

30-025-40185

Hydrogen Sulfide Drilling Operations Plan

Mewbourne Oil Company
Spyglass "17" Federal #2H
660' FNL & 330' FWL
Sec 17-T19S-R33E
Lea County, New Mexico

HOBBS OCD

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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 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.
- 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.

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. Choke manifold with minimum of one adjustable choke.
- B. Blowout preventers equipped with blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
- C. Auxiliary equipment including annular type blowout preventer.

2. Protective Equipment for Essential Personnel

Thirty minute self contained work unit located in the dog house and at briefing areas.

Additionally: If H₂S is encountered in concentrations less than 10 ppm, fans will be placed in work areas to prevent the accumulation of hazardous amounts of poisonous gas. If higher concentrations of H₂S are detected the well will be shut in and a rotating head, mud/gas separator, and flare line with igniter will be installed.

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.

4. **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.

5. **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.

6. **Communications**

State & County Officials phone numbers are posted on rig floor and supervisors trailer. Communications in company vehicles and toolpushers are either two way radios or cellular phones.

7. **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.

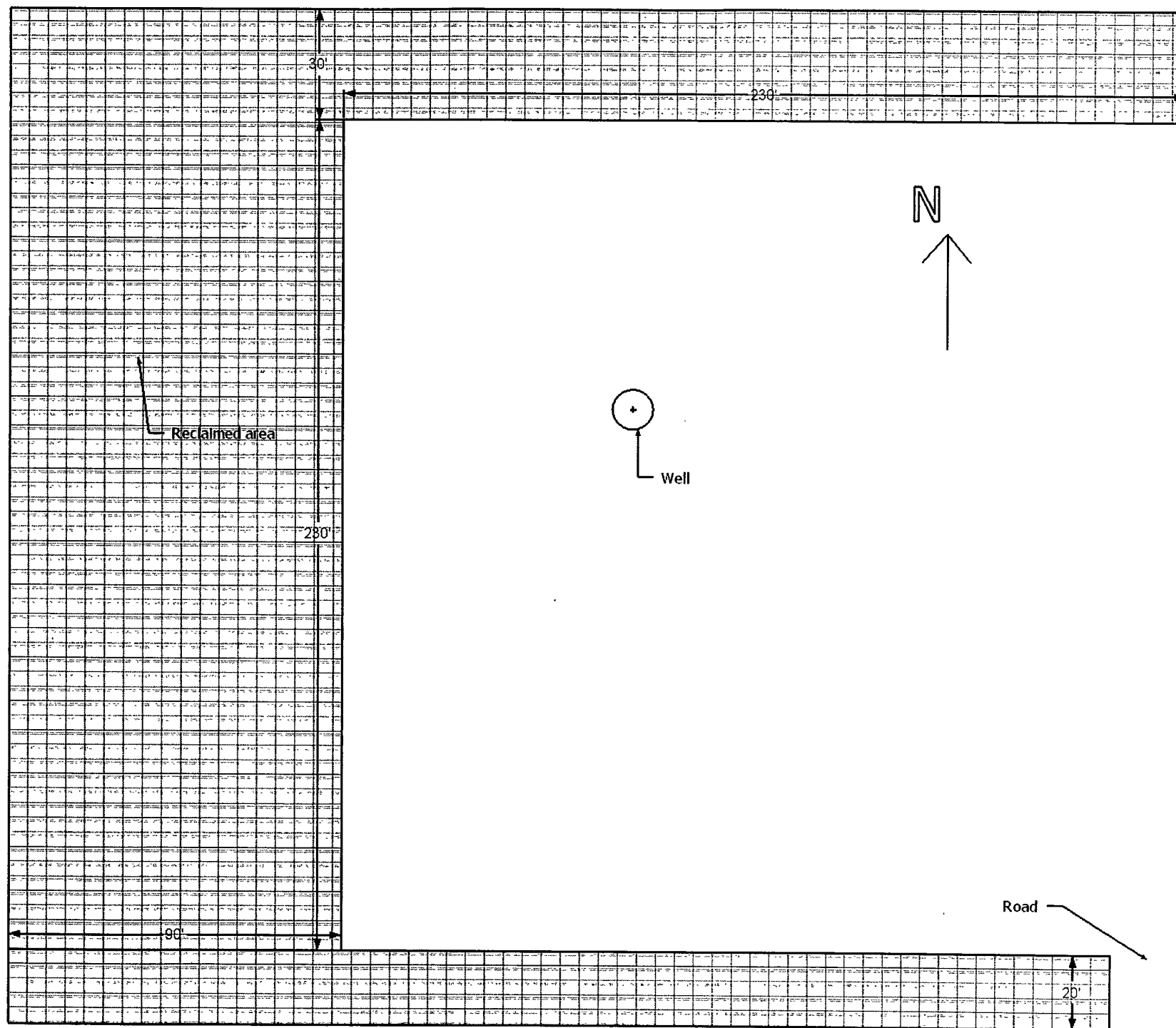
8. **Emergency Phone Numbers**

Lea County Sheriff's Office	911 or 575-396-3316
Ambulance Service	911 or 575-397-9308
Hobbs Fire Dept	911 or 575-397-9308
Lovington Fire Dept.	911 or 575-396-2359
Lea Regional Hospital – Hobbs	575-393-6581

Mewbourne Oil Company	Hobbs District Office	575-393-5905
	Fax	575-397-6252
	2 nd Fax	575-393-7259

District Manager	Micky Young	575-390-0999
Drilling Superintendent	Frosty Lathan	575-390-4103
Drilling Foreman	Wesley Noseff	575-441-0729
Engineer	Charles Martin	575-441-2081

Exhibit 6



MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Spyglass "17" Federal Com #2H

660' FNL & 330' FWL (SHL)

Sec 17-T19S-R33E

Lea County, New Mexico

HOBBS OCD

JUL 06 2011

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.

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1. Existing Roads:

- A. Exhibit #3 is a road map showing the location of the proposed well. Existing and proposed roads are highlighted in black. Exhibits #3A-3D are area maps showing the location of the proposed well and access roads.
- B. Directions to location from Hobbs, NM: Go west on US 62-180 west 36 miles to NM 243. Turn right (north) and continue north and west 4.6 miles to CR126. Turn right (north) 6 miles. Turn right (east) 5.2 miles. Turn left 0.1 mile. Turn right 1.1 miles. Turn left (north) ¼ mile to location.
- C. Existing roads will be maintained in a condition the same as or better than before operations begin.

2. Proposed Access Road:

- A. 1456' of new road will be needed.
- B. The maximum width of the driving surface will be 14 feet. The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1 foot deep with 3:1 slopes. The road will be surfaced with rolled and compacted caliche.
- C. Mewbourne Oil Co. will cooperate with other operators in the maintenance of lease roads

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 production facilities on this lease at the present time.
- B. In the event that the well is productive, production facilities will be located at the Spyglass "17" Fed #1H. A 3 ½" SDR 7 surface polypipe flowline with 100 psi max working pressure will lie along the west edge of lease road. Electricity line will parallel new lease road on west side and north and west sides of Spyglass 17 Fed #1H frac pond and wellpad and tie into existing infrastructure at the Spyglass 17 Fed #1H as shown on plat.
- 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.

6. Source of Construction Materials

All material required for construction of the drill pad and access roads will be obtained from private, state, or federal pits. The construction contractor will be solely responsible for securing construction materials required for this operation and paying any royalties that may be required on those materials.

7. Methods of Handling Waste Disposal:

- A. Drill cuttings not retained for evaluation purposed will be hauled to a permitted off-site facility.
- B. Water produced during operations will be disposed off-site at an approved facility.
- C. If any liquid hydrocarbons are produced during operations, those liquids will be stored in suitable tanks until sold.
- D. Portable toilets will be on location during drilling operations. Waste will be disposed at an approved off-site facility.
- E. All trash, junk, and other waste materials will be stored in proper containers to prevent dispersal and will be removed to an appropriate facility within one week of cessation of drilling and completion activities.

8. Ancillary Facilities

There are no ancillary facilities within the immediate vicinity of the proposed well site.

9. Well Site Layout

- A. A diagram of the drill pad is shown in Exhibit #5. Dimensions of the pad and location of major rig components are shown.
- B. The pad dimension of 280' x 320' has been staked and flagged.
- C. An archaeological survey is in the process of being conducted on the proposed location pad.

10. Plans for Restoration of Surface

- A. Upon cessation of the proposed operations, if the well is abandoned, the location and road surfacing material will be removed and used to patch area lease roads. The entire location will be restored to the original contour as much as reasonable possible using stockpiled top soil. All trash and garbage will be hauled to appropriate disposal to assure the location is aesthetically pleasing as reasonable possible. All restoration work will be completed within 180 days of cessation of activities.
- B. The disturbed area will be restored by re-seeding during the proper growing season.
- C. Any additional caliche required for production facilities will be obtained from the area shown in exhibit #6 as interim reclamation.
- D. Within 90 days of cessation of drilling and completion operations, all equipment not necessary for production operations will be removed. The location will be cleaned of all trash and junk to assure the well site is left as aesthetically pleasing as reasonably possible.

11. Surface Ownership:

The surface is owned by Kenneth Smith, 267 Smith Ranch Rd., Hobbs, NM 88240. Phone # (575) 887-3374. A copy of the surface use plans has been sent to this address. A surface access agreement between the surface owner and Mewbourne Oil Co. has been reached.

12. Other Information:

- A. The primary use of the surface at the location is for grazing of livestock.
- B. Arch survey is supplied by MOA.

13. Operator's Representative:

- A. Through APD approval, drilling, completion and production operations:

N.M. Young, District Manager
Mewbourne Oil Company
PO Box 5270
Hobbs, NM 88241
575-393-5905

Mewbourne Oil Company

PO Box 5270
Hobbs, NM 88241
(575) 393-5905

HOBBS OCD

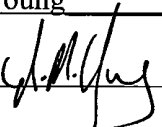
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I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 12 day of April, 2011.

Name: NM Young

Signature: 

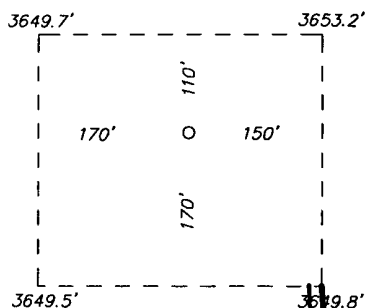
Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: myoung@mewbourne.com

SECTION 17, TOWNSHIP 19 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



MEWBOURNE OIL COMPANY
SPYGLASS "17" FEDERAL #2H
ELEV. - 3652'

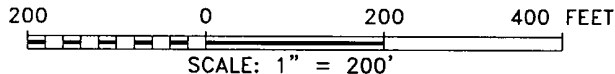
Lat - N 32°39'56.17"
Long - W 103°41'31.98"
NMSPC- N 606452.967
E 697295.520
(NAD-27)

Directions to Location:

FROM THE JUNCTION OF HWY 62-180 AND SMITH RANCH, GO NORTHWEST ON SMITH RANCH FOR 3.2 MILES TO THE END OF SMITH RANCH, GO WEST TURNING NORTHWEST ON LEASE ROAD FOR 5.2 MILES TO LEASE ROAD, ON LEASE ROAD GO NORTH 0.1 MILES TO WELL PAD AND PROPOSED LEASE ROAD.

Proposed flow line
PROPOSED LEASE ROAD 987.2'

Exhibit 3



MEWBOURNE OIL COMPANY

REF: SPYGLASS "17" FEDERAL #2H / WELL PAD TOPO

THE SPYGLASS "17" FEDERAL #2H LOCATED 660'

FROM THE NORTH LINE AND 330' FROM THE WEST LINE OF

SECTION 17, TOWNSHIP 19 SOUTH, RANGE 33 EAST,

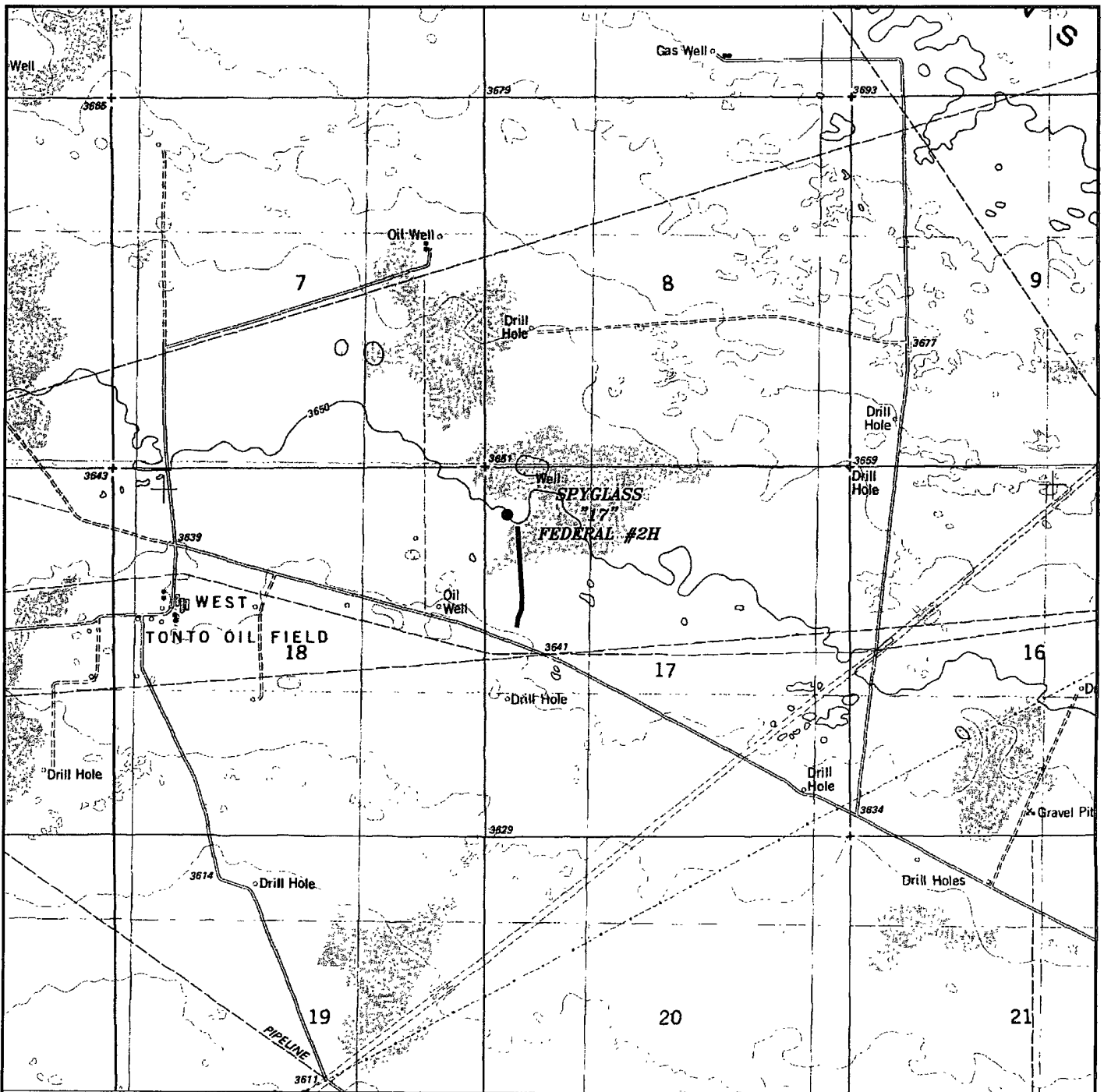
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 24248 Drawn By. J. SMALL

Date: 03-29-2011 Disk: JMS 24248

Survey Date: 03-21-2011 Sheet 1 of 1 Sheets



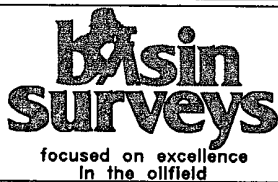
SPYGLASS "17" FEDERAL #2H

Exhibit 3A

Located 660' FNL and 330' FWL

Section 17, Township 19 South, Range 33 East,

N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

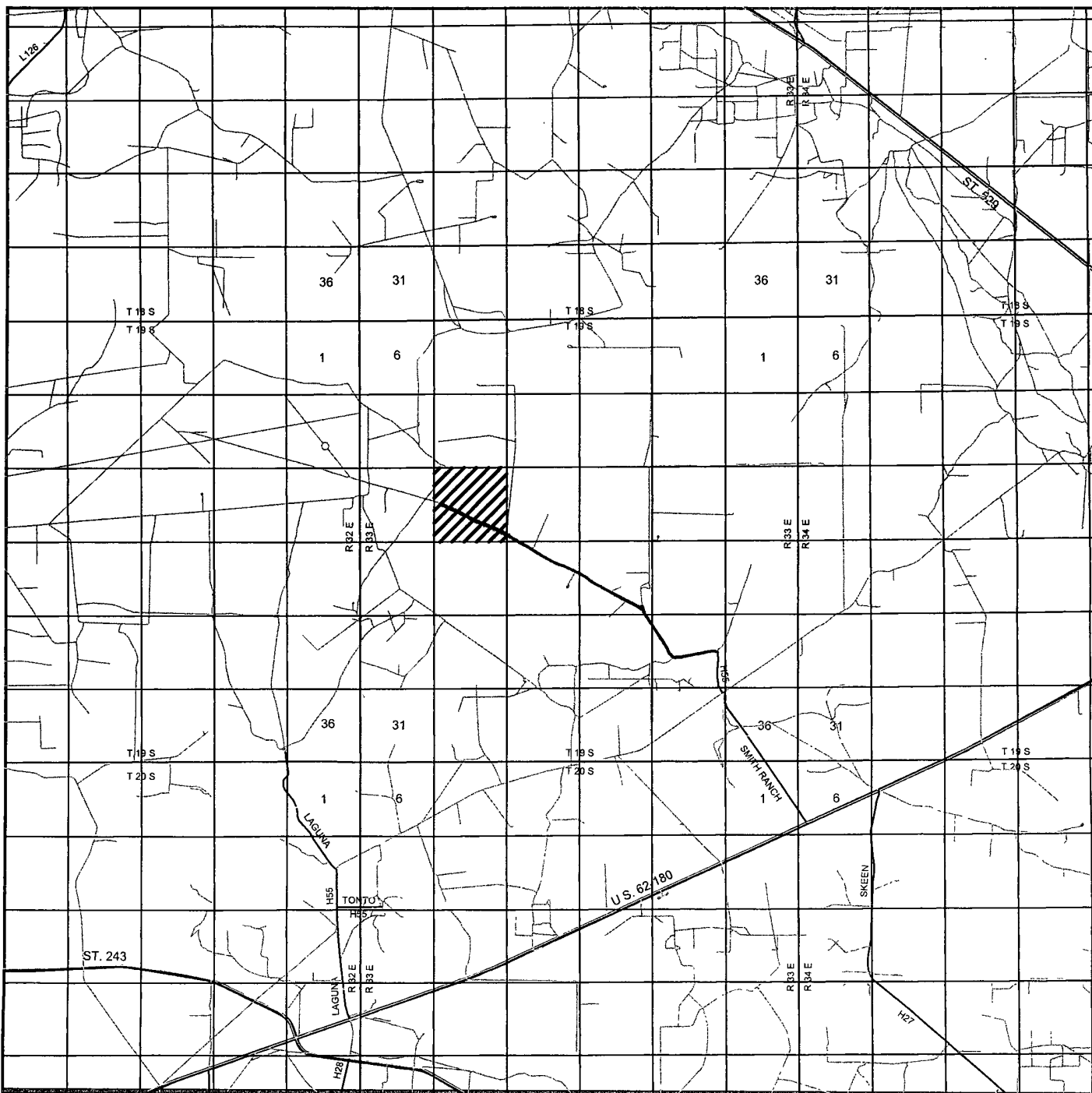
W.O. Number: JMS 24248

Survey Date: 03-21-2011

Scale: 1" = 2000'

Date: 03-29-2011

MEWBOURNE
OIL COMPANY



SPYGLASS "17" FEDERAL #2H

Exhibit 3B

Located 660' FNL and 330' FWL

Section 17, Township 19 South, Range 33 East,
N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
1120 N. West County Rd.
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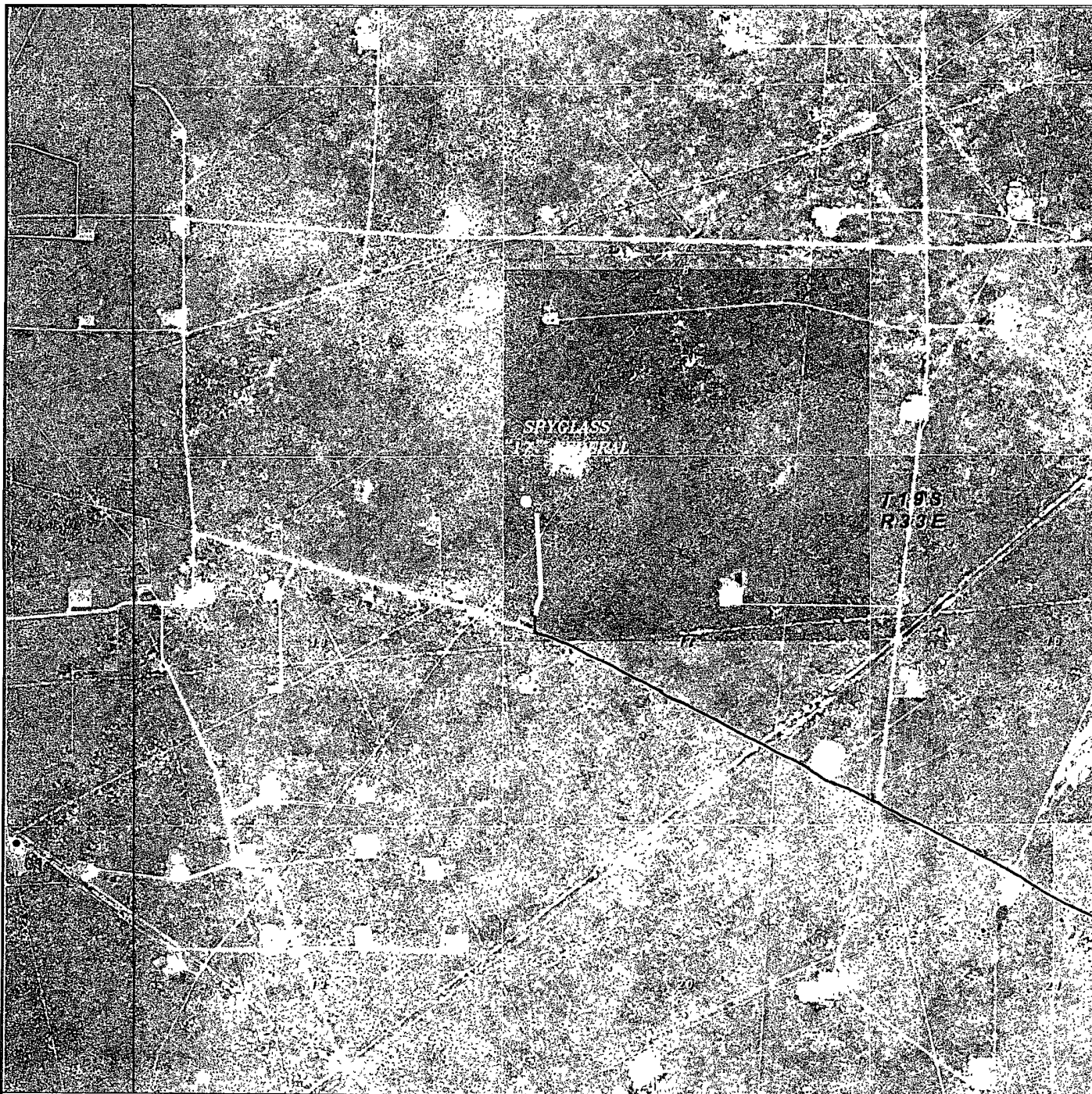
W.O. Number: JMS 24248

Survey Date: 03-21-2011

Scale: 1" = 2 Miles

Date: 03-29-2011

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SPYGLASS "17" FEDERAL #2H

Exhibit 3C

Located 660' FNL and 330' FWL

Section 17, Township 19 South, Range 33 East,
N.M.P.M., Lea County, New Mexico.

basin
surveys
focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
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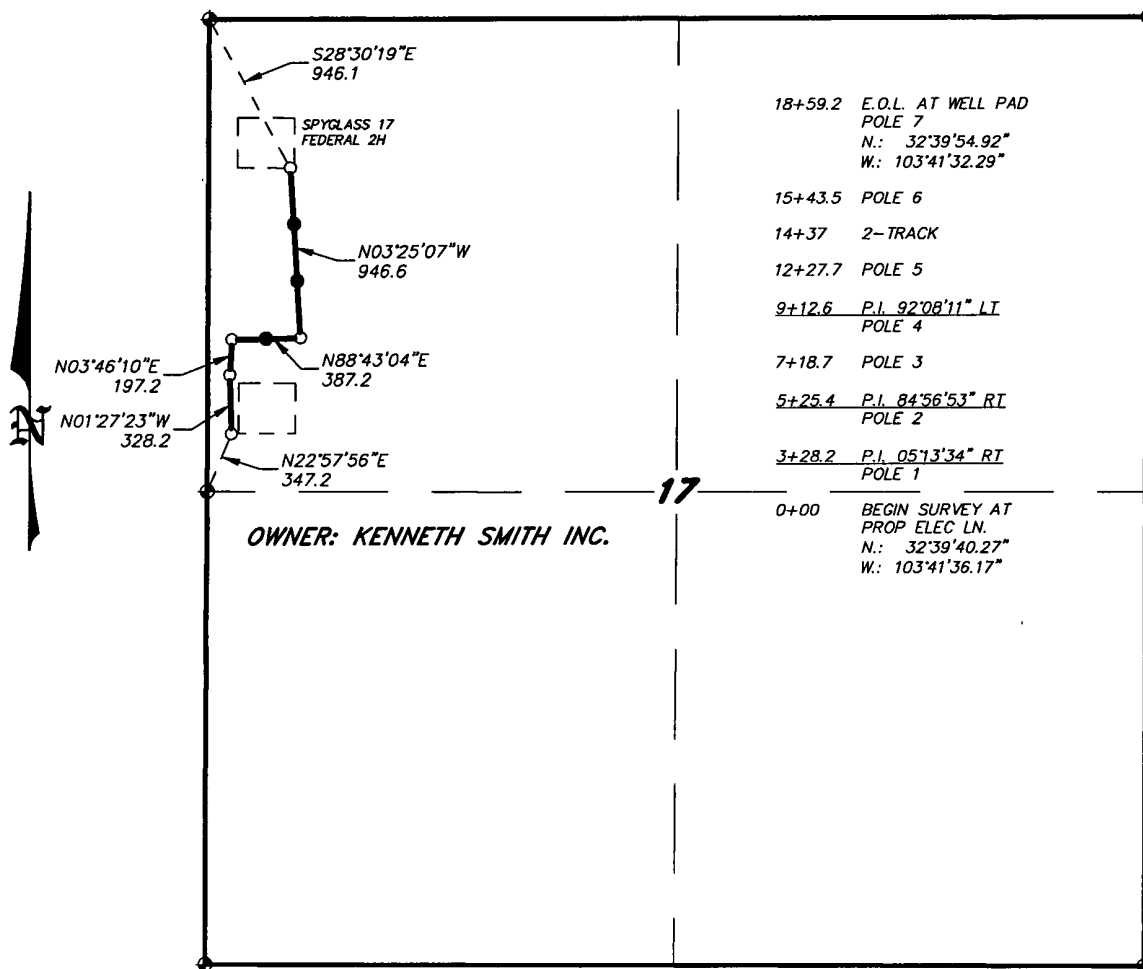
Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND

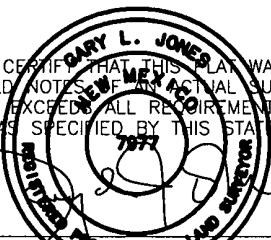


MEWBOURNE
OIL COMPANY

**SECTION 17, TOWNSHIP 19 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.**



I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED FROM FIELD NOTES AND AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES No. 7977
TEXAS P.L.S. No. 5074

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 24248 Drawn By: J. M. SMALL

Date: 03-29-2011 Disk: JMS 24248

1000 0 1000 2000 FEET

MEWBOURNE OIL COMPANY

REF: PROPOSED ELECTRIC LINE TO THE SPYGLASS 17 FEDERAL 2H

A ELECTRIC LINE CROSSING FEE LAND IN
SECTION 17, TOWNSHIP 19 SOUTH, RANGE 33 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 03-17-2011 Sheet 1 of 1 Sheets

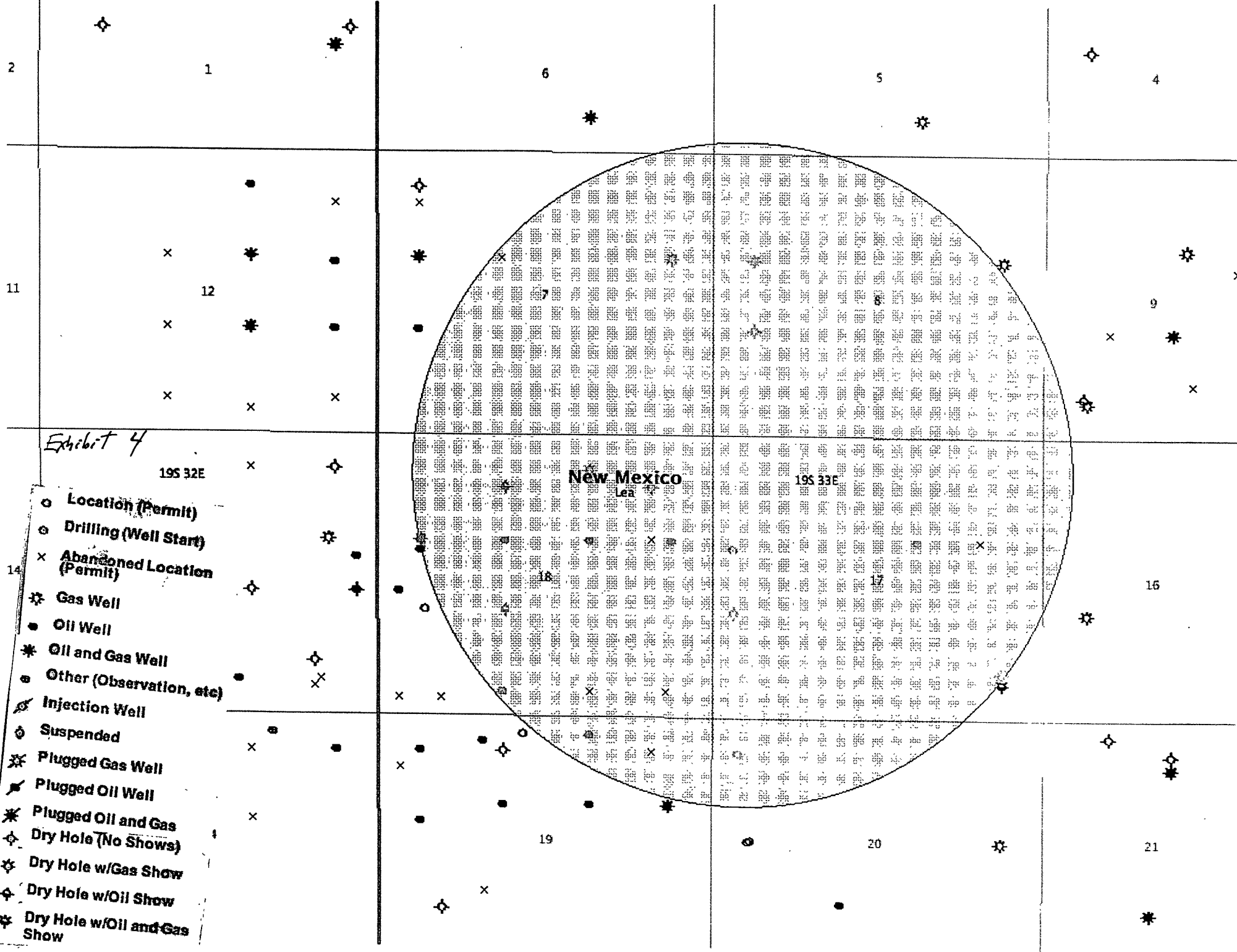


Exhibit 4

19S 32E

New Mexico
19S 33E

19S 33E

- Location (Permit)
- Drilling (Well Start)
- × Abandoned Location (Permit)
- ☆ Gas Well
- Oil Well
- ✱ Oil and Gas Well
- Other (Observation, etc)
- ⊙ Injection Well
- ⊙ Suspended
- ✱ Plugged Gas Well
- ✱ Plugged Oil Well
- ✱ Plugged Oil and Gas
- ⊙ Dry Hole (No Shows)
- ☆ Dry Hole w/Gas Show
- ⊙ Dry Hole w/Oil Show
- ✱ Dry Hole w/Oil and Gas Show