

DEPARTMENT OF THE INTERIOR ARTESIA, NEW MEXICO AND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL ☒ DEEPEN ☐

b. TYPE OF WELL
 OIL WELL ☒ GAS WELL ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
 Mewbourne Oil Company

3. ADDRESS AND TELEPHONE NO.
 P.O. Box 5270 Hobbs, New Mexico 88240 (505) 393-5905

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 660' FEL & 2310' FSL Unit "I"
 At proposed prod. zone Same

5. LEASE DESIGNATION AND SERIAL NO.
 NM-01159

6. IF INDIAN, ALLIANCE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 Loco Hills "3" Fed. #1

9. API WELL NO.
 30-015-28311

10. FIELD AND POOL, OR WILDCAT
 Walters Lake Bone Spring

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 3-T18S-R30E

12. COUNTY OR PARISH
 Eddy

13. STATE
 N.M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 3 1/2 miles SE of Loco Hills, New Mexico

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
 2,083'

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 None

19. PROPOSED DEPTH
 7,500'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3558' GR

22. APPROX. DATE WORK WILL START*
 February 1, 1995

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" J-55	48#	575' +/-	400 sks. Class "C" CIRCULATE
* 12-1/4"	8-5/8" J-55	24#	1,950' +/-	600 sks. Class "C" (tie back)
7-7/8"	5-1/2" K-55	17#	7,500' +/-	700 sks. Class "H" (tie back)

Mewbourne Oil Company proposes to drill to a depth sufficient to test the Bone Spring formation for oil. If productive, 5-1/2" casing will be cemented at T.D. If non-productive, the well will be plugged and abandoned in a manner consistent with federal regulations. Specific programs are outlined in the following attachments.

Drilling Program

Surface Use and Operating Plan

Exhibit #1 - Location and Elevation Plat

Schedule #1 - Casing Design Program

Exhibit #2, 2A, and Attachment - Blowout Preventor & Choke Manifold Equipment

Exhibit #3 - Existing and Planned Access Road w/location

Exhibit #4 - Wells in immediate area w/attachment

Exhibit #5 - Proposed Production Facilities Layout

Exhibit #6 - Proposed Drilling Rig Layout

Hydrogen Sulfide Drilling Operations Plan w/schematic

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Bill Prince TITLE Drilling Superintendent DATE December 6, 1994

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE _____

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:

APPROVED BY _____

TITLE _____

AREA MANAGER

DATE _____

APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS AND
 SPECIAL STIPULATIONS
 ATTACHED

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plate, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill or deeper an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the operator elects to initiate drilling operation on an oil and gas lease.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Allicante) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0136), Washington, D.C. 20503.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that: This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling operations on an oil and gas lease.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		62685	Walters Lake Bone Spring
Property Code	Property Name		Well Number
	LOCO HILLS "3" FEDERAL		1
OGRID No.	Operator Name		Elevation
14744	MEWBOURNE OIL COMPANY		3558

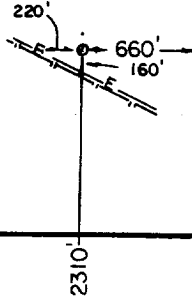
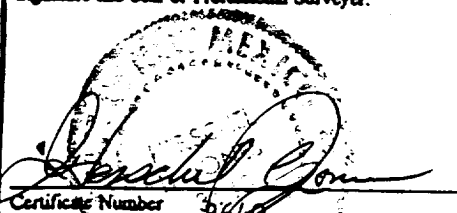
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	3	18S	30E		2310	SOUTH	660	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

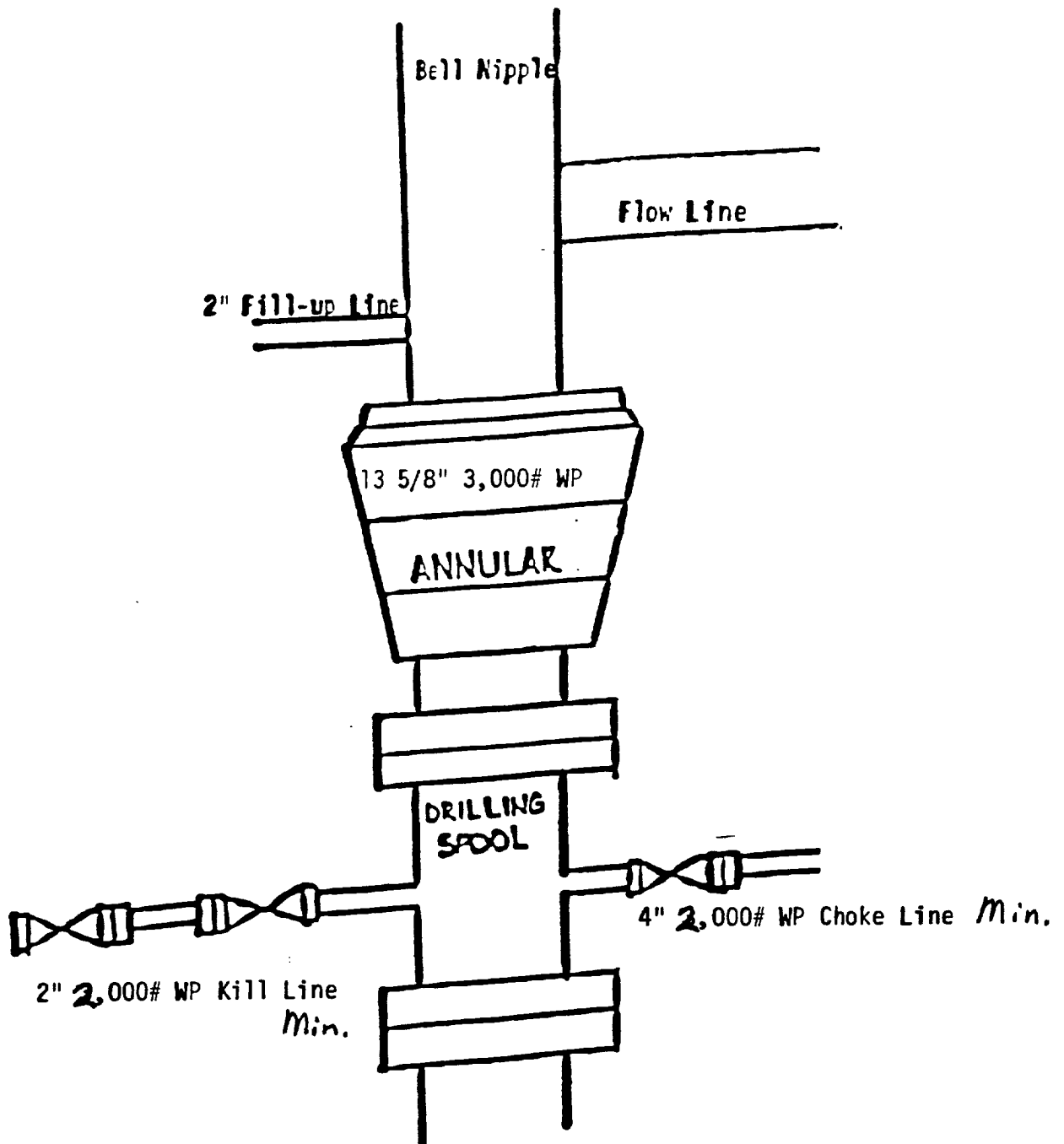
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			
40		N							

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

16						¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Bill Pierce Printed Name Drilling Superintendent Title December 6, 1994 Date
						¹⁸ 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. 11/02/94 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number 8660

12-1/4" Hole to 1950'

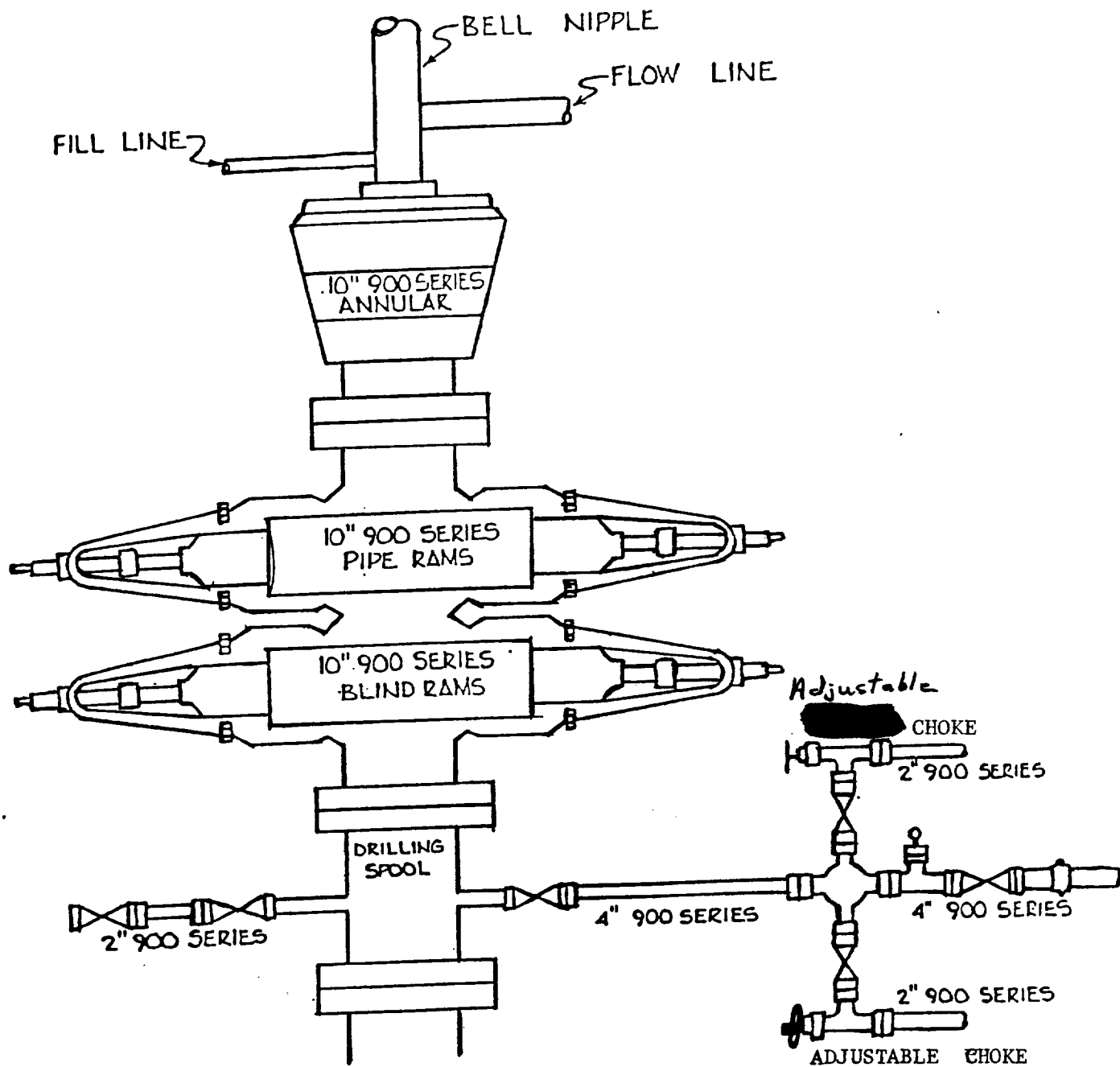
BOP SCHEMATIC



Mewbourne Oil Company
Loco Hills "3" Federal #1
660' FEL & 2310' FSL
Section 3-T18S-R30E
Eddy County, New Mexico
Lease # NM-01159

Exhibit #2

Production Hole
From 1950' +/- to T.D.



Mewbourne Oil Company
Loco Hills "3" Federal #1
660' FEL & 2310' FSL
Section 3-T18S-R30E
Eddy County, New Mexico
Lease # NM-01159

Exhibit #2A

ATTATCHMENT TO EXHIBIT #2

Notes Regarding The Blowout Preventer

Loco Hills "3" Federal #1

Lease #NM 01159

2310' FSL & 660' FEL

Section 3 - T18S - R30E

Eddy County, New Mexico

1. Drilling nipple (bell nipple) to be so constructed that it can be removed without the use of a welder through the rotary table opening, with minimum I. D. equal to the preventer bore.
2. Blowout preventer and all fittings must be in good condition; 2,000 psi W. P. minimum.
3. Safety valve must be available on rig floor at all times with proper connections; valve to be full bore 2,000 psi W. P. minimum.
4. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
5. Kelly cock on kelly.
6. Blowout preventer closing equipment to include minimum 40 gallon accumulator, two independent sources of pump power on closing unit, and meet all API specifications.