

UNITED STATES **N.M. Oil**  
DEPARTMENT OF THE INTERIOR 811 S. 1st St.  
BUREAU OF LAND MANAGEMENT ARTESIA, NM 88210-2034

SUBMIT IN TRIP  
(Other instructions on  
reverse side)

FORM APPROVED  
OMB NO. 1004-C136  
Expires: February 23, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL  
WELL ☐

GAS  
WELL ☒

OTHER ☐

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

Mewbourne Oil Company 14744 ✓

3. ADDRESS AND TELEPHONE NO.

PO Box 5270, Hobbs, New Mexico 505-393-5905

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. \*)

At surface 990' FNL & 1980' FEL

At proposed prod. zone

Same

Unit B

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

6 Miles SE of Loco Hills, New Mexico

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

330'

19. PROPOSED DEPTH

12200

20. ROTARY OR CABLE TOOLS

Rotary

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

3650

22. APPROX. DATE WORK WILL START\*

07/20/00

23.

PROPOSED CASING AND CEMENT

**CAPITAN-CONTROLLED WATER BARRI**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
17 1/2	H-40 13 3/8	48#	600
12 1/4	J-55 9 5/8	36#	4500
8 3/4	N-80 5 1/2	17#	12200

QUANTITY OF CEMENT

Circl to Sur

Tie into 13 3/8 csg

1000' above upper most zones

**WITNESS**

Mewbourne Oil Company proposes to drill a well sufficient to test the Morrow formation for Hydrocarbon production. If successful, 5 1/2" casing will be set to total depth. If the test proves to be noncommercial, the well will be plugged and abandoned in a manner consistent with regulations. Specific plans are presented in the following attachments.

Drilling Plan

Surface Use & Operation Plan

- Exhibit #1 Location & Elevation Plat
- Exhibit #2 & 2A Schematic of BOP & Choke Manifold
- Exhibit #3 & 3A Plat of Existing Road.
- Exhibit #4 List of wells in Immediate Vicinity
- Exhibit #5 Schematic of Drilling Rig
- Exhibit #6 Schematic of Proposed Production Facility
- Exhibit #7 H2S Contingency Plan

**APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED**

IN ABOVE SPACE DESCRIBE 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

*N.M. Young*

TITLE N.M. Young District Manager

DATE 06/19/00

(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:

/S/LARRY D. BRAY

Assistant Field Manager,  
Lands And Minerals

APPROVED BY

TITLE

\*See Instructions On Reverse Side

DATE

APPROVED FOR 1 YEAR

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.

RECEIVED  
JUN 21 2000  
BLM  
ROSWEIL, NM

**Drilling Program**  
**Mewbourne Oil Company**  
**Fren 7 Federal Com #2**  
**990' FNL & 1980' FEL**  
**Section 8 T-18S R-31E**  
**Eddy County, New Mexico**  
**Lease Number NMNM-680393**

RECEIVED  
JUL 11 1980  
ARTESIA

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

Yates	1886'
Queen	3022'
Penrose	3240'
San Andres	3724'
Delaware	4370'
Bone Spring	5121'
1 <sup>st</sup> Bone Spring	7240'
2 <sup>nd</sup> Bone Spring	7822'
3 <sup>rd</sup> Bone Spring	8728'
Wolfcamp	9040'
Strawn	10626'
Atoka	10918'
Morrow	11470'

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

Water	Approximately 200'
Hydrocarbons	All zones below San Andres

**3. Pressure control equipment:**

Two thousand psi working pressure annular BOP's will be installed on the 13-3/8" surface 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.

## **Drilling Program**

**Mewbourne Oil Company**

Fren 7 Federal Com #2

Page 2

RECEIVED  
ARTESIA

### **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>
17-1/2"	13-3/8"	48#	H40	0-600'
12-1/4"	9-5/8"	36#	J55	0-4500'
8-3/4"	5-1/2"	17#	N80	0-12200'

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

#### **B. Cementing Program**

- i. Surface Casing: 200 sacks Class "C" light cement containing 1/2 #/sk cellophane flakes, 3% CaCl, 5 lbs/sack gilsonite. 200 sacks Class "C" penmen containing 3% CaCl.
- ii. Intermediate Casing: 900 sacks 35:65 pozmix cement containing 6% gel, 5 lbs/sack gilsonite. 200 sacks Class "C" cement containing 2% CaCl.
- iii. Production Casing: 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 and multiple stage cementing tool in the production casing below potentially productive zones and cementing with a light cement slurry.

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

### **5. Mud Program:**

<u>Interval</u>	<u>Type System</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0'-600'	FW spud mud	8.6-9.4	32-34	NA
600'-4500'	Brine water	10.0-10.2	28-30	NA
4500'-10700'	Cut brine water	8.8-9.2	28.30	NA
10700'-12200'	Cut brine water	9.2-9.8	32-42	8-12

### **6. Evaluation Program:**

Samples: 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

**Drilling Program**

**Mewbourne Oil Company**

**Fren 7 Federal Com #2**

**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:	8.3 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.

## **MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

### **MEWBOURNE OIL COMPANY**

Fren 7 Federal Com #2

990' FNL & 1980' FEL

Section 7-T18S-R31E

Eddy County, New Mexico

Lease Number NMNM-680393

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 yellow and proposed roads are highlighted in green.
- B. Directions to location: East from Loco Hills on Highway 82 approximately 5 miles turn south on Eddy County Road #222 (Shugart Road). Go south approximately 3 miles and turn right on caliche road. Go west 1 mile. Turn left and go south  $\frac{1}{4}$  mile. Turn right and go 1 mile. Turn left & go  $\frac{1}{4}$  mile. Turn right & go  $\frac{1}{2}$  mile. Turn left to location.

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

- A. No new road is needed. Enter the location pad from the Southeast corner.
- B. Access to location has an existing grade to facilitate adequate drainage.

#### **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. If the well is productive, restoration plans are as follows:

- 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 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 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 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.

**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, 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.
- D. An archaeological survey has been conducted on the proposed access road and location pad.

**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 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 with a mixture of native grasses as stipulated by the BLM.
- 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 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 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.



**13. Operator's Representative:**

A. Through APD approval and drilling operations:

**Mickey Young, District Manager**  
Mewbourne Oil Company  
PO Box 5270  
Hobbs, NM 88241  
505-393-5905

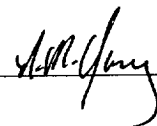
B. Through completion and production operations:

**Mickey Young, District Manager**  
Mewbourne Oil Company  
PO 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 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: 6/19/00

Signature: 

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

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Bravo Rd., Aztec, NM 87410

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	
Property Code		Property Name FREN "7" FEDERAL COM.			Well Number 2
OGRID No.		Operator Name MEWBOURNE OIL COMPANY			Elevation 3650

Surface Location

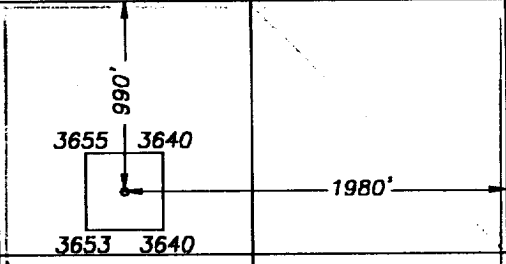
UL or lot No. B	Section 7	Township 18S	Range 31E	Lot Idn	Feet from the 990	North/South line NORTH	Feet from the 1980	East/West line EAST	County EDDY
--------------------	--------------	-----------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	----------------

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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres 320	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

				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature</p> <p>N.M. Young Printed Name</p> <p>District Manager Title</p> <p>6/18/00 Date</p>	
				<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>6/05/2000 Date Surveyed</p> <p><i>[Signature]</i> Signature of Professional Surveyor</p> <p>HERSCHEL JONES NEW MEXICO 3640 Professional Surveyor</p> <p>Certificate No. Herschel Jones RLS 3640 MOORE DISK 29 GENERAL SURVEYING COMPANY</p>	

Mewbourne Oil Company  
BOP Scematic for  
12 1/4 Hole

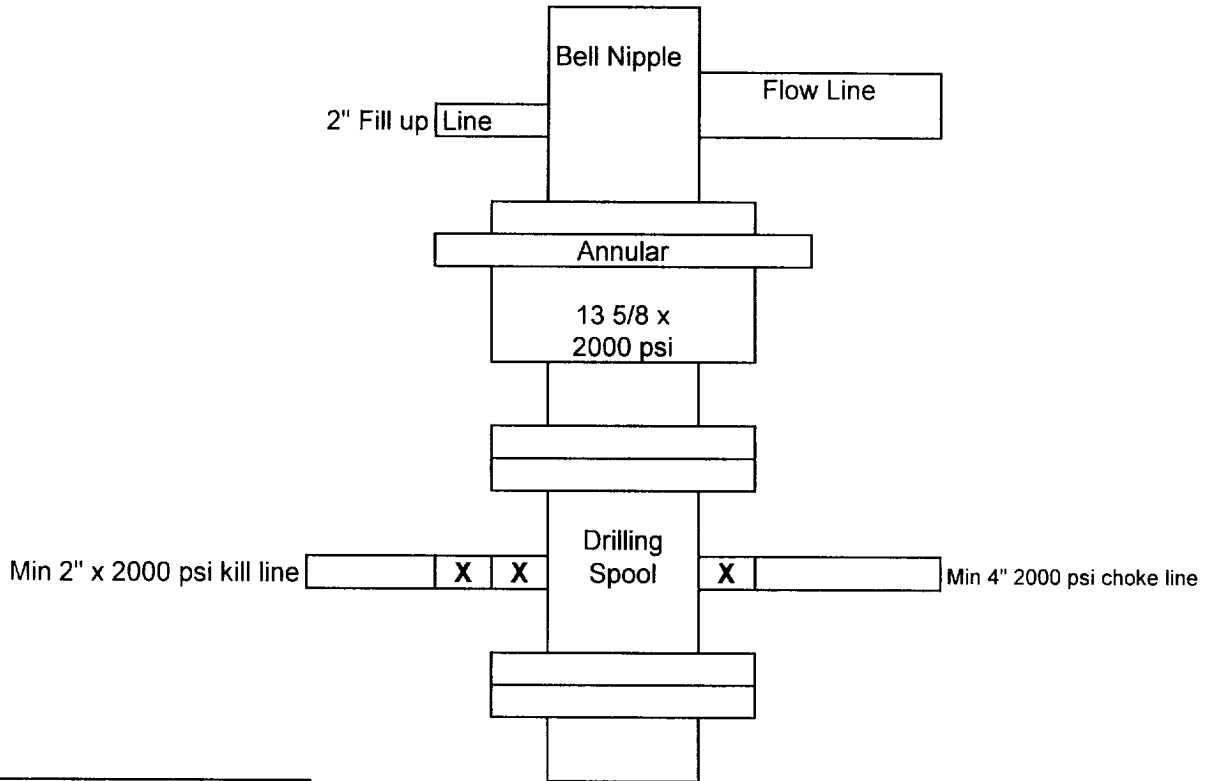


Exhibit 2

Fren 7 Federal #2  
990' FNL & 1980' FEL  
Sec.7 T-18S R-31E  
Eddy, County New Mexico

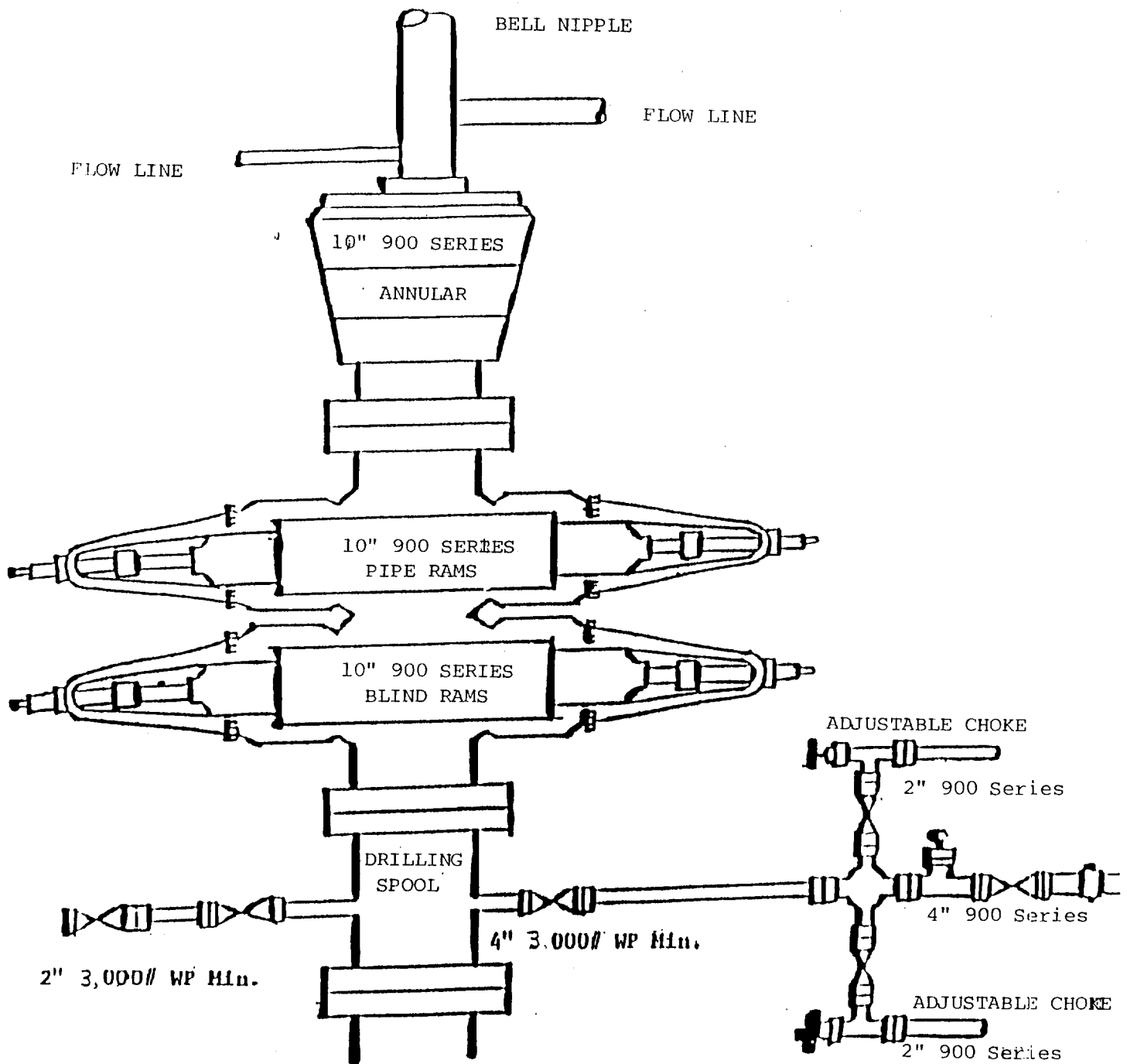


Exhibit 2A

Mewbourne Oil Company  
 Fren 7 Federal Com #2  
 Sec.7 T-18S R-31E  
 Eddy County, New Mexico

**Notes Regarding Blowout Preventer**

**Mewbourne Oil Company**

**Fren "7" Federal Com #2**

**990' FNL & 1980' FEL**

**Section 7- T18S-R31E**

**Eddy County, New Mexico**

**Lease Number NMNM-680393**

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 2000 psi working pressure in the big holes & 3000 psi in the production hole.
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 3000 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.

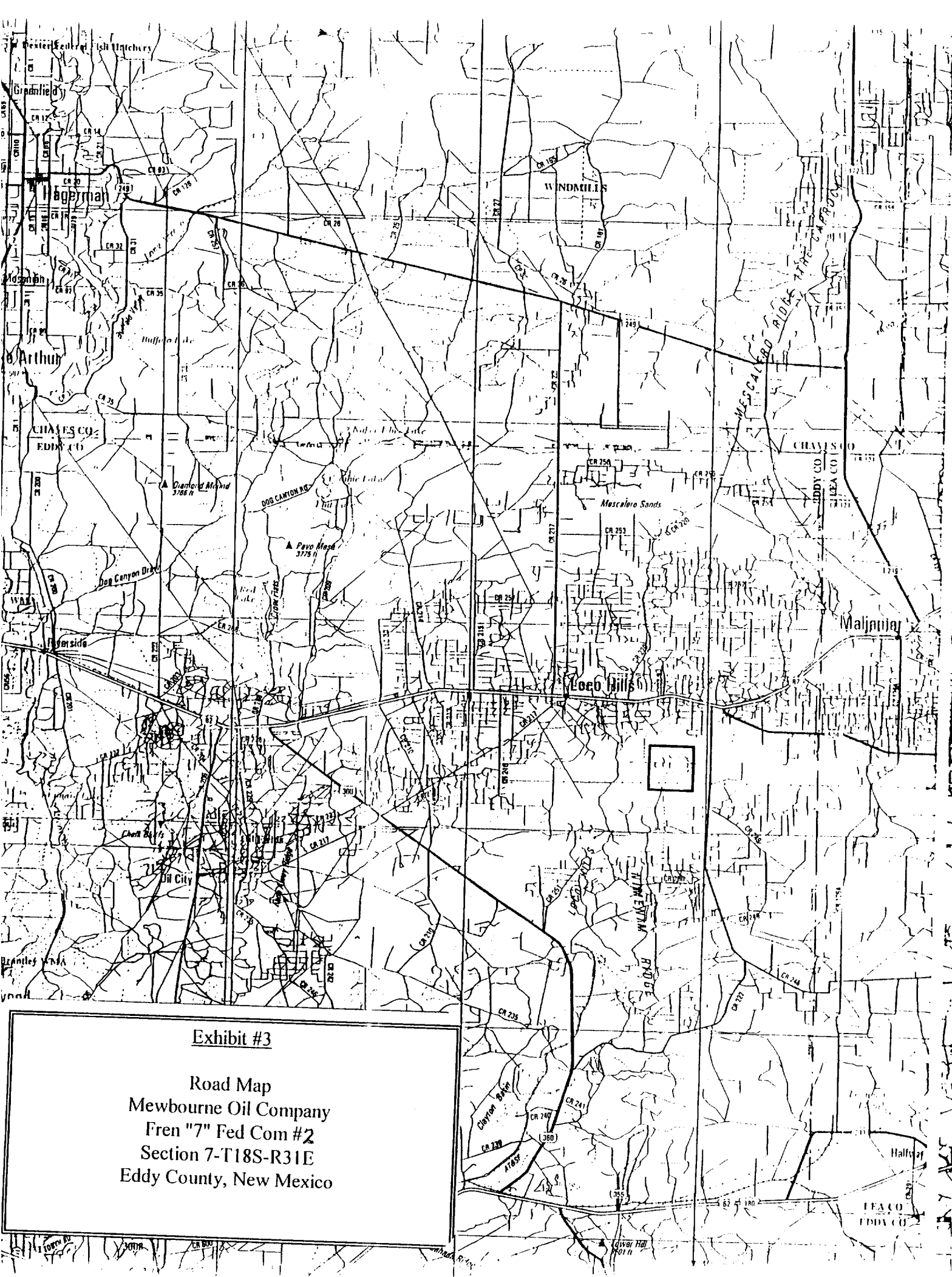
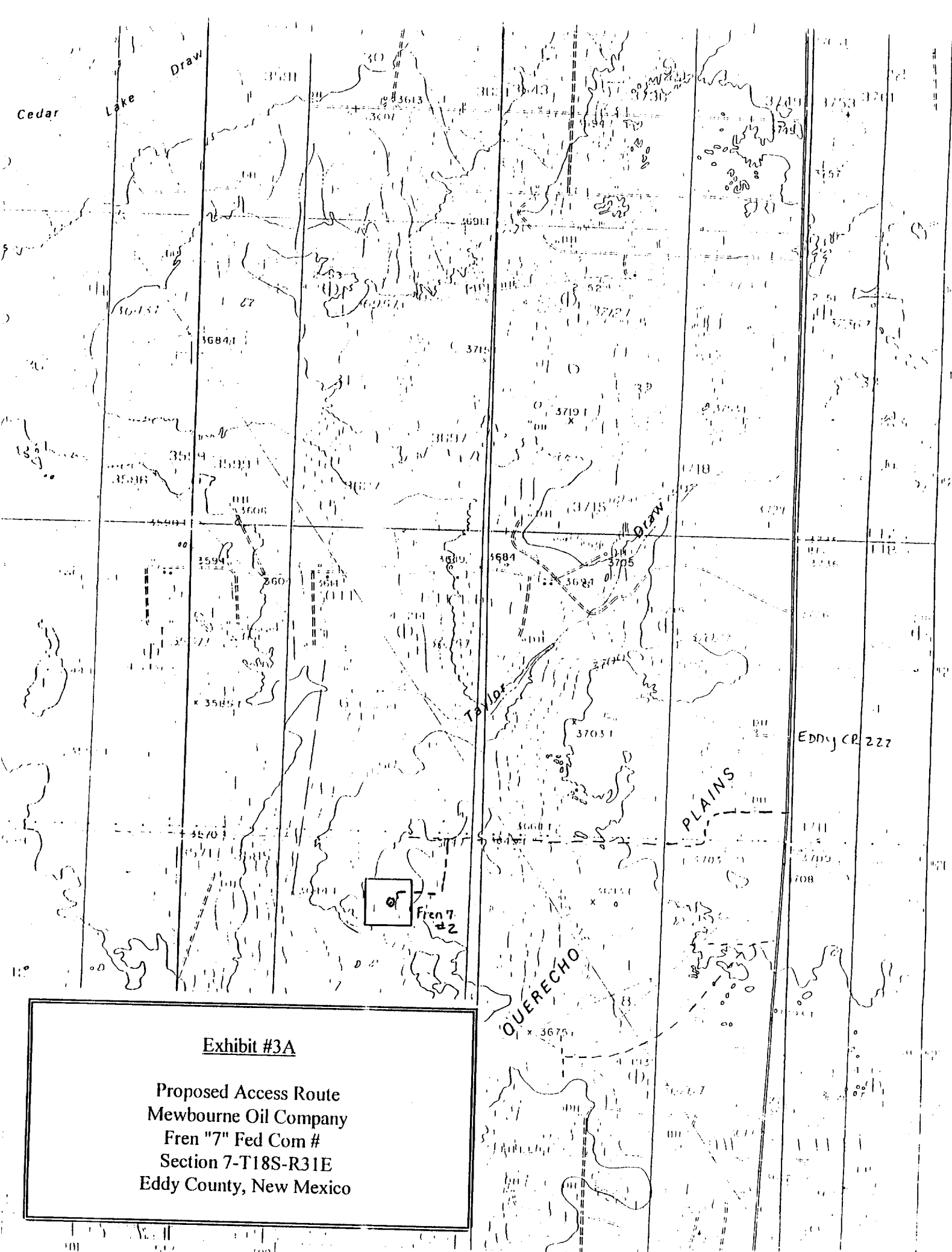


Exhibit #3

Road Map  
Mewbourne Oil Company  
Fren #7 Fed Com #2  
Section 7-T18S-R31E  
Eddy County, New Mexico



**Exhibit #3A**

Proposed Access Route  
Mewbourne Oil Company  
Fren "7" Fed Com #  
Section 7-T18S-R31E  
Eddy County, New Mexico

**EXHIBIT #4**

**STATUS OF WELLS IN IMMEDIATE VICINITY**

**MEWBOURNE OIL COMPANY**

**Fren "7" Federal Com # 2**

**990' FNL & 1980' FEL**

**Section 7-T18S-R31E**

**Eddy County, New Mexico**

**Lease Number NMNM-33437, NMNM-680393**

**Section 7-T18S-R31E**

Operator: Mitchell Energy Corp.  
Well Name: Allied "7" Fed #1  
Unit Letter: G  
Status: Producing oil well  
Field: North Shugart Bone Spring

Operator: Harvey E. Yates Co.  
Well Name: Parker "5" Fed #3  
Unit Letter: L  
Status: Producing oil well  
Field: North Shugart Bone Spring

Operator: Mitchell Energy Corp.  
Well Name: Allied "7" Fed #2  
Unit Letter: A  
Status: Producing oil well  
Field: North Shugart Bone Spring

Operator: Harvey E. Yates Co.  
Well Name: Parker "5" Fed #4  
Unit Letter: K  
Status: Producing oil well  
Field: North Shugart Bone Spring

Operator: Mitchell Energy Corp.  
Well Name: Allied "7" Fed #3  
Unit Letter: B  
Status: Producing oil well  
Field: North Shugart Bone Spring

Operator: Harvey E. Yates Co.  
Well Name: Parker "5" Fed #5  
Unit Letter: N  
Status: Producing oil well  
Field: North Shugart Bone Spring

Operator: Mitchell Energy Corp.  
Well Name: Allied "7" Fed #4  
Unit Letter: H  
Status: Producing oil well  
Field: North Shugart Bone Spring

**Section 5-T18S-R31E**

Operator: Harvey E. Yates Co.  
Well Name: Parker "5" Fed #1  
Unit Letter: M  
Status: Producing oil well  
Field: North Shugart Bone Spring

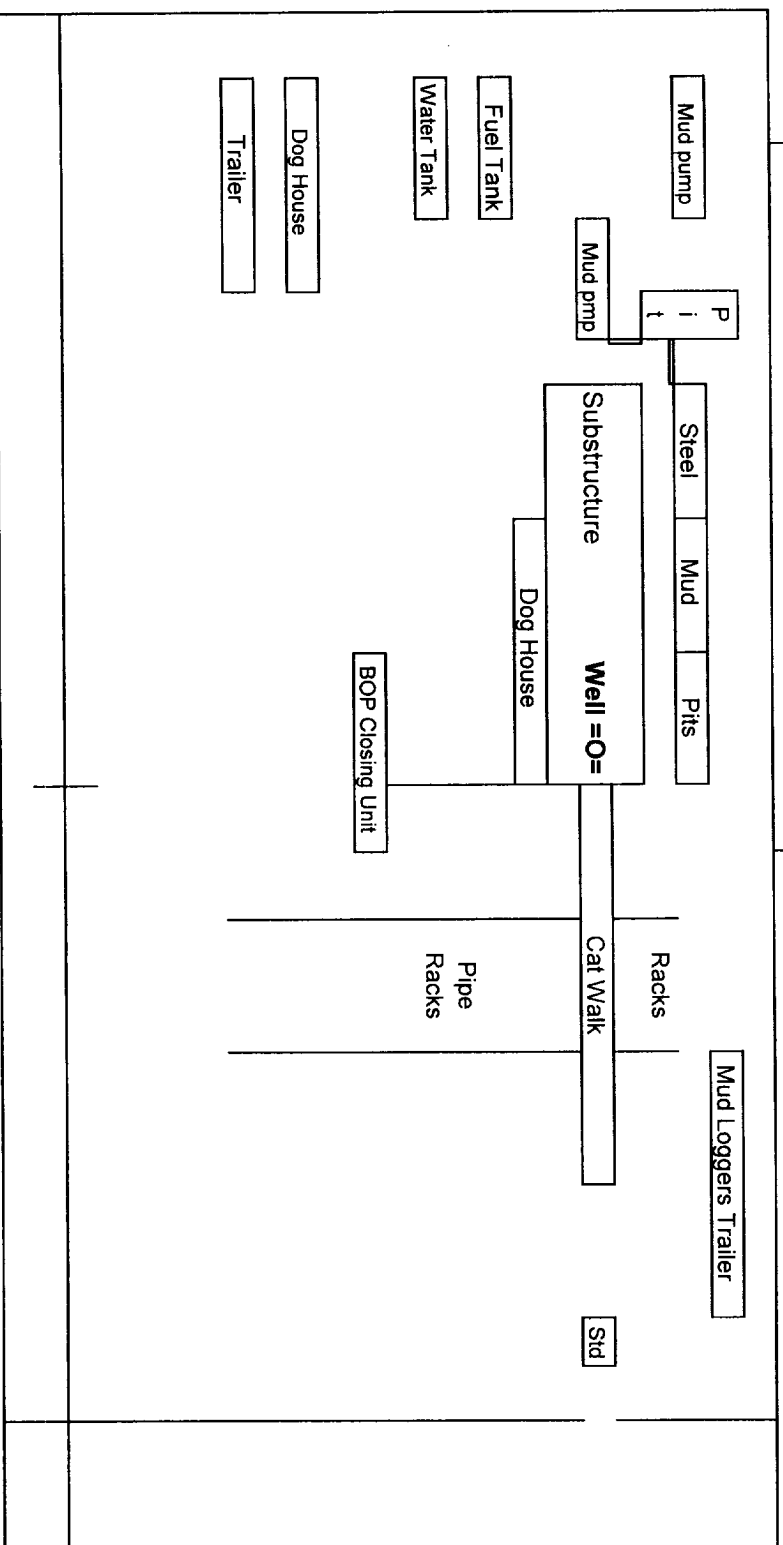
Operator: Harvey E. Yates Co.  
Well Name: Parker "5" Fed #2  
Unit Letter: N  
Status: Producing oil well  
Field: North Shugart Bone Spring



Mewbourne Oil Company

Reserve Pit  
150 x 150'

Exhibit #5  
Well Name Fren 7 Federal #2  
Footages 990' FNL & 1980' FEL  
STR 7/18S/31E  
County Eddy  
State New Mexico

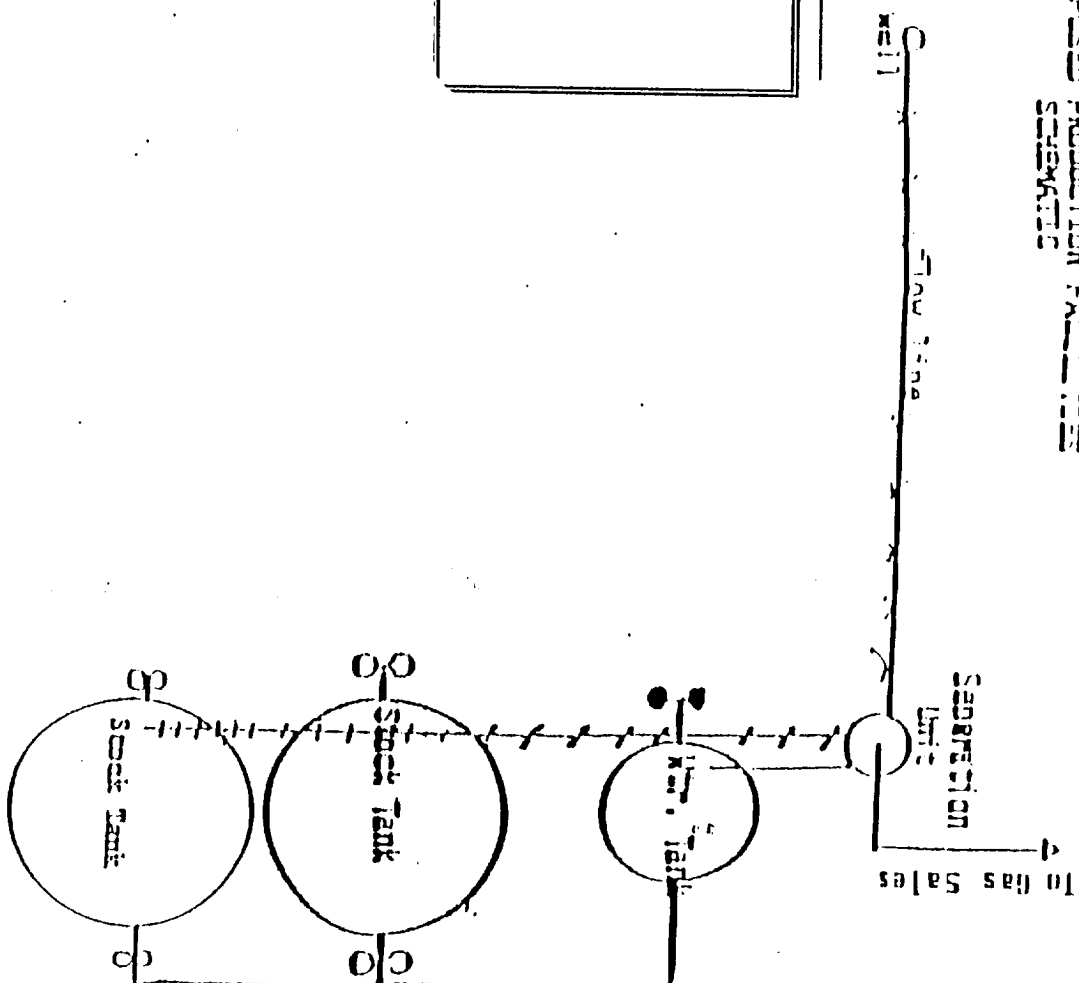


Rig Location Schematic

# PROPOSED PRODUCTION FACILITIES SCHEMATIC

## Exhibit #6

Proposed Production Facilities  
Mewbourne Oil Company  
Fren "7" Fed Com #2  
Section 7-T18S-R31E  
Eddy County, New Mexico



Flow Line

Oil Dump Line

Water Line

Non Sealing Valve

Sealing Valve

## **Hydrogen Sulfide Drilling Operations Plan**

### **Mewbourne Oil Company**

Fren 7 Federal Com #2

990' FNL & 1980' FEL

Section 7 T-18S R-31E

Eddy County, New Mexico

Lease Number NMNM 680393

### **1. 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.

### **2. 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.

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.

3. **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.

4. **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.

5. **Communications**

- Communications in company vehicles and toolpushers are either two way radios or cellular phones.

6. **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.

**United States Department of the Interior  
Bureau of Land Management  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201-1287**

**Statement Accepting Responsibility for Operations**

Operator Name: Mewbourne Oil Company  
Street or Box: P.O. Box 5570  
City, State: Hobbs, New Mexico  
Zip Code: 88241

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted of the leased land or portion thereof, as described below.

Lease Number: Lease Number NMNM-680393

Legal Description of Land: Section 7, T18S, R31E, Eddy County, New Mexico. Located 990' FNL & 1980' FEL of Section 7.

Formation (if applicable):

Bond Coverage: \$150,000

BLM Bond File: NM1693, Nationwide

Authorized Signature: \_\_\_\_\_



Name: NM (Micky) Young

Title: District Manager

Date: June 18, 2000