#### UNIL STATES DEPARTMENT OF THE INTERIOR

SUBMIT IN TI (Other instru is on reverse side)

MULTIPLE

ZONE

10111213141576

9.42G

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

8. FARM OR LEASE NAME, WELL NO

10. FIELD AND POOL, OR WILDO

11. SEC., T., R., M., OR BLK AND SURVEY OR AREA

12. COUNTY OR PARISH

Eddy

12/15/00

9. API WELL NO. 015-

Empire "18" Federal #10

Empire Yeso

Sec.18,T17S,R29E

5. LEASE DESIGNATION AND SERIAL NO **BUREAU OF LAND MANAGEMENT** NM14847 6. IF INDIAN, ALLOTTEE OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN 1a. TYPE OF WORK **DRILL** DEEPEN . 7. UNIT AGREEMENT NAME b. TYPE OF WELL SINGLE ZONE

X

GAS WELL WELL X OTHER 2. NAME OF OPERATOR Mewbourne Oil Company 3. ADDRESS AND TELEPHONE NO P.O. Box 5270 Hobbs, NM 88241 (505)393-5905 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)

At surface 1980' FSL & 440' FWL At proposed prod. zone Same

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

5 Miles West of Loco Hills

15. DISTANCE FROM PROPOSED\*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT
(Also to nearest drig, unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3677' GL

440 220

26.92 19. PROPOSED DEPTH

16. NO. OF ACRES IN LEASE

5300

NO. OF ACRES ASSIGNED TO THIS WELL

26.92 20. ROTARY OR CABLE TOOLS

Rotary 22. APPROX. DATE WORK WILL START\*

NM

PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT QUANTITY OF CEMENT MINESS 12-1/4" J55,8-5/8" 32# 200 sacks circulated to surface 7-7/8" J55,5-1/2" 17# 5300 700 sacks tie back into 8-5/8" csg

1) Drilling Program

23.

2) Surface Use and Operation Plan

3) Location and Elevation Plat (NMOCD Form C102)

- 4) Schematic Diagram Of Blowout Preventer and Choke Manifold (Exhibits 2A)
- 5) Map of Existing and Planned Access Road and location (Exhibits 3 & 3A)

6) List of Offset Wells

- 7) Proposed Drilling Rig Layout (Exhibit 5)
- 8) Proposed Production Facilities Layout (Exhibit 6)
- 9) Hydrogen Sulfide Contingency Plan (Exhibit 7)

#### APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

#### or well to produce (OCA)

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

signed Leny Buhn	TITLE Drilling F	oreman		DATE 10/31/00	
(This space for Federal or State office use)	· · · · · · · · · · · · · · · · · · ·			ii	
PERMIT NO.	APPRO	OVAL DATE			
Application approval does not warrant or certify that the applicant holds legal or ecconditions OF APPROVAL, IF ANY:	ultable title to those rig	hts in the subject lease which would entit		ant to conduct opera	tions thereon.
[李] 64 (11) (12) (13) (14) (14) (15) (15) (15) (15) (15) (15) (15) (15	Acting				*******
	ITLE		DATE	42 mg	
*See Instr	uctions On Re	verse 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.

DISTRICT I P.O. Box 1980, Hobbs, NM 88241-1980

#### State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT II P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Astec, NM 87410

#### OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

#### DISTRICT IV P.O. Box 2088, Santa Fe. NM 87504-2088

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name  EMPIRE "18" FED	Well Number
OGRID No.	Operator Name	Elevation
	MEWBOURNE OIL	. CO. 3677

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 3	18	17 S	29 E		1980	SOUTH	440	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
Dedicated Acres	Joint o	r Infill C	onsolidation (	Code Or	der No.		· · · · · · · · · · · · · · · · · · ·		
26.92		-							

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

LOT 1 26.69 AC.	1 1 1	OPERATOR CERTIFICATION  I hereby certify the the information contained herein is true and complete to the best of my knowledge and bettef.
LOT 2 26.81 AC.		Signature  Terry Burke  Printed Name
		Drilling Foreman Title October 31, 2000 Date  SURVEYOR CERTIFICATION
LOT 3 26.92 AC. 3678.1 3676.		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 supervison and that the same is true and correct to the best of my belief.
LOT 4 27.04 AC.		SEPTEMBER 7, 2000  Date Surveyed  Signature & Seal of Professionial Surveyor  W.O. Norm. 00-11 135
		Certificate No. RONALD J. EDSON. 3239 GARY G. EIDSON, 12641 WACON McDONALD, 12185

## <u>Drilling Program</u> Mewbourne Oil Company

Empire "18" Federal #10 1980'FSL & 440' FWL Section 18- T17S-R29E Eddy County, New Mexico Lease Number NM14847

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

Yates	847'
Queen	1685'
San Andres	2380'
Glorietta	3800'
Yeso	3960'
Tubb	5292'

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

Water

Approximately 200'

Hydrocarbons

All zones below San Andres

#### 3. Pressure control equipment:

Pressure tests will be conducted prior to drilling out from under surface string of casing. 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.

#### 4. Proposed casing and cementing program:

#### A. Casing Program:

Hole Size	Casing	Wt/Ft.	Grade	<u>Depth</u>
12-1/4"	8-5/8"	32#	J55	0-400'
7-7/8"	5-1/2"	17#	N80	0-5300'

#### **Drilling Program**

#### Mewbourne Oil Company

Empire "18" Federal #10

Page 2

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

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

- Surface Casing: 100 sacks Class "C" light cement containing i. ½ #/sk cellophane flakes, 3% CaCl, 5 lbs/sack gilsonite. 100 sacks Class "C" penmen containing 3% CaCl.
- Production Casing: 500 sacks 35:65 pozmix cement containing 6% gel, ii. 5 lbs/sack gilsonite. 200 sacks Class "C" cement containing 2% CaCl.

#### 5. Mud Program:

<u>Interval</u>	Type System	Weight	<u>Viscosity</u>	Fluid Loss
0'-400'	FW spud mud	8.6-9.4	32-34	NA
400'-5300'	Brine water	10.0-10.2	28-33	18-33cc

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

Samples:

10'samples from surface casing to TD

Logging:

Compensated density and dual laterlog from intermediate casing

Coring:

As needed for evaluation

Drill Stem Tests:

As needed for evaluation

#### 7. **Downhole Conditions**

Zones of abnormal pressure:

None anticipated

Zones of lost circulation:

Anticipated in surface and intermediate holes

Maximum bottom hole temperature: 140 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 7 days involved in drilling operations and an additional 7 days involved in completion operations on the project.

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

## MULTI-POINT SURFACE USE AND OPERATIONS PLAN MEWBOURNE OIL COMPANY

Empire "18" Federal #10 1980' FSL & 440' FWL Section 18-T17S-R29E Eddy County, New Mexico Lease Number NM14847

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: West from Loco Hills on Highway 82 approximately 8 miles turn North through cattle guard. Go North on main cacliche road 1.8 miles to Y in the road. Continue North for another 3/10 miles then turn East into location.

#### 2. Proposed Access Road:

- A The access road will be built from an existing lease road approximately 440' West of the location pad and will enter the location pad from the Southwest 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.

#### 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:

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

MEWBOURNE OIL COMPANY Empire "18" Federal #10

Page 2

- 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.

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

#### MEWBOURNE OIL COMPANY

Empire "18" Federal #10

Page 3

#### 9. Well Site Layout

- 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.

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

MEWBOURNE OIL COMPANY

Empire "18" Federal #10 Page 4

#### 13. Operator's Representative:

A. Through APD approval and drilling operations:

Terry Burke, Drilling Foreman 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

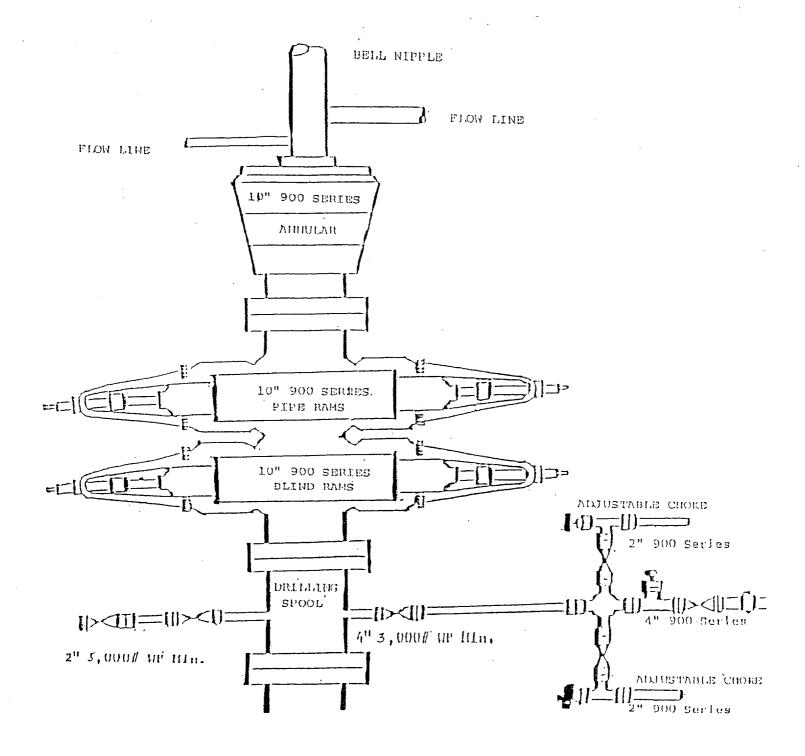
#### 14. Certification

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: 10-31-00

Signature: Jey Ble

Terry Burke, Drilling Foreman Mewbourne Oil Company PO Box 5270 Hobbs, NM 88241 (505) 393-5905



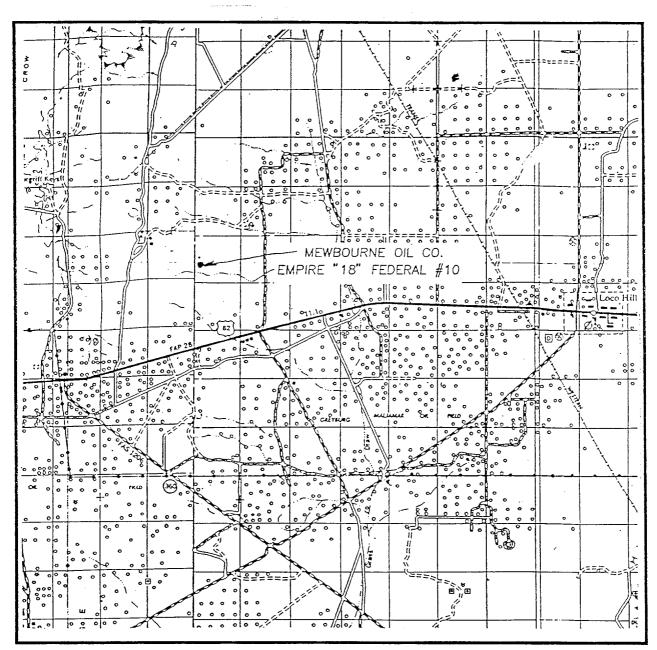
Mewbourne Oil Company

## Exhibit #2A Schematic of BOP for Production Hole

## Notes Regarding Blowout Preventer Mewbourne Oil Company

- 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.
- 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 2000 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.





13.70

SCALE: 1" = 2 MILES

SEC. \_\_18\_TWP.\_17-S\_RGE.\_29-E

SURVEY\_\_\_\_\_\_N.M.P.M.

COUNTY\_\_\_\_\_\_EDDY

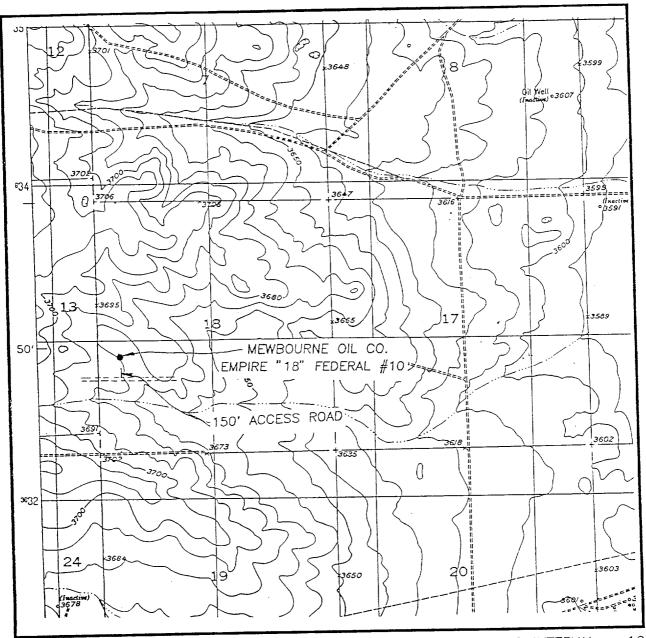
DESCRIPTION\_\_1980'\_FSL\_&\_\_440'\_FWL

ELEVATION\_\_\_\_\_\_\_3677

OPERATOR\_\_MEWBOURNE\_OIL\_CO.

LEASE\_\_\_EMPIRE\_\_"18"\_FEDERAL

# Mewbourne Oil Company <u>Exhibit #3</u> <u>Proposed LocationConstruction</u>



SCALE: 1'' = 2000'

CONTOUR INTERVAL - 10'

SEC. \_\_18\_TWP.\_17\_S\_RGE.\_29\_E

SURVEY\_\_\_\_\_\_N.M.P.M.

COUNTY\_\_\_\_\_\_EDDY

DESCRIPTION\_\_1980' FSL & \_\_440' FWL

ELEVATION\_\_\_\_\_\_\_3677

OPERATOR\_\_MEWBOURNE\_OIL\_CO.

LEASE\_\_\_\_EMPIRE\_\_"18" FEDERAL

U.S.G.S. TOPOGRAPHIC\_MAP

RED\_LAKE\_SE, N.M.

# Mewbourne Oil Company <u>Exhibit #3A</u> <u>Existing and Planned Road Access</u>

### Offset Yeso Wells

Empire "18" Federal #10 Sec.18;T17S;R29E 1980' FSL & 440' FWL Eddy County, NM Lease #NM14847

Mack Energy Rincon State #2 20/17S/29E 990' FSL & 990' FEL Eddy County, NM

Mack Energy Mesquite State #6 20/17S/29E 2310' FSL & 1650' FWL Eddy County, NM

Mack Energy Mesquite State #2 20/17S/29E 2310' FSL & 990 ' FEL Eddy County, NM

Mack Energy Mesquite State #7 20/17S/29E 2310' FNL & 330' FWL Eddy County, NM

### **Offset Yeso Wells**

Empire "18" Federal #10 Sec.18;T17S;R29E 1980' FSL & 440' FWL Eddy County, NM Lease #NM14847

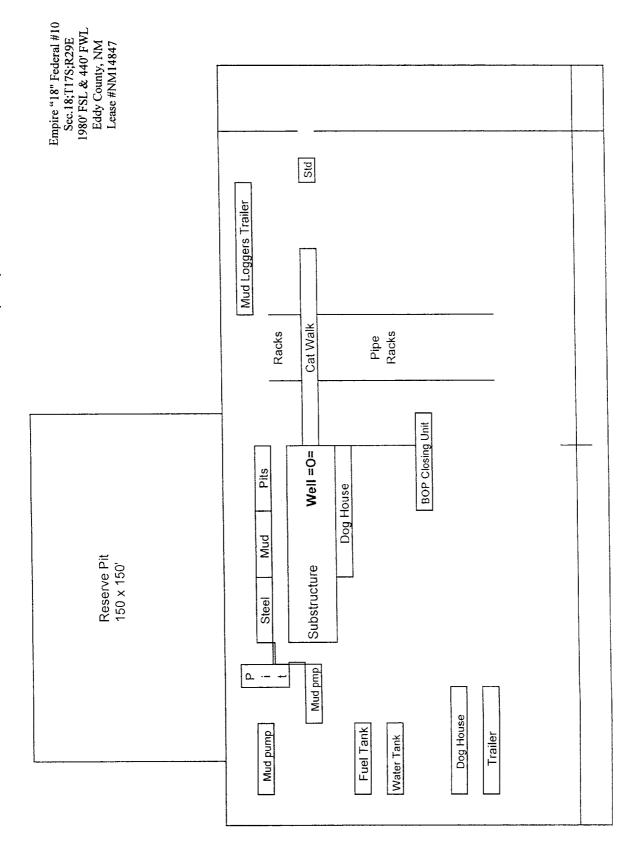
Mack Energy Rincon State #4 20/17S/29E 2310' FSL & 2310' FEL Eddy County, NM

Mack Energy Mesquite State #5 20/17S/29E 1650' FSL & 2310' FWL Eddy County, NM

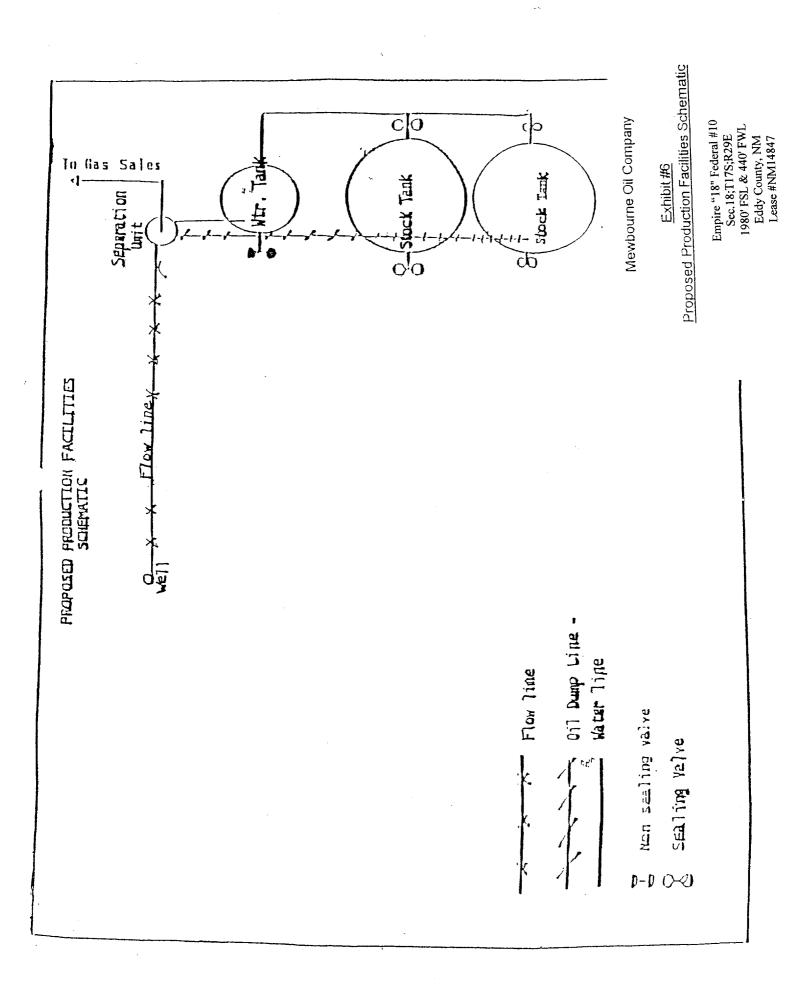
Mack Energy Rincon State #3 20/17S/29E 1650' FSL & 1650' FEL Eddy County, NM

Marbob Muskegon South #1 20/17S/29E 1650' FSL & 330' FEL Eddy County, NM

Marbob Muskegon South #2 20/17S/29E 2310' FSL & 990' FEL Eddy County, NM



Rig Location Schematic



#### <u>Hydrogen Sulfide Drilling Operations Plan</u>

Mewbourne Oil Company

Empire "18" Federal #10 1980' FSL & 440" FWL Section 18- T17S-R29E Eddy County, New Mexico Lease Number NM14847

#### 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.
- The proper use of personal protective equipment and life support systems.
- 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:

- 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.
- The contents of the Hydrogen Sulfide Drilling Operations Plan.

There will be an initial training session prior to encountering a know 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. <u>Protective Equipment for Essential Personnel</u>

Thirty minute self contained work unit located at briefing area as indicated on wellsite diagram.

#### 3. <u>Hydrogen Sulfide Protection and Monitoring Equipment</u>

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. <u>Visual Warning Systems</u>

- 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

Empire "18" Federal #10 Sec.18;T17S;R29E 1980' FSL & 440' FWL Eddy County, NM Lease #NM14847

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 NM14847

Legal Description of Land:

Section 18, T17S, R29E, Eddy County, New Mexico. Location

1980' FSL & 440' FWL of Section 18.

Formation (if applicable):

Bond Coverage:

\$150,000

BLM Bond File:

NM1693, Nationwide

Authorized Signature:

Name: Terry Burke Title: Drilling Foreman Date: October31, 2000