

6-3
Oil Cons.
N.M. DIV. 2
1301 W. Grand Avenue
Artesia, NM 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-04825	
b. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Mewbourne Oil Company 14744		7. UNIT AGREEMENT NAME 30925	
3. ADDRESS AND TELEPHONE NO. P.O. Box 5270, Hobbs, NM 88241 (505) 393-5905		8. FARM OR LEASE NAME, WELL NO. Freedom "31" Federal Com # 2	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 885' EML & 1425' FWL At proposed prod. zone FSL Ut. N		9. API WELL NO. 30-015-32294	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 15 miles East of Carlsbad		10. FIELD AND POOL, OR WILDCAT Scanlon Morrow	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 885'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec.31, T20S, R29E	
16. NO. OF ACRES IN LEASE 320		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2705'		19. PROPOSED DEPTH 12,050'	
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3224' GL Capitan Controlled Water Basin	
22. APPROX. DATE WORK WILL START 05/01/03			

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	H40, 20"	94#	375'	350 sxs Circ. to Surface
17-1/2"	H40, 13-3/8"	48#	1300'	700 sxs Circ. to Surface
12-1/4"	J55, 8-5/8"	32#	3000'	750sxs Circ. to Surface
7-7/8"	N80, 5-1/2"	17#	12,050'	600' above Wolfcamp

Mewbourne Oil Company proposes to drill this well to a depth sufficient to test the Morrow Formation for the presence of hydrocarbons. If determined to be productive, the well will be equipped with 5-1/2" production casing to total depth. If determined to be nonproductive, the well will be plugged and abandoned in accordance with regulatory guidelines. Specific plans are outlined in the following attachments.

- 1) Location and Elevation Plat (NMOCD Form C102)
- 2) Drilling Program
- 3) Surface Use and Operation Plan
- 4) Schematic Diagram of Blowout Preventer and Choke Manifold (Exhibits 2 & 2A)
- 5) Map of existing and Planned Access Road and Location (Exhibit 3 & 3A)
- 6) List of Offset Wells
- 7) Proposed Drilling Rig Layout (Exhibit 5)
- 8) Proposed Production Facilities Latout (Exhibit 6)
- 9) Hydrogen Sulfide Contingency Plan (Exhibit 7)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Drilling Foreman DATE 04/01/03
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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:

APPROVED BY /S/ JOE G. LARA TITLE ACTING FIELD MANAGER DATE MAY 06 2003

*See Instructions On Reverse Side

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.

APPROVAL FOR 1 YEAR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-04825
2. Name of Operator Mewbourne Oil Company 14744	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. PO Box 5270, Hobbs, NM 88241	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 885'FSL & 1425' FWL. Sec.31 T-20S R-29E	8. Well Name and No. Freedom 31 Federal Com #2
	9. API Well No.
	10. Field and Pool, or Exploratory Area Scanlon Morrow
	11. County or Parish, State Eddy, NM

12. CHECK APPROPRIATE BOX(s) 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"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Dedication & Lease # Change</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

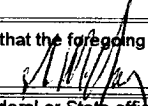
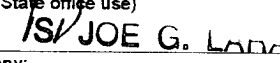
Mewbourne Oil Company has applied for an APD on the above captioned well. The APD was sent in for a West/2, 320 acre dedication. Mewbourne Oil Company would like to change this to a South/2, 320 acre dedication.

Also, the Lease # for this well needs to be NM-04825.

Please call if you have any questions.

New C-102 is enclosed.

14. I hereby certify that the foregoing is true and correct

Signed 	Title N.M. Young District Manager	Date 04/29/03
(This space for Federal or State office use)		
Approved by 	ACTING Title FIELD MANAGER	Date MAY 06 2003
Conditions of approval, if any:		

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.

*See Instruction on Reverse Side

DISTRICT II

814 South First, Artesia, NM 88210

Instruction on back
Submit to Appropriate District Office

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT IV

2840 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Scanlon Morrow
Property Code	Property Name FREEDOM "31" FEDERAL COM.	Well Number 2
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3224

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	20S	29E		885	SOUTH	1425	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	Joint or Infill	Consolidation Code	Order 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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>N.M. Young</u> Printed Name Manager Title 04/29/03 Date
	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 3/31/2003 Signature & Seal of Professional Surveyor Certificate No. Herschel M. Jones RLS 3640 FREEDOM 31-220 GENERAL SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650 990' 660' 330' 0'

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

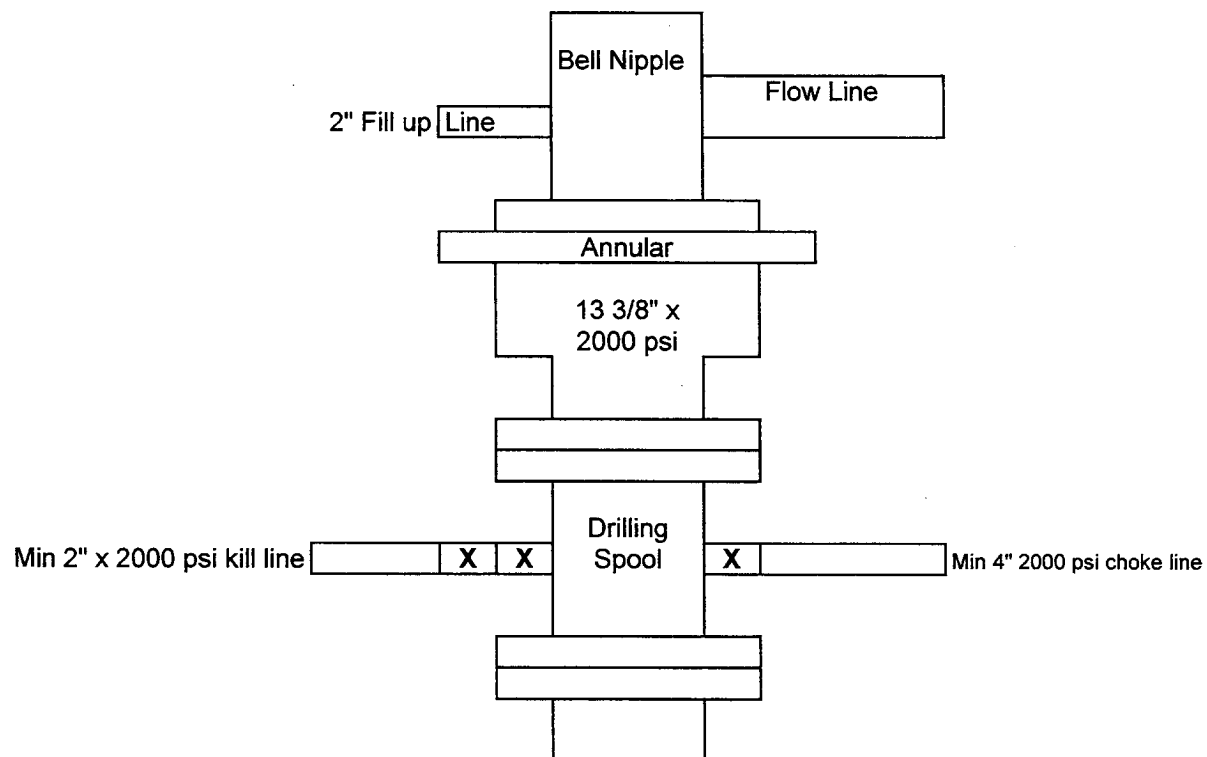


Exhibit #2

Freedom "31" Federal Com # 2
885' FSL & 1425' FWL
Sec.31-20S; R29E
Eddy County, New Mexico

Mewbourne Oil Company

BOP Scematic for
8 3/4" or 7 7/8" Hole

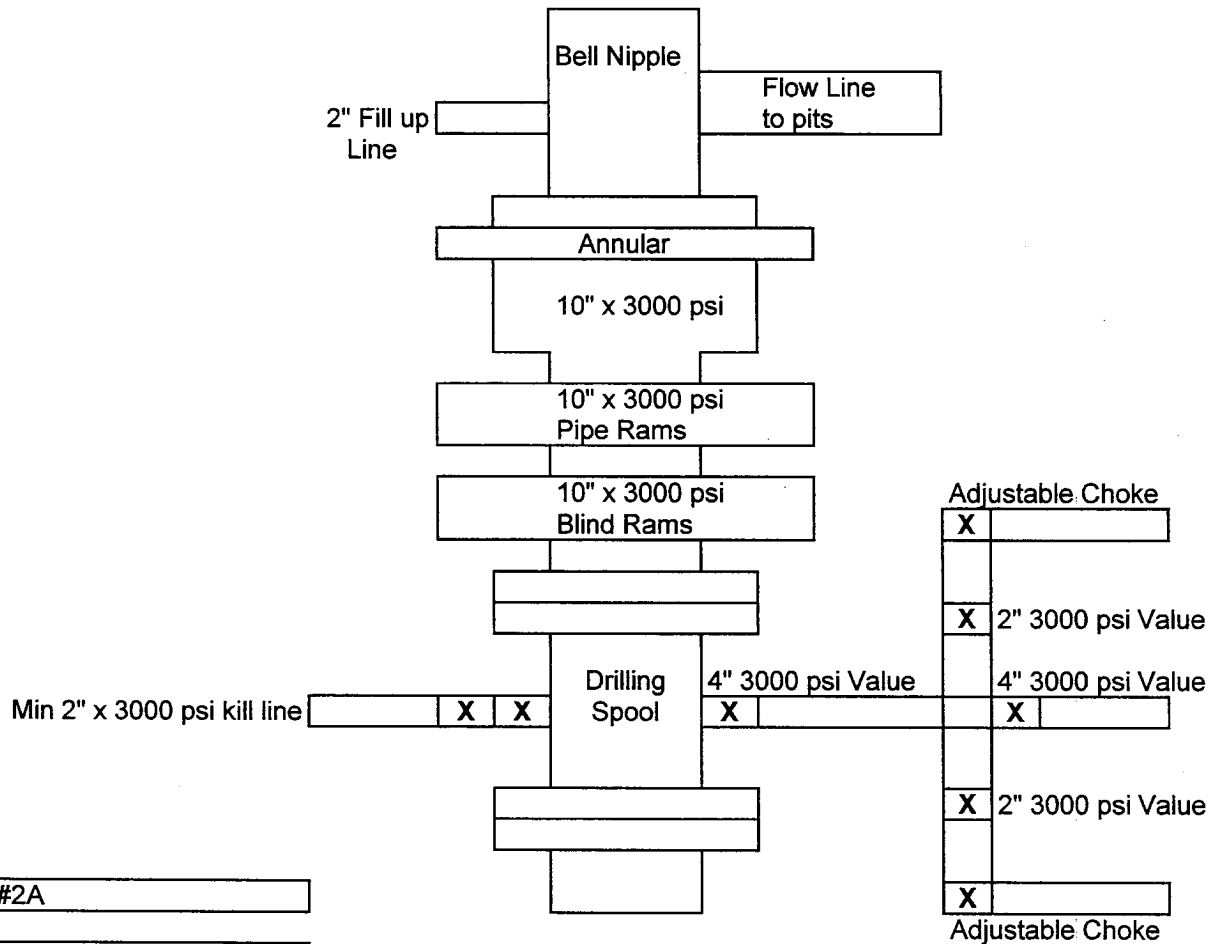


Exhibit #2A

Freedom "31" Federal Com # 2
885' FSL & 1425' FWL
Sec.31; T20S; R29E
Eddy County, New Mexico

Notes Regarding Blowout Preventer

Mewbourne Oil Company

Freedom "31" Federal Com # 2

885' FSL & 1425' FWL

Section 31- T20S-R29E

Eddy County, New Mexico

Lease Number NM-104825

1. Drilling nipple (bell nipple) to be constructed so that it can be removed without the use of a welder through the opening of the rotary table, with minimum internal diameter equal to blowout preventer bore.
2. Blowout preventer and all fittings must be in good condition with a minimum 2000 psi working pressure.
3. Safety valve must be available on the rig floor at all times with proper connections to install in the drill string. Valve must be full bore with minimum 2000 psi working pressure.
4. Equipment through which bit must pass shall be at least as large as internal diameter of the casing.
5. A kelly cock shall be installed on the kelly at all times.
6. Blowout preventer closing equipment to include and accumulator of at least 40 gallon capacity, two independent sources of pressure on closing unit, and meet all other API specifications.

Hydrogen Sulfide Drilling Operations Plan

Mewbourne Oil Company

Freedom "31" Federal Com # 2

885' FSL & 1425' FWL

Section 31- T20S-R29E

Eddy County, New Mexico

Lease Number NM-104825

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.
- 3 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:

- 1 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.
- 3 The contents of the Hydrogen Sulfide Drilling Operations Plan.

There will be an initial training session prior to encountering a known 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..

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. Visual Warning Systems

- 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**

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.