

District I
PO Box 1980, Hobbs, NM 86241-1980

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 & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|---|-----------------------------------|
| Operator Name and Address Mewbourne Oil Company P.O. Box 5270 Hobbs, NM 86241 (505)393-5905 | | OGRID Number 14744 |
| | | API Number 30-015-32904 |
| Property Code | Property Name Foster Draw "B" State Com | Well No. #1 |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West Line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 1 | 8 | 21S | 27E | | 1510 | South | 660 | East | Eddy |

Proposed 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 |
|--|---------|----------|-------|---------|------------------------|------------------|---------------|----------------|--------|
| Proposed Pool 1 Burton Flat Morrow | | | | | Proposed Pool 2 | | | | |

| | | | | |
|----------------------------|--------------------------------|----------------------------|------------------------------|--|
| Work Type Code N | Well Type Code G | Cable/Rotary R | Lease Type Code S | Ground Level Elevation 3263' |
| Multiple No | Proposed Depth 11800 | Formation Morrow | Contractor Unknown | Spud Date 08-09-03 |


Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------------|
| 17-1/2" | 13-3/8" | 48# | 400 | 400 | Circ. to Surface |
| 12-1/4" | 9-5/8" | 40# | 2600 | 1200 | Circ. to Surface |
| 8-3/4" | 5-1/2" | 17# | 11800 | 1200 | 500' Above Wolfcamp |
| | | | | | |
| | | | | | |

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

BOP Program : 2K Hydrii (See Exhibit #2) from surface casing to intermediate TD. Schaffer LWS or equivalent (Double-Ram Hydraulic) 1500 series with Hydrii 900 series (See Exhibit #2A) from intermediate casing to total depth. Rotating Head, PVT, Flow Monitors, and mud gas Separator from the Wolfcamp to TD.

Mud Program: 0 to 400' Fresh Water, spud mud, lime for PH, and LCM as needed for seepage.
400 to 2600' Fresh Water, lime for PH, and LCM as needed for seepage.
2600 to TD 9.3 to 10# Brine, Caustic for PH, Starch for WL Control, and LCM as needed for seepage.

| | | | |
|---|--|------------------------------------|------------------|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. | | OIL CONSERVATION DIVISION | |
| Signature:  | | Approved By: | |
| Printed name: Terry Burke | | Title: | |
| Title: Drilling Foreman | | Approval Date: <u>Date 7/24/03</u> | Expiration Date: |

□ AMENDED REPORT

| | |
|--|--|
| | <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <h3 style="text-align: center; margin: 0;">OPERATOR CERTIFICATION</h3> <p style="font-size: small; margin: 5px 0;">I hereby certify the the information contained herein to true and complete to the best of my knowledge and belief.</p> <div style="margin-top: 10px;"> </div> <div style="margin-top: 5px;"> <p style="margin: 0;">Signature</p> <p style="margin: 0;">Terry Burke</p> <p style="margin: 0;">Printed Name</p> <p style="margin: 0;">Drilling Foreman</p> <p style="margin: 0;">Title</p> <p style="margin: 0;">July 23, 2003</p> <p style="margin: 0;">Date</p> </div> </div> <div style="border: 1px solid black; padding: 5px;"> <h3 style="text-align: center; margin: 0;">SURVEYOR CERTIFICATION</h3> <p style="font-size: small; margin: 5px 0;">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> <div style="text-align: center; margin-top: 10px;"> <p style="margin: 0;">JUNE 05, 2003</p> <p style="margin: 0;">Date Surveyed</p> <p style="margin: 0;">Signature of Seal of Professional Surveyor</p> <p style="margin: 0;">NEW YORK STATE</p> <p style="margin: 0;">1977</p> <p style="margin: 0;">W.O. No. 3745</p> <p style="margin: 0;">Certificate No. 600</p> <p style="margin: 0;">PROFESSIONAL LAND SURVEYOR</p> </div> </div> |
|--|--|

Mewbourne Oil Company
BOP Schematic for
12 1/4" Hole

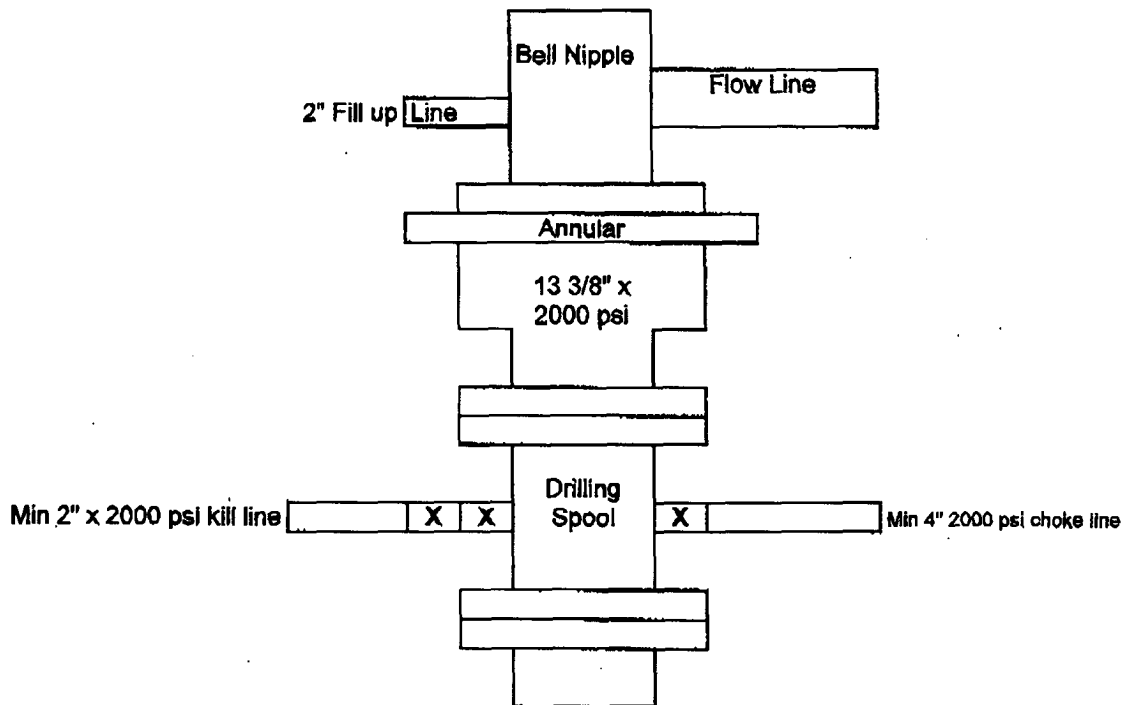


Exhibit #2

Foster Draw "8" State Com # 1
1510' FSL & 660' FEL
Sec. 8-21S; R27E
Eddy County, New Mexico

Mewbourne Oil Company
BOP Schematic for
8 3/4" or 7 7/8" Hole

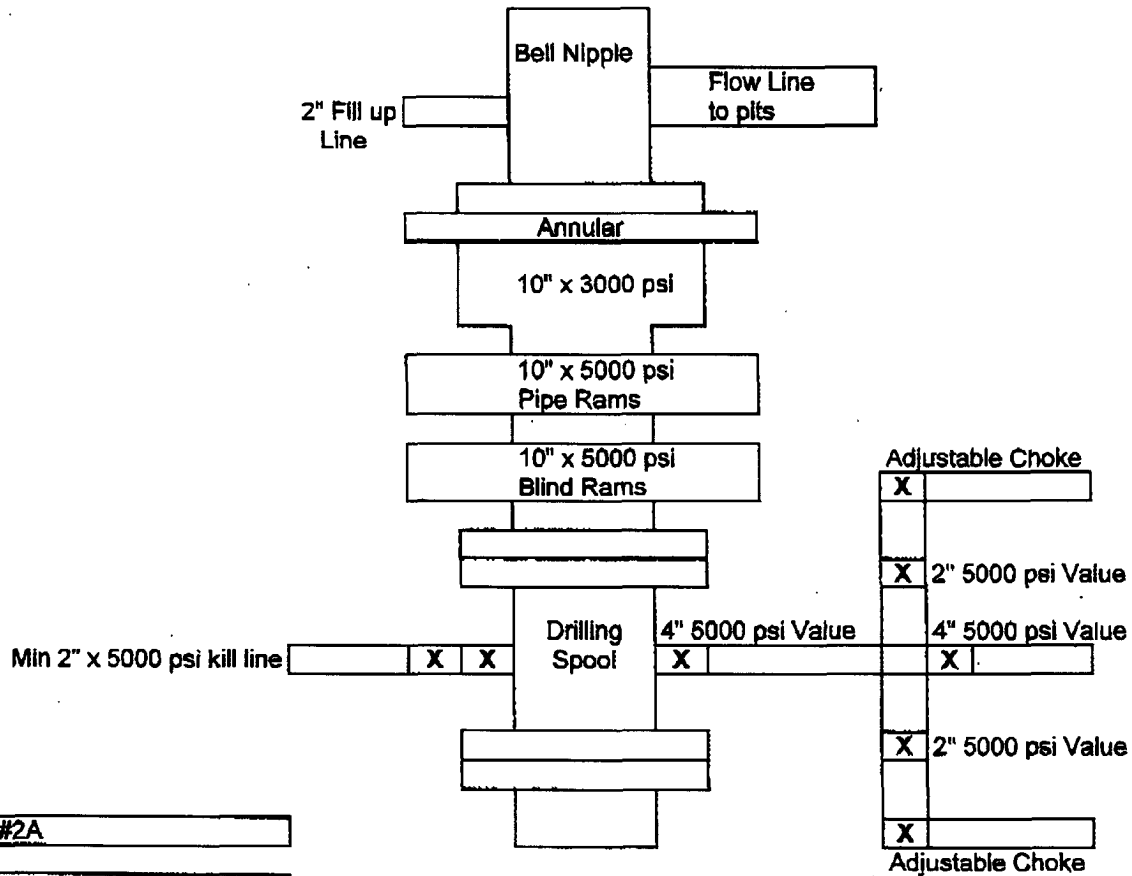


Exhibit #2A

Foster Draw "8" State Com # 1
 1510' FSL & 660' FEL
 Sec.8; T21S; R27E
 Eddy County, New Mexico

Hydrogen Sulfide Drilling Operations Plan

Mewbourne Oil Company
Foster Draw "8" State Com # 1
1510' FSL & 660' FEL
Section 8- T21S-R27E
Eddy County, New Mexico

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**

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.

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.

7. **General Requirements**

MOC has researched this area and no high concentrations of H₂S was found. MOC will have on location and working all H₂S safety equipment before Yates and Delaware formations.