

1301 W. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
May 27, 2004

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

RECEIVED  
JUL 22 2005  
OCD-ARTESIA

Submit to appropriate District Office

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

Operator Name and Address Mewbourne Oil Company Po Box 5270 Hobbs, NM 88240		OGRID Number 14744
Property Code <b>34970</b>	Property Name South Loving 2 State	API Number 30-015-34231
Proposed Pool 1 Black River Morrow		Proposed Pool 2

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	2	24S	27E		1980	N	1980	W	Eddy

**Proposed 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

**Additional Well Information**

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3146'
Multiple No	Proposed Depth 12800'	Formation Morrow	Contractor TBA	Spud Date ASAP
Depth to Groundwater less than 50    yes = 20 pts		Distance from nearest fresh water well Less than 1000 from all other wtr sources .0 pts		Distance from nearest surface water 1000' or more    0 pts
Pit: Liner: Synthetic <input checked="" type="checkbox"/> mils thick    Clay <input type="checkbox"/> Pit Volume: 24000    bbls    Drilling Method: Production				
Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/4"	48#	500'	500	Surface
12 1/4"	9 5/8"	40#	4300'	1500	Surface
8 3/4"	5 1/2"	17#	12800'	800	Top WC
					89000'

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

BOP Program: 13 3/4" 2k Hydril (see Exhibit #2) from surface casing to intermediate TD. Schaffer LWS or equivalent (Double-Ram Hydraulic) 11" 5000# with Hydril. (See Exhibit #2A) from surface casing to total depth. Rotating head, PVT, flow monitors and mud gas Separator from the Wolfcamp to TD.

Mud Program:

0' to 500'    Fresh Water, spud mud, lime for PH and LCM as needed for seepage.  
500' to 4300'    Fresh Water, lime for PH and LCM as needed for seepage.  
4300' to TD    Cut brine. 9.3 #/g, Caustic for PH, Starch for WL control and LCM as needed for seepage

**AS A CONDITION OF APPROVAL, A DETAILED CLOSURE PLAN  
MUST BE APPROVED BEFORE CLOSURE MAY COMMENCE**

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved by: <i>Jim W. Green</i>	
Printed name: Kristi Green	Title: <i>District II Supervisor</i>	
Title: Hobbs Production	Approval Date: <b>JUL 26 2005</b>	Expiration Date: <b>JUL 26 2006</b>

As a condition of approval, if during pit construction water is encountered or if water seeps in pits after construction the **OCD MUST BE CONTACTED IMMEDIATELY!**

Conditions of Approval Attac

**CEMENT TO COVER ALL OIL,  
GAS AND WATER BEARING  
ZONES**

March Dr., Hobbs, NM 88340

**Energy, Minerals and Natural Resources Department**

Revised March 17, 1999  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

**DISTRICT II**  
South First, Artesia, NM 88210

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

**DISTRICT IV**  
2040 South Pacheco, Santa Fe, NM 87506

## 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 72170	Pool Name Black River Morrow
Property Code	Property Name SOUTH LOVING "2" STATE	Well Number 1
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3146

### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	2	24S	27E		1980	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
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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**

	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Kristi Green</i></p> <hr/> <p>Signature <i>Kristi Green</i></p> <hr/> <p>Printed Name <i>Hobbs Regulatory</i></p> <hr/> <p>Title <i>7/20/05</i></p> <hr/> <p>Date</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p align="right">6/28/2005</p> <p>Date Surveyed</p> <p>Signature <i>[Signature]</i> of Professional Surveyor</p> <div style="text-align: center;"> </div> <p>Certificate No. <i>Hobbs Regulatory</i> Jones RLS 3640</p> <p align="center">2-1</p> <p align="center">GENERAL SURVEYING COMPANY</p> </div>
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## **MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

### **MEWBOURNE OIL COMPANY**

South Loving 2 St #1  
1980' FNL & 1980' FWL  
Section 2-T24S-R27E  
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: Go south from Loving, NM on US 285 0.2 miles. Turn right on CC716 for 0.3 miles. Turn right on CC763 for 2 miles. Turn left on leaser road for 3.2 miles to West Loving 2 St #1 and go 1200' North to new location.**

#### **2. Proposed Access Road:**

- A. Will need 1200' 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 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.

#### **4. 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.

#### **5. 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.

**6. Methods of Handling Waste Disposal:**

- A. Drill cuttings not retained for evaluation purposed will be disposed of in the reserve pit.
- B. Drilling fluids will be allowed to evaporate in the reserve pit prior to closure.
- C. Water produced during operations will be disposed of in the reserve pit.
- D. If any liquid hydrocarbons are produced during operations, those liquids will be stored in suitable tanks until sold.
- E. Current regulations regarding the proper disposal of human waste will be followed.
- F. 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.

**7. Ancillary Facilities**

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

**8. Well Site Layout**

- A. A diagram of the drill pad is shown in Exhibit #5. Dimensions of the pad, pits, and location of major rig components are shown.
- B. The reserve pit will be lined with a high quality plastic sheeting to prevent migration of fluids.
- C. The pad dimension of 400' X 250' has been staked and flagged.

**9. Plans for Restoration of Surface**

- A. Upon cessation of the proposed operations, if the well is abandoned, the location and road will be ripped and re-seeded. The reserve pit area, after allowing to dry will be leveled. The entire location will be restored to the original contour as much as reasonable possible. All trash, garbage, and pit lining 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. Three sides of the reserve pit will be fenced prior to and during drilling operations. The reserve pit will be fenced on the fourth side after the drilling rig is removed to prevent the endangerment of livestock. The fence will remain in place until the pit area has been leveled and restored.
- D. Upon cessation of the proposed operations, if the well is not abandoned, the reserve pit area will be restored as per OCD guidelines. Any additional caliche required for production facilities will be obtained from a source as described in Section 6.
- E. 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.

**10. Surface Ownership:**

State of New Mexico

**11. Other Information:**

- A. Topography: Refer to the archaeological report for a detailed description of flora, fauna, soil characteristics, dwellings, and historical or cultural sites.
- B. The primary use of the surface at the location is for grazing of livestock.

**12. 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  
505-393-5905

**13. 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: 7/21/05 Signature: Forster for NM Young

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

**Notes Regarding Blowout Preventer**

**Mewbourne Oil Company**

South Loving 2 St #1

1980' FNL & 1980' FWL

Section 2-T24S-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

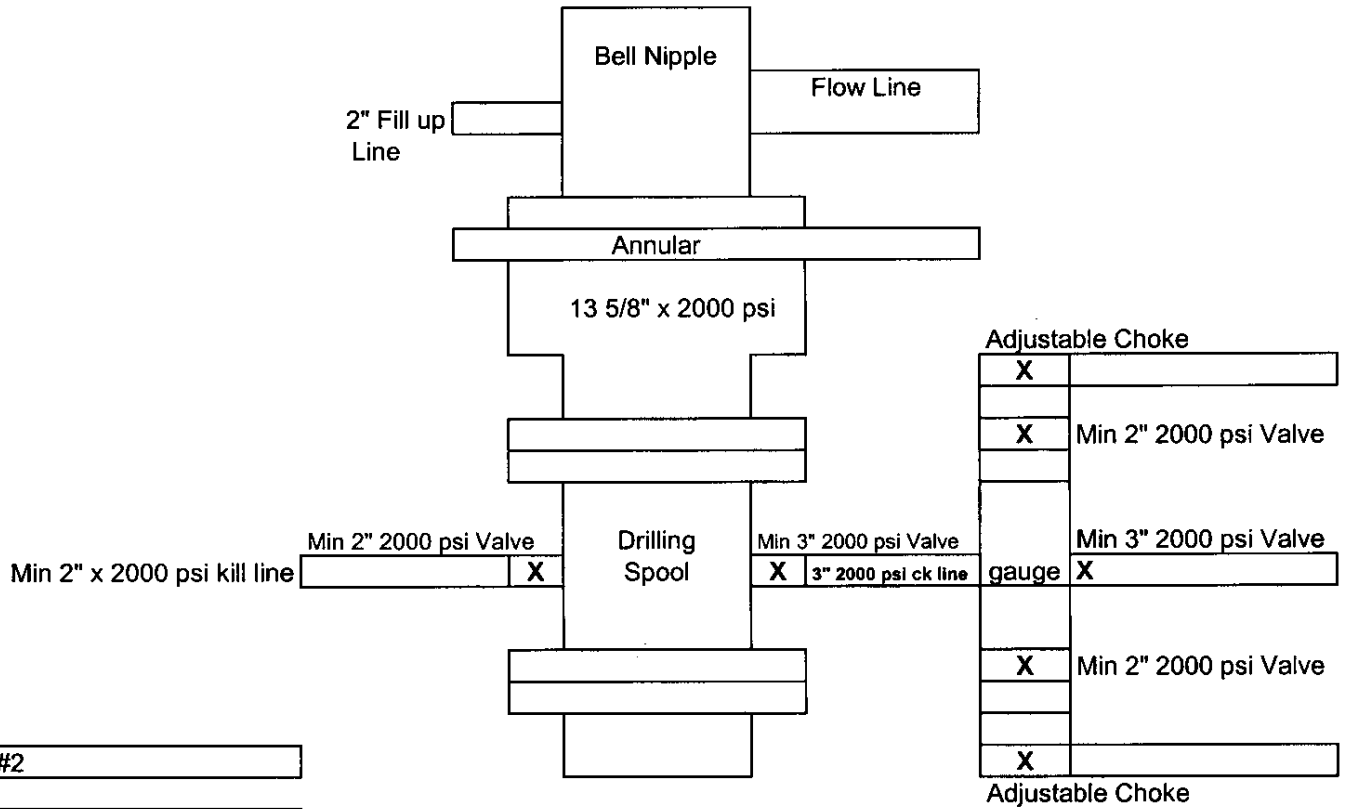


Exhibit #2

South Loving 2 St #1  
1980' FNL & 1980' FWL  
Sec 2-T24S-R27E  
Eddy, County  
New Mexico

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

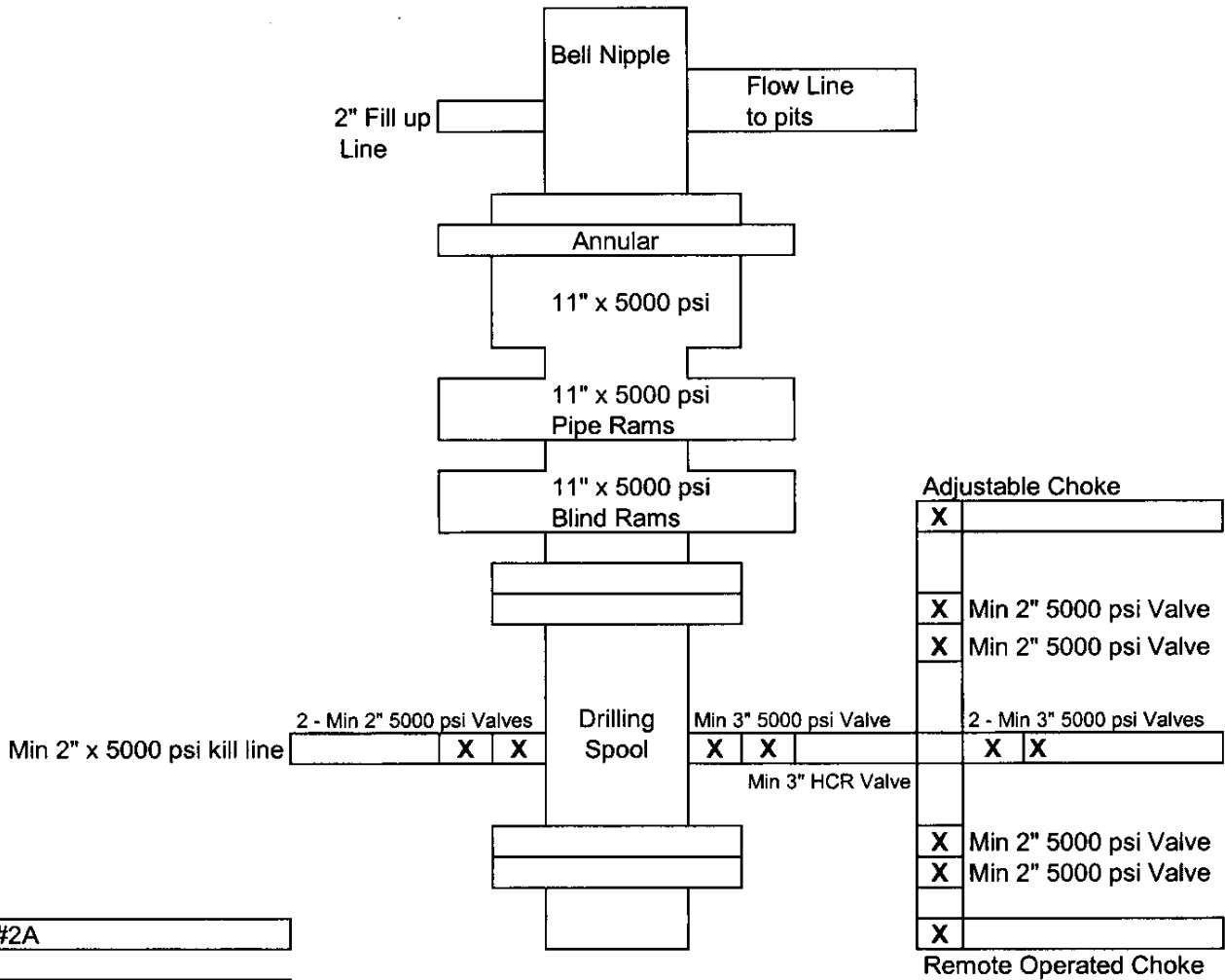
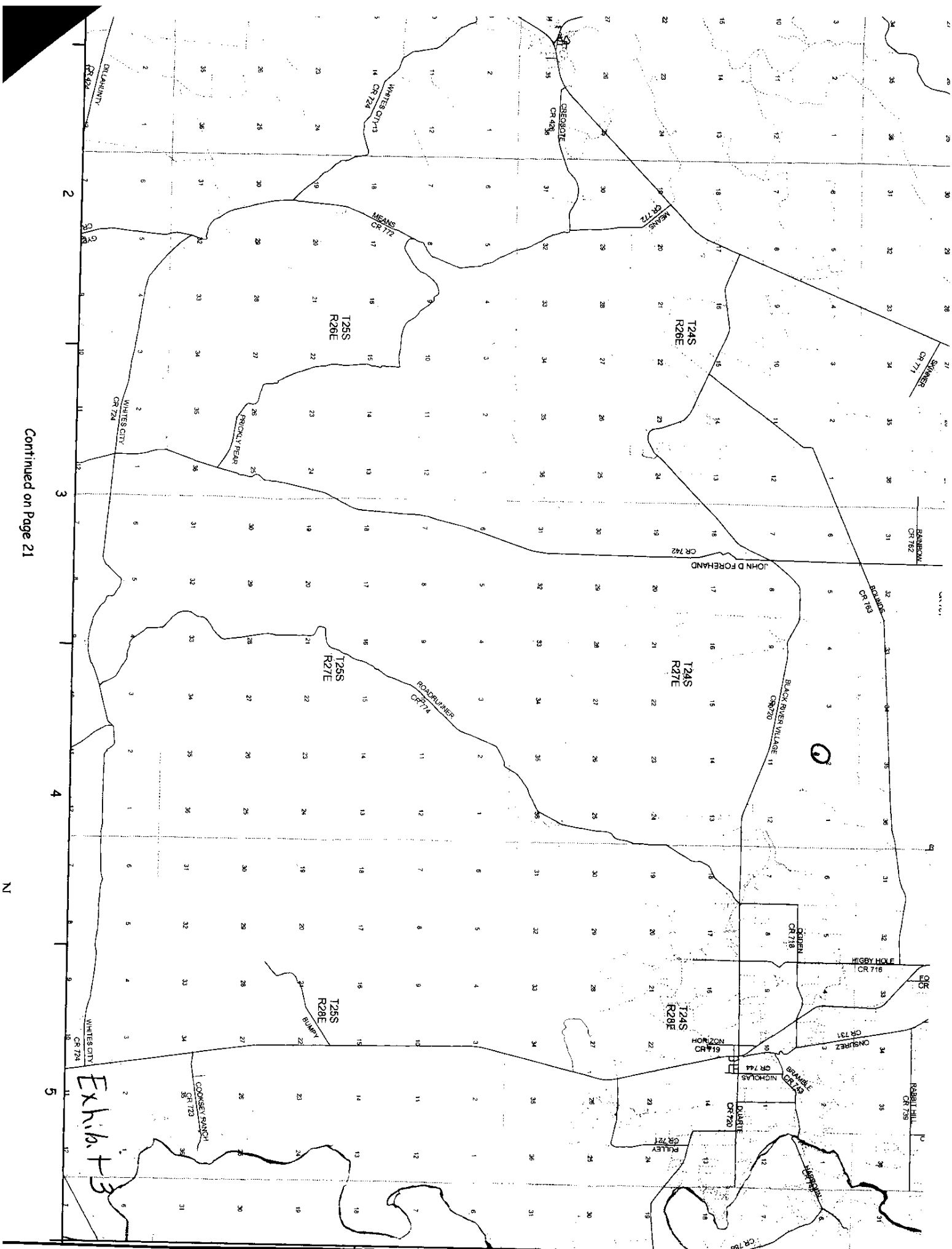


Exhibit #2A

South Loving 2 St #1  
1980' FNL & 1980' FWL  
Sec 2-T24S-R27E  
Eddy, County  
New Mexico





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SECTION 2, TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

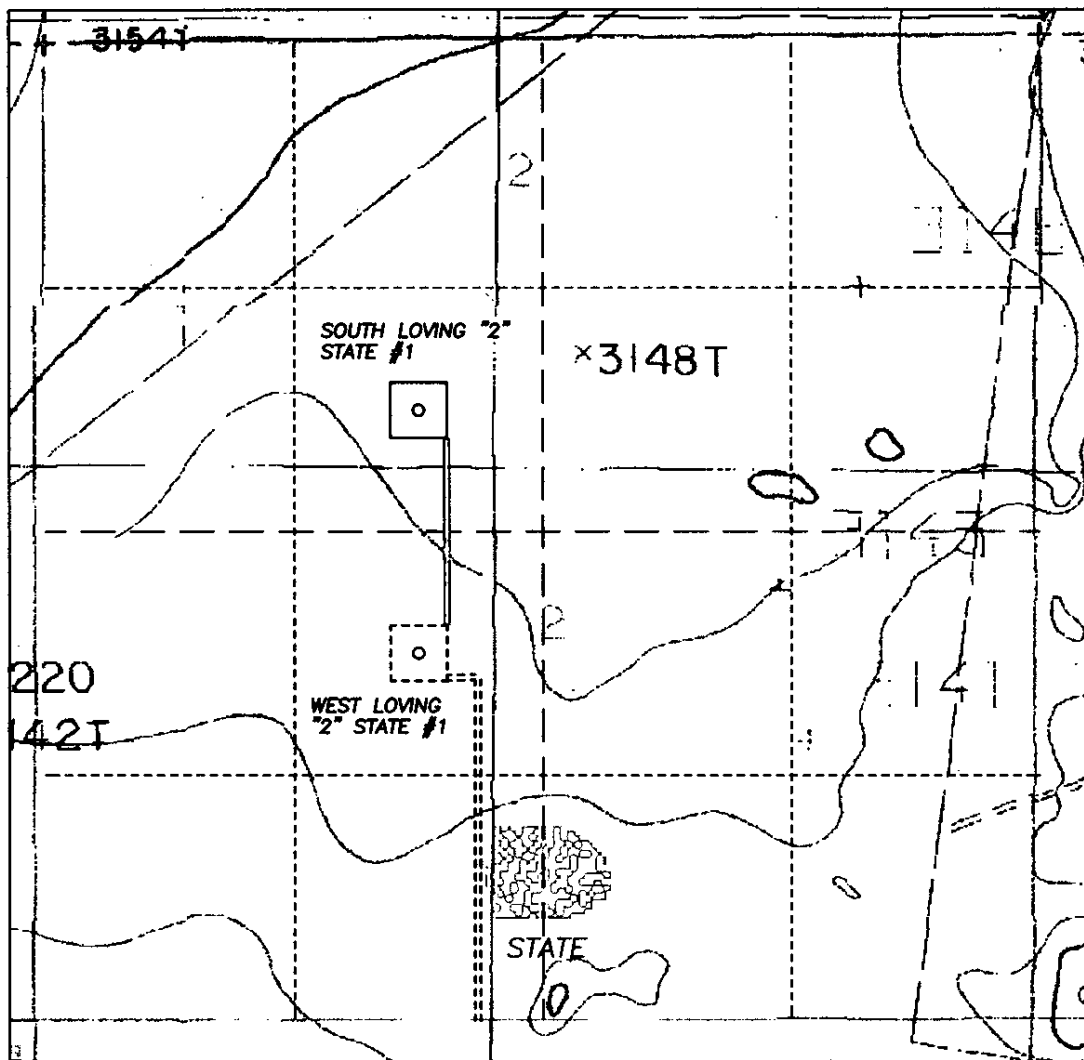
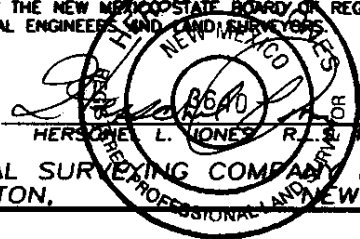


Exhibit 3A

1000' 0 1000' 2000'  
Scale 1" = 1000'

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 STANDARD FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.



**MEWBOURNE OIL COMPANY**

LEASE ROAD TO ACCESS THE MEWBOURNE SOUTH LOVING "2" STATE #1 WELL, LOCATED IN SECTION 2, TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

Survey Date: 6/27/2005	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 6/27/05	Scale 1" = 1000' S. LOVING

GENERAL SURVEYING COMPANY P.O. BOX 1928  
LOVINGTON, NEW MEXICO 88260

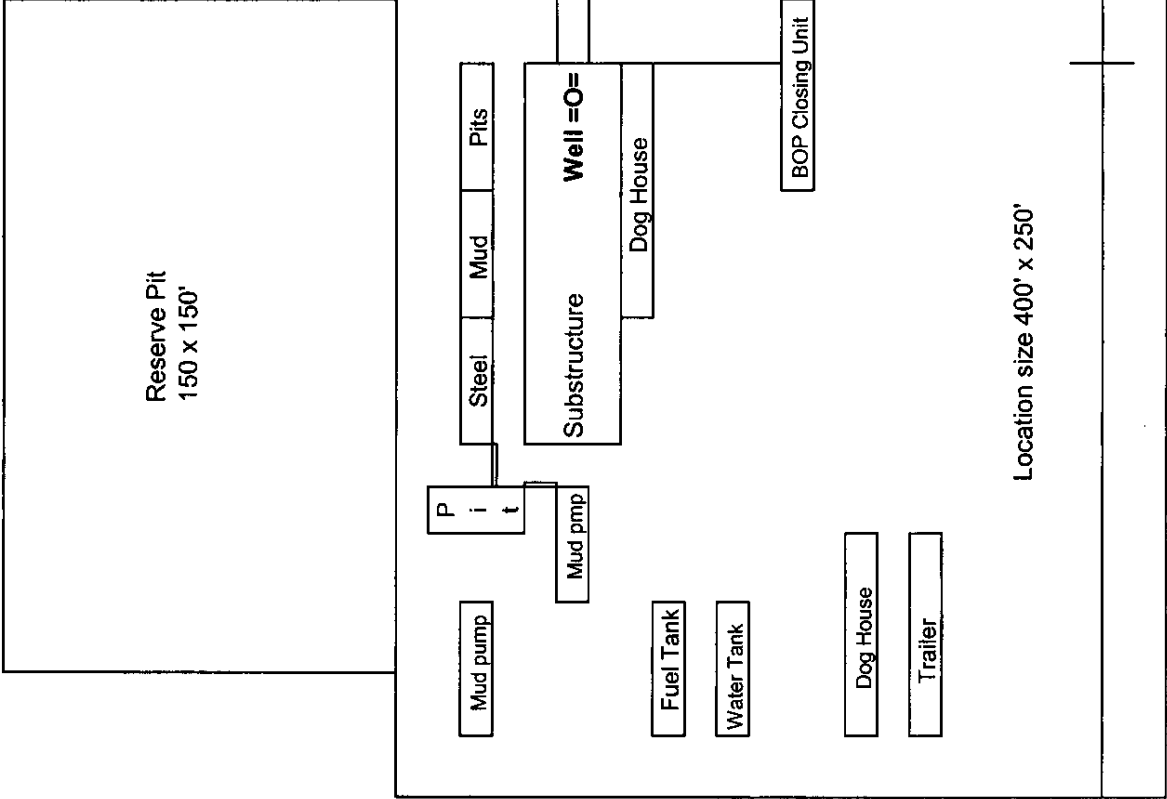
Mewbourne Oil Company

Well Name  
Footages  
STR  
County  
State

South Loving 2 St #1  
1980' FNL & 1980' FWL  
Sec 2-T24S-R27E  
Eddy, County  
New Mexico

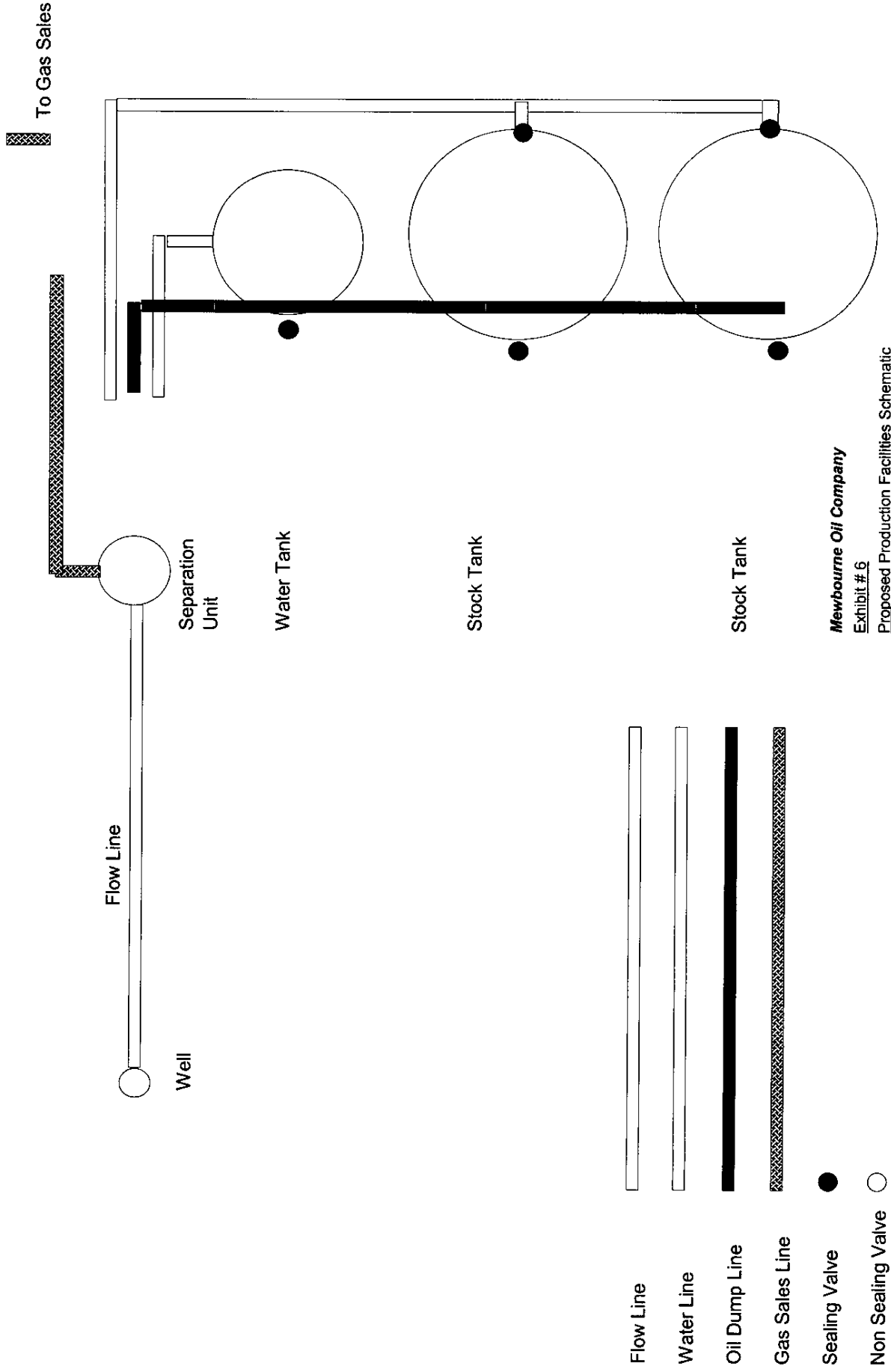
Exhibit #5

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Rig Location Schematic

# Proposed Production Facilities Schematic



**Newbourne Oil Company**

**Exhibit # 6**

**Proposed Production Facilities Schematic**

South Loving 2 St #1  
 1980' FNL & 1980' FWL  
 Sec 2-T24S-R27E  
 Eddy, County  
 New Mexico

**Hydrogen Sulfide Drilling Operations Plan****Mewbourne Oil Company****South Loving 2 St #1****1980' FNL & 1980' FWL****Section 2-T24S-R27E****Eddy County, New Mexico**

Rule 118 does not apply to this well because MOC has researched this area and no high concentrations of H<sub>2</sub>S were found. MOC will have on location and working all H<sub>2</sub>S safety equipment before Queen formation for purposes of safety and insurance requirements.