Form 3160-3
(September 2001)

0

**If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.**

H-06-56 5/19/06

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

# APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NM-13237

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

1a. Type of Work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Ruger 6 Federal #3 34572

2. Name of Operator
Mewbourne Oil Company - 14744

9. API Well No.
30-015-34968

3a. Address
PO Box 5270 Hobbs, NM 88240

3b. Phone No. *(include area code)*
505-393-5905

RECEIVED
JUN 16 2006
OCD-ARTESIA

10. Field and Pool, or Exploratory
Wildcat; Bone Spring

4. Location of Well *(Report location clearly and in accordance with any State requirements. *)*
At surface 990' FNL & 990' FEL of Unit A
At proposed prod. zone

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 6-T20S-R29E

14. Distance in miles and direction from nearest town or post office*
13 miles NE of Carlsbad, NM

12. County or Parish
Eddy

13. State
NM

| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 990' | 16. No. of Acres in lease 320 | 17. Spacing Unit dedicated to this well 40 |
|---|---|---|
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 600' | 19. Proposed Depth 9300' | 20. BLM/BIA Bond No. on file NM1693, Nationwide |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3288' GL | 22. Approximate date work will start* ASAP | 23. Estimated duration 30 |

CAPITAN CONTROLLED WATER BASIN

## 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

| 25. Signature Kristi Green | Name *(Printed/Typed)* Kristi Green | Date 05/19/06 |
|---|---|---|

Title
Hobbs Regulatory

| Approved by *(Signature)* /s/ Tony J. Herrell | Name *(Printed/Typed)* /s/ Tony J. Herrell | Date JUN 13 2006 |
|---|---|---|
| Title FIELD MANAGER | Office CARLSBAD FIELD OFFICE | |

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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 on reverse)*

DECLARED WATER BASIN
CEMENT BEHIND THE 13 3/8"
CASING MUST BE CIRCULATED
WITNESS

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

DECLARED WATER BASIN
CEMENT BEHIND THE 20"
CASING MUST BE CIRCULATED
WITNESS

DECLARED WATER BASIN
CEMENT BEHIND THE 8 5/8"
CASING MUST BE CIRCULATED
WITNESS

APPROVAL FOR 1 YEAR

Sec 6 T20S R29E

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

# OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

Form C-102
Revised March 17, 1999

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 |
|---|---|---|
| | 65010 | Winchester Bone Spring |

| Property Code | Property Name | Well Number |
|---|---|---|
| | RUGER "6" FEDERAL | 3 |

| OGRID No. | Operator Name | Elevation |
|---|---|---|
| 14744 | MEWBOURNE OIL COMPANY | 3288' |

### Surface Location

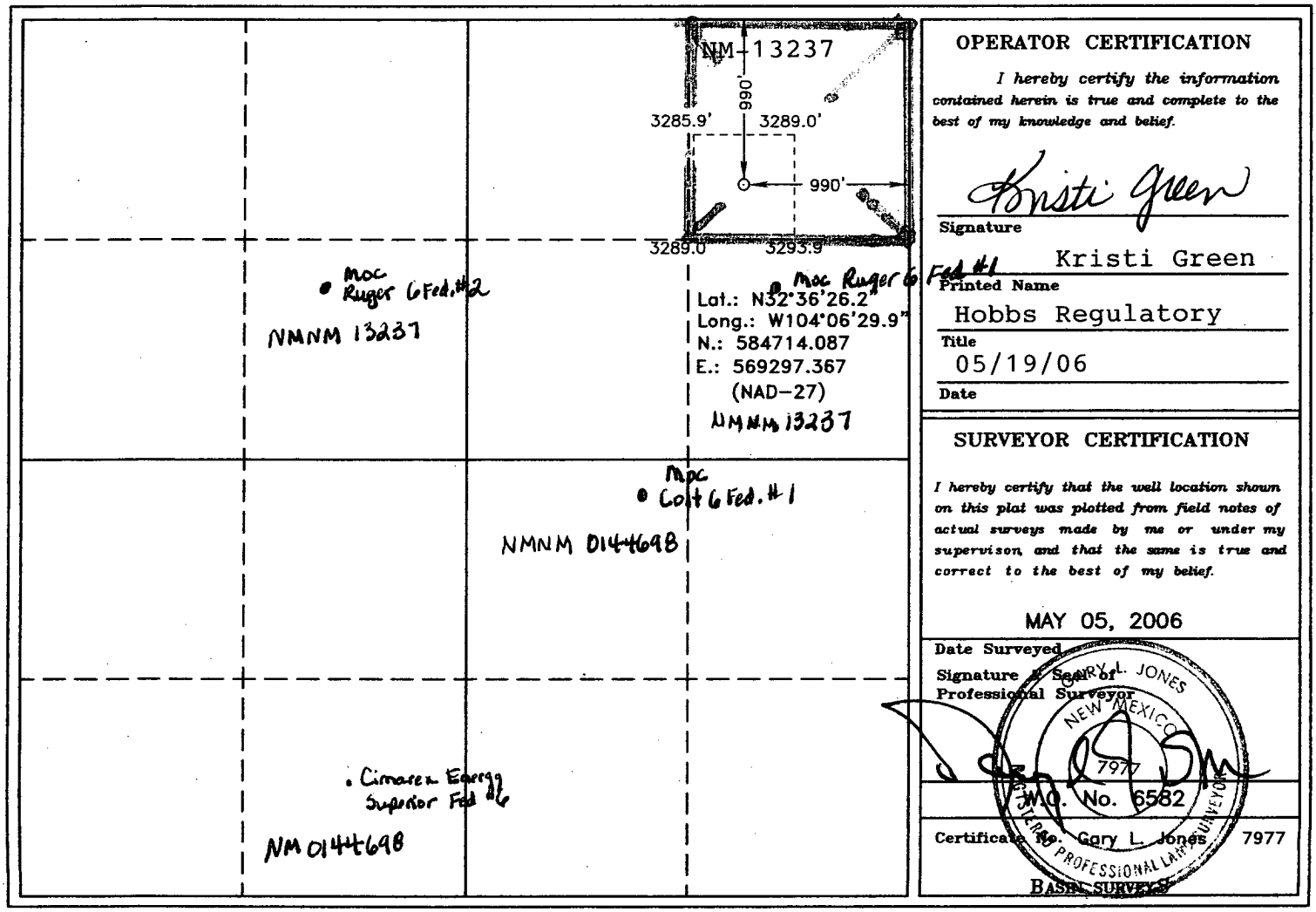
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| A | 6 | 20 S | 29 E | | 990 | NORTH | 990 | EAST | EDDY |

### 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 or Infill | Consolidation Code | Order No. |
|---|---|---|---|
| 40 | | | |

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

Kristi Green
Signature

Kristi Green
Printed Name

Hobbs Regulatory
Title

05/19/06
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 supervison, and that the same is true and correct to the best of my belief.*

MAY 05, 2006
Date Surveyed

Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
PROFESSIONAL LAND SURVEYOR

W.O. No. 6582

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**
Governor
**Joanna Prukop**
Cabinet Secretary

**Mark E. Fesmire, P.E.**
Director
**Oil Conservation Division**

June 28, 2006

Mewbourne Oil Company
P.O. Box 5270
Hobbs, N.M. 88240
Attn: Kristi Green or To Whom It May Concern

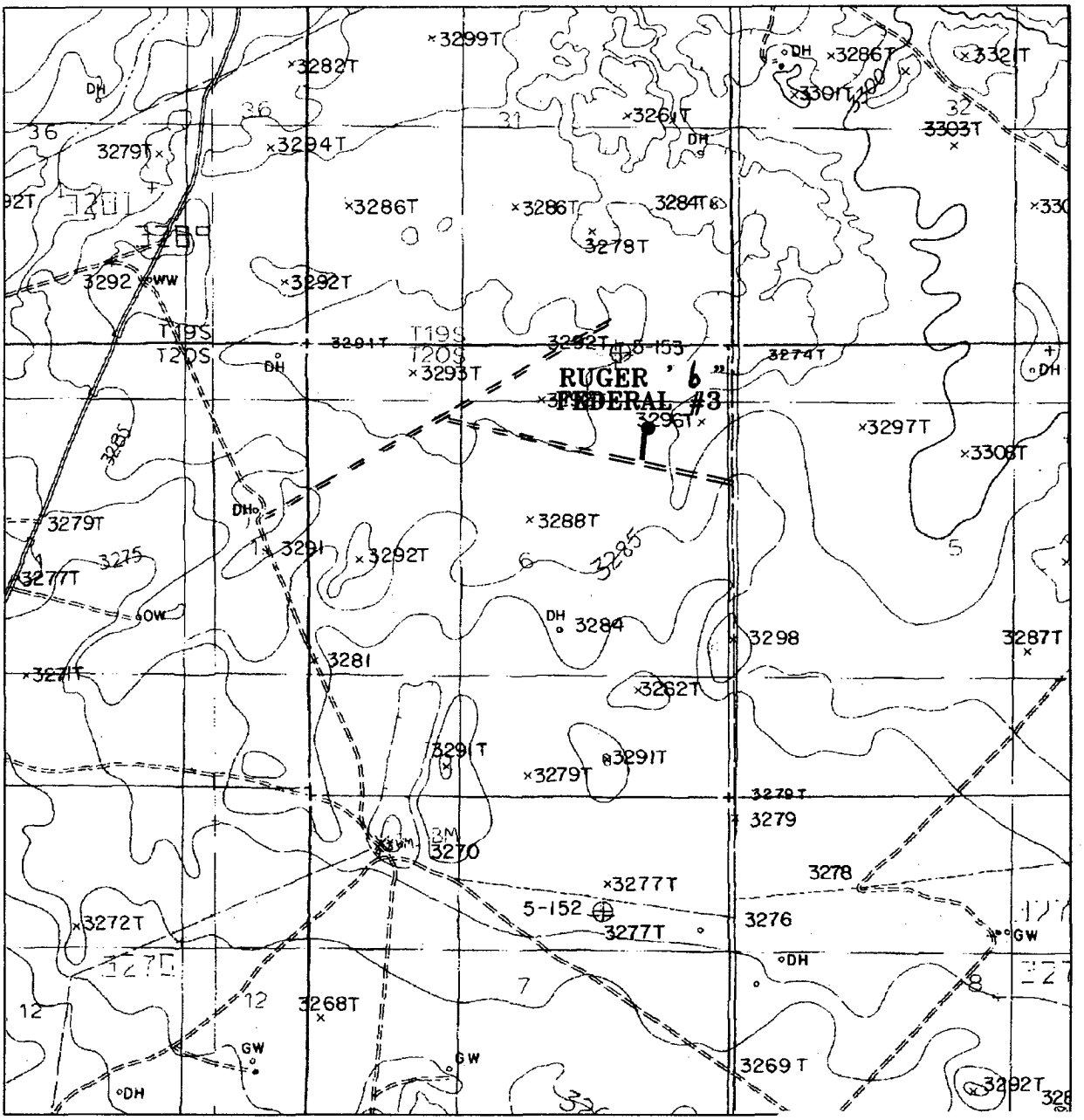
**RE: Condition of Approval for Mewbourne Oil Company**
**Application to drill the Ruger Canyon '6' Federal # 3, that is to be located in Unit A of Section 6, Township 20 South Range 29 East, Eddy County, NM**
**API # 30-015-34968**

Dear Ms. Green,

In regards to the above noted well, the New Mexico Oil Conservation Division (NMOCD) has approved said application to drill the above noted well. A condition of approval (in part) is for representatives with Mewbourne Oil Company to verify levels of chlorides in the drilling mud (every 100') from the flow line. Chloride readings from the drilling mud are to taken after 13 3/8" casing is set and continue to the setting depth of the 8 5/8" casing which is to be @ 3050'. Results of these tests are to be submitted to the NMOCD office in Artesia before drilling to total depth of the well.
The NMOCD also notes your detailed mud program and **only fresh water mud** is to be used in drilling the Capitan Reef section of the well bore.
Please call me if you or other staff members with Company Mewbourne oil Company have any questions regarding this matter.

Respectfully yours,

Bryan G. Arrant
Petroleum Engineer Specialist/NMOCD-District II
505-748-1283 ext. 103
CC: Well file




# Exhibit 3A

RUGER "6" FEDERAL #3
Located 990' FNL and 990' FEL
Section 6, Township 20 South, Range 29 East,
N.M.P.M., EDDY County, New Mexico.


basin surveys
focused on excellence in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com


| | |
|---|---|
| W.O. Number: | 6582T - JMS |
| Survey Date: | 05-04-2006 |
| Scale: | 1" = 2000' |
| Date: | 05-05-2005 |

MEWBOURNE OIL CO.

Mewbourne Oil Company
BOP Scematic for
12 ¼" Hole

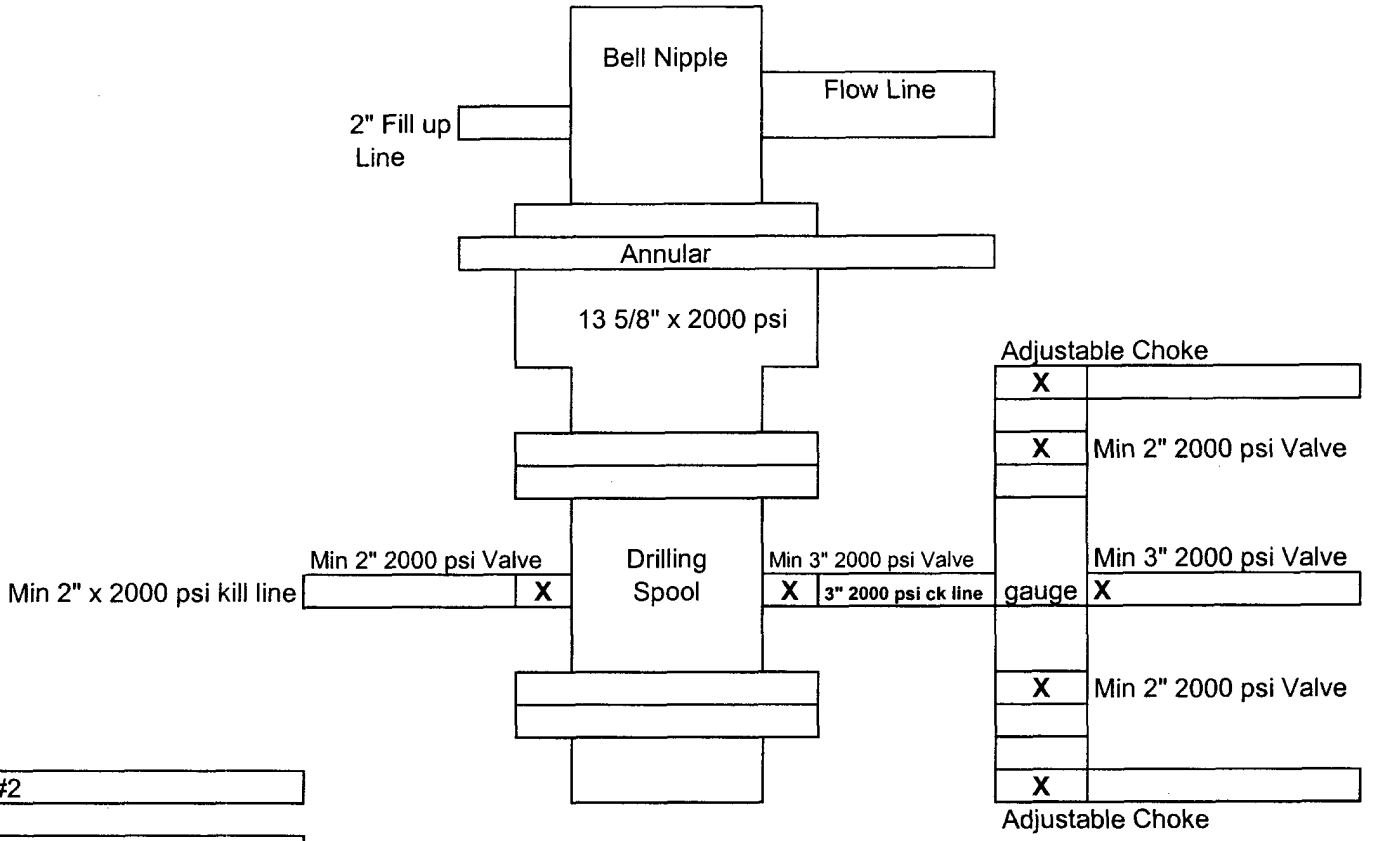



Exhibit #2

Ruger 6 Federal #3
990' FNL & 990' FEL
Sec 6-T20S-R29E
Eddy County, NM

# Mewbourne Oil Company

BOP Schematic for
8 3/4" or 7 7/8" Hole

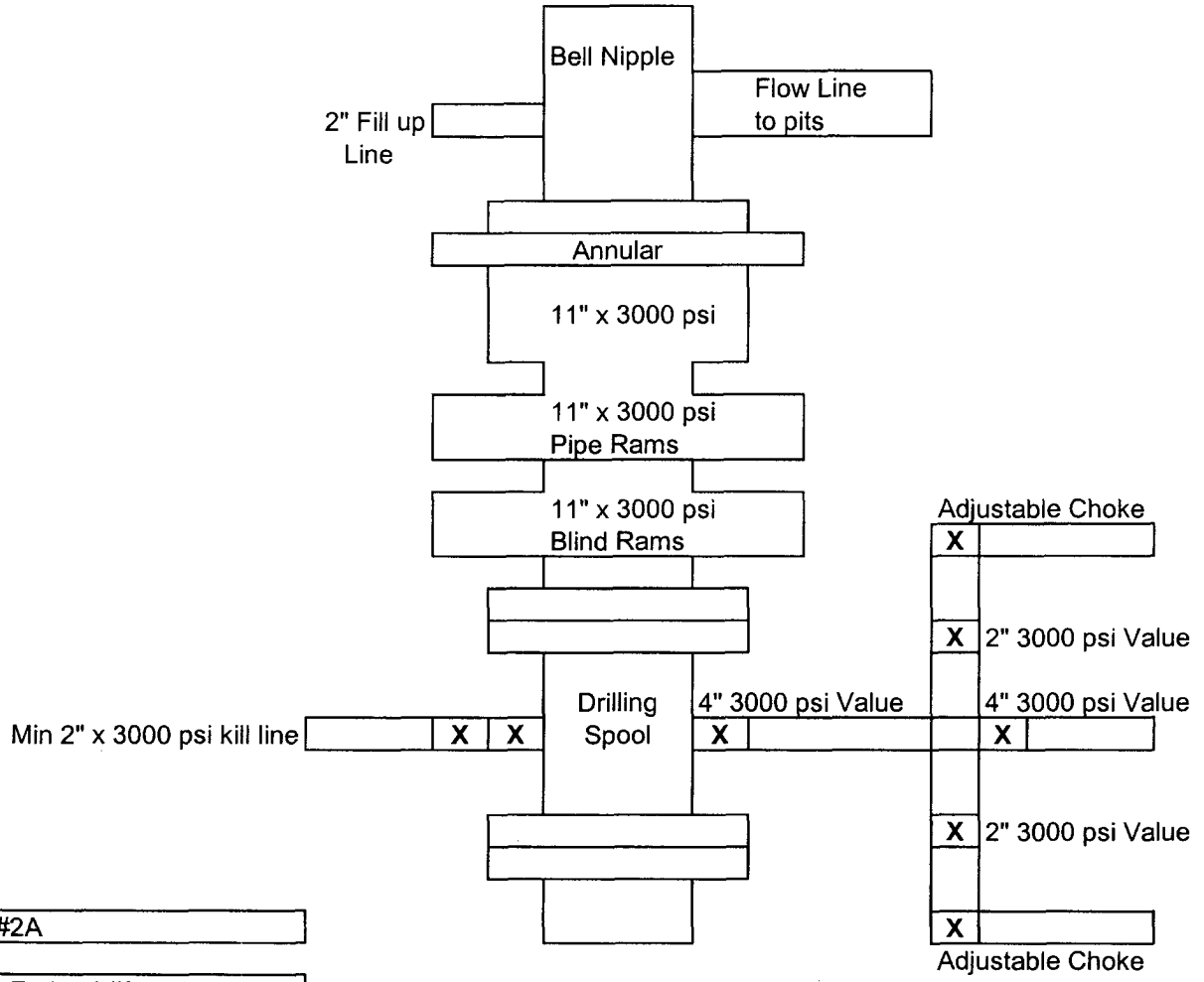


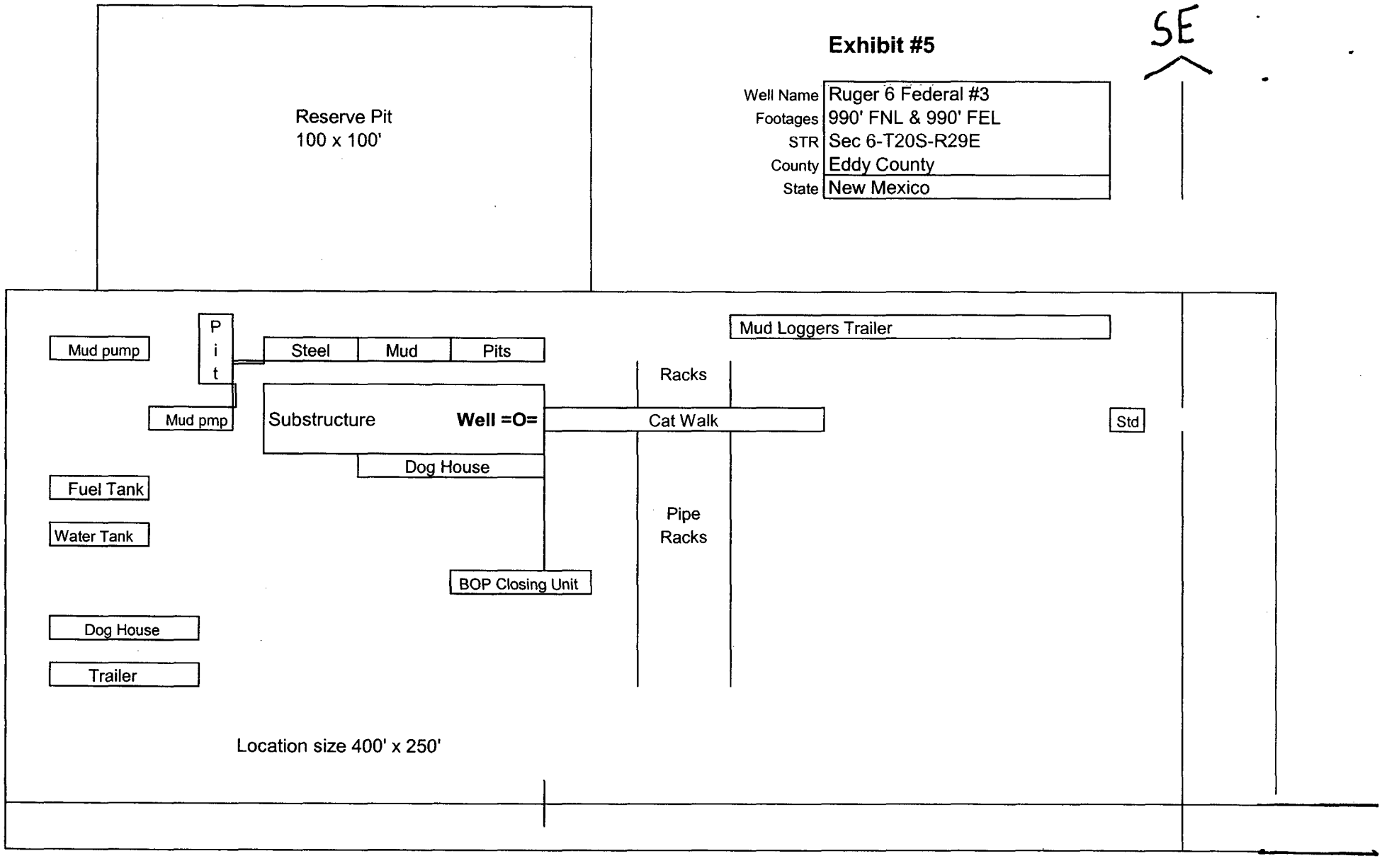

Exhibit #2A

Ruger 6 Federal #3
990' FNL & 990' FEL
Sec 6-T20S-R29E
Eddy County, NM

# Mewbourne Oil Company

**Exhibit #5**

| | |
|---|---|
| Well Name | Ruger 6 Federal #3 |
| Footages | 990' FNL & 990' FEL |
| STR | Sec 6-T20S-R29E |
| County | Eddy County |
| State | New Mexico |




Rig Location Schematic

# MULTI-POINT SURFACE USE AND OPERATIONS PLAN
## MEWBOURNE OIL COMPANY
## Ruger 6 Federal #3
## 990' FNL & 990' FEL
## Sec 6-T20S-R29E
## 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 (existing roads are highlighted in black). Exhibit #3A is a topographic map showing the location of the proposed well (existing roads are highlighted in black and proposed roads are highlighted in blue).

**B. Directions to location from Carlsbad: Go east on Hwy 62/180 to MM 44. Turn left (north) on Eddy Co 243 (Magnum Rd). Continue north 5.8 miles to Eddy Co 238 (Burton Flat Rd). Turn left (west) and continue west 1.7 miles. Turn right (north) on Eddy Co 242 (Buckskin Rd) and continue north 3 miles. Turn right (SE) 0.6 miles. Turn left (NE) 0.5 miles. Turn right (SW) 0.5 miles. Turn left (north) 300' to new location.**

**2. Proposed Access Road:**

A Will need approx 300' 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 Wells:**

There are producing wells within the immediate vicinity of this well site shown on Exhibit 4.

**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. 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/or 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 250' 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. 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 BLM 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.

**11. Surface Ownership:**

The surface is owned by: USA

**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, drilling, completion and production operations:

**N.M. 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: 05/19/06 Signature: Kristi Green for NM Young

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

# Drilling Program
## Mewbourne Oil Company
**Ruger 6 Federal #3**
**990' FNL & 990' FEL**
**Sec 6-T20S-R29E**
**Eddy County, New Mexico**

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

| | |
|---|---|
| Top of Salt | 387' |
| Base of Salt | 602' |
| Yates | 974' |
| Capitan Reef | 1400' |
| Delaware | 3174' |
| Bone Spring | 5050' |
| TD | 9300' |

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

| | |
|---|---|
| Water | Below 200' |
| Hydrocarbons | All zones below Delaware |

**3. Pressure control equipment:**

A 2000 psi working pressure annular BOP will be installed on the 13 ⅜" surface casing. A 3000 psi WP Double Ram BOP and a 3000 psi WP Annular will be installed after running 8 ⅝" 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 as recommended in Onshore Order #2 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 | Depth |
|---|---|---|---|---|
| 26" | 20" | 94# | K55 | 0-300' |
| 17 ½" | 13 ⅜" | 48# | H40 | 0-1300' |
| 12 ¼" | 8 ⅝" | 32# | J55 | 0-3050' |
| 7 ⅞" | 5 ½" | 15.5# | J55 | 0-8100' |

Minimum casing design factors: Collapse 1.2, Burst 1.1, Tensile strength 2.0.

**B. Cementing Program**

i. Surface Casing: 400 sacks 35:65:6 Class C light cement containing ¼#/sk cellophane flakes, 2% CaCl, 5#/sk gilsonite. 200 sks Class C cement Neat containing 2% CaCl.

ii. Deep Surface Casing: 700 sacks 35:65:6 Class "C" light cement containing ¼#/sk cellophane flakes & 5 lbs/sack gilsonite. 400 sacks Class "C" cement containing 2% CaCl

iii Intermediate Casing: 800 sacks 35:65:6 Class "C" light cement containing ¼#/sk cellophane flakes & 5 lbs/sack gilsonite. 400 sacks Class "C" cement containing 2% CaCl

iv. Production Casing: 800 sacks 35:65:6 Class H cement with additives. 400 sacks Class 'H' w/ additives.

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

**5. Mud Program:**

| Interval | Type System | Weight | Viscosity | Fluid Loss |
|---|---|---|---|---|
| 0'-300' | FW spud mud | 8.6-9.4 | 32-34 | NA |
| 300'-1300' | Brine water | 10.0-10.2 | 28-30 | NA |
| 1300'-3050' | FW | 8.6-9.0 | 29-30 | NA |
| 3050'-TD' | FW / Cut brine water | 8.4-9.2 | 28-30 | NA |

**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 |

**7. Downhole Conditions**

| | |
|---|---|
| Zones of abnormal pressure: | None anticipated |
| Zones of lost circulation: | Anticipated in surface and intermediate holes |
| Maximum bottom hole temperature: | 150 degree F |
| Maximum bottom hole pressure: | 8.6 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 30 days involved in drilling operations and an additional 10 days involved in completion operations on the project.

# Hydrogen Sulfide Drilling Operations Plan

**Mewbourne Oil Company**
**Ruger 6 Federal #3**
**990' FNL & 990' FEL**
**Sec 6-T20S-R29E**
**Eddy County, New Mexico**

## 1. General Requirements

Rule 118 does not apply to this well because MOC has researched this area and no high concentrations of H2S were found. MOC will have on location and working all H2S safety equipment before the Yates formation @ 974' for purposes of safety and insurance requirements.

## 2. 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 know hydrogen sulfide source. The initial training session shall include a review of the site specific Hydrogen Sulfide Drilling Operations Plan.

## 3. 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.

## 4. 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.

## 5. 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.

## 6. Communications

State & County Officials phone numbers are posted on rig floor and supervisors trailer. Communications in company vehicles and toolpushers are either two way radios or cellular phones.

## 7. 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 5270
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 #NM-13237

Legal Description of Land: Unit A of Section 6, T-20S, R-29E Eddy County, New Mexico. Location @ 990' FNL & 990' FEL.

Formation (if applicable):

Bond Coverage: $150,000

BLM Bond File: NM1693, Nationwide

Authorized Signature: Kristi Green for NM Young

Name: NM (Micky) Young
Title: District Manager
Date: May 19, 2006

## Notes Regarding Blowout Preventer

**Mewbourne Oil Company**

**Ruger 6 Federal #3**
**990' FNL & 990' FEL**
**Sec 6-T20S-R29E**
**Eddy County, New Mexico**

I. 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.

II. Blowout preventer and all fittings must be in good condition with a minimum 3000 psi working pressure.

III. 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.

IV. Equipment through which bit must pass shall be at least as large as internal diameter of the casing.

V. A kelly cock shall be installed on the kelly at all times.

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 #4**
**Status of Wells in Immediate Vicinity**
**Mewbourne Oil Company**
**Ruger 6 Federal #3**
**990' FNL & 990' FEL**
**Sec 6-T20S-R29E**
**Eddy County, New Mexico**

**Section 6-T20S-R29E**

| | |
|---|---|
| Operator: | Mewbourne Oil Company |
| Well Name: | Ruger 6 Federal #1 |
| Unit letter: | H |
| Status: | Flowing |
| Field: | East Burton Flat Morrow |

| | |
|---|---|
| Operator: | Mewbourne Oil Company |
| Well Name: | Ruger 6 Federal #2 |
| Unit letter: | F |
| Status: | Flowing |
| Field: | East Burton Flat Morrow |

| | |
|---|---|
| Operator: | Mewbourne Oil Company |
| Well Name: | Colt 6 Federal #1 |
| Unit letter: | J |
| Status: | Flowing |
| Field: | East Burton Flat Morrow |

| | |
|---|---|
| Operator: | Cimarex Energy of Colorado |
| Well Name: | Superior Federal #6 |
| Unit letter: | N |
| Status: | Flowing |
| Field: | East Burton Flat Morrow |

# CONDITIONS OF APPROVAL - DRILLING

**Operator's Name:** Mewbourne Oil Company **Well No.** 3 – Ruger 6 Federal
**Location:** 990' FNL & 990' FEL **sec.** 6, **T.** 20 S., **R.** 29 E.
**Lease:** NM-13237

## I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at (505) 361-2822 in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 20 inch 13-3/8 inch 8-5/8 inch 5-1/2 inch

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 NMOCD on the subsequent report of setting the first casing string.

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

## II. CASING:

1. 20 inch surface casing should be set **at approximately 300 feet in the Rustler Anhydrite 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 at (505) 361-2822 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.

2. Minimum required fill of cement behind the 13-3/8 inch first intermediate casing **set at approximately 1300 feet** is **sufficient to circulate to the surface.** If cement does not circulate to the surface, the BLM Carlsbad Field Office shall be notified at (505) 361-2822 and a temperature survey or cement bond log shall be run to verify the top of the cement.

3. Minimum required fill of cement behind the 8-5/8 inch second intermediate casing **set at approximately 3050 feet** is **sufficient to circulate to the surface.** If cement does not circulate to the surface, the BLM Carlsbad Field Office shall be notified at (505) 361-2822 and a temperature survey or cement bond log shall be run to verify the top of the cement. Fresh water mud shall be used to drill the hole for the **8-5/8 inch second intermediate casing.**

4. Minimum required fill of cement behind the 5-1/2 inch production casing is **sufficient to tie back 500 feet above the uppermost perforation in the pay zone.**

## III. PRESSURE CONTROL:

1. Before drilling below the 20 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 second 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.

2. Before drilling below the 20 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 second intermediate casing, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 3000 psi.

CONDITIONS OF APPROVAL - DRILLING (CONTINUED)

**Operator's Name:** Mewbourne Oil Company **Well No.** 3 – Ruger 6 Federal
**Location:** 990' FNL & 990' FEL **sec.** 6, **T.** 20 S., **R.** 29 E.
**Lease:** NM-13237

## III. PRESSURE CONTROL:

3. The BOPE shall be installed before drilling below the **8-5/8** inch second intermediate casing and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

A. The results of the test will be reported to the BLM Carlsbad Field Office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292.

B. Testing fluid 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.

C. Testing must be done in a safe workman like manner. Hard line connections shall be required.