

INSTRUCTIONS

Leads, NM 84041-1000

II
Artesia, NM 88211-0710

DISTRICT III
Las Alamos, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C
Revised February 15, 1984
Submit to Appropriate District
Basic Lease - 4
Fee Lease - 8 Copies

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	
		76400		South Empire Morrow	
Property Code		Property Name			Well Number
023349		EMPIRE 7 FEDERAL			1
GRID No.		Operator Name			Elevation
14744		MEWBOURNE OIL COMPANY			3679

Surface Location

No.	Section	Township	Range	Lot	Feet from the	North/South Line	Feet from the	East/West Line	County
N	7	17 S	29 E		760	SOUTH	1750	WEST	EDDO

Bottom Hole Location If Different From Surface

No.	Section	Township	Range	Lot	Feet from the	North/South Line	Feet from the	East/West Line	County

Yes	Joint or Infill	Consolidation Code	Order No.

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 that the information contained herein is true and complete to the best of my knowledge and belief.

Jerry Elgin
Signature
Jerry Elgin
Printed Name

District Manager

Title
3/15/2000
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.

FEBRUARY 24, 2000

Data Surveyed
Signature of David L. Eidson
Professional Surveyor

David L. Eidson
Signature
NEW MEXICO
100-11-02745
Certification No. MICHAEL C. EIDSON 2220
CITY EIDSON 12
MADON MCDONALD

1750'

760'

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Empire "7" Federal #1

660' FSL & 1650' FWL

Section 7-T17S-R29E

Eddy County, New Mexico

Lease Number NM-14847

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above mentioned 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:

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 yellow and proposed roads are highlighted in green.

- B. Directions to Location: West from Loco Hills 7 miles (between mile marker 124 and 125) turn north on caliche road through cattle guard. Stay on main lease road approximately 2-1/2 miles to "T". Turn right at "T" and go east approximately 1-1/4 miles. Turn right (south) on road and follow to location.

2. Proposed Access Road:

- A. The access road will be built from an existing lease road approximately 500' from the location pad and will enter the location pad from the Northeast corner.
- B. The access to the location will be limited to 16' in width and will adequately drain runoff and control erosion as presently constructed.
- C. Access to location has an existing grade to facilitate adequate drainage.

Location of Existing Wells:

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

4. Location of Existing and/or Proposed Facilities:

- B. 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. If the well is productive, restoration plans are as follows:

JOINT SURFACE USE AND OPERATIONS PLAN
MEWBORNE OIL COMPANY
Empire "7" Federal #1

- i. The reserve pit will be back-filled after the contents of the pit are allowed to dry (within 180 days after the well is completed).
- ii. 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.
- iii. All production vessels left on location will be painted to conform with painting stipulations within 180 days of installation.

5. Location and Type of Water Supply

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 hauled to the location by transport trucks over existing and proposed roads as indicated in Exhibit #3.

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 procuring construction materials required for this operation and paying any royalties that may be required on those materials.

Methods of Handling Waste Disposal:

- A. Drill cuttings not retained for evaluation purposes will be disposed of in the reserve pit.
- B. Drilling fluids will be allowed to evaporate in the reserve pit prior to closure. 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.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEADOWBURN OIL COMPANY

Lease 17" Federal #1

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8. Ancillary Facilities

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

9. 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 400' has been staked and flagged.

10. 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 per BLM guidelines. The reserve pit area, after allowing to dry, will be levelled. The entire location will be restored to the original contour as much as reasonably possible. All trash, garbage, and pit lining will be hauled to appropriate disposal to assure the location is aesthetically pleasing as reasonably 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 with a mixture of native grasses as stipulated by the BLM. 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 is removed to prevent the endangerment of livestock. The fence will remain in place until the pit area has been leveled and restored.
- C. Upon cessation of the proposed operations, if the well is not abandoned, the reserve pit area will be treated as outlined above within the prescribed amount of time. Any additional caliche required for production facilities will be obtained from a source as described in Section 6.

11. Surface Ownership:

The surface is owned by: Bureau of Land Management

12. Other Information

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

MULTI-POINT SURFACE USE AND OPERATIONS

MEWBOURNE OIL COMPANY

"7" Federal #1

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Operator's Representative:

A. Through APD approval and drilling operations:

Jerry Elgin, District Manager
Mewbourne Oil Company
P. O. Box 5270
Hobbs, NM 88241
505-393-5905

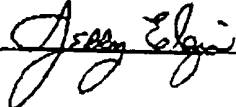
Through completion and production operations:

Jerry Elgin, District Manager
Mewbourne Oil Company
P. O. 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 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: 2-28-00

Signature: 

Jerry Elgin, District Manager
Mewbourne Oil Company
P. O. Box 5270
Hobbs, NM 88241
505-393-5905

SPECIAL DRILLING STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

OPERATOR'S NAME MEWBOURNE OIL COMPANY WELL NO. & NAME #1 EMPIRE "7" FEDERAL
 LOCATION 760' F S L & 1750' W L SEC. 7, T. 17S., R. 29E
 LEASE NO. NM-101967 COUNTY EDDY STATE NEW MEXICO

The special stipulations check marked below are applicable to the above described well and approval of this application to drill is conditioned upon compliance with such stipulations in addition to the General Requirements. The permittee should be familiar with the General Requirements, a copy of which is available from a Bureau of Land Management office. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSUANT TO TITLE 43 CFR 3165.3 and 3165.4.

This permit is valid for a period of one year from the date of approval or until lease expiration or termination whichever is shorter.

SPECIAL ENVIRONMENT REQUIREMENTS

- ☐ Lesser Prairie Chicken (Stips attached)
- ☐ San Simon Swale (Stips attached)
- ☐ Floodplain (Stips attached)
- ☐ Other

ON LEASE - SURFACE REQUIREMENTS PRIOR TO DRILLING

The BLM will monitor construction of this drill site. Notify the ☒ Carlsbad Resource Area Office at (505) 887-6544 () Hobbs Office at (505) 393-3612, at least 3 working days prior to commencing construction.

- ☒ Roads and the drill pad for this well must be surfaced with 6 inches of compacted gravel.

- ☐ All topsoil and vegetation encountered during the construction of the drill site area will be stockpiled and made available for resurfacing of the disturbed area after completion of the drilling operation. Topsoil on the subject location is approximately 12 inches in depth. Approximately 100 cubic yards of topsoil material will be stockpiled for reclamation.

☒ Other V-Door north (Reserve pits to the west).

III. WELL COMPLETION REQUIREMENTS

- ☐ A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the BLM. The effective date of the agreement must be prior to any

Surface Restoration: If the well is a producer, the reserve pit(s) will be backfilled when dry, and cut-and-fill slopes will be reduced to a slope of 3:1 or less. Areas of the pad not necessary for production must be re-contoured to resemble the original contours of the surrounding terrain, and topsoil must be re-distributed and reseeded with a drill equipped with a depth indicator (set at a depth of 1/2 inch) with the following seed mixture, in pounds of Pure Live Seed (PLS), per acre.

- | | |
|---|--|
| <p><input type="checkbox"/> A. Seed Mixture 1 (Loamy Site)</p> <p>Side Oats Grass (Eragrostis tenuiflorum) 1.0</p> <p>Side Oats Grass (Eragrostis tenuiflorum) 5.0</p> <p>Seed (Sporobolus cryptandrus) 1.0</p> | <p><input type="checkbox"/> B. Seed Mixture 2 (Sandy Sites)</p> <p>Sand Dropseed (Sporobolus cryptandrus)</p> <p>Sand Lovegrass (Eragrostis trichodes) 1.0</p> <p>Plains Bristlegrass (Setaria macrostachya) 2.0</p> |
| <p><input checked="" type="checkbox"/> C. Seed Mixture 3 (Shallow Sites)</p> <p>Side Oats Grass (Eragrostis tenuiflorum) 1.0</p> <p>Side Oats Grass (Eragrostis tenuiflorum) 5.0</p> <p>Lovegrass (E. chloromelas)</p> | <p><input type="checkbox"/> D. Seed Mixture 4 ("Typ" Sites)</p> <p>Alkali Sacaton (Sporobolus airoides) 1.</p> <p>Four-wing Saltbush (Atriplex canescens) 5.0</p> |

Seeding should be done either late in the fall (September 15 - November 15, before freeze moisture) or early as possible the following spring to take advantage of available ground

- ☐ Other

RESERVE PIT CONSTRUCTION STANDARDS

The reserve pit shall be constructed entirely in cut material and lined with 1 plastic.

Mineral material extracted during construction of the reserve pit may be used for development of the pad and access road as needed. Removal of any additional material on location must be purchased from BLM.

Reclamation: Reclamation of this type of deep pit will consist of pushing the pit walls into the pit when sufficiently dry to support track equipment. The liner is NOT TO BE RUPTURED to facilitate drying; a ten month period after completion of the well is allowed for drying of the pit contents.

The pit area must be contoured to the natural terrain with all contaminated drilling mud buried with at least 3 feet of clean soil. The reclaimed area will then be seeded as specified in this permit.

OPTIONAL PIT CONSTRUCTION STANDARDS

The reserve pit may be constructed in predominantly fill material if:

- 1) Lined as specified above and,
- 2) A borrow/caliche/gravel pit can be constructed immediately adjacent to the reserve pit and is capable of containing all reserve pit contents. The mineral material removed in the process can be used for pad and access road construction. However, a material sales contract must be purchased from BLM prior to removal of the material.

Reclamation of the reserve pit consists of bulldozing all reserve pit contents and contaminants into the borrow pit and covering with a minimum of 3 feet of clean soil material. The entire area must be recontoured, all trash removed, and reseeded as specified in this permit.

CULTURAL

Whether or not an archaeological survey has been completed and notwithstanding that operations are being conducted as approved, the lessee/operator/grantee shall notify the BLM immediately if previously unidentified cultural resources are observed during surface disturbing operations. From the time of the notification, the lessee/operator/grantee shall avoid operations that will result in disturbance to these cultural resources until directed to proceed by BLM.

TRASH PIT STIPS

Trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Mewbourne Oil Company Well No. 1 - Empire 7 Federal Com.
Loc: ⁷⁶⁵ 660' FSL & 1650' FWL sec. 7, T. 17 S., R. 29 E.
Lease: NM-101967 ¹⁷⁵⁸

DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at (505) 887-6544 in sufficient time for a representative to witness:

... Spudding

... Cementing casing: 13-3/8 inch 8-5/8 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. Include the API No. assigned to well by NMOC on the subsequent report of setting the first casing string.

4. A Hydrogen Sulfide Contingency Plan should be activated prior to drilling in the Queen formation. A copy of the plan shall be posted at the drilling site.

II. CASING:

1. 13-3/8 inch surface casing should be set at approximately 200 feet above the top of the Salt, below usable water and circulate cement to the surface. If cement does not circulate to the surface, the BLM Carlsbad Field 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.

Minimum required fill of cement behind the 8-5/8 inch intermediate casing is sufficient to circulate to the surface.

Minimum required fill of cement behind the 5-1/2 inch production casing is sufficient to tie back 600 feet above the top of the Wolfcamp at approximately 7130 feet.

III. PRESSURE CONTROL:

Before drilling below the 13-3/8 inch surface casing, the blowout preventer assembly shall consist of a minimum of One Annular Preventer or Two Ram-Type Preventers and a Kelly Cock/Stabbing Valve.

Before drilling below the 8-5/8 inch intermediate casing, the blowout preventer assembly shall consist of a minimum of One Annular Preventer, Two Ram-Type Preventers, and a Kelly Cock/Stabbing Valve.

Before drilling below the 13-3/8 inch surface casing, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi.

Before drilling below the 8-5/8 inch intermediate casing, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 3000 psi.

CONDITIONS OF APPROVAL - DRILLING (CONTINUE)

269 Name: Membourne Oil Company Well No. 1 - Expire 7 Federal Com.
 Location: 660 FSL & 1650 FWL sec. 7, T. 17S, R. 29 E.
 Lease: NM-101967 1750

5. After setting the 8-5/8 inch intermediate casing and before drilling into the Wolfcamp formation, the BOP shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or
- A. The BLM office shall be notified at (505) 887-6544 in sufficient time for a representative to witness the tests.
- shall be done by an independent service company.
- of the test shall be reported to the BLM Carlsbad Field office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292.
- 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.
- E. Testing must be done in a safe workman like manner. Hard line connections shall be required.
-
- Monitoring equipment, with derrick floor indicators and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.
- present shall consist of the following:
- A. Recording pit level indicator to indicate volume gains and losses.
- B. Flow-sensor on the flow-line to warn of abnormal mud returns from the well.

EXHIBIT A

BLM Serial Number: NM-101967

Company Reference: #1 EMPIRE "7" FEDERAL

STANDARD STIPULATIONS FOR PERMANENT RESOURCE ROADS

Holder/grantee/permittee shall hereafter be identified as the holder in these stipulations. The Authorized Officer is the person who approves the Application for Permit to Drill (APD) and/or Right-of-Way (ROW).

GENERAL REQUIREMENTS

The holder shall minimize disturbance to existing fences and other improvements on public domain surface. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will make a documented good-faith effort to contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence.

Holder agrees to comply with the following stipulations:

1. ROAD WIDTH AND GRADE

Road will have a driving surface of 14 feet (all roads shall have minimum driving surface of 12 feet, unless local conditions dictate a different width). The maximum grade is 10 percent unless the box below checked. Maximum width of surface disturbance from construction will be

☒ Those segments of road where grade is in excess of 10% for more than 300 feet shall be designed by a professional engineer.

2. CROWNING AND DITCHING

Crowning with materials on site and ditching on one side of the road on the uphill side will be required. The road cross-section will conform to the section diagrams in Figure 1. If conditions dictate, ditching may be required for both sides of the road; if local conditions permit, a flat-bladed may be considered (if these conditions exist, check the appropriate box below). The crown shall have a grade of approximately 2% (i.e., 1" crown on a 12' wide road).

☒ Ditching will be required on both sides of the roadway as shown on the attached map or as staked in the field.

☐ Flat-blading is authorized on segment(s) delineated on the attached map.

3. DRAINAGE

Drainage control shall be ensured over the entire road through the use of lead-off ditches, outslowing, inslaping, natural rolling topography, lead-off (turnout) ditches, culverts, and/or drainage dips.

A. All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval for lead-off ditches shall be determined according to the following table, but may be amended depending upon existing soil types and centerline road slope (in %):

SPACING INTERVAL FOR TURNOUT DITCHES	
Percent slope	Spacing interval
0% - 4%	400' - 150'
4% - 6%	250' - 125'
6% - 8%	200' - 100'
8% - 10%	150' - 75'

A typical lead-off ditch has a minimum depth of 1 foot below and a berm 6 inches above natural ground level. The berm will be on the down-slope side of the lead-off ditch. The ditch end will tie into vegetation whenever possible.

For this road the spacing interval for lead-off ditches shall be at

☐ 400 foot intervals.

☒ 300 foot intervals.

☐ locations staked in the field as per spacing intervals above.

☐ locations delineated on the attached map.

B. Culvert pipes shall be used for cross drains where drainage dips or water crossings are not feasible. The minimum culvert diameter must be 18 inches. Any culvert pipe installed shall be of sufficient diameter to pass anticipated flow of water. Culvert location and required diameter are shown on the attached map (Further details can be obtained from the Roswell District Office or the appropriate Resource Area Office).

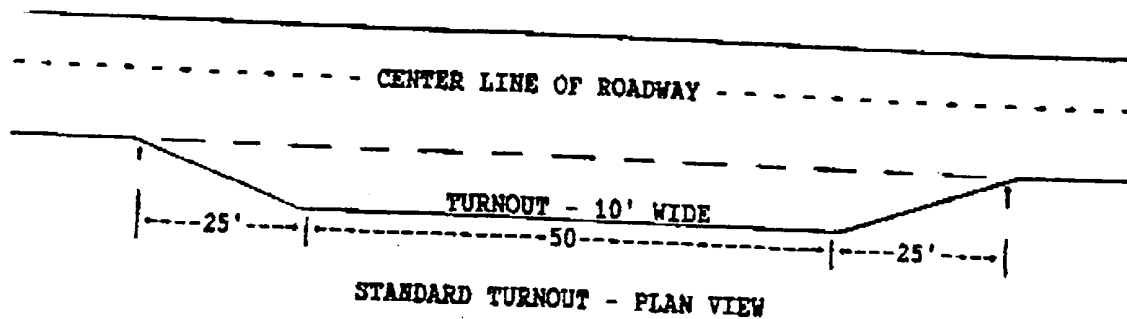
C. On road slopes exceeding 2%, drainage dips shall drain water into an adjacent lead-off ditch. Drainage dip location and spacing shall be determined by the formula:

$$\text{spacing interval} = \frac{400'}{\text{road slope in \%}} + 100'$$

Example: 4% slope: spacing interval = $\frac{400}{4} + 100 = 200$ feet

TURNOUTS

Unless otherwise approved by the Authorized Officer, vehicle turnouts will be located at 2000-foot intervals, or the turnouts will be intervisible, whichever is less. Turnouts will conform to the following diagram:



SURFACING

Surfacing of the road or those portions identified on the attached map may, at the direction of the Authorized Officer, be required, if necessary, to maintain traffic within the right-of-way with caliche, gravel, or other surfacing material which shall be approved by the Authorized Officer. When surfacing is required, surfacing materials will be compacted to a minimum thickness of six inches with caliche material. The width of surfacing shall be no less than the driving surface. Prior to using any mineral materials from an existing or proposed Federal source, authorization must be obtained from the Authorized Officer.

6. CATTLEGUARDS

Where used, all cattleguard grids and foundation designs and construction shall meet the American Association of State Highway and Transportation Officials (AASHTO) Load Rating H-20, although AASHTO U-80 rated grids shall be used where heavy loads (exceeding H-20 loading), are anticipated (see standard drawings for cattleguards). Cattleguard grid length shall not be less than 8 feet and width of not less than 14 feet. A wire gate (16-foot minimum width) will be provided on one side of the cattleguard unless otherwise by the surface user.

7. MAINTENANCE

The holder shall maintain the road in a safe, usable condition. A maintenance program shall include, but not be limited to blading, ditching, culvert installation, culvert cleaning, drainage installation, cattleguard maintenance, and surfacing.

PUBLIC ACCESS

Public access along this road will not be restricted by the holder without specific written approval being granted by the Authorized Officer. Gates or cattleguards on public lands will not be locked or closed to public use unless there is specifically determined to be necessary and is authorized in writing by the Authorized Officer.

CULTURAL RESOURCES

Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's land, on public or Federal land shall be immediately reported to the authorized officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the authorized officer after consulting with the holder.

10. SPECIAL STIPULATIONS: *None.*

FIGURE 1: CROSS-SECTIONS AND PLANS FOR TYPICAL ROAD CONSTRUCTION
REPRESENTATIVE OF BLM RESOURCE, AND HIGHER CLASS, ROADS.

(Travel way, top width, driving surface, and travel surface are synonymous.)

