Form 3160-3 (September 2001)

New Mexico Oil Conservation Division, District I FORM APPROVED OMB No. 1004-0136 Expires January 31, 2004

6. If Indian, Allottee or Tribe Name

UNITED STATES DEPARTMENT OF THE INTERIOR DIGGENERAL DIGGENERAL BUREAU OF LAND MANAGEMENT

5. Lease Serial No.

٧М9	1 חנ	R

APPLICATION FOR PERMIT TO DRILL OR REI	ENTER
--	-------

						
la. Type of Work: DRILL REENTE	R 🕠	3		7. If Unit or CA Agreem	ent, Name and No.	
		ASP com.	18.3		10-012	
1b. Type of Well: Oil Well Gas Well Other	Ä	Single Zone Mu	tiple Zone	8. Lease Name and Well I Geronimo 30 Federal (· · · · · · · · · · · · · · · · · · ·	
2. Name of Operator	6 f	H-hh-	/ N/ =	9. API Well No.	JOIII #2	
,		/100000	√ 3/**	3D-025-	37LD5	
Mewbourne Oil Company - 14744 3a. Address	3b. Phone N	0. (include area code)	- 0 /-	10. Field and Pool_or Exp		
PO Box 5270 Hobbs, NM 88240	\ \	905 3 2 9 0 5 2 7	// _	North Lusk Molrow	(8782)	
4. Location of Well (Report location clearly and in accordance with		 		11. Sec., T., R., M., or Bl	and Survey or Area	
At surface 1880' FNL & 660' FWL Lot 2 Unit		,	·			
At proposed prod. zone Same				Sec 30-T18S-R32E		
14. Distance in miles and direction from nearest town or post office*				12. County or Parish	13. State	
North From Hobbs approx 15 miles				Lea	NM	
15. Distance from proposed* location to nearest	16. No. of	Acres in lease	17. Spacin	g Unit dedicated to this well		
property or lease line, ft.						
(Also to nearest drig. unit line, if any) 660'	320 19. Propos	ad Danda	320	20. BLM/BIA Bond No. on file		
to nearest well, drilling, completed,	19. Propos	еа Беріп	20. BLM/F	AND DOUGHO. OH THE		
applied for, on this lease, ft. 1320'	12400'		NM1693,	11693, Nationwide		
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approx	ximate date work will	t	23. Estimated duration		
3694' GL	ASAP			45		
	24. Atta	chments		en 0.000 o 600 o	_	
The following, completed in accordance with the requirements of Onsho	ore Oil and Ga	s Order No.1, shall be	attached to this	olog Weles Beeln s form:		
1. Well plat certified by a registered surveyor.		4 Bond to cover	the operation	s unless covered by an exis	ting hand on file (see	
2. A Drilling Plan.		Item 20 above).	s unless covered by an exis	amig bond on the (see	
3. A Surface Use Plan (if the location is on National Forest System	Lands, the	5. Operator certifi				
SUPO shall be filed with the appropriate Forest Service Office).		authorized offi		rmation and/or plans as m	ay be required by the	
25. Signature	Nam	e (Printed/Typed)		Date		
- Ponste gler		Kristi Green		11/08/05		
Title						
Hobbs Regulatory						
Approved by (Signature) /s/ Joe G. Lara	Nam	e (Printed fish ed Joe	G. La	ra Da	* DEC 2 1 200	
Title MANAGER	CARLSBAD FIELD OFFICE					
Application approval does not warrant or certify that the applicant holds operations hereon.	legal or equita	ble title to those rights	in the subject	lease which would entitle th	e applicant to conduct	
operations thereon.			APP	HOVAL FOR	YEAR	

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 false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. *(Instructions on reverse)

DECLARED WATER BASIN CEMENT BEHIND THE 13 18 CASING MUST BE CIRCULATED

General requirements and SPECIAL STIPULATIONS ATTACHED

WITHESS

State of New Mexico

1576

Form C-102 Revised March 17, 1999

Submit to Appropriate District Office

Fee Lease - 3 Copies

State Lease - 4 Copies

Exhibit #1c

2040 South Pacheco, Santa Fe, NM 87505

DISTRICT IV

L CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	Number - 376	D5	Pool Code Shoung Pool Name						
Property					Well Number				
3531	3			GERON	IMO 30 FEDER	RAL COM		2	
OGRID N					Operator Nan	DG .		Eleva	tion
14744				MEWB	OURNE OIL CO	OMPANY		3694	•
<u> </u>	Surface Location								
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	30	18-S	32-E		1880	NORTH	660	WEST	LEA
			Bottom	Hole Lo	cation If Diffe	erent From Sur	face		
UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	Rast/West line	County
Dedicated Acre	Joint o	r Infill Co	nsolidation	Code Or	der No.			<u> </u>	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OD A NON CHANDADE UNITE HAS DEEN ADDROVED BY WITE DIVISION

	VARD UNIT HAS BEEN APPROVED BY I	
LOT 1		OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and betief.
NM 9016		Signature
3696.5' 3695.3' NAD27 LAT.32°43'14.0 N		N.M. Young Printed Name District Manager Title
LONG.103°48'42.2" W		11/18/05 Date SURVEYOR CERTIFICATION
<u>LO7/2</u> X X X X X X X X X X X X X X X X X X X		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
× NM 98189 ×	ZGHRO CHEM GABLIAAO	supervison, and that the same is true and correct to the best of my belief. AUGUST 15, 2005
1.014 1.014	SEOLARD 2 02	Date surveyed Shaganie is Salf of Professional Shageyor C777 A 5
NH QAIQZ		W.O.No/5955A W.O.No/5955A Jones 7977 BASIN SURVEYS

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

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised March 17, 1999

DISTRICT II

Submit to Appropriate District Office

811 South First, Artesia, NM 88210

State Lease - 4 Copies

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

OIL CONSERVATION DIVISION

Pee Lease - 3 Copies

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

2040 South Pacheco Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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API Number	Pool Code	99 Pool Name
		Lusk North
Property Code	Property Name	Well Number
14744	GERONIMO 30 FEDERAL CON	2
OGRID No.	Operator Name	Elevation
14744	MEWBOURNE OIL COMPANY	3694'

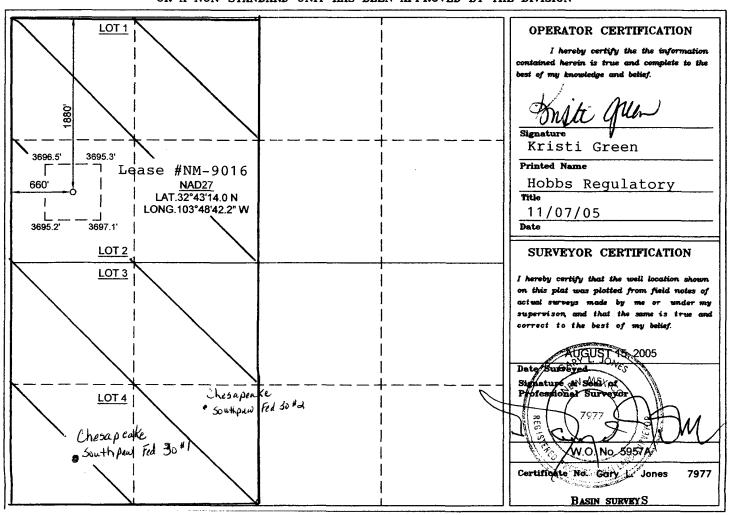
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	30	18-S	32-E		1880	NORTH	660	WEST	LEA

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.				
320									

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



MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Geronimo 30 Federal Com #2 1880' FNL & 660' FWL Sec 30-T18S-R32E Lea 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. 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 From Hobbs from the intersection of Hwy 529 and Maljamar Hwy H126. Go south on H126 approx 7 miles. Turn right on existing lease road. Go 1.4 miles and turn right. Go 4/10 mile and turn left and back to right on new lease road. Continue ½ mile into new location.

2. Proposed Access Road:

- A Approx 3100' of new road will be needed.
- 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.

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MULTI-POINT SURFACE USE AND OPERATIONS PLAN MEWBOURNE OIL COMPANY Geronimo 30 Federal #2

Page 2

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 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.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN MEWBOURNE OIL COMPANY

Geronimo 30 Federal #2 Page 3

- 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:_____11/09/05______ Signature: Fruite Glen for NM yourg

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

Drilling Program Mewbourne Oil Company

Geronimo 30 Federal Com #2 1880' FNL & 660' FWL Section 30-T18S-R32E Lea County, New Mexico

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

Bonespring	6663'
Wolfcamp	9882'
Strawn	10901'
Atoka	11230'
Morrow	11600'



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

Water Below 200'

Hydrocarbons All zones below Delaware

3. Pressure control equipment:

A 2000# working pressure annular BOP will be installed on the 13 %" surface casing. A 5000# WP Double Ram BOP and a 3000# WP Annular will be installed after running 9 5%" 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 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	<u>Casing</u>	Wt/Ft.	Grade Dept	<u>h</u>
17-1/2"	13-3/8"	48#	H40	0-700'
12-1/4"	9-5/8"	40#	N80/J55	0-4500'
8-3/4"	5-1/2"	17#	P110/N80	0-12,400'

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

B. Cementing Program

- i. <u>Surface Casing</u>: 300 sacks Class C light cement containing ½#/sk cellophane flakes, 2% CaCl, 5#/sk gilsonite. 200 sks Class C cement containing 2% CaCl
- iii. <u>Intermediate Casing:</u> 900 sacks 35:65 pozmix cement containing 6% gel, 5#/sack gilsonite. 400 sacks Class C cement containing 2% CaCl.
- iv. Production Casing: 600 sacks Class H cement containing fluid loss additive, friction reducer additive, compressive strength enhancer, and NaCl. Shallower productive zones may be protected by utilizing a multiple stage cementing tool in the production casing below potentially productive zones and cementing with a light cement slurry.

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

5. Mud Program:

Interval	Type System	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss
0'-700'	FW spud mud	8.6-9.4	32-34	NA
700'-4500'	Brine water	10.0-10.2	28-30	NA
4500'-11100'	Cut brine water	8.8-9.2	28-30	NA
11100-12400'	Cut brine water	9.2-9.8	32-42	8-12

(Note: Any Weight Above 8.6#/gallon would be to hold back Wolfcamp shale, rather than abnormal BHP.)

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: 180 degree F

Maximum bottom hole pressure: 9.0 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 45 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 Geronimo 30 Federal Com #2 1880' FNL & 660' FWL Section 30-T18S-R32E Lea 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 Rustler formation @ 900' 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:

- 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.

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.

Hydrogen Sulfide Drilling Operations Plan Mewbourne Oil Company Geronimo 30 Federal Com #2 Page 2

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.

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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.



Notes Regarding Blowout Preventer Mewbourne Oil Company

Geronimo 30 Federal Com #2 1880' FNL & 660' FWL Sec 30-T18S-R32E Lea 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 5000 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 5000 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.



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-9016

Legal Description of Land:

Lot 2, Section 30, T-18S, R-32E Lea County, New Mexico.

Location @ 1880' FNL & 660' FWL.

Formation (if applicable):

Bond Coverage:

\$150,000

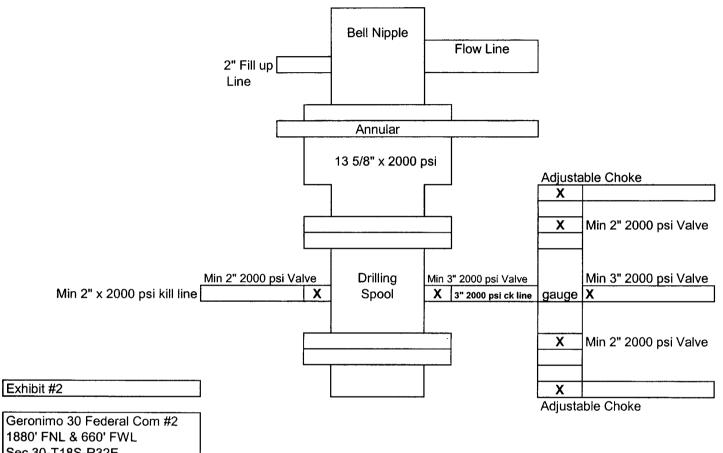
BLM Bond File:

NM1693, Nationwide

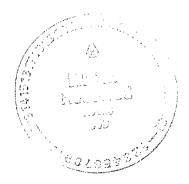
Authorized Signature:

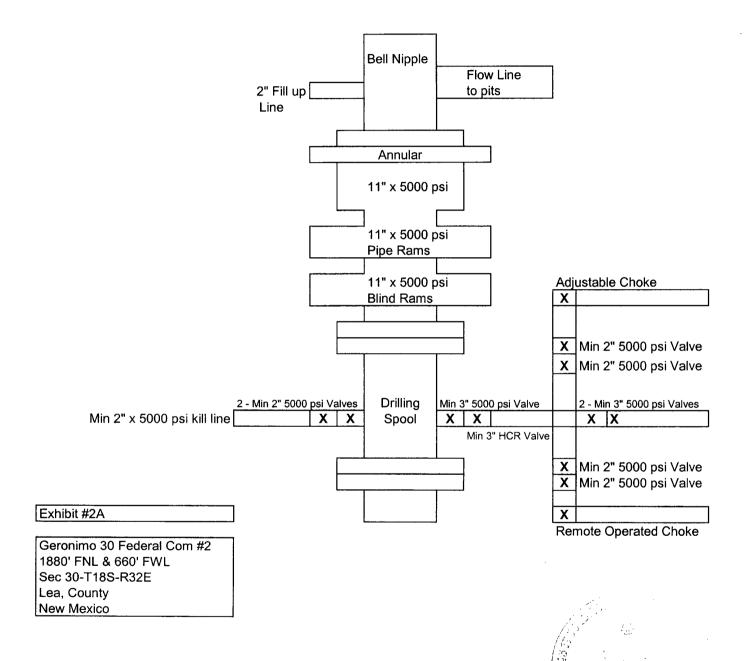
Name: NM (Micky) Young Title: District Manager Date: November 10, 2005

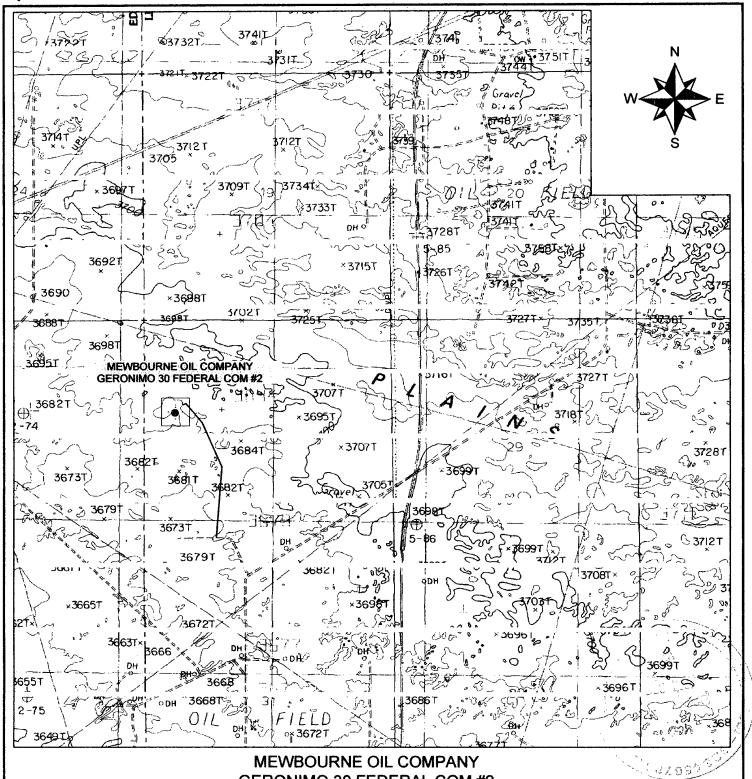
Mewbourne Oil Company **BOP Scematic for** 12 1/4" Hole



Sec 30-T18S-R32E Lea, County New Mexico







GERONIMO 30 FEDERAL COM #2

SECTION 30, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, NEW MEXICO



P.O. Box 1786 1120 West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 - Office (505) 392-2206 - Fax basinsurveys.com

W.O. Number:	C:\DRAWINGS\MEWBOURNE\ MEW5957-1
Survey Date:	NOVEMBER 3, 2005
SCALE:	1"= 2000'
Date:	NOVEMBER 8, 2005

MEWBOURNE OIL **COMPANY**

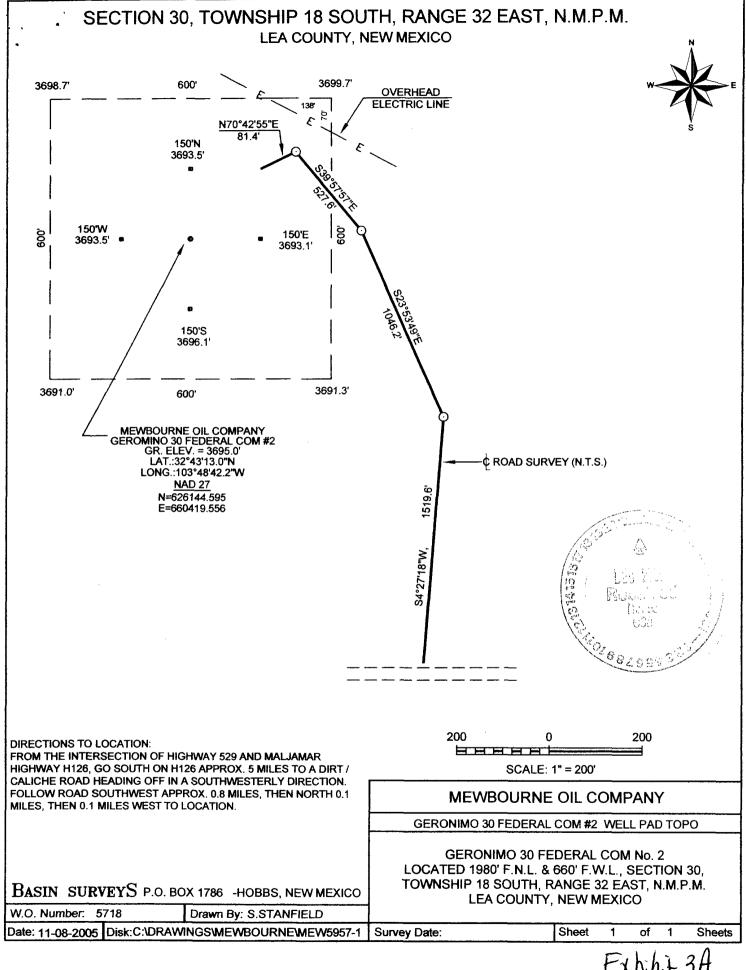


Exhibit #4 Status of Wells in Immediate Vicinity

Mewbourne Oil Company
Geronimo 30 Federal Com #2
1880' FNL & 660' FWL
Sec 30-T18S-R32E
Lea County, New Mexico

Section 30-T18S-R32E

Operator:

Chesapeake Oil Company

Well Name:

Southpaw Federal 30 #1

Unit letter:

M

Status:

Producing

Field:

Shugart Delaware East

Section 30-T18S-R32E

Operator:

Chesapeake Oil Company

Well Name:

Southpaw Federal 30 #2

Unit letter:

N

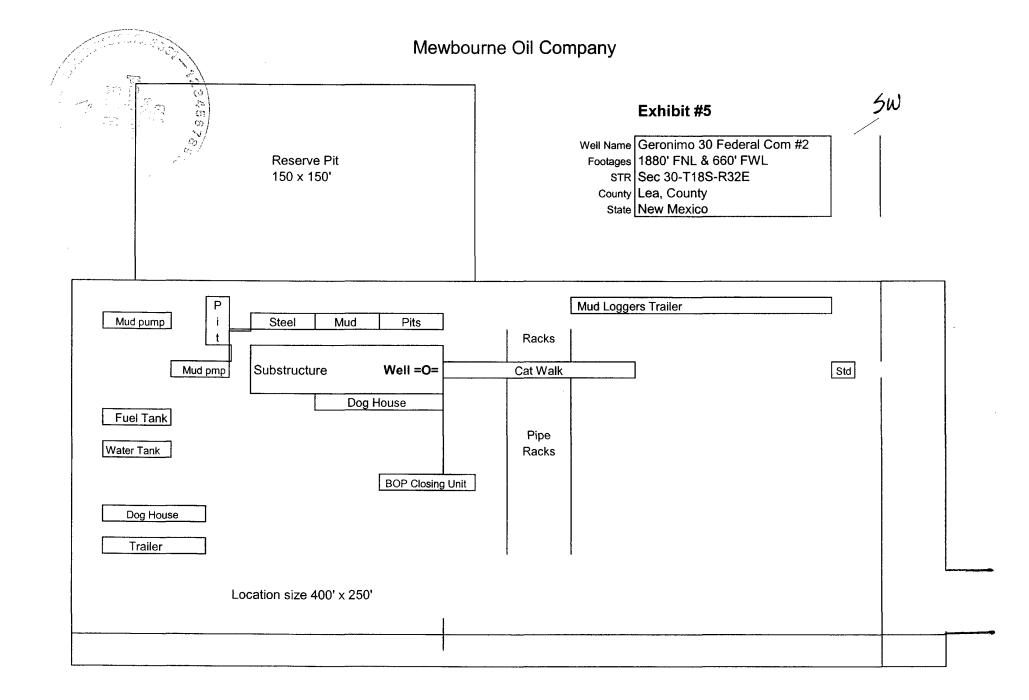
Status:

Producing

Field:

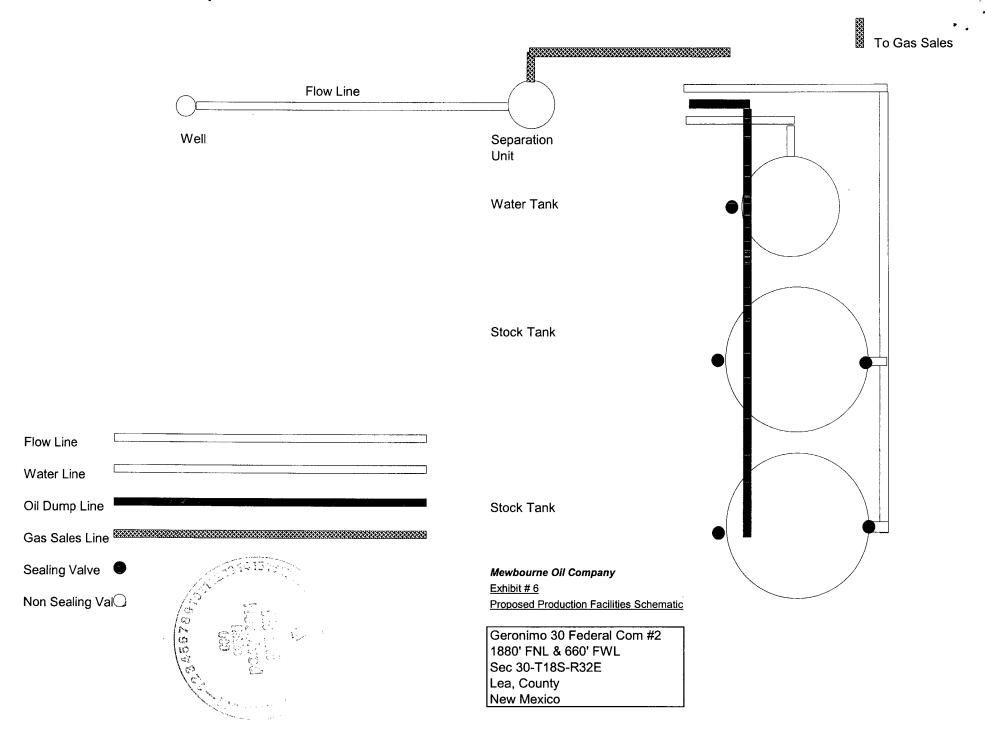
Shugart Delaware North





Rig Location Schematic

Proposed Production Facilities Schematic



SPECIAL DRILLING STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

Operator's Name Mewbourne Oil Company Location 1880 F N L & 660 F W L Sec. Lease No. NM-9016 County Lea	
conditioned upon compliance with such stipulations in ac General Requirements, a copy of which is available from	ble to the above described well and approval of this application to drill is dition to the General Requirements. The permittee should be familiar with the a Bureau of Land Management office. EACH PERMITTEE HAS THE RIGHT ATIONS PURSUANT TO TITLE 43 CRF 3165.3 AND 3165.4.
This permit is valid for a period of one year from the date	e of approval or until lease expiration or termination whichever is shorter.
1. SPECIAL ENVIRONMENT REQUIREMENT	rs .
() San Simon Swale (stips attached)	() Flood plain (stips attached) () Other
II. ON LEASE - SURFACE REQUIREMENTS P	RIOR TO DRILLING
(27 The BLM will monitor construction of this drill site. (505) 393-3612, at least 3 working days prior to commen	Notify the (Carlsbad Field Office at (505) 234-5972 () Hobbs Office cing construction.
(Roads and the drill pad for this well must be surfaced determined to be a producer.	d with 6 inches of compacted caliche upon completion of well and it is
	nstruction of the drill site area will be stockpiled and made available for Irilling operation. Topsoil on the subject location is approximatelyinches terial will be stockpiled for reclamation.
(Nother V-Poor West (Reserv	e juts to the South).
III. WELL COMPLETION REQUIREMENTS	·
() A Communlitization Agreement covering the acreage date of the agreement must be prior to any sales.	e dedicated to the well must be filed for approval with the BLM. The effective
to a slope of 3:1 or less. All areas of the pad not necessar	serve pit(s) will be backfilled when dry, and cut-and-fill slopes will be reduced by for production must be re-contoured to resemble the original contours of the dire-seeded with a drill equipped with a depth indicator (set at depth of ½ inch) Seed (PLS), per acre.
() A. Seed Mixture 1 (Loamy Sites) Side Oats Grama (<i>Bouteloua curtipendula</i>) 5.0 Sand Dropseed (<i>Sporobolus cryptandrus</i>) 1.0	(B. Seed Mixture 2 (Sandy Sites) Sand Dropseed (Sporobolus crptandrus) 1.0 Sand Lovegrass (Eragostis trichodes) 1.0 Plains Bristlegrass (Setaria magrostachya) 2.0
() C. Seed Mixture 3 (Shallow Sites) Side oats Grama (<i>Boute curtipendula</i>) 1.0	() D. Seed Mixture 4 (Gypsum Sites) Alkali Sacaton (Sporobollud airoides) Four-Wing Saltbush (Atriplex canescens) 5.0
() OTHER SEE ATTACHED SEED MIXTURE	
Seeding should be done either late in the fall (September take advantage of available ground moisture.	15 - November 15, before freeze up, or early as possible the following spring to
() Other.	
	in the second of the second

RESERVE PIT CONSTRUCTION STANDARDS

The reserve pit shall be constructed entirely in cut material and lined with 6 mil plastic. Mineral material extracted from within the boundary of the APD during construction of the well pad and reserve pits and be used for the construction of this well pad and its immediate access road only, as long as that portion of the access road it is use on remains on-lease. Removal of any additional material from this location for construction or improvement of other well pads and other access or lease roads must first be purchased from BLM.

<u>Reclamation</u>: Reclamation of this type of deep pit will consist of pushing the pit walls into the pit when sufficiently dry to support track equipment. The pit liner is NOT TO BE RUPTURED to facilitate drying; a ten month period after completion of the well is allowed for drying of the pit contents.

The pit area must be contoured to the natural terrain with all contaminated drilling mud buried with at least 3 feet of clean soil. The reclaimed area will then be seeded as specified in this permit.

OPTIONAL PIT CONSTRUCTION STANDARDS

The reserve pit may be constructed in predominantly fill material if:

- (1) Lined as specified above and
- (2) A temporary or emergency pit may be constructed immediately adjacent to the reserve pit as long as the pit remains within the APD boundary. Mineral material removed from this pit may be used for the construction of this well pad only and its immediate access road, as long as that portion of the access road the material is used on remains on-lease. Removal of any material from the APD boundary for use on other well locations or roads must first be purchased from BLM.

Reclamation of the reserve pit consists of bulldozing all reserve pit contents and contaminants into the borrow pit and covering with a minimum of 3 feet of clean soil material. The entire area must be recontoured, all trash removed, and reseeded as specified in this permit.

CULTURAL

Whether or not an archaeological survey has been completed and notwithstanding that operations are being conducted as approved, the lessee/operator/grantee shall notify the BLM immediately if previously unidentified cultural resources are observed during surface disturbing operations. From the time of the observation, the lessee/operator/grantee shall avoid operations that will result in disturbance to these cultural resources until directed to processed by BLM.

TRASH PIT STIPS

All trash, junk, and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

PRAIRIE CHICKENS

No surface use is allowed during the following time periods; unless otherwise specified, this stipulation does not apply to operation and maintenance of production facilities.

On the lands described below:

1. 185., R. 32E Sec. 30: AU

For the purpose of: Protecting Prairie Chickens:

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in Lesser Prairie Chicken Habitat during the period of March 15 through June 15, each year. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 a.m. and 9:00 a.m. The 3:00a.m. and 9:00a.m. restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during the period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on exixting roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not toexceed 75 db measured at 30 feet from the source of the noise.

Bureau of Land Management Roswell/Carlsbad Field Offices

SENM-S-22 December 1997

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Mewbourne Oil Company Well No. 2 - Geronimo 30 Federal Com.

Location: <u>1880' FNL & 660' FWL</u> sec. <u>30, T. 18 S., R. 32 E.</u>

Lease: <u>NM-9016</u>

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at (505) 393-3612 in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 13-3/8 inch 9-5/8 inch 5-1/2 inch

C. BOP tests

- 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 <u>Delaware</u> formation. A copy of the plan shall be posted at the drilling site.
- 5. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

II. CASING:

- 1. 13-3/8 inch surface casing should be set at approximately 940 feet in the top of the Rustler Anhydrite or per the attached ALTERNATIVE CONDITIONS OF APPROVAL DRILLING, below usable water and circulate cement to the surface. If cement does not circulate to the surface the Hobbs BLM office shall be notified 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 <u>9-5/8</u> inch intermediate casing is <u>sufficient to circulate to the surface per the attached ALTERNATIVE CONDITIONS OF APPROVAL DRILLING.</u>
- 3. Minimum required fill of cement behind the <u>5-1/2</u> inch production casing is <u>sufficient to tie back 500 feet above</u> the uppermost perforation in the pay zone.

III. PRESSURE CONTROL:

- 1. Before drilling below the 13-3/8 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 9-5/8 inch 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 $\underline{13-3/8}$ inch surface casing, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be $\underline{2000}$ psi. Before drilling below the $\underline{9-5/8}$ inch intermediate casing, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be $\underline{5000}$ psi.

CONDITIONS OF APPROVAL - DRILLING (CONTINUED)

Operator's Name: Mewbourne Oil Company Well No. 2 - Geronimo 30 Federal Com.

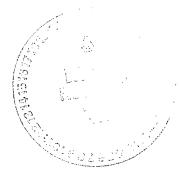
Location: <u>1880' FNL & 660' FWL</u> sec. <u>30</u>, T. <u>18 S.</u>, R. <u>32 E.</u>

Lease: NM-9016

- 3. After setting the <u>9-5/8</u> inch intermediate casing string and before drilling into the <u>Wolfcamp</u> formation, the BOPE shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
- A. The Hobbs BLM office shall be notified at (505) 393-3612 in sufficient time for a representative to witness the tests.
- B. The tests shall be done by an independent service company.
- C. The results of the test shall be reported to the BLM Hobbs Office at 414 West Taylor, Hobbs, New Mexico 88240.
- D. 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.
- E. Testing must be done in a safe workman like manner. Hard line connections shall be required.

IV. DRILLING MUD:

- 1. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the <u>Wolfcamp</u> formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:
- A. Recording pit level indicator to indicate volume gains and losses.
- B. Flow-sensor on the flow-line to warn of abnormal mud returns from the well.



ALTERNATIVE CONDITIONS OF APPROVAL - DRILLING

Drilling Fluids, Casing and Cementing Requirements for Most of Lea County:

Casing and Cementing

Surface casing is to be set at a sufficient depth to protect useable water zones and cement circulated to surface. In areas where the salt section (Salado) is present, surface casing should be set at least 25 feet into the top of the Rustler Anhydrite and cement circulated to the surface.

As an alternative, surface casing may be set through the Santa Rosa Formation or other potable water bearing zones and circulate cement to surface. For wells requiring an intermediate casing string, such string shall be cemented to the ground surface. In the case where intermediate casing is not required the operator shall case and cement the production hole to the ground surface.

While drilling from the surface casing to the Rustler formation it is recommended that operators periodically sweep the hole with viscous low water loss pills to help build a filter cake across useable water zones in the redbeds.

Drilling Fluid

Fresh water or fresh water spud mud shall be used to drill to surface casing depth. If surface casing is set at a lesser depth than the top of the Rustler formation, fresh water spud mud must be used to drill down to the first salt in the Rustler Formation after which brine or fresh water may be used.

Non-toxic or biodegradable water based polymers, drilling paper, starch and gels may be used in the mud system in order to retard seepage into the redbeds.

Two to five percent diesel or crude oil may be used in the redbed section in order to control heaving shales and mudstones.

Caustics and Lime shall not be used in the red beds but may be added when the Rustler formation is reached. However, sodium carbonate maybe used for alkalinity or ph control while drilling the redbeds above the Rustler formation.

Additionally, questions of whether an additive may be used should be referred to the Roswell Field office.



BLM Serial Number: NM-9016

Company Reference: Mewbourne 0il Company Well No. & Name: 2-Geronimo 30 Fed. Com.

STANDARD STIPULATIONS FOR PERMANENT RESOURCE ROADS CARLSBAD FIELD OFFICE

A copy of the grant and attachments, including stipulations and map, will be on location during construction. BLM personnel may request to view a copy of your permit during construction to ensure compliance with all stipulations.

The holder/grantee/permittee shall hereafter be identified as the holder in these stipulations. The Authorized Officer is the person who approves the Application for Permit to Drill (APD) and/or Right-of-Way (ROW).

GENERAL REQUIREMENTS

- A. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- B. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et. seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.
- C. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et. seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et. seq.) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way holder's activity on the right-of-way). This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
- D. If, during any phase of the construction, operation, maintenance, or termination of the road, any oil or other pollutant should be discharged, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil of other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all

damages to Federal lands resulting therefrom, the Authorized

Officer may take such measures as deemed necessary to control and cleanup the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any liability or responsibility.

E. The holder shall minimize disturbance to existing fences and other improvements on public domain surface. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times.

The holder will make a documented good-faith effort to contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence.

F. The Holder shall ensure that the entire right-of-way, including the driving surface, ditching and drainage control structures, road verges and any construction sites or zones, will be kept free of the following plant species: Malta starthistle, African rue, Scotch thistle and salt cedar.

Holder agrees to comply with the following stipulations:

ROAD WIDTH AND GRADE

The road will have a driving surface of 14 feet (all roads shall have a minimum driving surface of 12 feet, unless local conditions dictate a different width). The maximum grade is 10 percent unless the box below is checked. Maximum width of surface disturbance from construction will be 30 feet.

/__/ Those segments of road where grade is in excess of 10% for more than 300 feet shall be designed by a professional engineer.

2. CROWNING AND DITCHING

Crowning with materials on site and ditching on one side of the road on the uphill side will be required. The road cross-section will conform to the cross section diagrams in Figure 1. If conditions dictate, ditching may be required for both sides of the road; if local conditions permit, a flat-bladed road may be considered (if these conditions exist, check the appropriate box below). The crown shall have a grade of approximately 2% (i.e., 1" crown on a 12' wide road).

Ditching will be required on both sides of the roadway as shown on the attached map or as staked in the field.

/__/ Flat-blading is authorized on segment(s) delineated on the attached map.

3. DRAINAGE

Drainage control shall be ensured over the entire road through the use of borrow ditches, outsloping, insloping, natural rolling topography, lead-off (turnout) ditches, culverts, and/or drainage dips.

A. All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval for lead-off ditches shall be determined according to the following table, but may be amended depending upon existing soil types and centerline road slope (in %):

SPACING INTERVAL FOR TURNOUT DITCHES

Percent slope Spacing interv	
0% - 4%	400' - 150'
4% - 6%	250' - 125'
6% - 8%	200' - 100'
8% - 10%	150' - 75'

A typical lead-off ditch has a minimum depth of 1 foot below and a berm 6 inches above natural ground level. The berm will be on the down-slope side of the lead-off ditch. The ditch end will tie into vegetation whenever possible.

For this road the spacing interval for lead-off ditches shall be at

/_x_/	400 foot intervals.
<u></u>	foot intervals.
<u></u>	locations staked in the field as per spacing intervals above.
 //	locations delineated on the attached map.

- B. Culvert pipes shall be used for cross drains where drainage dips or low water crossings are not feasible. The minimum culvert diameter must be 18 inches. Any culvert pipe installed shall be of sufficient diameter to pass the anticipated flow of water. Culvert location and required diameter are shown on the attached map (Further details can be obtained from the Roswell District Office or the appropriate Resource Area Office).
- C. On road slopes exceeding 2%, drainage dips shall drain water into an adjacent lead-off ditch. Drainage dip location and spacing shall be determined by the formula:

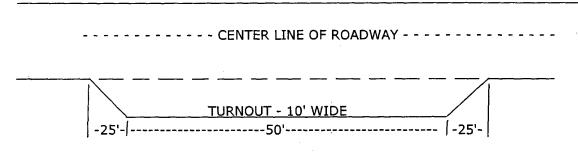
spacing interval =
$$\frac{400'}{\text{road slope in }\%}$$
 + 100'

Example: 4% slope: spacing interval = 400 + 100 = 200 feet



4. TURNOUTS

Unless otherwise approved by the Authorized Officer, vehicle turnouts will be required. Turnouts will be located at 2000-foot intervals, or the turnouts will be intervisible, whichever is less. Turnouts will conform to the following diagram:



STANDARD TURNOUT - PLAN VIEW

5. SURFACING

Surfacing of the road or those portions identified on the attached map may, at the direction of the Authorized Officer, be required, if necessary, to maintain traffic within the right-of-way with caliche, gravel, or other surfacing material which shall be approved by the Authorized Officer. When surfacing is required, surfacing materials will be compacted to a minimum thickness of six inches with caliche material. The width of surfacing shall be no less

than the driving surface. Prior to using any mineral materials from an existing or proposed Federal source, authorization must be obtained from the Authorized Officer.

A sales contract for the removal of mineral materials (caliche, sand, gravel, fill dirt, etc.) from an authorized pit, site, or on location must be obtained from the BLM prior to using any such mineral material from public lands. Contact the BLM solid minerals staff for the various options to purchase mineral material.

6. CATTLEGUARDS

Where used, all cattleguard grids and foundation designs and construction shall meet the American Association of State Highway and Transportation Officials (AASHTO) Load Rating H-20, although AASHTO U-80 rated grids shall be required where heavy loads (exceeding H-20 loading), are anticipated (See BLM standard drawings for cattleguards). Cattleguard grid length shall not be less than 8 feet and width of not less than 14 feet. A wire gate (16-foot minimum width) will be provided on one side of the cattleguard unless requested otherwise by the surface user.



7. MAINTENANCE

The holder shall maintain the road in a safe, usable condition. A maintenance program shall include, but not be limited to blading, ditching, culvert installation, culvert cleaning, drainage installation, cattleguard maintenance, and surfacing.

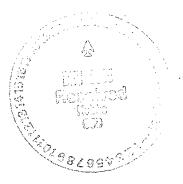
8. PUBLIC ACCESS

Public access along this road will not be restricted by the holder without specific written approval being granted by the Authorized Officer. Gates or cattleguards on public lands will not be locked or closed to public use unless closure is specifically determined to be necessary and is authorized in writing by the Authorized Officer.

9. CULTURAL RESOURCES

Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the authorized officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the authorized officer after consulting with the holder.

10. SPECIAL STIPULATIONS: No~



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 Fc, NM 87505

State of New Mexico Energy Minerals and Natural Resources

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

Form C-144 March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fc office

Pit or Below-Grade Tank Registration or Closure				
Is pit or below-grade tank covered by a "general plan"? Yes \(\) No \(\) Type of action: Registration of a pit or below-grade tank \(\) Closure of a pit or below-grade tank \(\)				
type of action: Registration of a piro	i iciow-grade talik pa Crosure or a pie or notive grade			
Operator:Mewbourne Oil CompanyTelephone:505-393-5905e-mail address:kgreen@mewbourne.com				
Address:PO Box 5270Hobbs, NM 88240 Facility or well name:Geronimo 30 Federal Com #2	API #30-025-3164/R or Qtr/Qtr_	Lot 2Sec_30T18SR32E		
County: Lea Latitude 32-43-14.0N Longitude W103-48-42.2 NAD: 1927 X 1983				
Surface Owner Federal X State Private Indian				
Pit	Below-grade tank			
Type: Drilling 🔀 Production 🗌 Disposal 🔲	Volume:bbl Type of fluid:			
Workover ☐ Emergency ☐	Construction material:			
Lined X Unlined	Double-walled, with leak detection? Yes [If not, explain why not.			
Liner type: Synthetic Thickness_12_mil Clay Volume				
_24,000bbi				
	Less than 50 feet	(20 points)		
Depth to ground water (vertical distance from bottom of pit to seasonal high	50 feet or more, but less than 100 feet	(10 points)		
water elevation of ground water.)	100 feet or more x	(Opoints) X		
	Yes	(20 points)		
Wellhead protection area: (Less than 200 feet from a private domestic	No X	(0 points) X		
water source, or less than 1000 feet from all other water sources.)	100 %	(o pointly)		
Pilaton and a surface contain. Continued Sinterna to all continued miles as	Less than 200 feet	(20 points)		
Distance to surface water: (horizontal distance to all wetlands, playas,	200 feet or more, but less than 1000 feet	(10 points)		
irrigation canals, ditches, and perennial and ephemeral watercourses.)	1000 feet or more X	(Operats) X		
	Ranking Score (Total Points)	0 points		
If this is a pit closure: (1) attach a diagram of the facility showing the pit's				
onsite Offsite If offsite, name of facility				
date. (4) Groundwater encountered: No 🗌 Yes 🔲 If yes, show depth belo	w ground surfaceft. and attach sample	results. (5). Attach soil sample results and a		
diagram of sample locations and excavations.				
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines a general permit , or an (attrebed) alternative OCD-approved plan . Date: 11/10/05				
Printed Name/Title_Kristi Green / Hobbs Regulatory Asst Signature				
Your certification and NMOCD approval of this application/closure does not otherwise endanger public health or the environment. Nor does it relieve the regulations.	relieve the operator of liability should the contents of	the pit or tank contaminate ground water or		
Approval: Date: 13/29/05 Printed Name/Title CHRIS WILLIAMS - DIST, Su	Bignature Mus Will	Came		