

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources



Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

JAN 12 2009
Form C-101
OCD-ARTESIA May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

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

¹ Operator Name and Address MYCO INDUSTRIES, INC. P.O. BOX 840, ARTESIA, NM 88211-0840		² OGRID Number 015445
		³ API Number 30-005-64087
³ Property Code	³ Property Name STARR 34 FEE	⁶ Well No #2H
⁹ Proposed Pool 1 COTTONWOOD CREEK; WOLFCAMP		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no. H	Section 34	Township 15S	Range 24E	Lot Idn	Feet from the 1880	North/South line NORTH	Feet from the 250	East/Westline EAST	County CHAVES
--------------------	---------------	-----------------	--------------	---------	-----------------------	---------------------------	----------------------	-----------------------	------------------

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no. E	Section 34	Township 15S	Range 24E	Lot Idn	Feet from the 1880	North/South line NORTH	Feet from the 660	East/Westline WEST	County CHAVES
--------------------	---------------	-----------------	--------------	---------	-----------------------	---------------------------	----------------------	-----------------------	------------------

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3568'
¹⁶ Multiple NO	¹⁷ Proposed Depth 5200'	¹⁸ Formation WOLFCAMP	¹⁹ Contractor	²⁰ Spud Date 12/01/2008
Depth to Groundwater 100'		Distance from nearest fresh water well > 1000'		Distance from nearest surface water > 1000'
Pit: Liner: Synthetic <input type="checkbox"/> milthick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: _____ Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	32# / J-55	950'	400 SXS	CIRCULATE
7-7/8"	5-1/2"	17# / N-80	9250'	1200 SXS	CIRCULATE
NOTE: SET 40' OF 20' CONDUCTOR PIPE & CIRCULATE CEMENT					

²² 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.

NOTIFY NMOCD OF SPUD AND WITNESS CMT. SURFACE CASING. INSTALL 3000# DOUBLE-RAM B.O.P. AND TEST DAILY. DRILL DOWN AND BUILD CURVE TO DRILL A 3400' LATERAL DUE WEST INTERCEPTING THE BASE OF THE WOLFCAMP AT 1880' FNL & 660' FEL PER NMOCD RULE #111.

ATTACHED: PERMIT INFORMATION, C-102, H2S CONTINGENCY PLAN AND FORM C-144 CLEZ.

*NOTE: DETAILED WELL SURVEY PROFILE TO FOLLOW.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Printed name: HANNAH PALOMIN

Title: LAND MANAGER

E-mail Address: hannah@mycoinc.com

Date: 01/12/2009

Phone: (575)748-4290

OIL CONSERVATION DIVISION

Approved by: *Jim W. Green*

Title: *District II Supervisor*

Approval Date: 1/12/09

Expiration Date: 1/12/11

Conditions of Approval Attached ☐



1-13-09

DISTRICT I
1625 N. FRENCH DR., BOBBS, NM 88240

State of New Mexico
Energy/Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-005-64087	Pool Code 75250	Pool Name COTTONWOOD CREEK, WELL FEAMP (GA)
Property Code 35683	Property Name STARR 34 FEE	Well Number 2H
OGRID No. 15445	Operator Name MYCO INDUSTRIES, INC.	Elevation 3568'

Surface Location

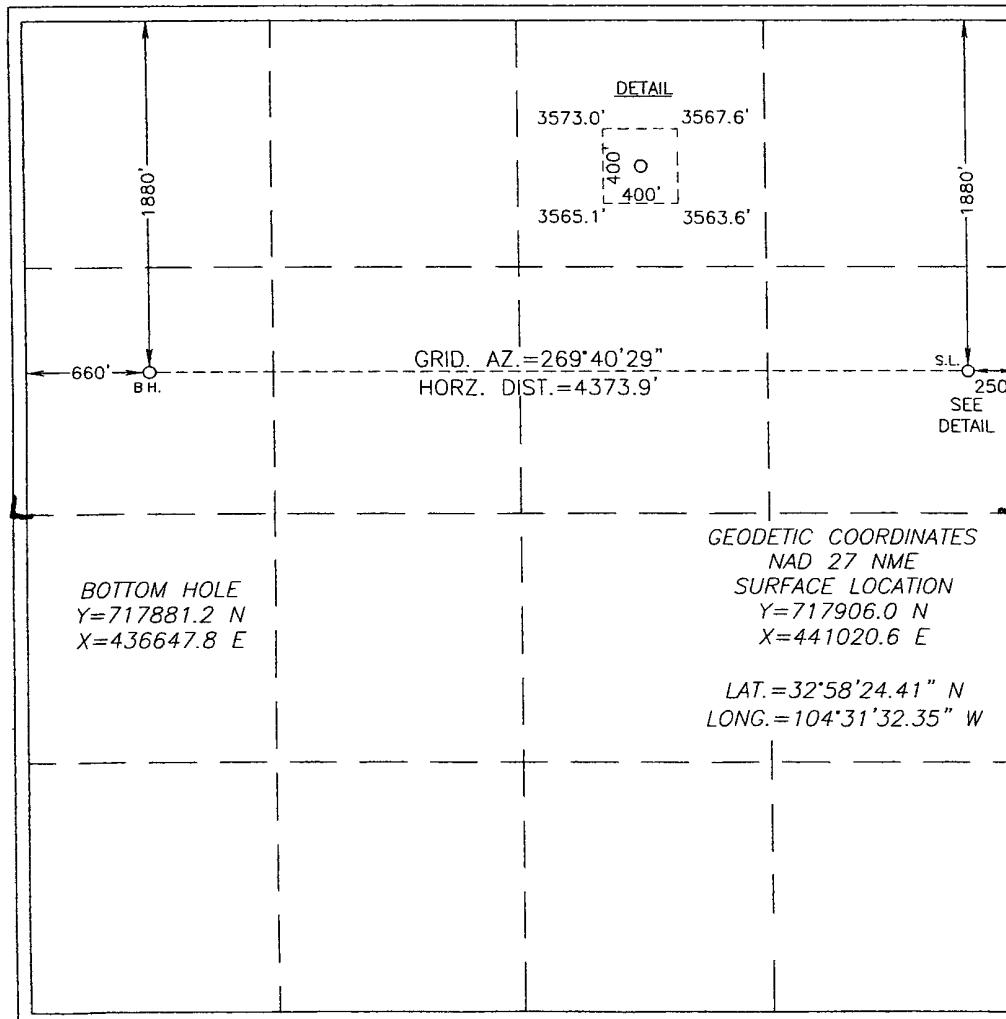
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	34	15-S	24-E		1880	NORTH	250	EAST	CHAVES

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
E	34	15-S	24-E		1880	NORTH	660	WEST	CHAVES

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

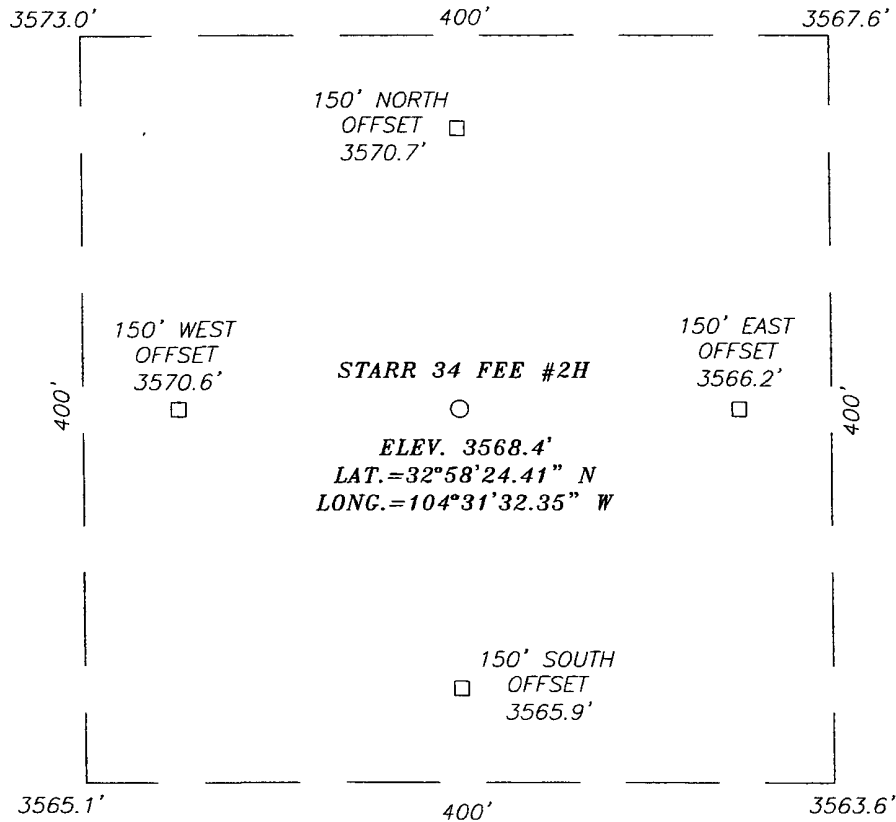
AN MUMFORD, PELS
Signature Date
AN MUMFORD 10/28/08
Printed Name

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.

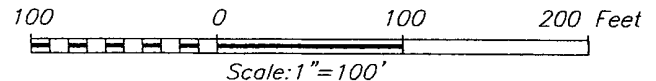
RONALD J. EIDSON
Date Surveyed
Signature & Seal of Professional Surveyor
Certificate No. GARY EIDSON 12641
RONALD EIDSON 3239

SECTION 34, TOWNSHIP 15 SOUTH, RANGE 24 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO



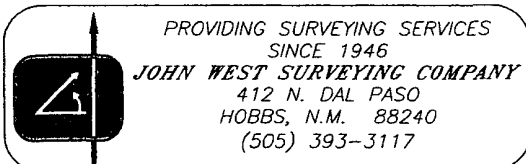
DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #285 AND
 ST. HWY. #438. GO WEST ON ST. HWY. #438
 APPROX. 5.0 MILES. TURN RIGHT AND GO NORTH
 APPROX. 0.7 MILES. THIS LOCATION IS APPROX.
 250' WEST.



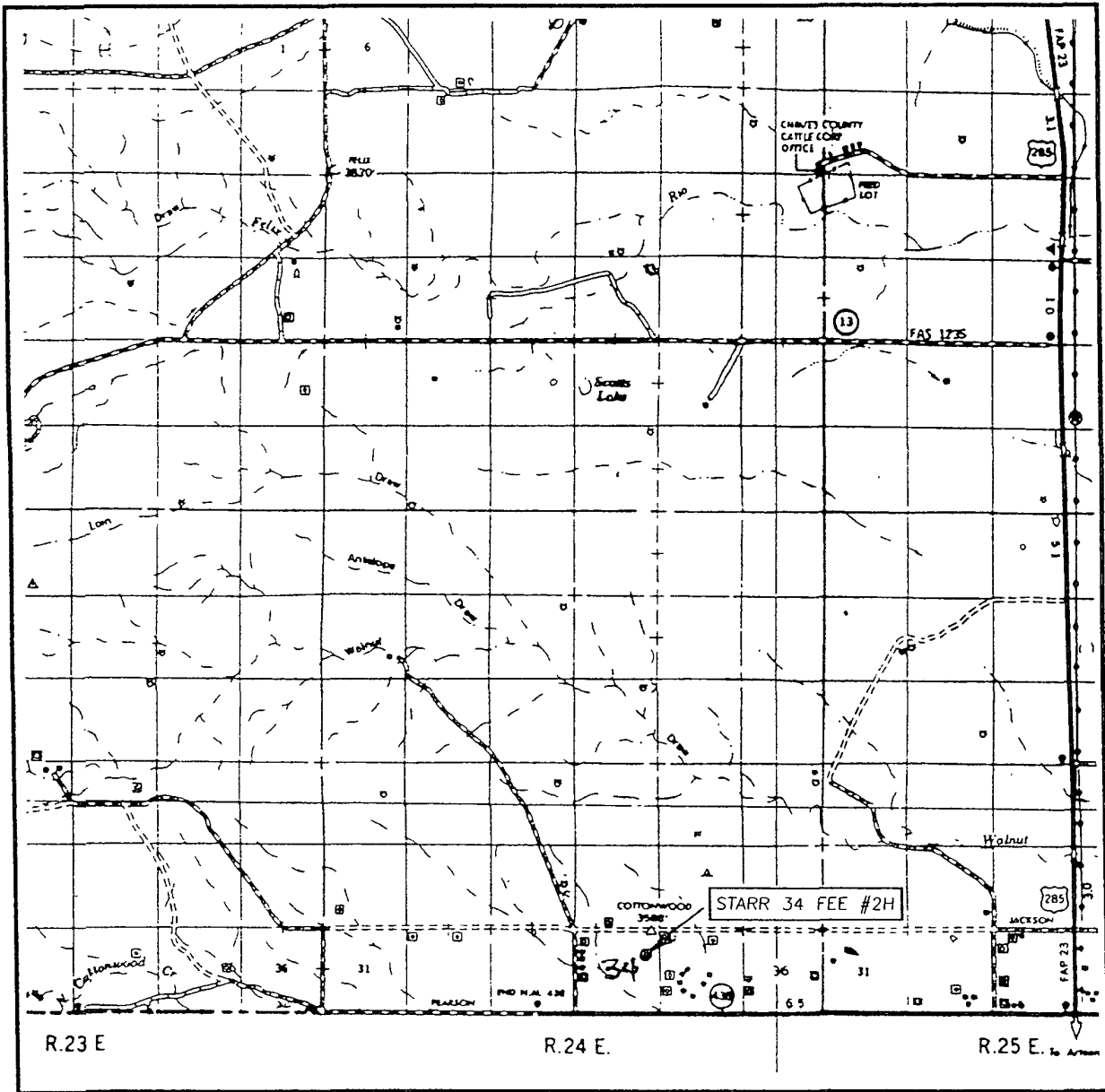
MYCO INDUSTRIES, INC.

STARR 34 FEE #2H WELL
 LOCATED 1880 FEET FROM THE NORTH LINE
 AND 250 FEET FROM THE EAST LINE OF SECTION 34,
 TOWNSHIP 15 SOUTH, RANGE 24 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO.



Survey Date: 10/7/08	Sheet 1 of 1 Sheets
W.O. Number: 08.11.1695	Dr By: LA
Date: 10/9/08	08111695
	Scale: 1"=100'

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 34 TWP. 15-S RGE. 24-E

SURVEY N.M.P.M.

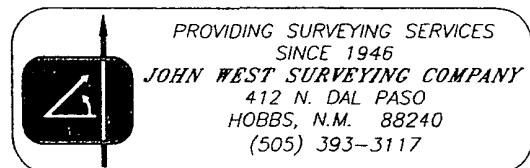
COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 1880' FNL & 250' FEL

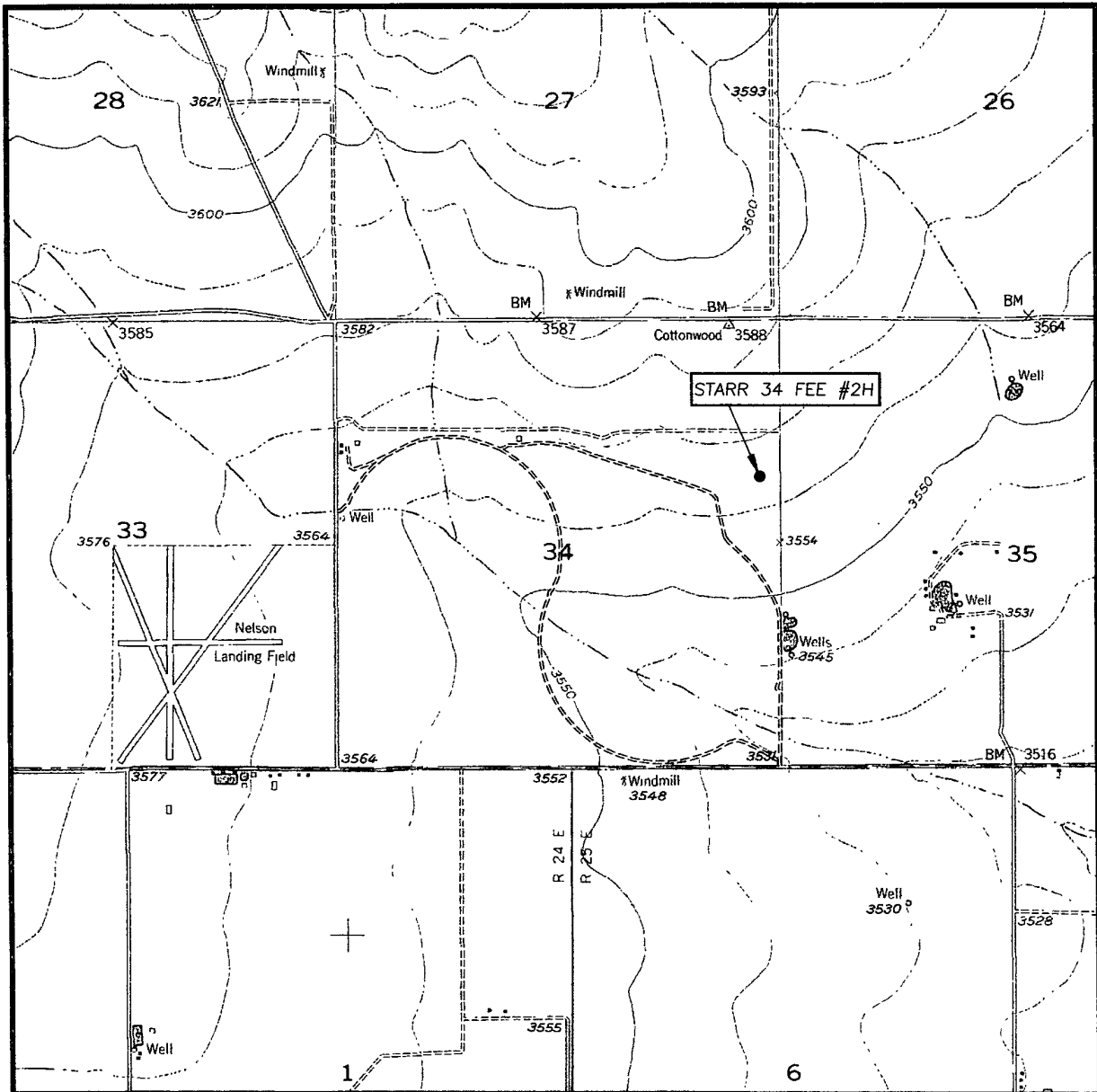
ELEVATION 3568'

OPERATOR MYCO INDUSTRIES, INC.

LEASE STARR 34 FEE



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
HOPE NE, N.M. - 10'

SEC. 34 TWP. 15-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY CHAVES STATE NEW MEXICO

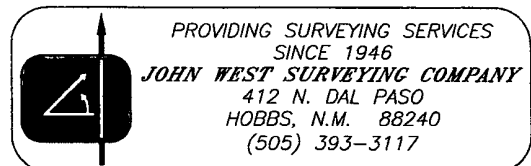
DESCRIPTION 1880' FNL & 250' FEL

ELEVATION 3568'

OPERATOR MYCO INDUSTRIES, INC.

LEASE STARR 34 FEE

U.S.G.S. TOPOGRAPHIC MAP
HOPE NE, N.M.



MYCO INDUSTRIES, INC.

Well Name: Starr 34 Fee #2H

Location:

SL 1880' FNL & 250' FEL, Section 34, T-15-S, R-24-E, Chaves Co, NM

BHL 1880' FNL & 660' FWL, Section 34, T-15-S, R-24-E, Chaves Co, NM

Casing Program:

Casing	Setting Depth	Hole Size	Casing Size	Casing Weight	Casing Grade	Desired TOC
Surface	950'	12-1/4"	8-5/8"	32#	J-55	Surface
Production	9250'	7-7/8"	5-1/2"	17#	N-80	Surface

Cement Program:

Depth	No. Sacks	Slurries:
950'	150	Lead: Premium Plus + 2% CaCl ₂ + 3% Econolite + ¼ pps Flocele
	250	Tail: Premium Plus + 2% CaCl ₂ + ¼ pps Flocele
9250'	500	Lead: Interfill C + ¼ pps Flocele
	700	Tail: Premium Cement + 100% Acid Soluable Additive + 0.6% Halad®-344 + 0.8% Econolite + 0.2% HR-55

Mud Program:

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0-950'	Fresh-Gel	8.6-8.8	28-34	N/c
950-4400'	Cut Brine	8.8-9.2	28-34	N/c
4400-5200'	Cut Brine	8.8-9.2	28-34	10-15
4468-9250'	Polymer (Lateral)	9.0-9.4	40-45	10-20



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

October 29, 2008

New Mexico Oil Conservation Division
1301 W. Grand
Artesia, New Mexico 88210

Re: Myco Industries, Inc.
Starr 34 Fee #2H
H2S Contingency Plan

Ladies and Gentlemen:

Sources at Myco Industries, Inc. have relayed information to me that they believe there will not be enough H2S found from the surface through the Wolfcamp Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Please note that I have enclosed our Contingency Plan for this well based on a remote chance that Rule 118 might become applicable.

Thank you,

MYCO INDUSTRIES, INC.

A.N. Muncy, PEELS
Operations/Engineering Manager

ANM:hp
Enclosure

Myco Industries, Inc.

**423 W. Main Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

For

Starr 34 Fee #2H

1880' FNL & 250' FEL (Surface)

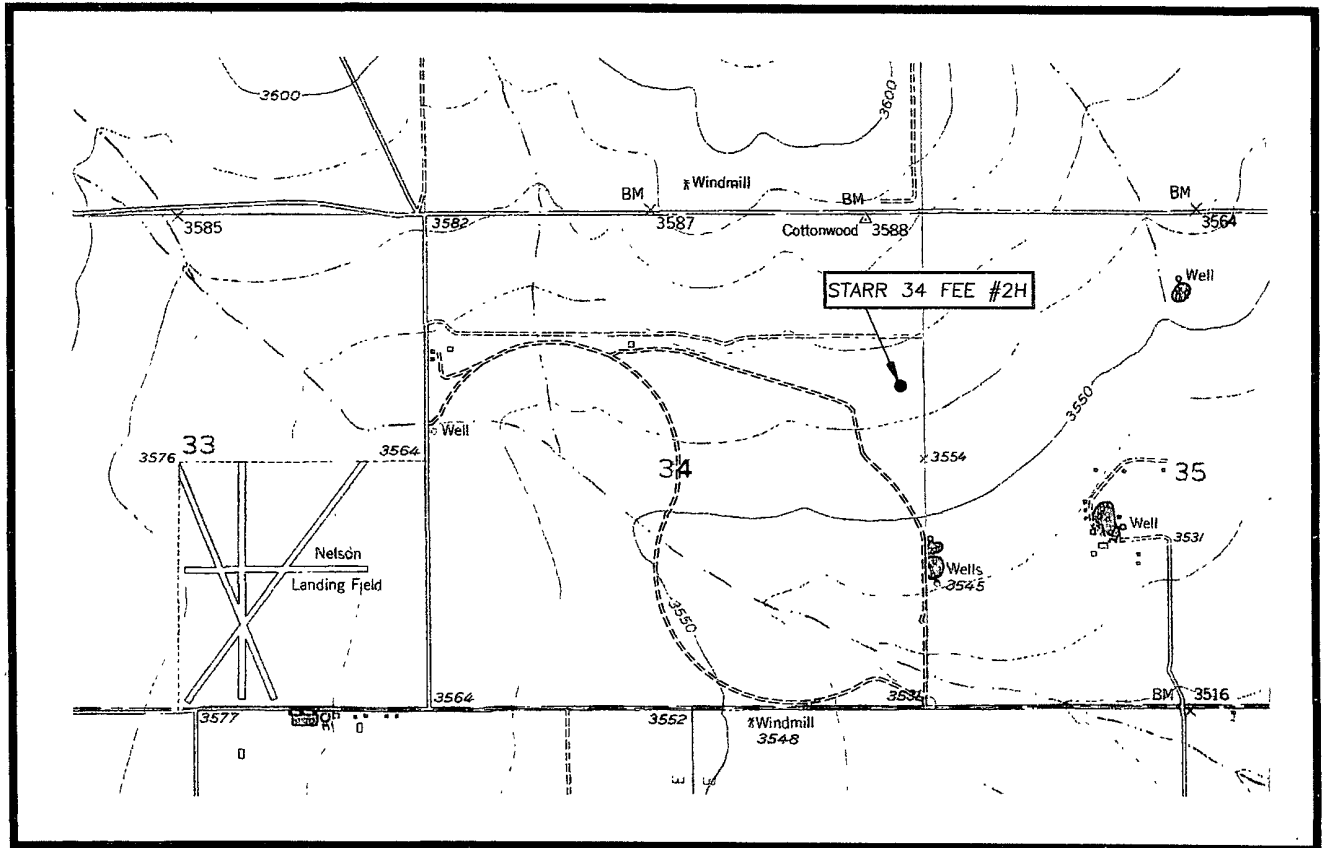
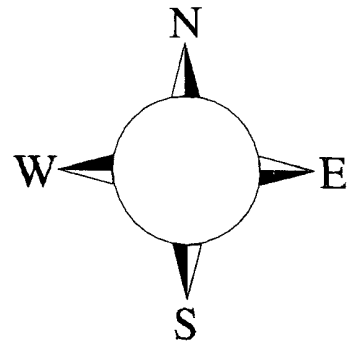
1889' FNL & 660' FWL (Bottom-Hole)

Sec-34, T-15S, R-24E

Chaves County NM

Starr 34 Fee #2H Location

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm ROE = 3000'
100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Myco personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Myco Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Myco Industries, Inc. Phone Numbers

Myco Office (575) 748-4280
Nelson Muncy/Operations Engineering Manager (575) 748-4289
..... (575) 308-3502
Carlos Guerrero/Field Supervisor (575) 746-7318
..... (575) 513-2492
Artesia Answering Service (575) 748-4302
(During non-office hours)

Agency Call List

Eddy County (505)

Artesia

State Police 746-2703
City Police..... 746-2703
Sheriff's Office 746-9888
Ambulance 911
Fire Department 746-2701
LEPC (Local Emergency Planning Committee) 746-2122
NMOCD..... 748-1283

Carlsbad

State Police 885-3137
City Police..... 885-2111
Sheriff's Office 887-7551
Ambulance 911
Fire Department 885-2111
LEPC (Local Emergency Planning Committee)..... 887-3798
US Bureau of Land Management 887-6544

New Mexico Emergency Response Commission (Santa Fe) (505) 476-9600
24 HR (505) 827-9126
New Mexico State Emergency Operations Center (505) 476-9635
National Emergency Response Center (Washington, DC) ... (800) 424-8802

Other

Boots & Coots IWC 1-800-256-9688 or (281) 931-8884
Cudd Pressure Control..... (915) 699-0139 or (915) 563-3356
Halliburton (575) 746-2757
B. J. Services..... (575) 746-3569

Flight For Life -4000 24th St, Lubbock, TX (806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX (806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM (505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM (505) 842-4949

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources **OCD-ARTESIA**

JAN 12 2009

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

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

¹ Operator Name and Address MYCO INDUSTRIES, INC. P.O. BOX 840, ARTESIA, NM 88211-0840		² OGRID Number 015445
³ Property Code		³ API Number 30 -
⁵ Property Name STARR 34 FEE		⁶ Well No. #2H
⁹ Proposed Pool 1 COTTONWOOD CREEK; WOLFCAMP		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Westline	County
H	34	15S	24E		1880	NORTH	250	EAST	CHAVES

8 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/Westline	County
E	34	15S	24E		1880	NORTH	660	WEST	CHAVES

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3568'
¹⁶ Multiple NO	¹⁷ Proposed Depth 5200'	¹⁸ Formation WOLFCAMP	¹⁹ Contractor	²⁰ Spud Date 12/01/2008
Depth to Groundwater 100'		Distance from nearest fresh water well > 1000'		Distance from nearest surface water > 1000'
Pit: Liner: Synthetic <input type="checkbox"/> milst thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: _____ Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	32# / J-55	950'	400 SXS	CIRCULATE
7-7/8"	5-1/2"	17# / N-80	9250'	1200 SXS	CIRCULATE
NOTE: SET 40' OF 20' CONDUCTOR PIPE & CIRCULATE			CEMENT		

²² 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.

NOTIFY NMOCD OF SPUD AND WITNESS CMT. SURFACE CASING. INSTALL 3000# DOUBLE-RAM B.O.P. AND TEST DAILY. DRILL DOWN AND BUILD CURVE TO DRILL A 3400' LATERAL DUE WEST INTERCEPTING THE BASE OF THE WOLFCAMP AT 1880' FNL & 660' FEL PER NMOCD RULE #111.

ATTACHED: PERMIT INFORMATION, C-102, H2S CONTINGENCY PLAN AND FORM C-144 CLEZ.

*NOTE: DETAILED WELL SURVEY PROFILE TO FOLLOW.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: HANNAH PALOMIN
Title: LAND MANAGER
E-mail Address: hannah@mycoinc.com

Date: 01/12/2009 Phone: (575)748-4290

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name STARR 34 FEE		Well Number 2H
OGRID No.	Operator Name MYCO INDUSTRIES, INC.		Elevation 3568'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	34	15-S	24-E		1880	NORTH	250	EAST	CHAVES

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
E	34	15-S	24-E		1880	NORTH	660	WEST	CHAVES
Dedicated Acres	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

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

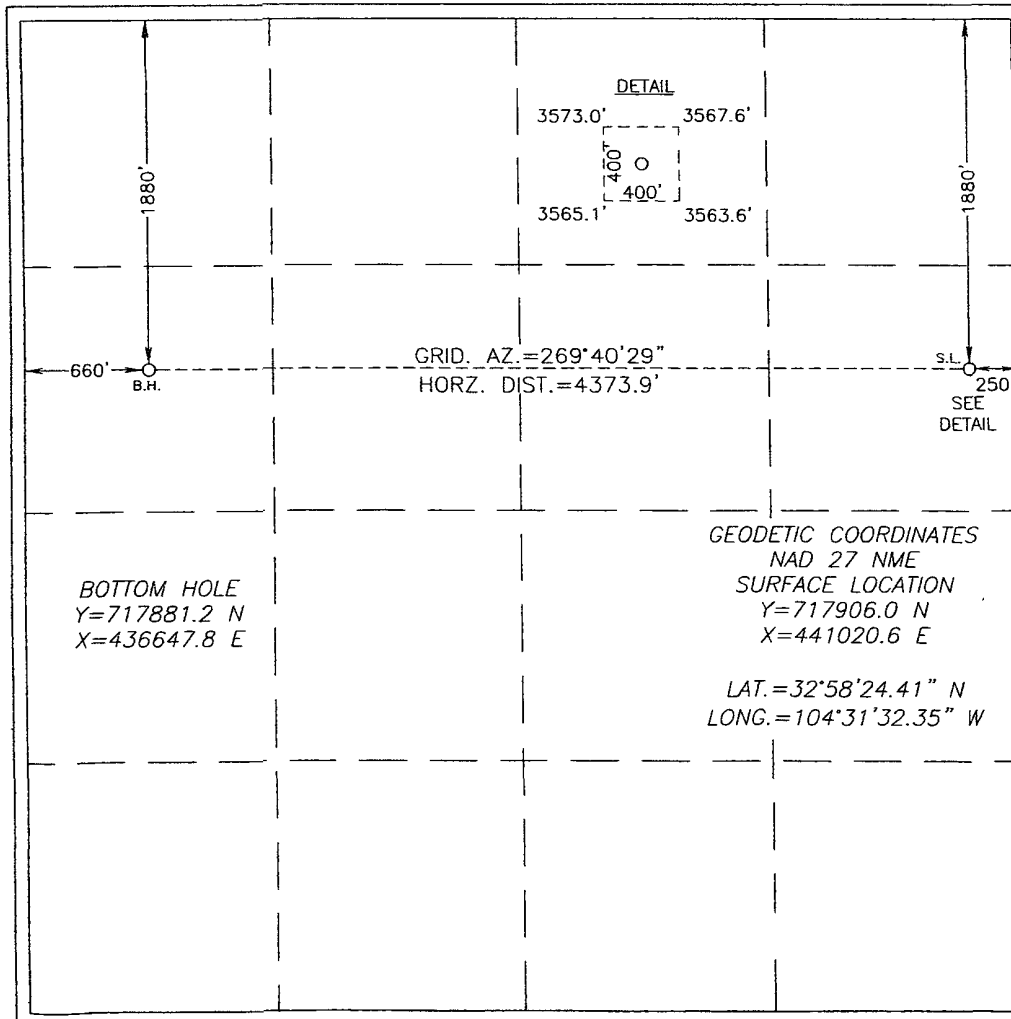
AN MUMMY, PELS
Signature Date
AN MUMMY 10/28/08
Printed Name

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.

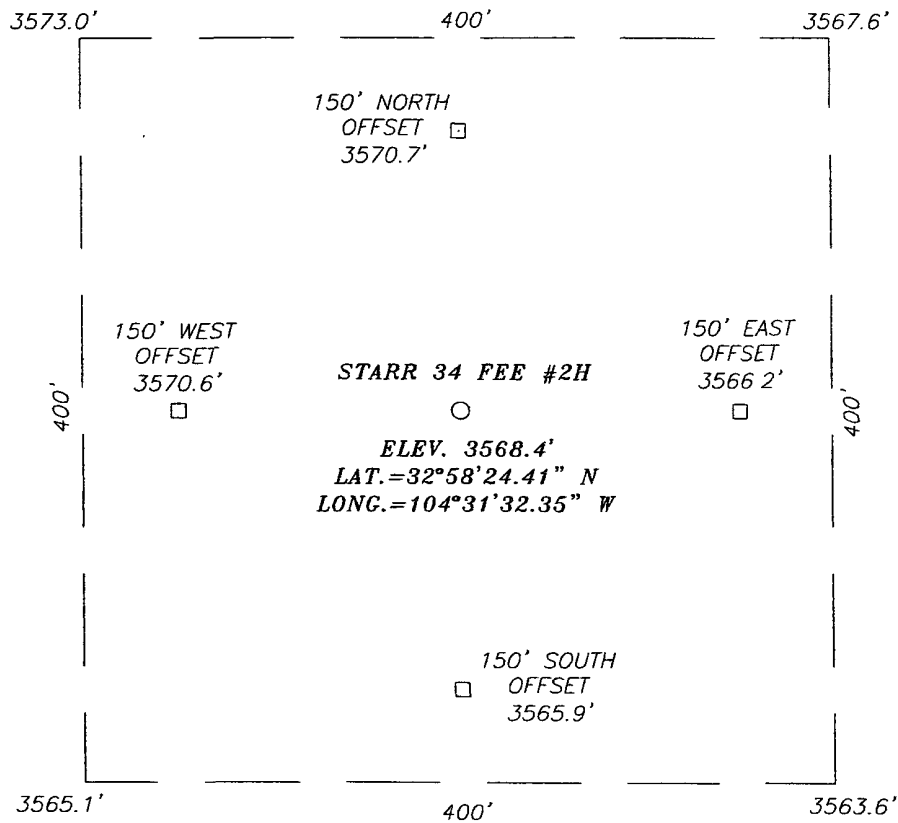
RONALD J. EIDSON
Date Surveyed Signature & Seal of Professional Surveyor
10/28/08
10/28/08

Certificate No. GARY EIDSON 12841
RONALD EIDSON 3239



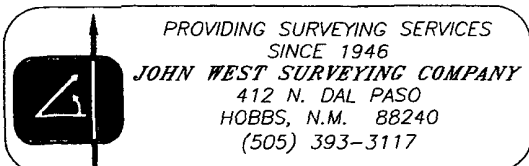
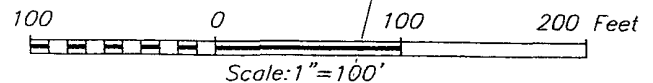
SECTION 34, TOWNSHIP 15 SOUTH, RANGE 24 EAST,
CHAVES COUNTY,

NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #285 AND
ST. HWY. #438. GO WEST ON ST. HWY. #438
APPROX. 5.0 MILES. TURN RIGHT AND GO NORTH
APPROX. 0.7 MILES. THIS LOCATION IS APPROX.
250' WEST.

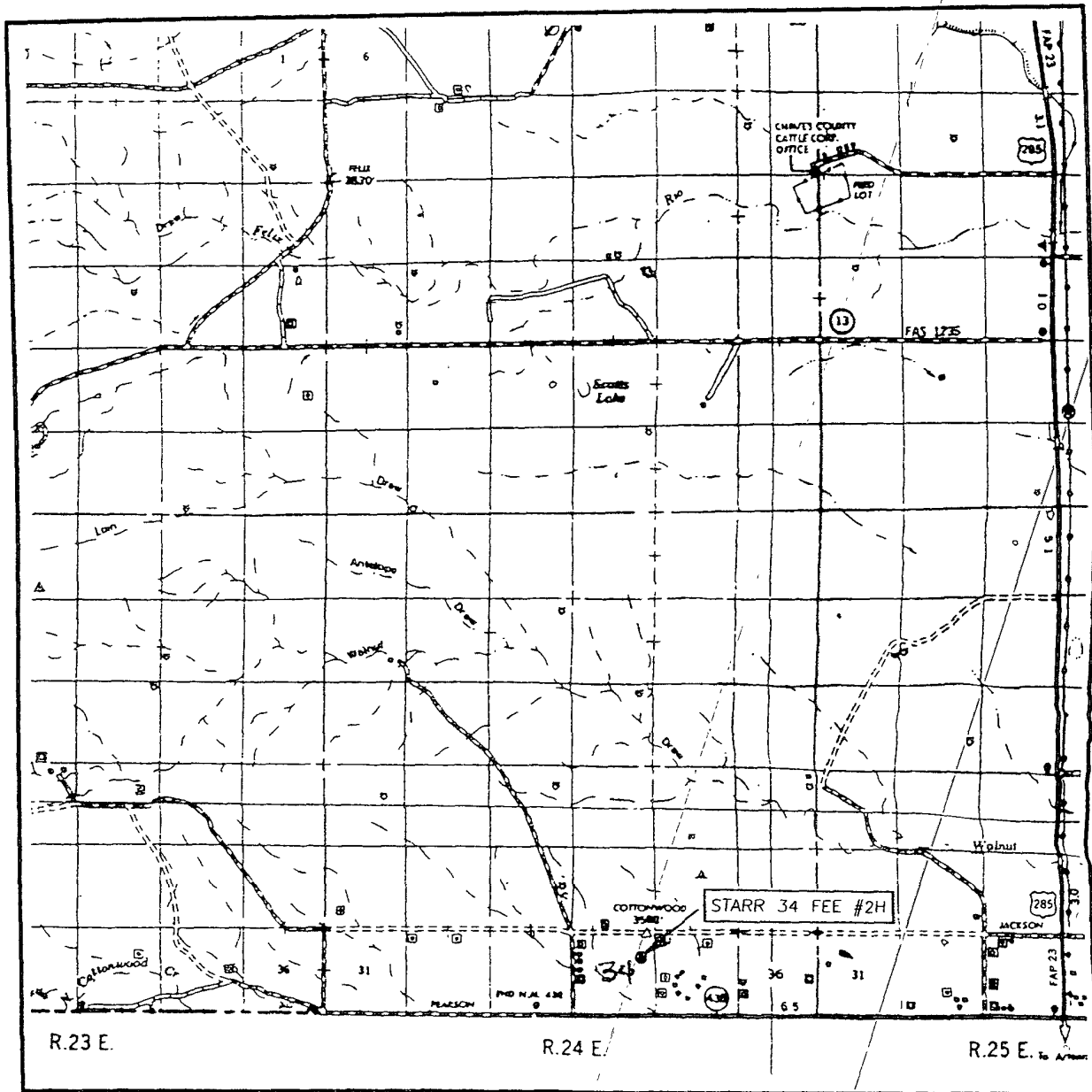


MYCO INDUSTRIES, INC.


STARR 34 FEE #2H WELL
LOCATED 1880 FEET FROM THE NORTH LINE
AND 250 FEET FROM THE EAST LINE OF SECTION 34,
TOWNSHIP 15 SOUTH, RANGE 24 EAST, N.M.P.M.,
CHAVES COUNTY, NEW MEXICO.

Survey Date: 10/7/08	Sheet 1 of 1 Sheets	
W.O. Number: 08.11.1695	Dr By: LA	Rev 1:N/A
Date: 10/9/08	08111695	Scale: 1"=100'

VICINITY MAP

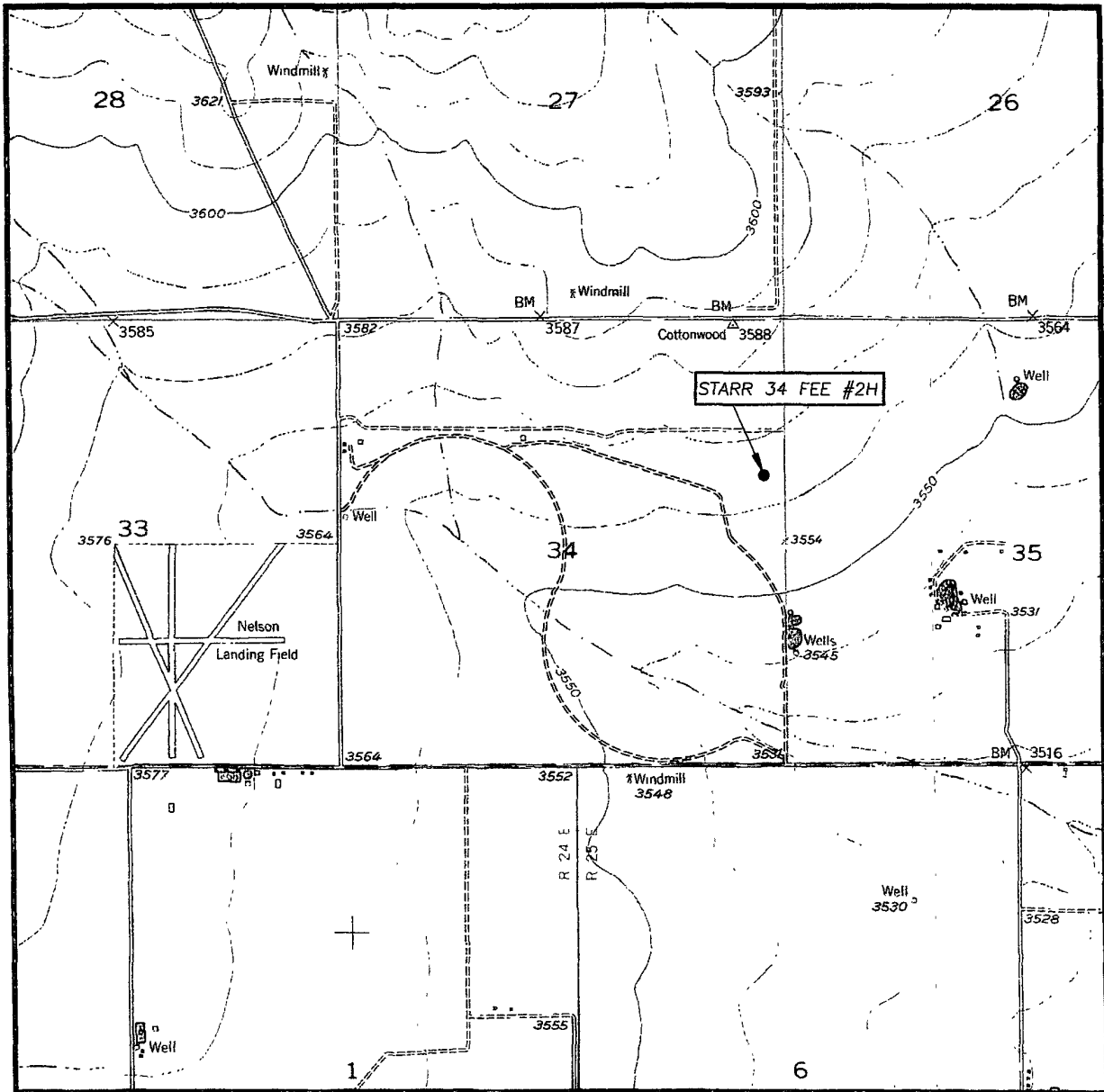


SEC. 34 TWP. 15-S RGE. 24-E
 SURVEY N.M.P.M.
 COUNTY CHAVES STATE NEW MEXICO
 DESCRIPTION 1880' FNL & 250' FEL
 ELEVATION 3568'
 OPERATOR MYCO INDUSTRIES, INC.
 LEASE STARR 34 FEE



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
HOPE NE, N.M. - 10'

SEC. 34 TWP. 15-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY CHAVES STATE NEW MEXICO

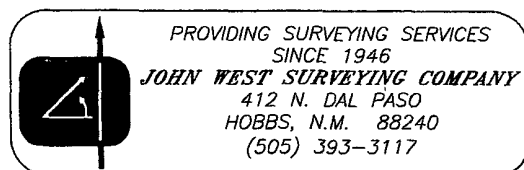
DESCRIPTION 1880' FNL & 250' FEL

ELEVATION 3568'

OPERATOR MYCO INDUSTRIES, INC.

LEASE STARR 34 FEE

U.S.G.S. TOPOGRAPHIC MAP
HOPE NE, N.M.



MYCO INDUSTRIES, INC.

Well Name: Starr 34 Fee #2H

Location:

SL 1880' FNL & 250' FEL, Section 34, T-15-S, R-24-E, Chaves Co, NM

BHL 1880' FNL & 660' FWL, Section 34, T-15-S, R-24-E, Chaves Co, NM

Casing Program:

Casing	Setting Depth	Hole Size	Casing Size	Casing Weight	Casing Grade	Desired TOC
Surface	950'	12-1/4"	8-5/8"	32#	J-55	Surface
Production	9250'	7-7/8"	5-1/2"	17#	N-80	Surface

Cement Program:

Depth	No. Sacks	Slurries:
950'	150	Lead: Premium Plus + 2% CaCl ₂ + 3% Econolite + 1/4 pps Flocele
	250	Tail: Premium Plus + 2% CaCl ₂ + 1/4 pps Flocele
9250'	500	Lead: Interfill C + 1/4 pps Flocele
	700	Tail: Premium Cement + 100% Acid Soluable Additive + 0.6% Halad®-344 + 0.8% Econolite + 0.2% HR-55

Mud Program:

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0-950'	Fresh-Gel	8.6-8.8	28-34	N/c
950-4400'	Cut Brine	8.8-9.2	28-34	N/c
4400-5200'	Cut Brine	8.8-9.2	28-34	10-15
4468-9250'	Polymer (Lateral)	9.0-9.4	40-45	10-20



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (505) 748-1471

October 29, 2008

New Mexico Oil Conservation Division
1301 W. Grand
Artesia, New Mexico 88210

Re: Myco Industries, Inc.
Starr 34 Fee #2H
H2S Contingency Plan

Ladies and Gentlemen:

Sources at Myco Industries, Inc. have relayed information to me that they believe there will not be enough H2S found from the surface through the Wolfcamp Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Please note that I have enclosed our Contingency Plan for this well based on a remote chance that Rule 118 might become applicable.

Thank you,

MYCO INDUSTRIES, INC.

A.N. Muncy, PE/LS
Operations/Engineering Manager

ANM:hp
Enclosure

Myco Industries, Inc.

**423 W. Main Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

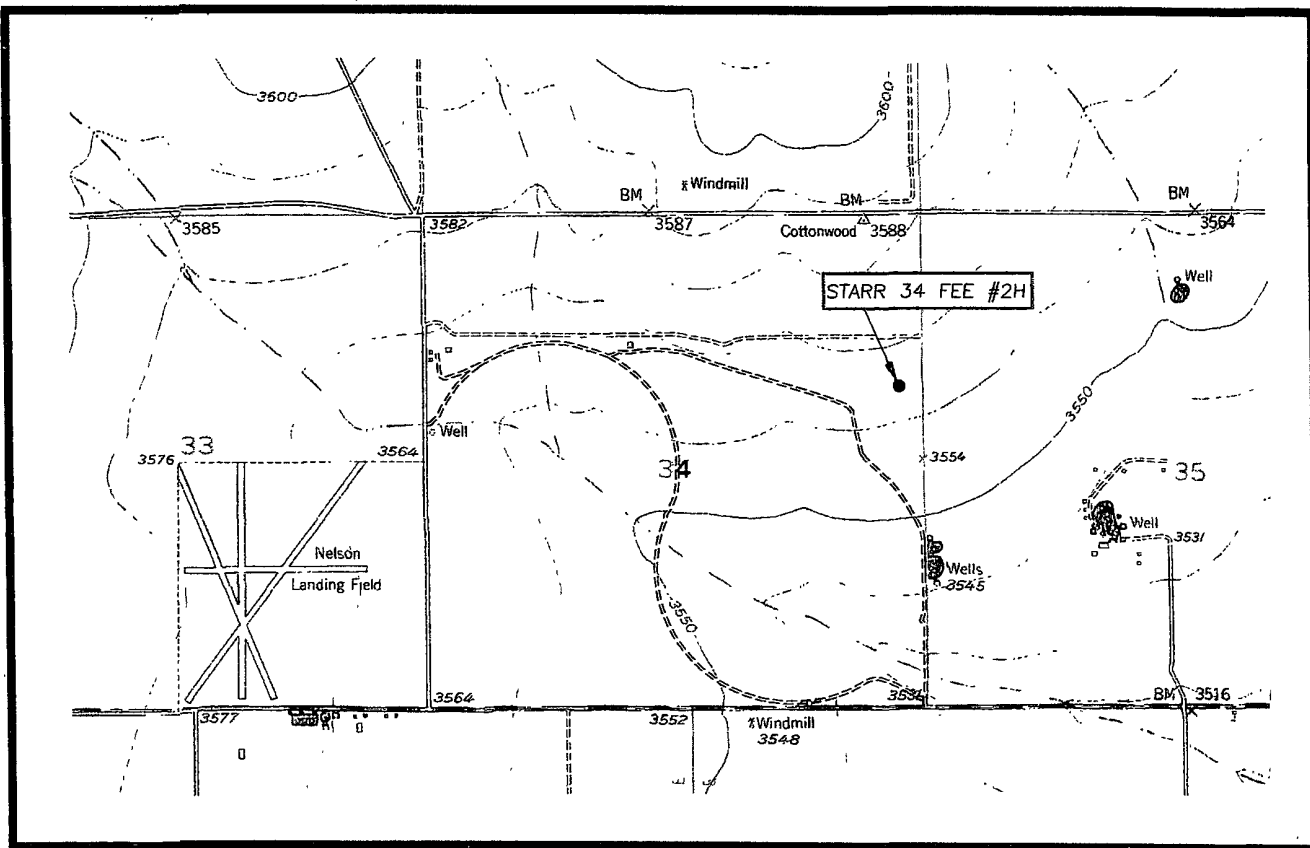
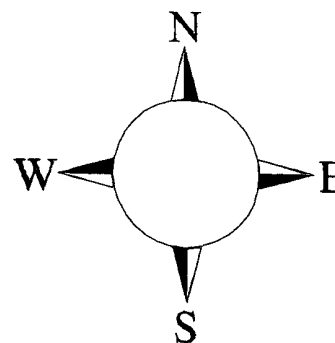
For

Starr 34 Fee #2H

**1880' FNL & 250' FEL (Surface)
1889' FNL & 660' FWL (Bottom-Hole)
Sec-34, T-15S, R-24E
Chaves County NM**

Starr 34 Fee #2H Location

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm ROE = 3000

300 ppm H₂S concentration shall trigger activation of this plan

Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Myco personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Myco Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Myco Industries, Inc. Phone Numbers

Myco Office (575) 748-4280
Nelson Muncy/Operations Engineering Manager (575) 748-4289
..... (575) 308-3502
Carlos Guerrero/Field Supervisor (575) 746-7318
..... (575) 513-2492
Artesia Answering Service (575) 748-4302
(During non-office hours)

Agency Call List

Eddy County (505)

Artesia

State Police746-2703
City Police.....746-2703
Sheriff's Office746-9888
Ambulance911
Fire Department746-2701
LEPC (Local Emergency Planning Committee)746-2122
NMOCD.....748-1283

Carlsbad

State Police885-3137
City Police.....885-2111
Sheriff's Office887-7551
Ambulance911
Fire Department885-2111
LEPC (Local Emergency Planning Committee)..... 887-3798
US Bureau of Land Management..... 887-6544

New Mexico Emergency Response Commission (Santa Fe) (505)476-9600
24 HR (505) 827-9126
New Mexico State Emergency Operations Center (505) 476-9635
National Emergency Response Center (Washington, DC) ... (800) 424-8802

Other

Boots & Coots IWC1-800-256-9688 or (281) 931-8884
Cudd Pressure Control.....(915) 699-0139 or (915) 563-3356
Halliburton(575) 746-2757
B. J. Services.....(575) 746-3569

Flight For Life -4000 24th St, Lubbock, TX(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuquerque, NM(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuquerque, NM(505) 842-4949