

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

Form C-101
May 27, 2004

Oil Conservation Division **RECEIVED**
1220 South St. Francis Dr.
Santa Fe, NM 87505
JUN 16 2005

Submit to appropriate District Office

☐ AMENDED REPORT

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

Operator Name and Address Mewbourne Oil Company Po Box 5270 Hobbs, NM 88240		OGRID Number 14744
Property Code	Property Name Mosley Canyon 4 St Corn #1	API Number 30 - 015 - 34160
Proposed Pool 1 Unders. Hcs ne shoe Bond	78680	CEMENT TO COVER ALL OIL, GAS AND WATER BEARING ZONES

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 4	4	24S	25E		1190'	N	1190'	W	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

Additional Well Information

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3740'
Multiple No	Proposed Depth 11400'	Formation Morrow	Contractor TBA	Spud Date ASAP
Depth to Groundwater 50' or more but less than 100 (Less than 50') 20 points		Distance from nearest fresh water well Less than 1000 from all other wtr sources (less than 1000' - 20 pts)		Distance from nearest surface water (200' or more - 10 pts)
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12" mils thick Clay <input type="checkbox"/> Volume: 24000 bbls Drilling Method: Production Closed-Loop System <input type="checkbox"/> 50 Points Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

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'	600	Surface
12 1/4"	9 5/8"	40#	2400'	1400	Surface
8 3/4"	5 1/2"	17#	11400'	1000	500' above WC

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.

BOP Program: 2k Hydril (see Exhibit #2) from surface casing to intermediate TD. Schaffer LWS or equivalent (Double-Ram Hydraulic) 1500 series with Hydril 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 2700' Brine Water, lime for PH and LCM as needed for seepage.
2700' to 9400' Cut brine with Fresh Water, lime for PH and LCM as needed for seepage.
9400' to TD Cut brine. 9.3 #/g, Caustic for PH, Starch for WL control and LCM as needed for seepage

**AS A CONDITION OF APPROVAL, A DETAILED CLOSURE PLAN
MUST BE APPROVED BEFORE CLOSURE MAY COMMENCE.**

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 ☐.

OIL CONSERVATION DIVISION	
Approved by:	<i>Jim W. Green</i>
Title:	District II Supervisor
Approval Date:	JUN 24 2005
Expiration Date:	JUN 24 2006
NOTIFY OCD OF SPUD & TIME TO WITNESS CEMENTING OF SURFACE CASING ? intermediate	

Printed name: Kristi Green	
Title: Hobbs Production	
E-mail Address: kgreen@mewbourne.com	
Date: 06/16/05	Phone: 505-393-5905
Conditions of Approval Attached	

DISTRICT I
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811 South First, Artesia, NM 88210

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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

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Horseshoe Bend Morrow
Property Code	Property Name	Well Number
	MOSLEY CANYON "4" STATE COM	1
OGRID No.	Operator Name	Elevation
14744	MEWBOURNE OIL COMPANY	3740'

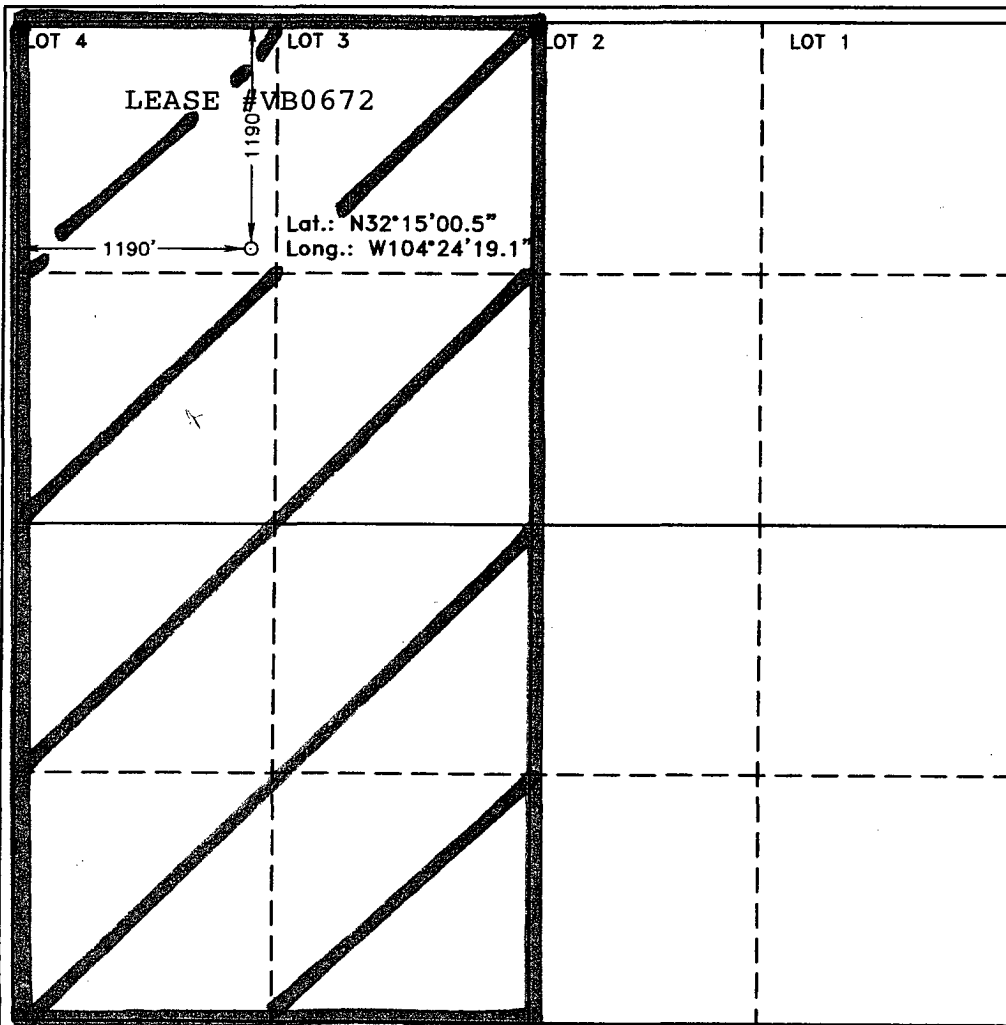
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 4	4	24 S	25 E		1190	NORTH	1190	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 or Infill	Consolidation Code	Order No.						
320.95									

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 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

06/10/05
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
supervision, and that the same is true and
correct to the best of my belief.

JUNE 1, 2005

Date Surveyed

Signature & Seal of
Professional Surveyor

Gary L. Jones
Professional Surveyor
NEW MEXICO
No. 5459
Certification No. Gary L. Jones 7977

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
MEWBOURNE OIL COMPANY

Mosley Canyon 4 St Com #1

1190' FNL & 1190' FWL

Sec 4-T24S-R25E

Eddy County, New Mexico

This plan is submitted with Form C101, 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 red and proposed roads are highlighted in yellow.
- B. **Directions to location: South from Carlsbad, NM on US62/180 approx 5 miles to Dark Canyon road (CR408). Turn right and continue west and south 9 miles. Turn right on lease road and continue north east 0.1 miles to location.**

2. Proposed Access Road:

- A. Approx 450' of new road will be needed. Road will enter location from SE corner.

3. 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.

4. 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.

5. 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.

6. 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.

7. Ancillary Facilities

There are no ancillary facilities within the immediate vicinity of the proposed well site.

8. 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 as per OCD regulations.
- C. The pad dimension of 400' X 250' have been staked and flagged.

9. 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 OCD guidelines. Any additional caliche required for production facilities will be obtained from a source as described in Section 6.

10. Surface Ownership:

The surface is owned by: State of New Mexico

11. Other Information

- A. The primary use of the surface at the location is for grazing of livestock.

12. Operator's Representative:

- A. Through APD approval, drilling operations, completion and production operations:

NM 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: 06/16/05

Signature:

NM Young
by Donati

NM Young
Mewbourne Oil Company
PO Box 5270
Hobbs, NM 88241
(505) 393-5905

Hydrogen Sulfide Drilling Operations Plan

Mewbourne Oil Company
Mosley Canyon 4 St Com #1
1190' FNL & 1190' FWL
Section 4-T24S-R25E
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 Delaware formation.

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

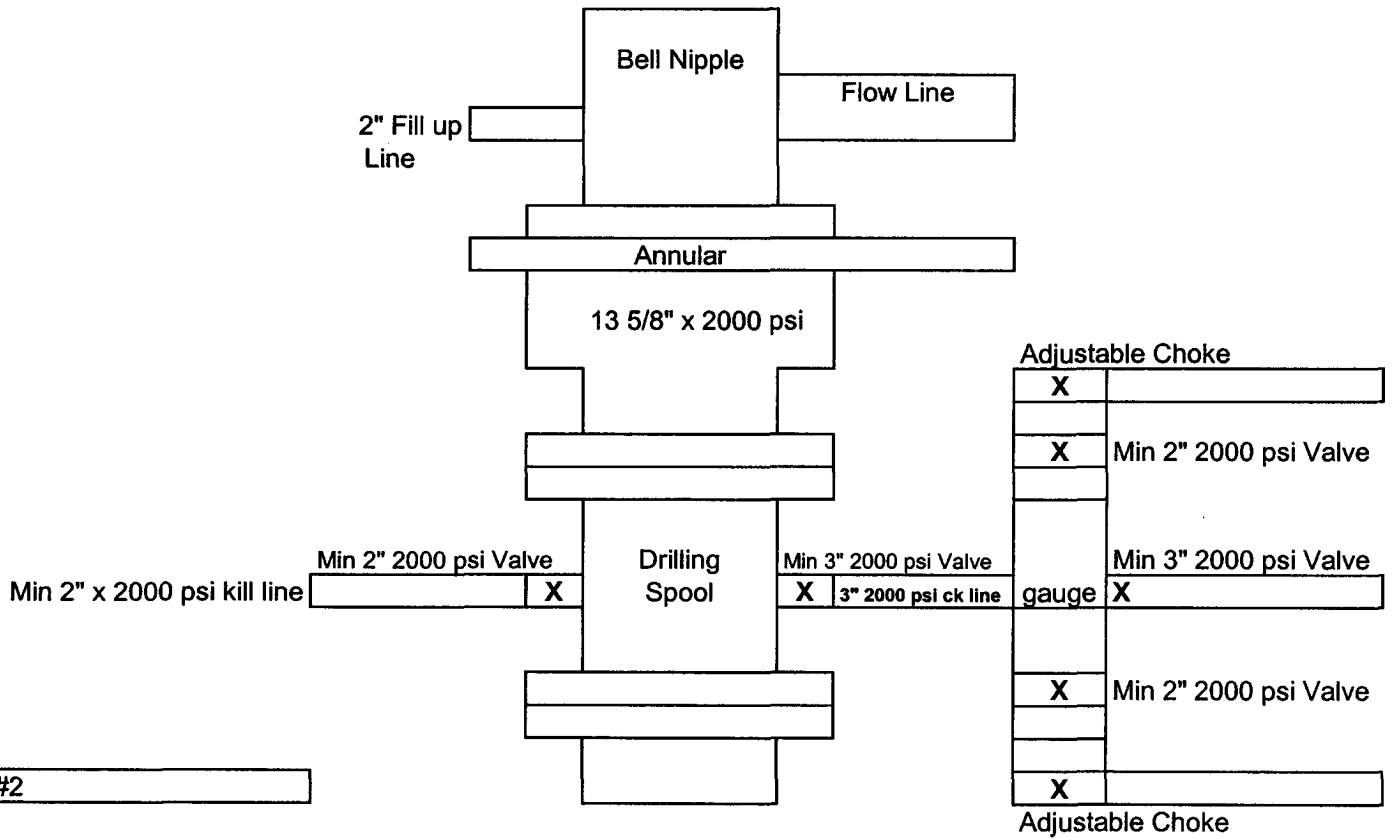


Exhibit #2

Mosley Canyon 4 St Com #1
Sec 4-T24S-R25E
1190' FNL & 1190' FWL
Eddy County, NM

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

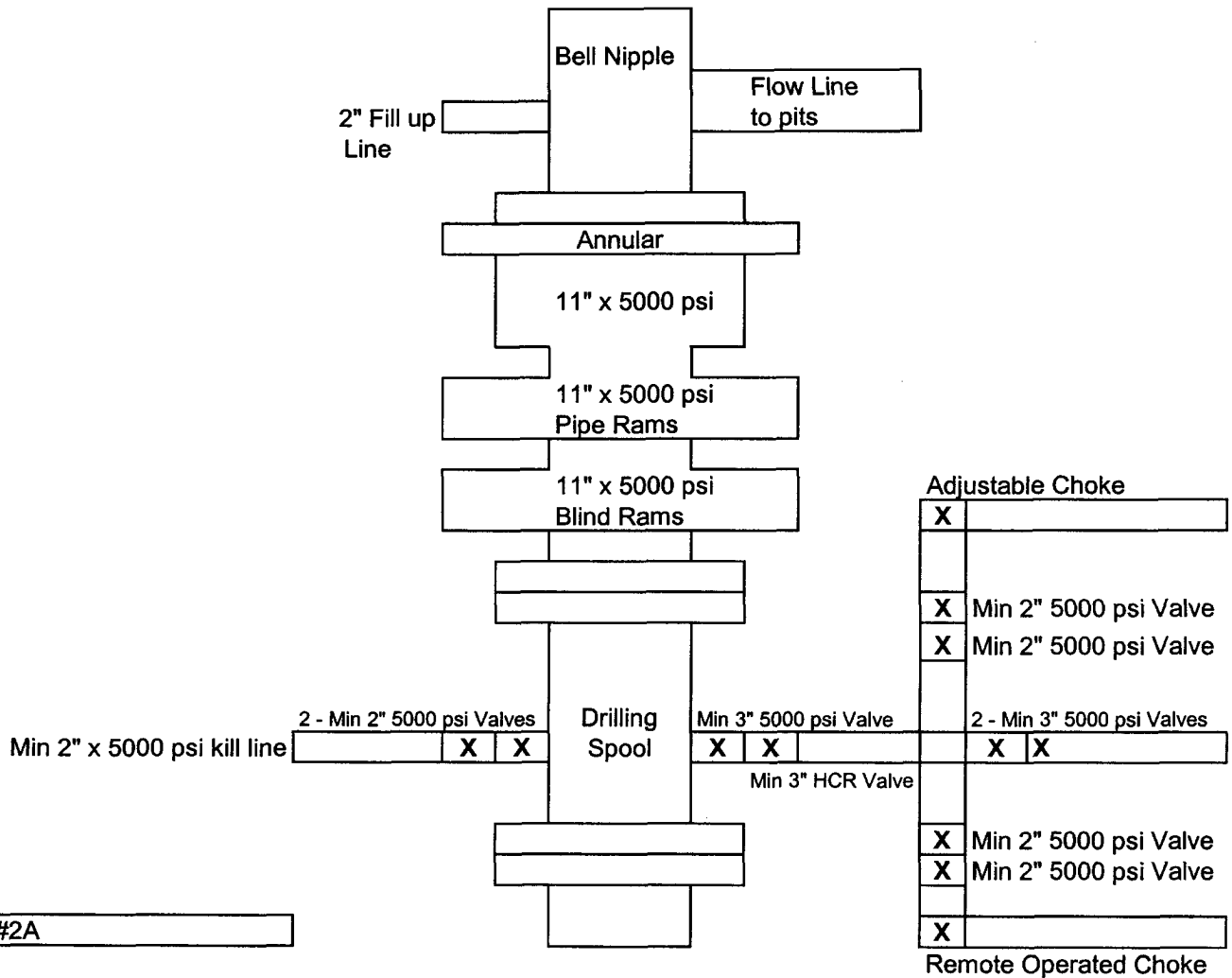
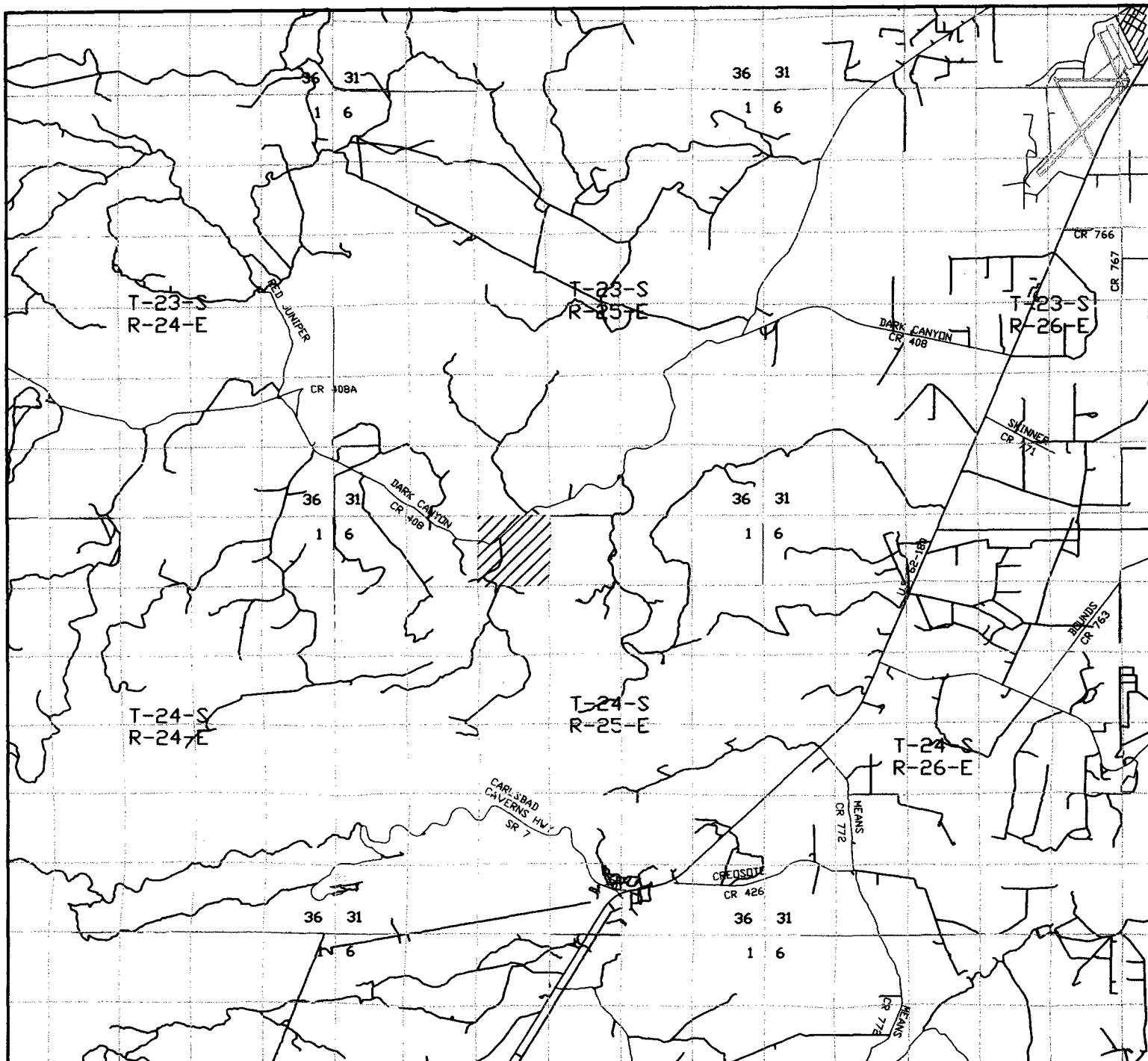


Exhibit #2A

Mosley Canyon 4 St Com #1
Sec 4-T24S-R25E
1190' FNL & 1190' FWL
Eddy County, NM



MOSLEY CANYON "4" STATE COM #1
 Located 1190' FNL and 1190' FWL
 Section 4, Township 24 South, Range 25 East,
 N.M.P.M., Eddy County, New Mexico.

Exhibit 3

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

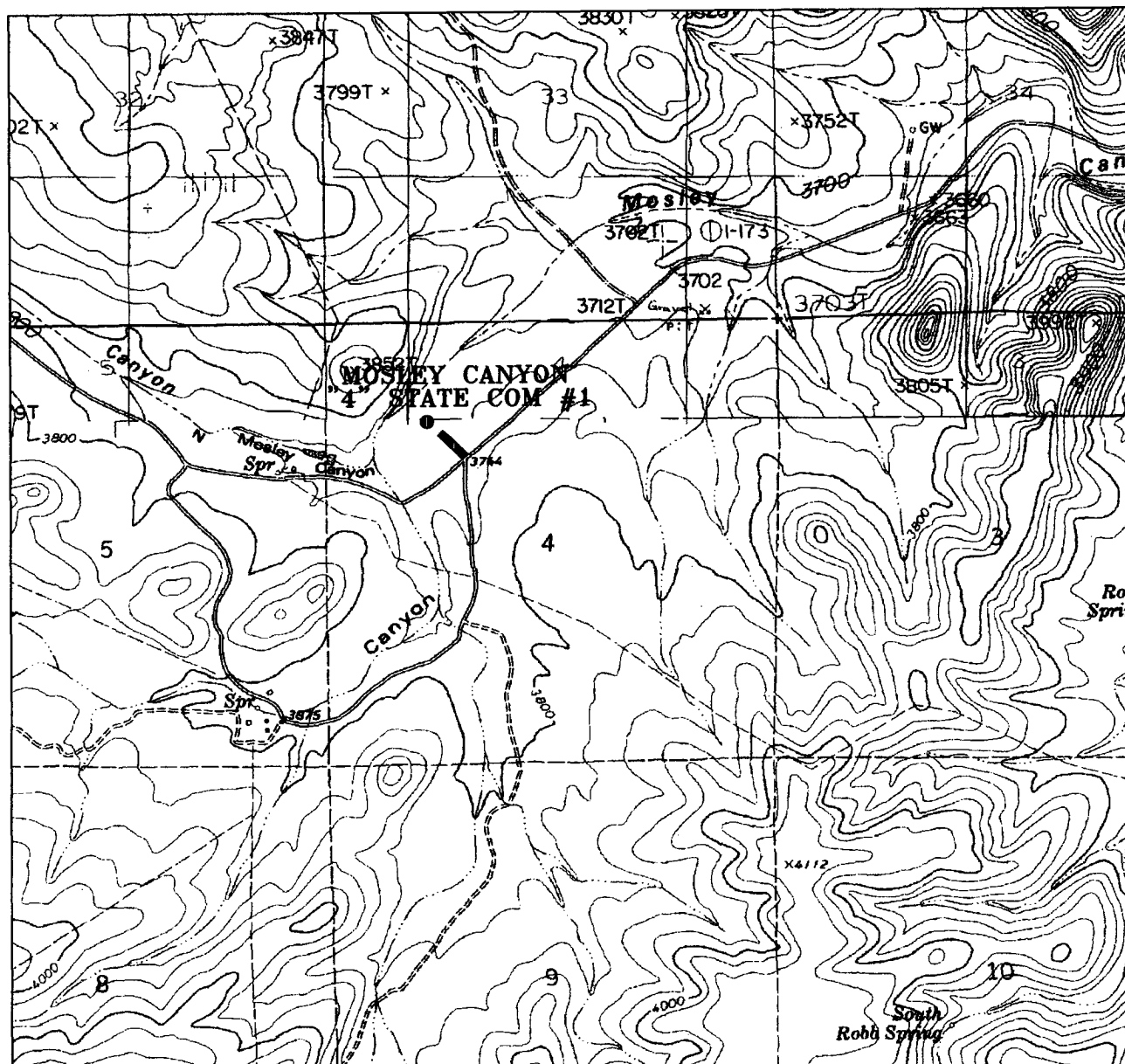
W.O. Number: 5459AA - KJG #7

Survey Date: 06-01-2005

Scale: 1" = 2 MILES

Date: 06-06-2005

MEWBOURNE
OIL CO.



PROP. LEASE ROAD TO THE MOSLEY CANYON "4" STATE COM #1
 Located 1190' FNL and 1190' FWL
 Section 4, Township 24 South, Range 25 East,
 N.M.P.M., Eddy County, New Mexico.

Exhibit 3A

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: 5459BB - KJG #7

Survey Date: 06-01-2005

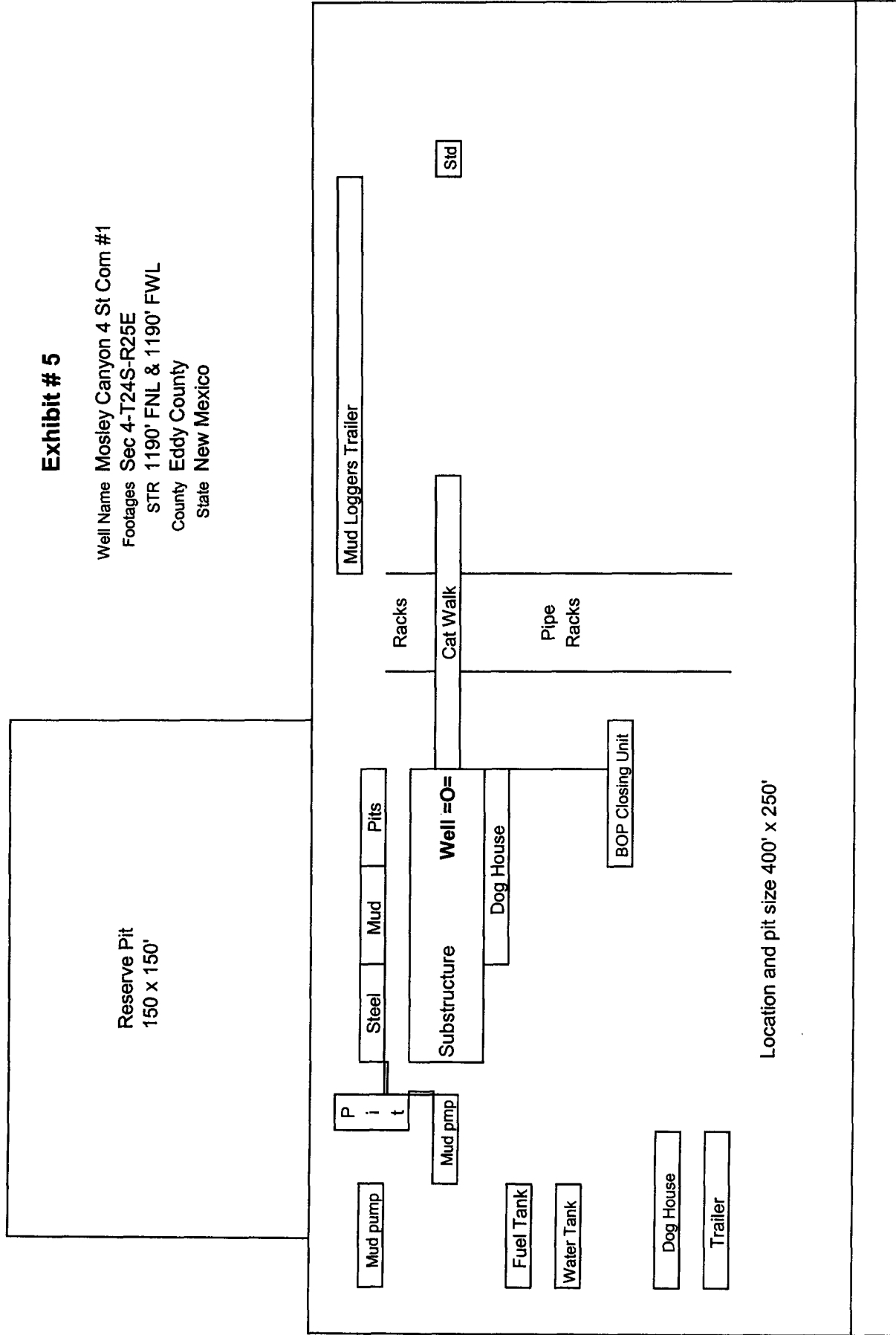
Scale: 1" = 2000'

Date: 06-06-2005

MEWBOURNE
OIL CO.

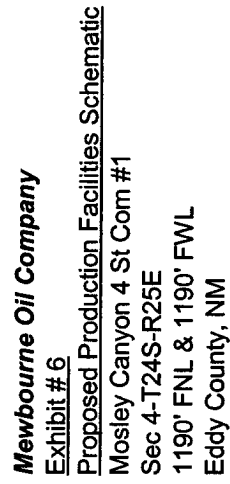
Exhibit # 5

Well Name	Mosley Canyon 4 St Corn #1
Footages	Sec 4-T24S-R25E
STR	1190' FNL & 1190' FWL
County	Eddy County
State	New Mexico



Rig Location Schematic

ales





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 25, 2005
Mewbourne Oil Company
P.O. Box 5270
Hobbs, NM 88240
Attn: Ms. Kristi Young or To Whom It May Concern

**RE: APPLICATION FOR PERMIT TO DRILL
Mosley Canyon 4 State # 1
Section 4, T-24S-R-25-E, 1190' FNL & 1190' FWL
(Surface Location) API # 30-015-34160
Eddy County, New Mexico**

Dear Kristi or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office will need to have the following stipulation (in part) for approval:

Mewbourne Oil Company is to catch mud samples from the flow line in order to determine the chloride content of the drilling mud. Samples are to be taken from surface down to the setting of the intermediate casing setting depth of @ 2400'.

Results of these tests are to be submitted to our office and the Bureau of land Management.

Thank you for your assistance.

Sincerely,

Bryan G. Arrant

PES, District II Artesia NMOCD