

N.M. Oil Cons. DIV-Dist. 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 January 31, 2004

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-46275
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" 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 Mewbourne Oil Company (14744)		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 5270 Hobbs, NM 88240		8. Lease Name and Well No. Justice Federal Com #3
3b. Phone No. (include area code) 505-393-5905		9. API Well No. 30-015-34086
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1400' FNL & 950' FWL Lot 5 At proposed prod. zone		10. Field and Pool, or Exploratory Burton Flat Morrow
14. Distance in miles and direction from nearest town or post office* 4 miles NE Carlsbad		11. Sec., T., R., M., or Blk. and Survey or Area Sec 1-T21S-R27E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 360'	16. No. of Acres in lease 270	12. County or Parish Eddy
17. Spacing Unit dedicated to this well 270	13. State NM	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 593'	19. Proposed Depth 11,750'	20. BLM/BIA Bond No. on file NM-1693 Nationwide
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3192' GL	22. Approximate date work will start* ASAP	23. Estimated duration 40 days

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APR 08 2005
OIL-ARTESIA

24. Attachments **CARLSBAD CONTROLLED WATER BASIN**

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>Kristi Green</i>	Name (Printed/Typed) Kristi Green	Date 02/08/05
-----------------------------------	--------------------------------------	------------------

Title Hobbs Regulatory	Approved by (Signature) <i>/s/ Maria Ketson</i>	Name (Printed/Typed) <i>/s/ Maria Ketson</i>	Date APR - 5 2005
Title FOR 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

WITNESS *Surface & 9 5/8" Casings*

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
March 12, 2004

_____ch Dr., Hobbs, NM 88240

_____. Grand Avenue, Artesia, NM 88210

1000 Rio Brazos Road, Aztec, NM 87410

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

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

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

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes No

Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank

Operator: Mewbourne Oil Company Telephone: 505-393-5905 e-mail address: kgreen@mewbourne.com

Address: PO Box 5270 Hobbs, NM 88240

Facility or well name: Justice Federal Com #3 API #: _____ U/L or Qtr/Qtr Lot 5 Sec 1 T21S R27E

County: Eddy Latitude 32-31-07.9N Longitude 104-08-54.6W NAD: 1927 1983

Surface Owner Federal State Private Indian

Pit

Type: Drilling Production Disposal

Workover Emergency

Lined Unlined

Liner type: Synthetic Thickness 12 mil Clay Volume 24,000 bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes If not, explain why not.

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FEB 09 2005

OCPL ARTESIA

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more X

(0 points) X

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No X

(0 points) X

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

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) Indicate disposal location:

onsite offsite If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No Yes If yes, show depth below ground surface _____ ft. 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 my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

Date: 02/08/05

Printed Name/Title Kristi Green / Hobbs Regulatory Asst Signature Kristi Green

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: FEB 9 2005 [Signature]

Printed Name/Title _____ Signature [Signature]

New Mexico Office of the State Engineer
Well Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic All

AVERAGE DEPTH OF WATER REPORT 02/07/2005

Bsn	Tws	Rng	Sec	Zone	X	Y	(Depth Water in Feet)			
							Wells	Min	Max	Avg
C	21S	27E	01				1	186	186	186

Record Count: 1

New Mexico Office of the State Engineer
Well Reports and Downloads

Township: [21S] Range: [28E] Sections: [6,,7]

NAD27 X: [] Y: [] Zone: [] Search Radius: []

County: [] Basin: [] Number: [] Suffix: []

Owner Name: (First) [] (Last) [] Non-Domestic Domestic All

Well / Surface Data Report Avg Depth to Water Report Water Column Report

Clear Form WATERS Menu Help

AVERAGE DEPTH OF WATER REPORT 02/07/2005

(Depth water in Feet)
Bsn Twrs Rng Sec Zone X Y Wells Min Max Avg

No Records found, try again

New Mexico Office of the State Engineer
Well Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic All

AVERAGE DEPTH OF WATER REPORT 02/07/2005

(Depth Water in Feet)

Bsn TwS Rng Sec Zone X Y Wells Min Max Avg

No Records found, try again

New Mexico Office of the State Engineer
Well Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic All

AVERAGE DEPTH OF WATER REPORT 02/07/2005

		(Depth Water in Feet)								
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	Min	Max	Avg
CP	20S	28E	31				1	115	115	115

Record Count: 1

Hobbs, NM 88240

II

First, Artesia, NM 88210

DISTRICT III

00 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2040 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
		MORROW
Property Code	Property Name	Well Number
	JUSTICE FEDERAL COM.	3
OGRID No.	Operator Name	Elevation
14744	MEWBOURNE OIL COMPANY	3192

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 5	1	21S	27E		1400	NORTH	950	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.
270			

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>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kristi Green</i></p> <p>Signature</p> <p>Kristi Green</p> <p>Printed Name</p> <p>Hobbs Regulatory</p> <p>Title</p> <p>2/8/05</p> <p>Date</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>1/25/2005</p> <p>Date Surveyed</p> <p>Signature of Professional Surveyor</p> <p>Herschel L. Jones</p> <p>NEW MEXICO</p> <p>3640</p> <p>Certificate No. Herschel L. Jones RLS 3640</p> <p>GENERAL SURVEYING COMPANY</p>		
	<p>LOT 4</p> <p>LOT 3</p> <p>LOT 2</p> <p>LOT 1</p> <p>LOT 5</p> <p>LOT 6</p> <p>LOT 7</p> <p>LOT 8</p>	<p>LOT 12</p> <p>LOT 11</p> <p>LOT 10</p> <p>LOT 9</p>	
	<p>LOT 13</p> <p>LOT 14</p> <p>LOT 15</p> <p>LOT 16</p>		

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

13. Operator's Representative:

A. Through APD approval and drilling operations:

N.M. Young, District Manager
Mewbourne Oil Company
PO Box 5270
Hobbs, NM 88241
505-393-5905

B. Through completion and production operations:

N.M. Young, District Manager
Mewbourne Oil Company
PO Box 5270
Hobbs, NM 88241
505-393-5905

14. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Mewbourne Oil Company, its contractors and subcontractors, in accordance with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: _____

Signature: _____ 02/08/05 _____

N.M. Young, District Manager
Mewbourne Oil Company
PO Box 5270
Hobbs, NM 88241
(505) 393-5905

Drilling Program
Mewbourne Oil Company
 Justice Federal Com #3
 1400' FNL & 950' FWL
 Section 1-T21S-R27E
 Eddy County, New Mexico

1. The estimated top of geological markers are as follows:

Wolfcamp	9000'
Strawn	10150'
Atoka	10450'
Morrow	11000'

2. Estimated depths of anticipated fresh water, oil, or gas:

Water	Approximately 187'
Hydrocarbons	All zones below Wolfcamp

3. Pressure control equipment:

A 2000 psi working pressure annular BOP will be installed on the 13-3/8" surface casing. A 5000 psi WP Double Ram BOP and a 2500 psi WP Annular will be installed after running 9 5/8" casing. Pressure tests will be conducted prior to drilling out under all casing strings. BOP controls will be installed prior to drilling under surface casing and will remain in until completion of drilling operations. BOP's will be inspected and operated daily to insure mechanical integrity and the inspection will be recorded on the daily drilling report.

Kelly cock and a sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position when the kelly is not in use.

4. Proposed casing and cementing program:

A. Casing Program:

<u>Hole Size</u>	<u>Casing</u>	<u>Wt/Ft.</u>	<u>Grade</u>	<u>Depth</u>
26"	20"	94#	K55	0-400' ← WITNESS
17-1/2"	13-3/8"	54.5#	J55	0-1200'
12-1/4"	9-5/8"	40#	N80/J55	0-2800' ← WITNESS
8-3/4"	5-1/2"	17#	P110/S95	0-11,750'

Minimum casing design factors: Collapse 1.2, Burst 1.1, Tensile strength 2.0.

B. Cementing Program

- i. Surface Casing: 300 sacks Class "C" light cement containing ½ #/sk cellophane flakes, 2% CaCl, 5 lbs/sack gilsonite. 200 sacks Class "C" cement containing 2% CaCl.
- ii. Deep Surface: 600 sacks Class "C" light cement containing ½ #/sk cellophane flakes, 2% CaCl, 5 lbs/sack gilsonite. 400 sacks Class "C" cement containing 2% CaCl
- iii. Intermediate Casing: 900 sacks 35:65 pozmix cement containing 6% gel, 5 lbs/sack gilsonite. 400 sacks Class "C" cement containing 2% CaCl.
- iv. Production Casing: 600 sacks Class "H" cement containing fluid loss additive, friction reducer additive, compressive strength enhancer, and NaCl. Shallower productive zones may be protected by utilizing a multiple stage cementing tool in the production casing below potentially productive zones and cementing with a light cement slurry.
**Mewbourne Oil Company reserves the right to change cement designs as hole conditions may warrant.*

5. Mud Program:

<u>Interval</u>	<u>Type System</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0'-400'	FW spud mud	8.6-9.4	32-34	NA
400'-1200'	Brine water	10.0	32-34	NA
1200'-2800'	Fresh water	8.8-9.2	28-30	NA
2800'-10400'	Cut brine water	9.2-10.0	28-30	NA
10400'-TD	Cut brine water	9.2-10.0	30-42	8-12

(Note: Any Weight Above 8.6#/gallon would be to hold back Wolfcamp shale, rather than abnormal BHP.)

6. Evaluation Program:

- Samples: 10'samples from intermediate casing to TD
- Logging: Compensated density and dual laterlog from intermediate casing to TD
- Coring: As needed for evaluation
- Drill Stem Tests: As needed for evaluation

7. Downhole Conditions

Zones of abnormal pressure: None anticipated

Zones of lost circulation: Anticipated in surface and intermediate holes
Maximum bottom hole temperature: 180 degree F
Maximum bottom hole pressure: 9.0 lbs/gal gradient or less

8. Anticipated Starting Date:

Mewbourne Oil Company intends to drill this well as soon as possible after receiving approval with approximately 45 days involved in drilling operations and an additional 10 days involved in completion operations on the project.

Hydrogen Sulfide Drilling Operations Plan

Mewbourne Oil Company

Justice Federal Com #3

1400' FNL & 950' FWL

Section 1-T21S-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:

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

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

- A. 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.
- B. Corrective action and shut in procedures, blowout prevention, and well control procedures while drilling a well.
- C. 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.

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

- B. Protective Equipment for Essential Personnel
Thirty minute self contained work unit located at briefing area as indicated on well site diagram.

- C. 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.

- D. Visual Warning Systems
 - 1. Wind direction indicators as indicated on the well site diagram.
 - 2. 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 tool pushers 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.

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 formations.

**United States Department of the Interior
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287**

Statement Accepting Responsibility for Operations

Operator Name: Mewbourne Oil Company
Street or Box: P.O. Box 5270
City, State: Hobbs, New Mexico
Zip Code: 88241

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted of the leased land or portion thereof, as described below.

Lease Number: Lease Number #NM-46275

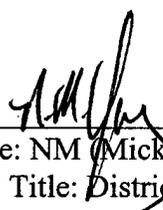
Legal Description of Land: Section 1, T-21S, R-27E Eddy County, New Mexico.
Location @ 1400' FNL & 950' FWL.

Formation (if applicable):

Bond Coverage: \$150,000

BLM Bond File: NM1693, Nationwide

Authorized Signature: _____


Name: NM (Micky) Young
Title: District Manager
Date: February 8, 2005

Notes Regarding Blowout Preventer

Mewbourne Oil Company

Justice Federal Com #3

1400' FNL & 950' FWL

Section 1-T21S-R27E

Eddy County, New Mexico

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 5000 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 5000 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.

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

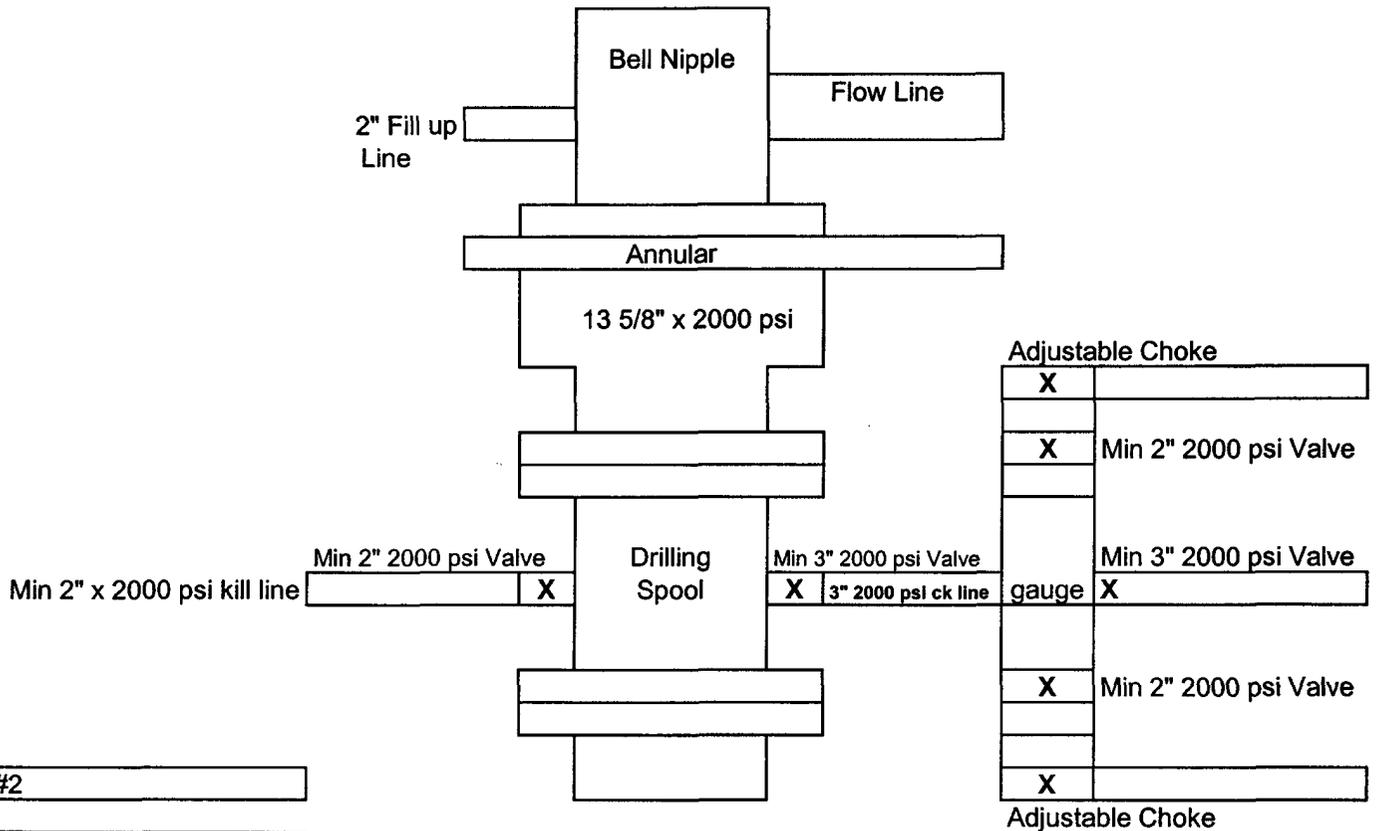


Exhibit #2

Justice Federal Com #3
 1400' FNL & 950' FWL
 Sec 1-T21S-R27E
 Eddy, County
 New Mexico

Mewbourne Oil Company
 BOP Schematic for
 8 3/4" or 7 7/8" Hole

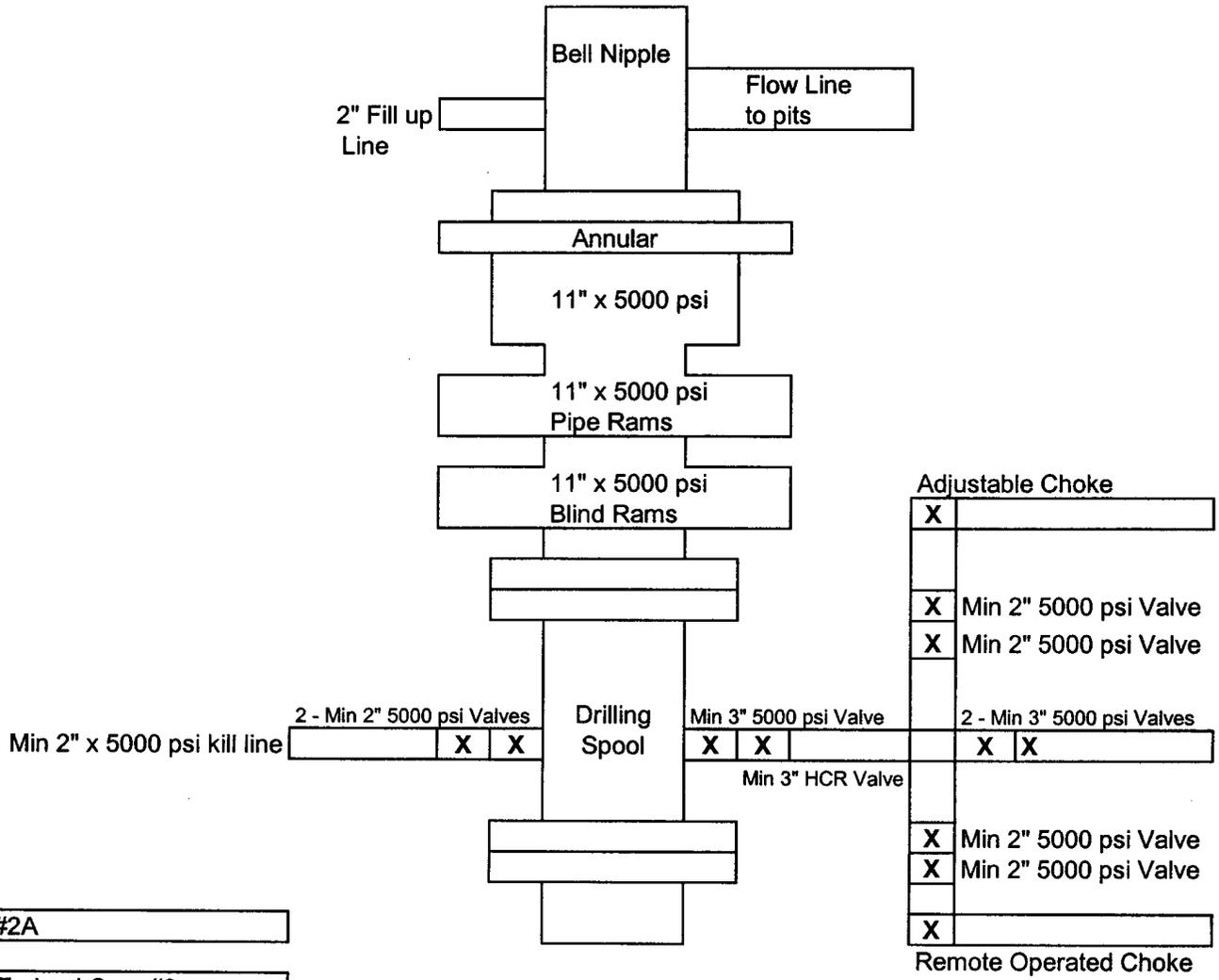
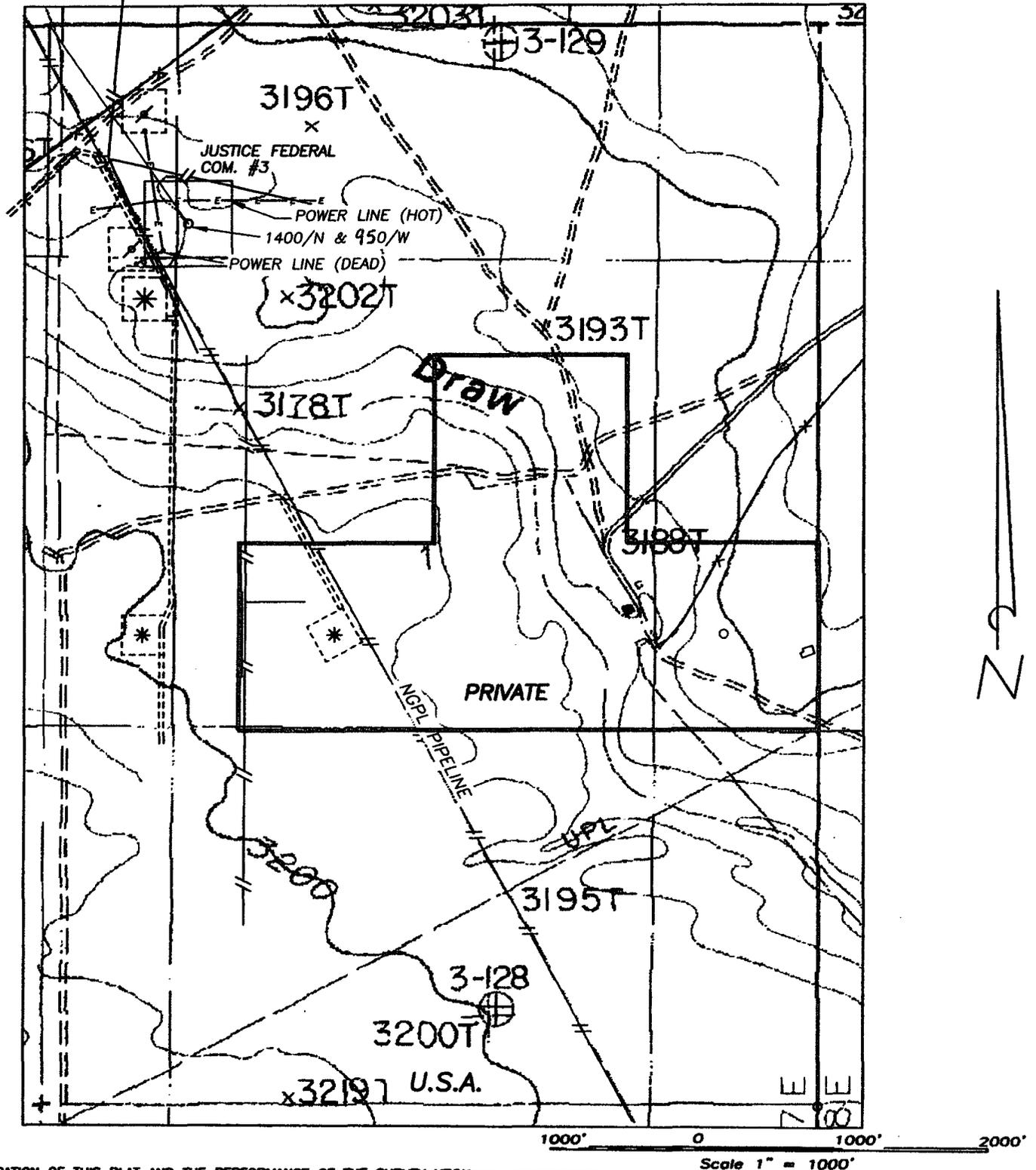


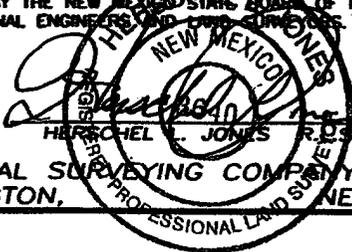
Exhibit #2A

Justice Federal Com #3
 1400' FNL & 950' FWL
 Sec 1-T21S-R27E
 Eddy, County
 New Mexico

SECTION 1, TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.



HERSCHEL L. JONES R.P.S. No. 3640
 GENERAL SURVEYING COMPANY P.O. BOX 1928
 LOVINGTON, NEW MEXICO 88260

MEWBOURNE OIL COMPANY

LEASE ROAD TO ACCESS THE MEWBOURNE JUSTICE FEDERAL COM. #3 WELL, LOCATED IN SECTION 1, TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

Survey Date: 1/25/2005	Sheet 1 of 1 Sheets
Drawn By: Ed Blivins	W.O. Number
Date: 1/25/05	Scale 1" = 1000' JUSTICE 3

Exhibit 3A

Exhibit #4
Status of Wells in Immediate Vicinity
Mewbourne Oil Company
Justice Federal Com #3
1400' FNL & 950' FWL
Section 1-T21S-R27E
Eddy County, New Mexico

Section 1 T-21S-R27E

Operator: Mewbourne Oil Company
Well Name: Justice Federal Com #1
Unit letter: Lot 9
Status: Producing
Field: Morrow

Operator: Mewbourne Oil Company
Well Name: Justice Federal Com #2
Unit letter: Lot 14
Status: Producing
Field: Morrow

Operator: Mewbourne Oil Company
Well Name: Esperanza "1" Federal Com #1
Unit letter: I
Status: Producing
Field: Morrow

Operator: Mewbourne Oil Company
Well Name: Esperanza "1" Federal Com #21
Unit letter: N
Status: Producing
Field: Morrow

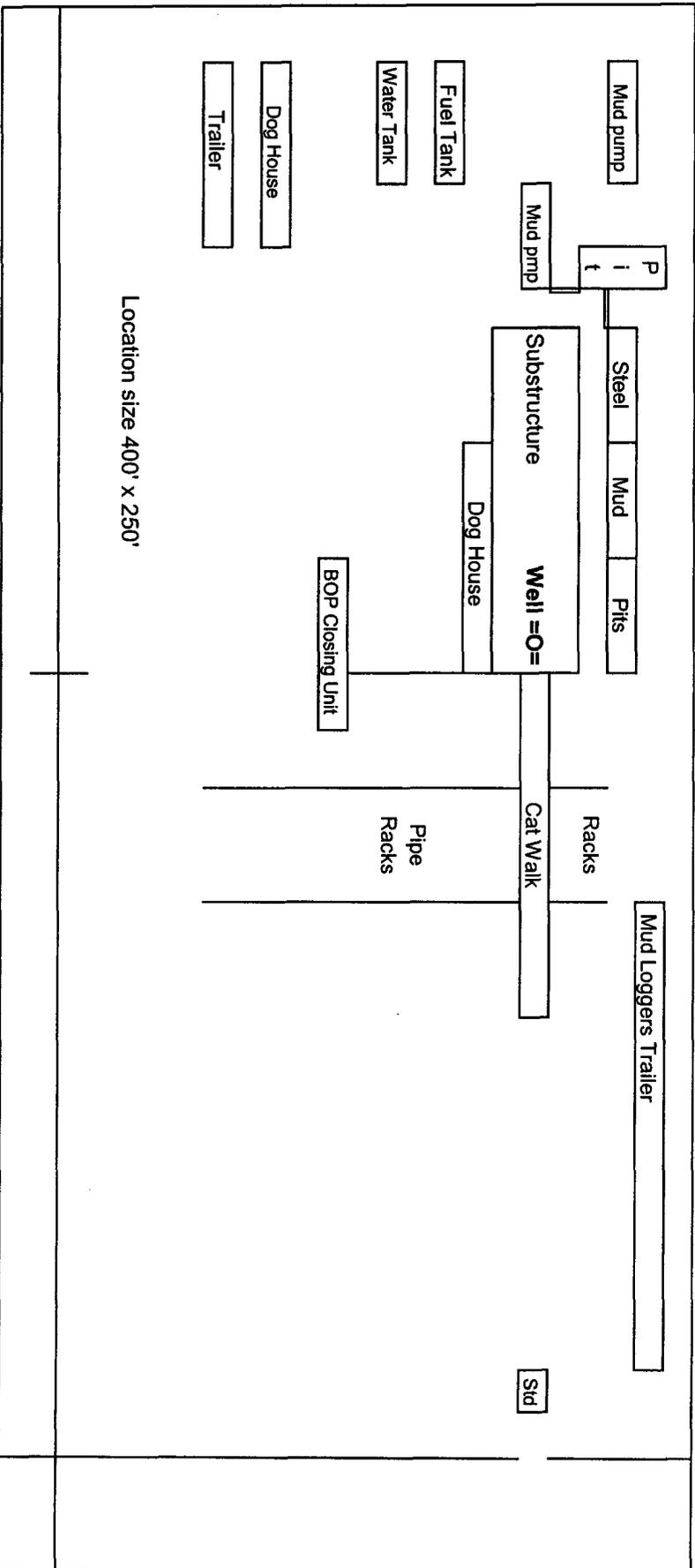
Mewbourne Oil Company

Reserve Pit
150 x 150'

Well Name Justice Federal Com #3
Footages 1400' FNL & 950' FWL
STR Sec 1-T21S-R27E
County Eddy, County
State New Mexico

Exhibit #5

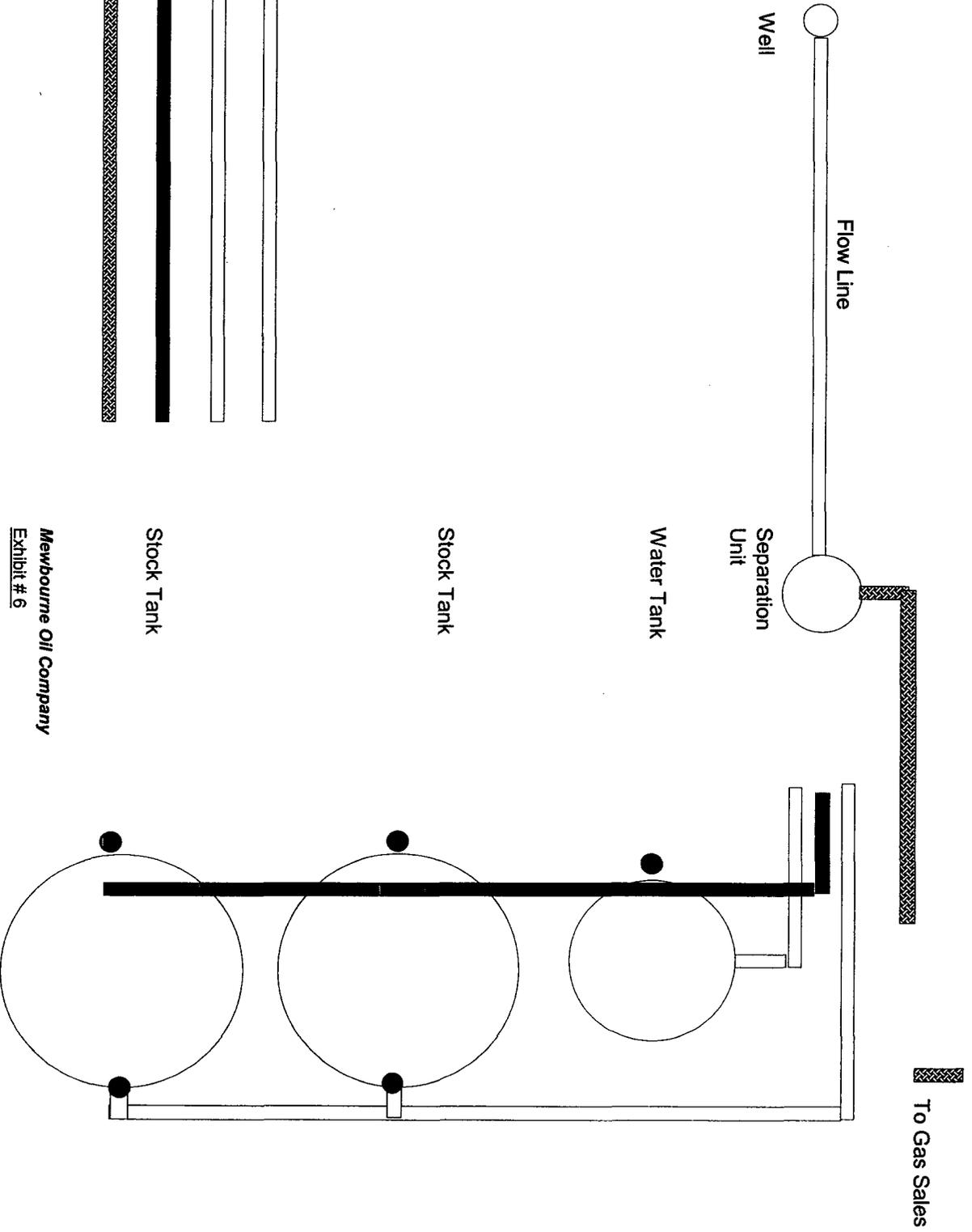
A
SE



Rig Location Schematic

Proposed Production Facilities Schematic

- Flow Line 
- Water Line 
- Oil Dump Line 
- Gas Sales Line 
- Sealing Valve 
- Non Sealing Valve 



Stock Tank

Stock Tank

Mewbourne Oil Company

Exhibit # 6

Proposed Production Facilities Schematic

Justice Federal Com #3
 1400' FNL & 950' FWL
 Sec 1-T21S-R27E
 Eddy, County
 New Mexico



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 14, 2005
Mewbourne Oil Company
P.O. Box 5270
Hobbs, New Mexico 88240
Attn: Mr. Mickey Young

**RE: Mewbourne Oil Company, Justice Federal Com. # 3, located in Lot 5,
(1400' FNL & 950' FWL, Surface Location) of Section 1, Township 21 South Range 27
East Eddy County, New Mexico.**

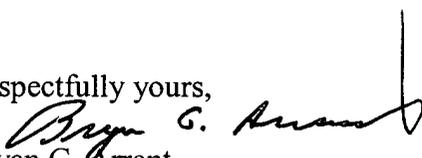
Dear Mr. Young,

In regards to conditions for approval of the above captioned well, the New Mexico Oil Conservation Division (NMOCD) will require the following:

This is for to Mewbourne Oil Company take samples from the flow line of the drilling mud every 100' in order to determine the chloride levels out from under the surface casing setting depth of @ 1200' to the projected 9 5/8" intermediate casing setting depth of @ 2800'. Please note that we are aware that lost circulation in drilling of the reef may occur and the collection of samples may not be possible at times. In addition, Mewbourne Oil Company is to drill said well with a 'fresh water mud' or air during the reef section.

The results of this data are to be submitted to the NMOCD and the Bureau of Land Management. Please call our office if you have any questions regarding this matter.

Respectfully yours,


Bryan G. Arrant

PES

CC: Well file
Bureau of Land Management