 - T06S - R26E

All wells are producing from the Linda San Andres formation, pool #38990. Approximately the same depth.

C. Reason for request.

One of the main reasons for this proposal is to help minimize the problems associated with this low gravity crude (heavy tank bottoms, high corrosion on the lifting equipment down hole, etc.) I am sure everyone involved is aware of the sporadic production history over the past years, this proposal will help eliminate the long wait to fill a tank to marketable levels. I believe the approach of having a commingled off lease storage battery is the only sound approach. Due to the lagging crude oil market, the never ending increase in operating cost, and the low volumes of crude oil produced from these individual wells, it is imperative that such marginal wells be given every opportunity to extend their longevity through lowering the cost of production.

Commingling will also help greatly when it comes time to sale a load of oil. Right now when we have a load of oil each of these wells have to be shut down to allow the oil to be prepared for selling. This sometimes results in several days of down time due to the operators and purchasers scheduling, this problem will be eliminated when we commingle these two wells.

D. Individual production history as follows:

Johnson IL Fee #1 1.5 BOPD 13.2 BWPD 31 API Gravity

Federal HJ #2 1.4 BOPD 10.5 BWPD 31 API Gravity

Federal HJ #9 & 10 SI

E. Testing

We proposes doing a 90 day test on every well in this battery, along with the test currently being done every month. A 24 hour test collecting all fluids will be performed followed by a shake out of the produced fluids. This will give us a percentage sample of oil & water. These percentages of oil will be used to calculate your percentage of oil at the off lease storage battery. The same will be performed on a monthly basis. These test and past experience of the production of each well will produce accurate information for calculating disbursements of interest. All oil is produced from the same zone and of equal gravity so we see no effect on reduced royalties.

F. Proposed commingled battery:

There is an existing flowline from the Johnson IL to the Federal HJ used now as a SWD line. We propose to hookup the production line from the Johnson IL to this existing line so it will carry all production to the Federal HJ gunbarrel. Combining all production from the Federal HJ and Johnson IL. Sending H2O to the SWD and the oil production to the Federal HJ tank battery, a 210 bbl tank. We will then disassemble the Johnson IL tank battery, move the production tank from the Johnson IL to the Federal HJ and tie that tank into the existing facilities. See attached diagrams.

We believe that these wells do have more oil to give up. But, it is an absolute must that production cost go down and revenue come in more timely. These wells in the near future will become uneconomical to produce if something is not done very soon. Thank you for your time and cooperation. If you have any questions, please call Margaret or myself at (915)570-8613.

Sincerely,



Russell Whited
Owner

2 of 18

Division of Interest Owners

PERCENTAGE	STATE	INTEREST OWNER'S NAME
Federal HJ #2, 9 & 10		
0.125	RI	Minerals Management
0.0018334	OR	Boling, Mark E.
0.845	WI	MEW Enterprise
0.0018333	OR	Jones, Jackie Sue
0.0025	OR	Boling, Mary L.
0.01	OR	Rutter & Wilbanks Corp.
0.01	OR	Robinson, Billie
0.0018333	OR	Boling, Robert Michael
0.001	OR	Williams, Jana L.
0.001	OR	Richardson, Janet W.
100%		
Johnson IL Fee #1		
0.009823	RI	Branex Resources, Inc
0.0156249	RI	Gardner, Geneva B.
0.029215	RI	Williams, Robert M.
0.0029297	RI	Pilant, Jean H. Family Trust
0.0029297	RI	First Presbyterian Church Fndn
0.0234375	RI	Kehrer, Victor J., Jr
0.0156249	RI	The Blanco Company
0.005843	RI	O'Brien, George M.
0.005843	RI	Barmar Inc.
0.009823	RI	Schellinger, Carl A.
0.7851563	WI	MEW Enterprise
0.0104167	RI	First Roswell Company LTD
0.0234375	RI	Johnson, S. P., III & Barbara Jo Johnson
0.0234375	RI	PJC Ltd. Partnership
0.0364583	WI	First Roswell Company LTD
100%		
See attached copy of letter sent to each interest owner		

M.E.W. Enterprise

500 ECR 140 - Midland, TX 79706

7/24/97

Mary L. Boling
Box 768
Artesia, NM 88210

RE: Surface Commingling

To whom it may concern;

Our records indicate you hold .0025 ORI in our Federal HJ Lease in Chaves County, NM. M.E.W. Enterprise is requesting your approval for off lease storage and surface commingling of the following.

We propose to commingle production from the Johnson IL, Sec 30-6S-26E, into the Federal HJ, Sec 31-6S-26E. Both wells are producing from the Linda, San Andres formation, pool #38990. M.E.W. Enterprise holds the plugging bond & operates both above leases. Because of the lagging crude oil market, the never ending increase in operating cost, and the low volumes of crude oil produced from these individual wells, it is imperative that such marginal wells be given every opportunity to extend their longevity through lowering the cost of production. With this plan to commingle, one tank battery can be eliminated. This will also enable us to market our produced crude in a more timely manner.

M.E.W. proposes the following plan: There is an existing flowline from the Johnson IL to the Federal HJ used now as a SWD line. We propose to hookup the production line from the Johnson IL to this existing line so it will carry all production to the Federal HJ gunbarrel. Combining all production from the Federal HJ and Johnson IL. Sending H₂O to the SWD and the oil production to the Federal HJ tank battery, a 210 bbl tank. We will then disassemble the Johnson IL tank battery, move the production tank from the Johnson IL to the Federal HJ and tie that tank into the existing facilities. This will help greatly when it comes time to sale a load of oil. Right now when we have a load of oil each of these wells have to be shut down to allow the oil to be prepared for selling. This sometimes results in several days of down time due to the operators and purchasers scheduling, this problem will be eliminated when we commingle these two wells.

Other reasons for this proposal is to help minimize the problems associated with this low gravity crude (heavy tank bottoms, high corrosion on the lifting equipment down hole, etc.) I am sure everyone involved is aware of the sporadic production history over the past years, this proposal will help eliminate the long wait to fill a tank to marketable levels. I believe the approach of having a commingled off lease storage battery is the only sound approach.

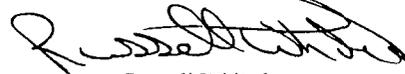
M.E.W. proposes doing a 90 day test on every well in this battery, along with the test currently being done every month. A 24 hour test collecting all fluids will be performed followed by a shake out of the produced fluids. This will give us a percentage sample of oil & water. These percentages of oil will be used to calculate your percentage of oil at the off lease storage battery. The same will be performed on a monthly basis. These test and past experience of the production of each well will produce accurate information for calculating disbursements of interest.

We believe that both wells have more oil to give up. But, it is an absolute must that production cost go down and revenue come in more timely. These wells in the near future could become uneconomical to produce if something is not done very soon.

Enclosed you will find two (2) copies of this letter. Please sign both copies, retain one for your records and return the other one by August 15th, 1997 to M.E.W. Enterprise, 500 E.C.R. 140, Midland, TX 79706. If we do not hear from you by the above date we will assume that you have no objections to our proposal. At that time we will begin the filing process with the proper Government agencies.

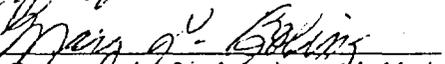
Thank you for your time and cooperation. If you have any questions, please call Margaret or myself at (915)570-8613.

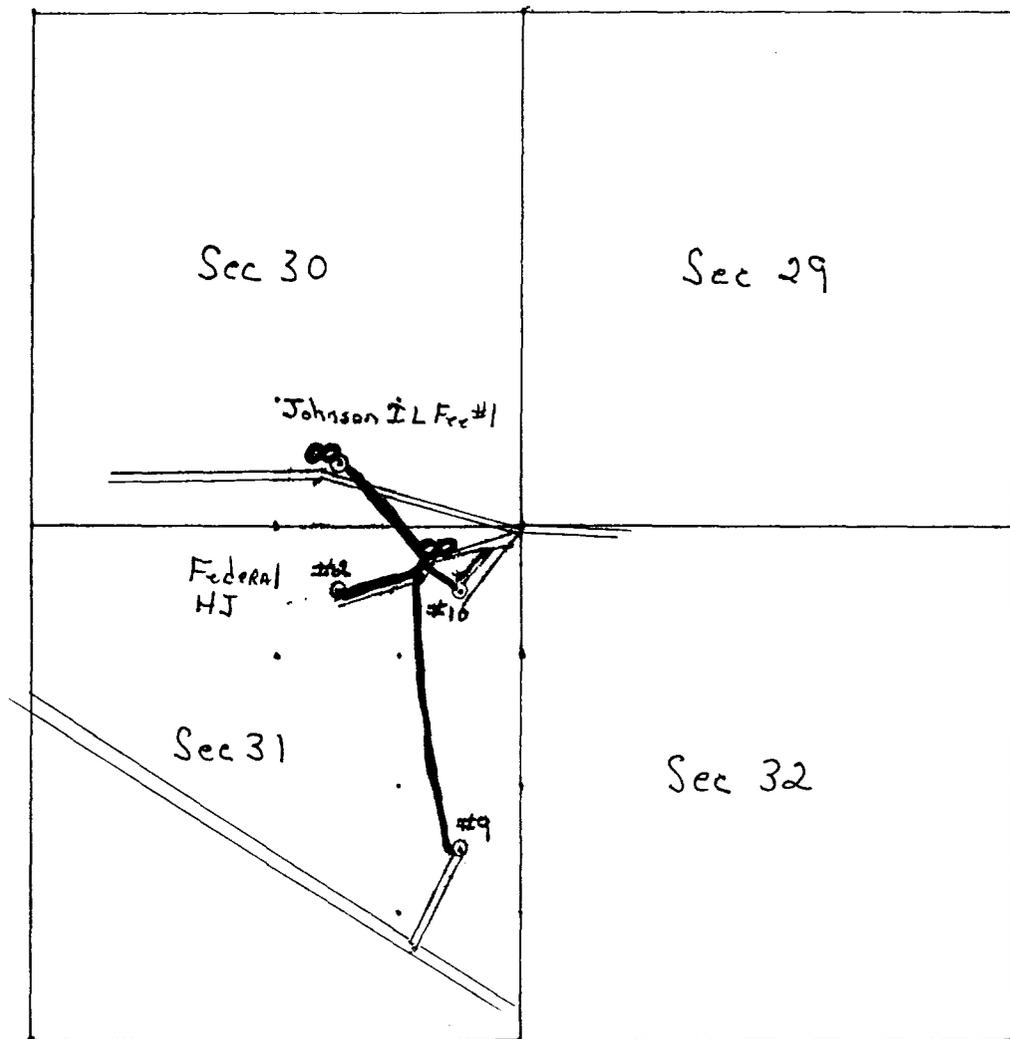
Sincerely,



Russell Whited
Owner

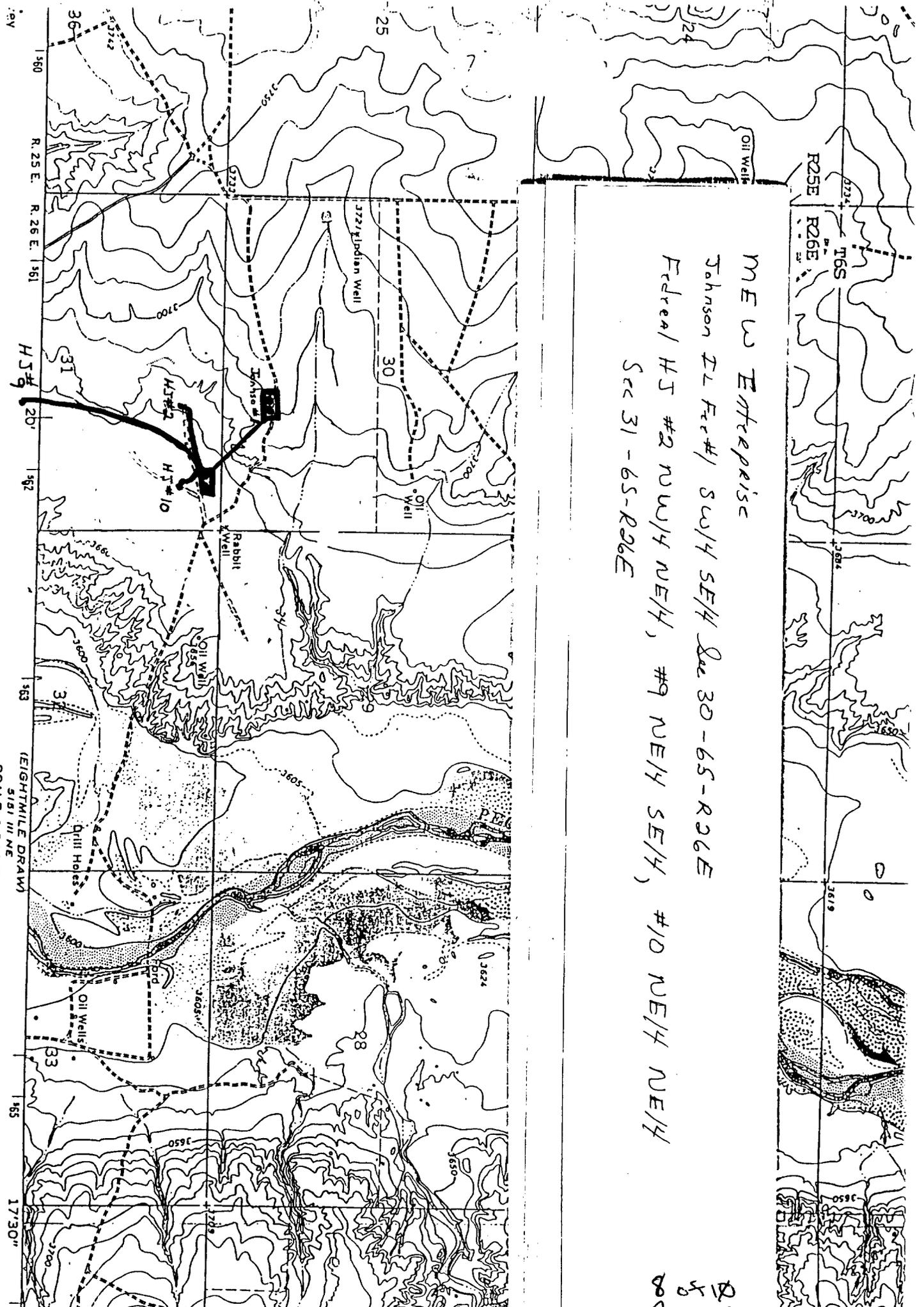
Agreed and accepted this 13th day of August 1997.


Representative for above interest holder/s



Green: Tank Batteries and existing flowlines
 Red: SWD Line will be converted to Production
 Line for Oil + H₂O

Yellow: show lease



MEW Enterprise
 Johnson DL Fee#1 SW/4 SE/4 Sec 30 - 65-R26E
 Federal HJ #2 NW/4 NE/4, #9 NE/4 SE/4, #10 NE/4 NE/4
 Sec 31 - 65-R26E

2150
 205

(EIGHT MILE DRAW)
 S1B1 III NE
 CCAIF 1740000

**APPLICATION FOR TRANSPORTATION AND
 UTILITY SYSTEMS AND FACILITIES
 ON FEDERAL LANDS**

FORM APPROVED
 OMB NO. 1004-0060
 Expires: June 30, 1995

FOR AGENCY USE ONLY

NOTE: Before completing and filing the application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

Application Number

Date filed

1. Name and address of applicant (include zip code)

MEW Enterprise
 500 ECR 140
 Midland Tx 79706

2. Name, title, and address of authorized agent if different from Item 1 (include zip code)

Russell Whited, owner
 500 ECR 140
 Midland Tx 79706

3. TELEPHONE (area code)

Applicant
 (915) 570-8613
 Authorized Agent
 (915) 570-8613

4. As applicant are you? (check one)

- a. Individual
- b. Corporation*
- c. Partnership/Association*
- d. State Government/State Agency
- e. Local Government
- f. Federal Agency

* If checked, complete supplemental page

5. Specify what application is for: (check one)

- a. New authorization
- b. Renewing existing authorization No.
- c. Amend existing authorization No.
- d. Assign existing authorization No.
- e. Existing use for which no authorization has been received*
- f. Other*

* If checked, provide details under Item 7

6. If an individual, or partnership are you a citizen(s) of the United States? Yes No

7. Project description (describe in detail): (a) Type of system or facility, (e.g., canal, pipeline, road); (b) related structures and facilities; (c) physical specifications (length, width, grading, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction (Attach additional sheets, if additional space is needed.)

- A. change saltwater line into production line to carry oil + H₂O to coming #1 facility
- B. none
- C. no ROWs needed line is currently in use as SWO line and is buried.
- D. life of wells
- E. year around
- F. oil + water produced from well operating PSI APV 30 #16s
- G. no construction needed
- H. no temporary work areas are needed for any use

8. Attach a map covering area and show location of project proposal

9. State or Loc government approval: Attached Applied for Not required

10. Nonreturnable application fee: Attached Not required

11. Does project cross international boundary or affect international waterways? Yes No (If "yes," indicate on map)

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

Bonded w/ BLM and State of New Mexico
 MEW Enterprise DBA Russell Whited
 BLM Bond #25,000⁰⁰ Blanket Bond
 New Mexico Bond #6259 \$50,000⁰⁰

13a. Describe other reasonable alternative routes and modes considered.

None

b. Why were these alternatives not selected?

c. Give explanation as to why it is necessary to cross Federal Lands.

to get from one Lease to the other

14. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. (Specify number, date, code, or name)

~~Serial #NM 97012~~ Serial #NM 97012 + NM 97013

15. Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits. A. Low production, high maintenance, more timely marketing of product. B. None C. Removal of Tank Battery Less visual impact.

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

no Residential Area

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.

A. None, B. Lower visual impact (no tanks) C. none D. none E. None F. None

18. Describe the probable effects that the proposed project will have on (a) populations of fish, plantlife, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

A. none, B. None.

19. State whether any hazardous material, as defined in this paragraph, will be used, produced, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous material" means any substance, pollutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substances under CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, 42 U.S.C. 9601 et seq., and its regulations. The term hazardous materials also includes any nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or designated as a hazardous substance under CERCLA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.

None

20. Name all the Department(s)/Agency(ies) where this application is being filed.

NM OGD
BLM

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant

Russell Whitell DBA MEW Enterprise

Date

10-4-97

Title 18, U.S.C. Section 1001, makes 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.

10-25-97