# N.M. Oil Cons. DIV-Dist. 2

FORM APPROVED OMB No. 1004-0136

6. If Indian, Allottee or Tribe Name

UNITED STATES 301 W. Grand Avenue DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENTS 18, NW 88210

5. Lease Serial No.

٠	ALIR	 ٦.4	4 4	2 5	

APPLICA	TION FOR	PERMIT TO	DRILL C	R REENTER

ALL LIGATION FOR LIMIT TO	DIVILL ON MELITIEM			
la. Type of Work: DRILL REE	NTER		7. If Unit or CA Agreeme	nt, Name and No.
1b. Type of Well: Oil Well Gas Well Other	Single Zone  Mult	iple Zone	8. Lease Name and Well N Derringer 18 Federal #	
2. Name of Operator			9. API Well No.	
Mewbourne Oil Company - 14744			30-015	34362
3a. Address	3b. Phone No. (include and code	(ÀED	10. Field and Pool, or Expl	oratory _ 370 0
PO Box 5270 Hobbs, NM 88240	505-393-5905		East Burton Flat Morro	w 73320
4. Location of Well (Report location clearly and in accordance	with any State requirements. *) SEP 2	8 2005	11. Sec., T., R., M., or Blk	and Survey or Area
At surface 660' FNL & 1980' FWL Unit C	MOH-ME	HEQIS		
At proposed prod. zone Same			Sec 18-T20S-R29E	
14. Distance in miles and direction from nearest town or post offic	e*		12. County or Parish	13. State
10 miles NE of Carlsbad			Eddy	NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of Acres in lease	17. Spacin	g Unit dedicated to this well	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.  1935'	19. Proposed Depth		BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will		23. Estimated duration	
3261' GL	ASAP		45	
	24. Attachments	CAPIT	AN CONTROLLED WA	TER 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.
- 2. A Drilling Plan.
- 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).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).

CAPITAN CONTROLLED WATER BASIN

- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name (Printed/Typed)	Date
Fruste green	Kristi Green	08/23/05
Title		
Hobbs Regulatory		
Approved by (Signature) /S/ Joe G. I	Lara Name (Printed/Typed) /s/ Joe G. Lara	DateSEP 2 6 2005
Title ACTING FIELD MANAC	GER Office CARLSBAD FIELI	O OFFICE

CARLSBAD FIELD OFFICE ACTING 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. APPROVAL FOR 1 YEAR Conditions of approval, if any, are attached

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

5 - tt

JISTRICT I 1625 N. French Dr., Hobbs, NM 68240 DISTRICT II 811 South First, Artesia, NM 68210

#### State of New Mexico

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Energy, Minerals and Natural Resources Department

Form C-102 Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT III 1000 Rio Brasos Rd., Astec, NM 87410

#### 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
	73320	East Burton Flat Morrow
Property Code	Prop	rty Name Well Number
	DERRINGER	18 FEDERAL 1
OGRID No.	Opera	tor Name Elevation
14744	MEWBOURNE	DIL COMPANY 3261

#### Surface Location

1	UL or lot No.	Section	Township	Range	Lot idn	Feet from the	North/South line	Feet from the	East/West line	County
	С	18	20-8	29-E		660	NORTH	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
		l							
Dedicated Acres	Joint o	r Infill Co	nsolidation (	ode Or	der No.				
3330				1					

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

OR A N	ON-SIANDARD UNII HA	S BEEN APPROVED BY TI	HE DIVISION
1980'   50 00 00 00 00 00 00 00 00 00 00 00 00	3266 8'	 	OPERATOR CERTIFICATION  I hereby certify the the information contained herein is true and complete to the best of my incoverage and belief.  Signature  Kisti Geen  Printed Name
LAT.32°32 LONG.104°6 Marathon lates Fed that PLA	1'44.2"N	1	Krish Green  Printed Name Hobbs Regulatory Title Black 05 Date  SURVEYOR CERTIFICATION
		1	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 supervison, and that the same is true and correct to the best of my belief.  AUGUSTAGE 2005  Date Surveyed ARY L. JONGS
		+	Signature & Sept of MEXICO Professional Surveyor  ANO. No. 5718  Certificate to Approximate 7977  BASIN SURVEYS

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 District III

District III

District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

**CONTACTED IMMEDIATELY!** 

#### State of New Mexico Energy Minerals and Natural Resources

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

RECEIVED

Form C-144

March 12, 2004

Pit	or Bel	low-Grad	e Tank	Registration	or Closure

Is pit or below-grade tank covered by a "general plan"? Yes \( \subseteq \text{No } \text{X} \)

AUG 2 5 2005

Type of action: Registration of a pit	or below-grade tank X Closure of a pit or below-	grade tank OCU-ARTERIA
Operator: Mewbourne Oil CompanyTelepl	hone: 505-393-5905 e-m	
kgreen@mewbourne.com		
	- 211262	
Facility or well name: Derringer 18 Federal #1	API #:30-0/5 - 3 ( U/L or Otr/Otr	C Sec 18 T20S R29E
Address:        PO Box 5270Hobbs, NM 88240	Longitude 104-06-56.4W NAD: 1927 □ 1	983 🕅
Surface Owner Federal X State Private Indian		
<u>Pit</u>	Below-grade tank	
Type: Drilling X Production Disposal	Volume:bbl Type of fluid:	
Workover  Emergency	Construction material:	
Lined X Unlined	Double-walled, with leak detection? Yes   If	not, explain why not.
Liner type: Synthetic  Thickness 12_mil Clay  Volume		
24,000bbl		
	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
Distance to surface water: (horizontal distance to all wetlands, playas,	Less than 200 feet	(20 points)
irrigation canals, ditches, and perennial and ephemeral watercourses.)	200 feet or more, but less than 1000 feet	(10 points)
inigation canais, diteries, and perennar and epitemetal 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) Ind	licate 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 bel	ow ground surface ft. and attach sar	mple 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:08/22/05	of my knowledge and belief. I further certify that s X, a general permit \( \square\), or an (attached) alternative.  Signature	ative OCD-approved plan 🔲.
Printed Name/Title_Kristi Green / Hobbs Regulatory Asst		
Your certification and NMOCD approval of this application/closure does notherwise endanger public health or the environment. Nor does it relieve the regulations.	ot relieve the operator of liability should the content ne operator of its responsibility for compliance with	ts of the pit or tank contaminate ground water or any other federal, state, or local laws and/or
Approval: Date: 9-1-05	/ /	/
	Touch	
Printed Name/Title	SignatureSecury De	my
As a condition of approval, if during		
pit construction water is encountered or if water seeps in pits after		
construction the OCD MUST BE	***************************************	70.4

# MULTI-POINT SURFACE USE AND OPERATIONS PLAN MEWBOURNE OIL COMPANY

Derringer 18 Federal #1 660' FNL & 1980' FWL Sec 18-T20S-R29E Eddy County, New Mexico

This plan is submitted with Form 3160-3, 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, NM: East on Hwy 62/180 to mile marker 44. Turn left (north) on Eddy Co 243 (Magnum Rd). Go north on Magnum Rd approx 8 miles to the junction of CR243 & CR238. Go east on CR238 200' to lease road. Go north 0.9 miles. Go east 0.2 miles to new location.

#### 2. Proposed Access Road:

- A Will need approx 120' of new road.
- B. The access to the location will be limited to 16' in width and will adequately drain runoff and control erosion as presently constructed.

#### 3. Location of Existing Wells:

There are producing wells within the immediate vicinity of the well site. Exhibit #4 shows the proposed well and existing wells within a one mile radius.

#### 4. 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.
- C. All production vessels left on location will be painted to conform with BLM painting stipulations within 180 days of installation.

#### 5. 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.

### <u>Drilling Program</u> Mewbourne Oil Company

Derringer 18 Federal #1 660' FNL & 1980' FWL Sec 18-T20S-R29E Eddy County, New Mexico

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

Yates	980'
Capitan	1229'
Delaware	3160'
Bone Spring	5240'
Wolfcamp	9175'
Strawn	10300'
Atoka	10600'
Morrow	11150'

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

Water Approximately 200'

Hydrocarbons All zones below Delaware.

### 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 use 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#	H40	$\overline{0-300}$ WITNESS
17 1/2"	13 3/8"	54.5#	K55	0-1100' WITNESS
12 1/4"	9 <i>5</i> /8"	40#	K55/N80	0-3100' WITNESS
8 3/4"	5 1/2"	17#	P110/N80	0-11750'

#### **Drilling Program**

#### Mewbourne Oil Company

Derringer 18 Federal #1 Page 2

Minimum casing design factors: Collapse 1.125, Burst 1.0, Tensile strength 1.8.

#### 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. <u>Deep Surface Casing</u>: 500 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 <u>Intermediate Casing:</u> 900 sacks 35:65 pozmix cement containing 6% gel, 5 lbs/sack gilsonite. 400 sacks Class "C" cement containing 2% CaCl.
- iv. <u>Production Casing</u>: 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.

#### 5. Mud Program:

<u>Interval</u>	Type System	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss
0'-300'	FW spud mud	8.6-9.4	32-34	NA
300'-1100'	Brine water	10.0-10.2	28-30	NA
1100'-3100'	Fresh water	8.4-8.6	28-30	NA
3100'-10300'	Cut brine water	8.8-9.2	28-30	NA
10300'-TD	BW/Starch	9.2-9.8	30-40	8-15

(Note: Any weight above 8.6 ppg would be to hold back Wolfcamp shale, rather than abnormal bottom hole pressure in Morrow formation.)

#### 6. Evaluation Program:

Samples: 1

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

<sup>\*</sup>Mewbourne Oil Company reserves the right to change cement designs as hole conditions may warrant.

**Drilling Program Mewbourne Oil Company** Derringer 18 Federal #1 Page 3

#### 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:

8.6 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 35 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
Derringer 18 Federal #1
660' FNL & 1980' FWL
Sec 18-T20S-R29E
Eddy County, New Mexico

#### 1. General Requirements

Rule 118 does not apply to this well because MOC has researched this area and no high concentrations of H2S were found. MOC will have on location and working all H2S safety equipment before the Yates formation @ 980' for purposes of safety and insurance requirements.

#### 2. 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.
- 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.

#### 3. 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.

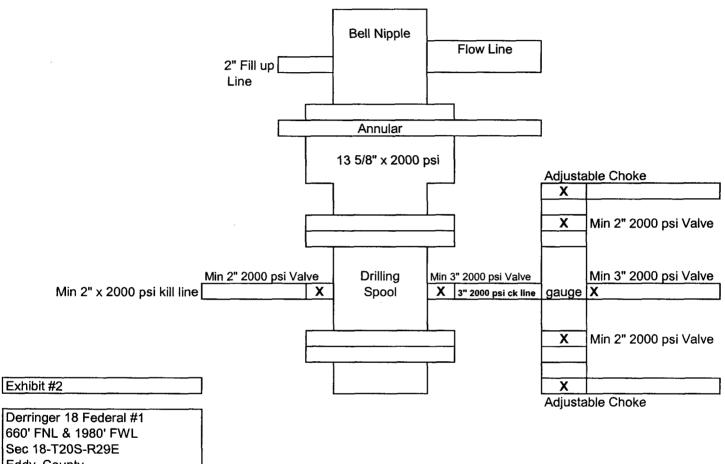
## Notes Regarding Blowout Preventer Mewbourne Oil Company

Derringer 18 Federal #1 660' FNL & 1980' FWL Sec 18-T20S-R29E Eddy County, New Mexico

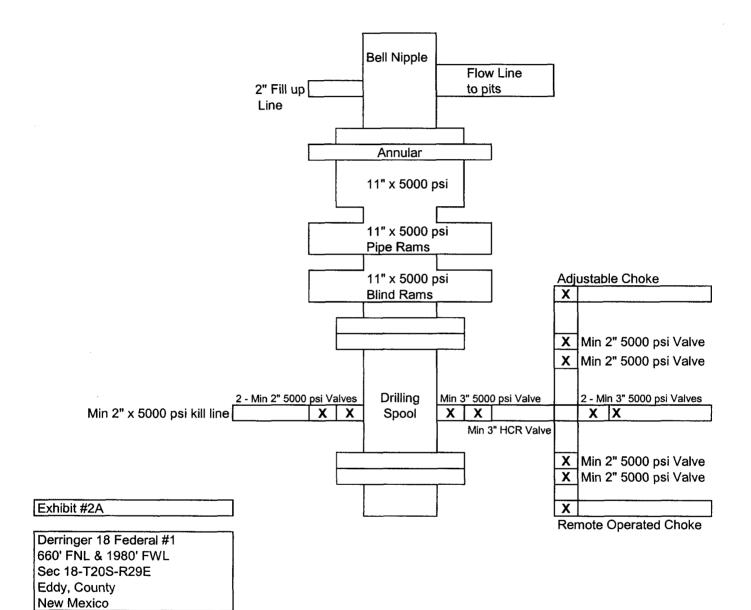
- I. Drilling nipple (bell nipple) to be constructed so that it can be removed without the use of a welder through the opening of the rotary table, with minimum internal diameter equal to blowout preventer bore.
- II. Blowout preventer and all fittings must be in good condition with a minimum 5000 psi working pressure.
- III. 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.
- IV. Equipment through which bit must pass shall be at least as large as internal diameter of the casing.
- V. A kelly cock shall be installed on the kelly at all times.

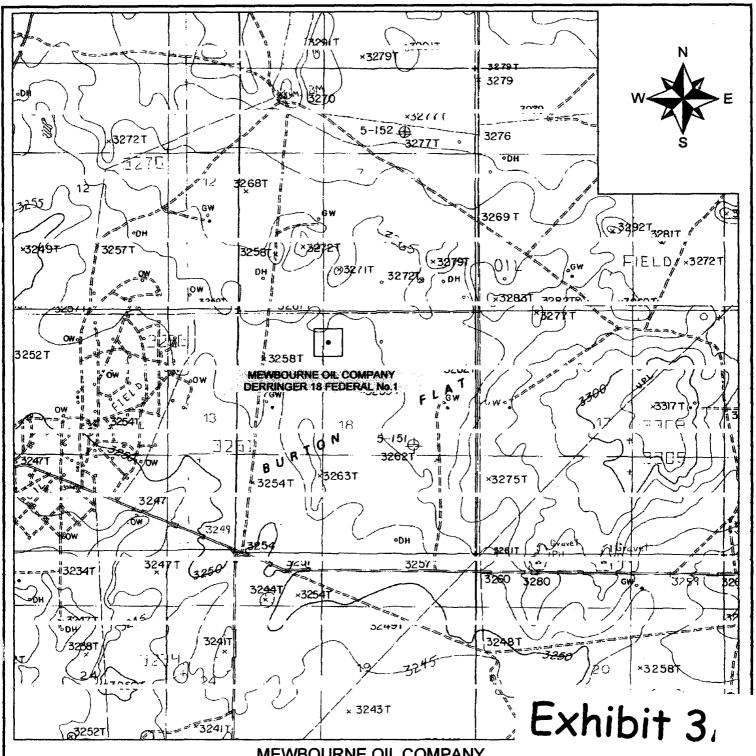
Blowout preventer closing equipment to include and accumulator of at least 40 gallon capacity, two independent sources of pressure on closing unit, and meet all other API specifications.

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



Eddy, County New Mexico





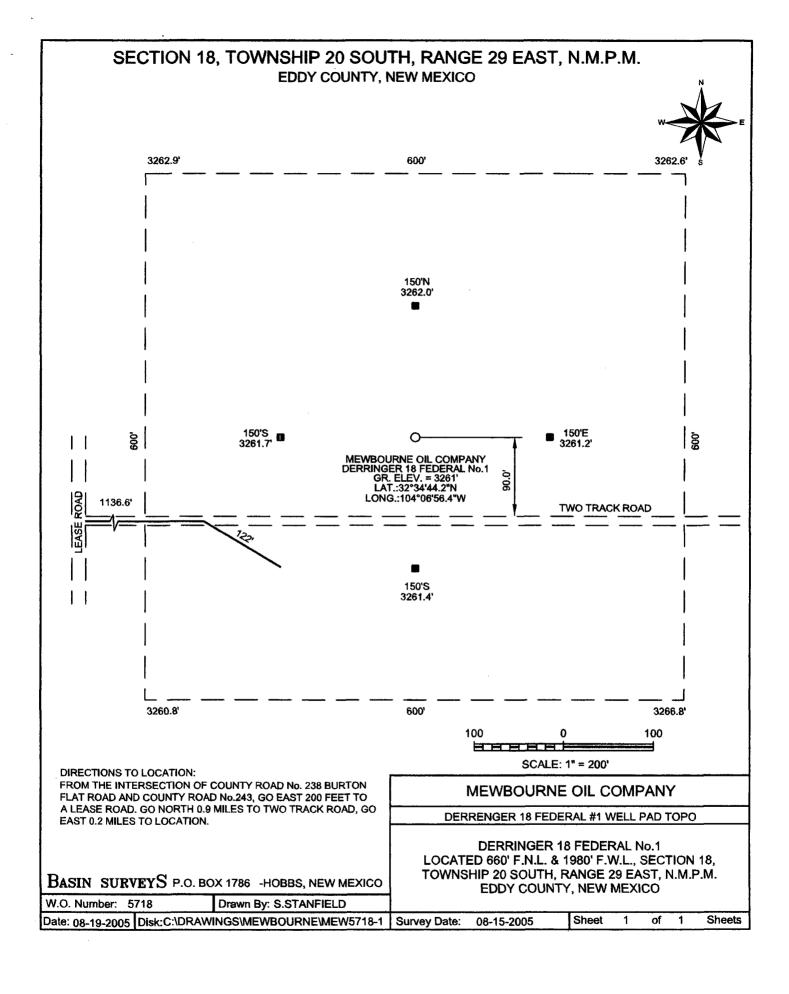
MEWBOURNE OIL COMPANY
DERRINGER 18 FEDERAL No.1
SECTION 18, TOWNSHIP 20 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO



P.O. Box 1786 1120 West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 - Office (505) 392-2206 - Fax basinsurveys.com

)	W.O. Number:	C:\DRAWINGS\MEWBOURNE\ MEW5718-1
	Survey Date:	AUGUST 15, 2005
	SCALE:	1"= 2000"
J	Date:	AUGUST 19, 2005

MEWBOURNE OIL COMPANY



## Exhibit #4

### Status of Wells in Immediate Vicinity

Mewbourne Oil Company
Derringer 18 Federal #1
660' FNL & 1980' FWL
Sec 18-T20S-R29E
Eddy County, New Mexico

#### Section 18-T20S-R29E

Operator:

Marathon Oil Company

Well Name:

Yates Federal #2

Unit letter:

E

Status:

P&A

Field:

**Burton Flat East** 

Mewbourne Oil Company

Rig Location Schematic

#### **CONDITIONS OF APPROVAL - DRILLING**

Operator's Name: Well Name & No.

Mewbourne Oil Company Derringer 18 Federal #1

Location:

660' FNL, 1980' FWL, Section 18, T. 20 S., R. 29 E., Eddy County, New Mexico

Lease:

NM-01165

## I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:

- A. Well spud
- B. Cementing casing: 20 inch 13-3/8 inch 9-5/8 inch 5-1/2 inch
- C. BOP tests
- 2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- 3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing ( size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.
- 4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

#### II. CASING:

- 1. The <u>20</u> inch surface casing shall be set at <u>approximately 300 feet or 25 feet into the top of the Rustler <u>Anhydrite and cement circulated to the surface</u>. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.</u>
- 2. The minimum required fill of cement behind the <u>13-3/8</u> inch 1<sup>st</sup> intermediate casing is <u>to be sufficient to circulate to the surface</u> .
- 3. The minimum required fill of cement behind the <u>9-5/8</u> inch 2<sup>nd</sup> intermediate casing is to be sufficient to circulate to the surface.
- 4. The minimum required fill of cement behind the <u>5-1/2</u> inch production casing is <u>to be sufficient to reach at</u> least 500 feet above the top of the uppermost hydrocarbon productive interval.

#### **III. PRESSURE CONTROL:**

- 1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the <u>13-3/8</u> inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
- 2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be **2000** psi. A variance to test the BOP's with the rig pump to 1000 psi is granted.
- 3. Minimum working pressure of the blowout preventer and related equipment (BOPE) below the 2<sup>nd</sup> intermediate casing shall be <u>5000</u> psi.
- 4. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

#### **IV. DRILLING MUD:**

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- Recording pit level indicator to indicate volume gains and losses.
- Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
- Flow-sensor on the flow-line to warn of abnormal mud returns from the well.

acs 8/29/2005