

OCC-HOBBS

6-06-52

Cody

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

| | | |
|---|---|---|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. NM-9016 |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator Mewbourne Oil Company - 14744 | | 7. If Unit or CA Agreement, Name and No. |
| 3a. Address PO Box 5270 Hobbs, NM 88240 | | 8. Lease Name and Well No. <i>(25313)</i> Geronimo 30 Federal #3 |
| 3b. Phone No. (include area code) <i>(14744)</i> 505-393-5905 | | 9. API Well No. 30-D25-37988 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <i>2086'</i> FNL & 1515' FWL Unit F At proposed prod. zone <i>1412' FWL</i> per attached SN dated 6/16/06 | | 10. Field and Pool, or Exploratory Lusk BoneSpring <i>North</i> |
| 11. Sec., T., R., M., or Blk. and Survey or Area Sec 30-T18S-R32E | | 12. County or Parish Lea |
| 13. State NM | | |
| 14. Distance in miles and direction from nearest town or post office* 12 miles from Loco Hills, NM | 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1515' | 16. No. of Acres in lease 160 |
| 17. Spacing Unit dedicated to this well 40 | 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 852' | 19. Proposed Depth 9400' |
| 20. BLM/BIA Bond No. on file NM1693, Nationwide | 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3690' GL | 22. Approximate date work will start* ASAP |
| 23. Estimated duration 30 | 24. Attachments Capitan Controlled Water Basin | |

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

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

| | | |
|--|---|---------------------|
| 25. Signature <i>Kristi Green</i> | Name (Printed/Typed) Kristi Green | Date 04/18/06 |
| Title Hobbs Regulatory | | |
| Approved by (Signature) <i>/s/ Russell E. Sorensen</i> | Name (Printed/Typed) <i>/s/ Russell E. Sorensen</i> | Date JUN 28 2006 |
| Title ACTING FIELD MANAGER | Office CARLSBAD FIELD OFFICE | |

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Witness Surface Casing.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE** Other Instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Mewbourne Oil Company 14744

3a. Address

PO Box 5270 Hobbs, NM 88240

3b. Phone No. (include area code)

505-393-5905

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)

1980' FNL & 1515' FWL Unit F Sec 30-T18S-R32E

5. Lease Serial No.

NM-9016

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Geronimo 30 Federal #3

9. API Well No.

30-025-37988

10. Field and Pool, or Exploratory Area

Lusk Bone Springs

11. County or Parish, State

Lea County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☒ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other MOVINGLOCATION

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)


Mewbourne Oil Company sent in an APD for the above captioned well originally staked at 1980' FNL & 1515' FWL. This location required a Wildlife and Enviromental Lizard Survey. After survey was completed by Mr. Quincy Northrip (Herpetologist), Mr. Steve Bird with the BLM in Carlsbad recommended and approved the following: MOVING LOCATION TO 2086' FNL & 1412' FWL. A new C102 is attached. If you have any questions, please call Micky Young at (505) 393-5905.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Kristi Green

Title Hobbs Regulatory

Signature



Date 06/16/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACTING

Approved by (Signature)

/S/ Russell E. Sorensen

/S/ Russell E. Sorensen
(Printed/Typed)

FIELD MANAGER

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject land which would entitle the applicant to conduct operations thereon.

Office

Date

CARLSBAD FIELD OFFICE

JUN 28 2006

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on next page)

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

Form C-102
Revised October 12, 2005

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Received
Hobbs
OCD

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|---|--|
| API Number 30-025-37988 | Pool Code 4145D | Pool Name Lusk Bone Spring North |
| Property Code 35313 | Property Name GERONIMO "30" FEDERAL | Well Number 3 |
| OGRID No. 14744 | Operator Name MEWBOURNE OIL COMPANY | Elevation 3689' |

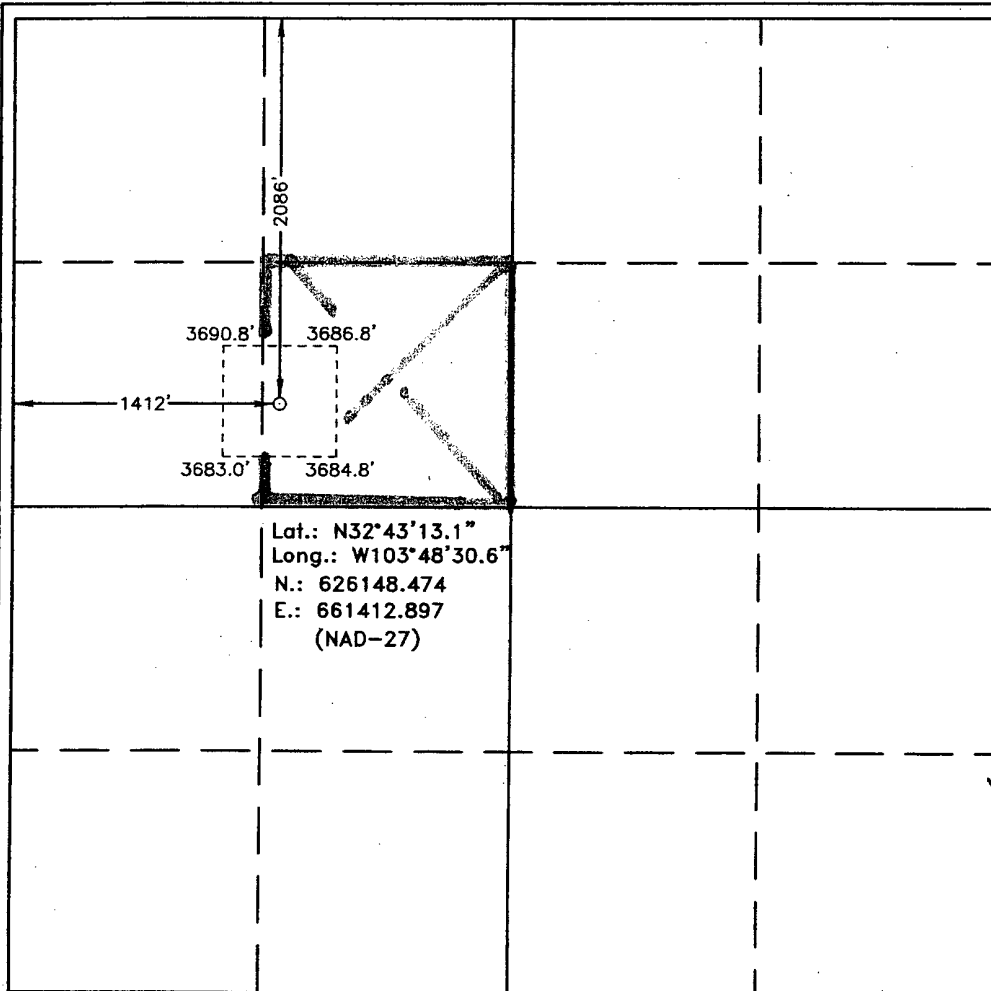
Surface Location

| | | | | | | | | | |
|---------------------------|----------------------|-------------------------|----------------------|---------|------------------------------|----------------------------------|------------------------------|-------------------------------|----------------------|
| UL or lot No. F | Section 30 | Township 18 S | Range 32 E | Lot Idn | Feet from the 2086 | North/South line NORTH | Feet from the 1412 | East/West line WEST | County 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 40 | Joint or Infill | Consolidation Code | Order No. NSL-5382 | | | | | | |

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 contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Kristi Green 6/15/06
Signature Date

Kristi Green

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.

JUNE 12, 2006

Date Surveyed

Signature & Seal of
Professional Surveyor

Gary L. Jones

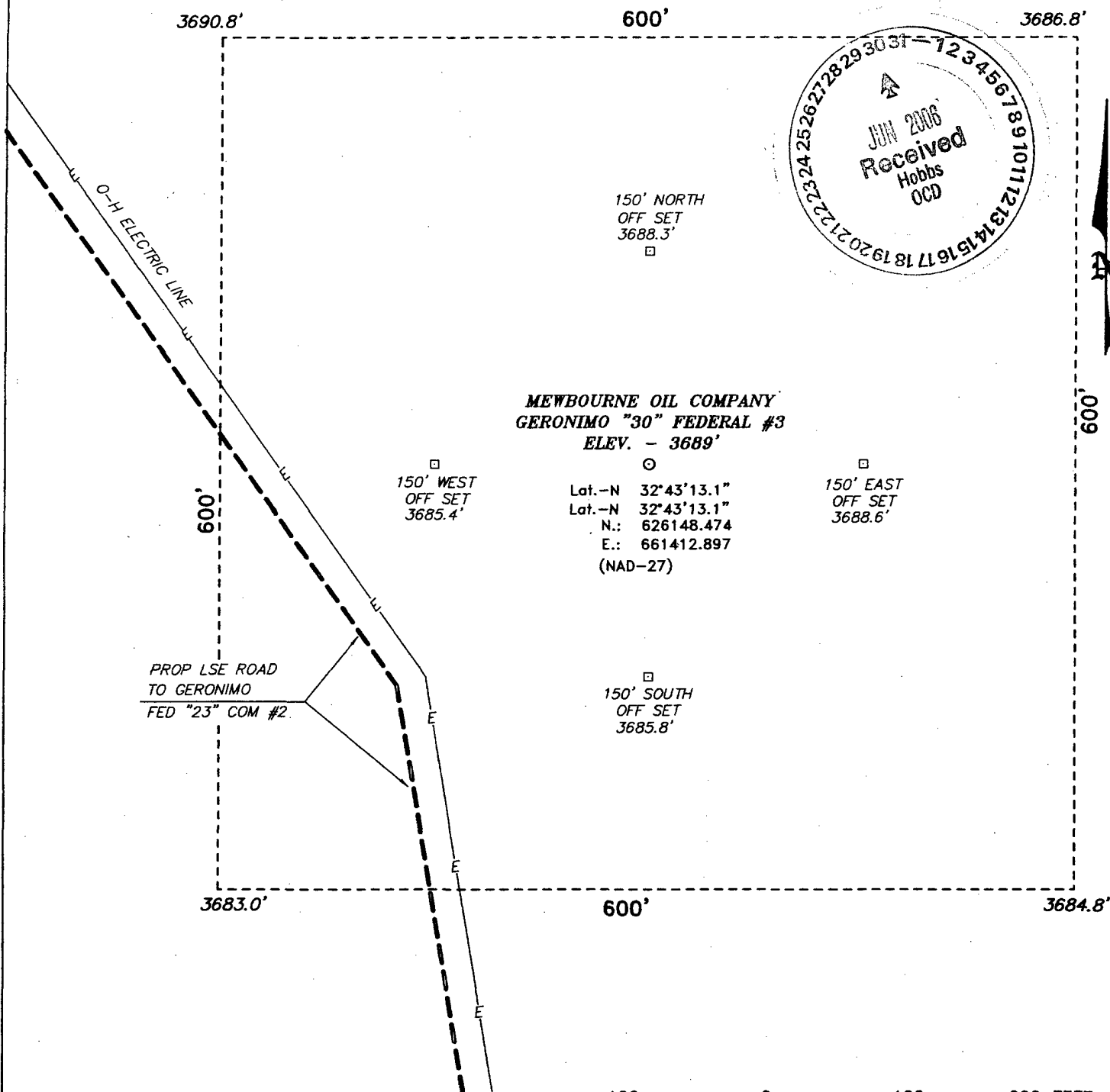
W.O. No. 677

Certificate No. Gary L. Jones

7977

PROFESSIONAL LAND SURVEYORS

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



PROP LSE ROAD
TO GERONIMO
FED "23" COM #2

MEWBOURNE OIL COMPANY
GERONIMO "30" FEDERAL #3
ELEV. - 3689'

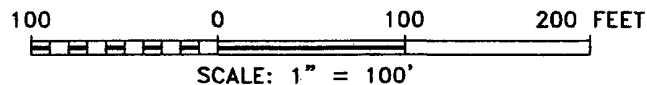
Lat.-N 32°43'13.1"
Lat.-N 32°43'13.1"
N.: 626148.474
E.: 661412.897
(NAD-27)

150' EAST
OFF SET
3688.6'

150' SOUTH
OFF SET
3685.8'

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 529 AND C.R.
126 (MALJAMAR HWY), GO SOUTHWEST ON C.R. 126
5.0 MILE; THENCE SOUTHWEST FOR APPROX 0.8 MILE
TO PROPOSED LEASE ROAD.



BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 6772 Drawn By: J. SMALL

Date: 06-13-2006 Disk: JMS 6772W

MEWBOURNE OIL COMPANY

REF: GERONIMO "30" FED #3 / WELL PAD TOPO

THE GERONIMO "30" FED #3 LOCATED 2086'

FROM THE NORTH LINE AND 1412' FROM THE WEST LINE OF
SECTION 30, TOWNSHIP 18 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 06-12-2006 Sheet 1 of 1 Sheets

Drilling Program
Mewbourne Oil Company
Geronimo 30 Federal #2
330' FSL & 1930' FWL
Sec 30-T18S-R32E
Lea County, New Mexico



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

| | |
|--------------|-------|
| Rustler | 952' |
| Salado | 1120' |
| Yates | 2462' |
| Seven Rivers | 2895' |
| Queen | 3625' |
| Penrose | 3854' |
| Grayburg | 4280' |
| Delaware | 4785' |
| Bone Spring | 6663' |
| TD | 9400' |

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

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

3. Pressure control equipment:

A 2000 psi working pressure annular BOP will be installed on the 13 3/8" surface casing. A 3000 psi WP Double Ram BOP and a 3000 psi WP Annular will be installed after running 8 5/8" casing. Pressure tests will be conducted prior to drilling out under all casing strings. BOP controls will be installed prior to drilling under surface casing and will remain in use until completion of drilling operations. BOP's will be inspected and operated as recommended in Onshore Order #2 to insure mechanical integrity and the inspection will be recorded on the daily drilling report. Kelly cock and a sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position when the kelly is not in use.

4. Proposed casing and cementing program:

A. Casing Program:

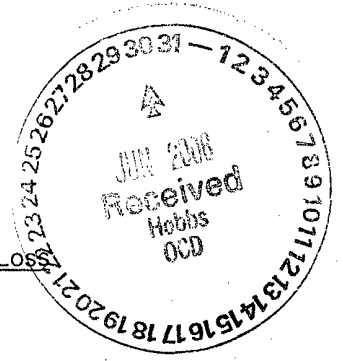
| <u>Hole Size</u> | <u>Casing</u> | <u>Wt/Ft.</u> | <u>Grade</u> | <u>Depth</u> |
|------------------|---------------|---------------|--------------|--|
| 17 1/2" | 13 3/8" | 48# | H40 | 0-500' (Lea County alternative conditions of approval) |
| 12 1/4" | 8 5/8" | 32# | J55 | 0-2500' |
| 7 7/8" | 5 1/2" | 17# | L80 & J55 | 0-9400' |

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

B. Cementing Program

- i. Surface Casing: 400 sacks Class C light cement containing 1/2#/sk cellophane flakes, 2% CaCl, 5#/sk gilsonite. 200 sks Class C cement containing 2% CaCl.
- ii. Intermediate Casing: 700 sacks 35:65 pozmix cement containing 6% gel, 5#/sack gilsonite. 200 sacks Class C cement containing 2% CaCl.
- iii. Production Casing: 1200 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:

| <u>Interval</u> | <u>Type System</u> | <u>Weight</u> | <u>Viscosity</u> | <u>Fluid Loss</u> |
|-----------------|--------------------|---------------|------------------|-------------------|
| 0'-500' | FW spud mud | 8.6-9.4 | 32-34 | NA |
| 500'-2500' | Brine water | 10.0-10.2 | 28-30 | NA |
| 2500'-9400' | Cut brine water | 8.8-9.2 | 28-30 | 8-12 |

6. Evaluation Program:

| | |
|-------------------|--|
| Samples: | 10' samples from intermediate casing to TD |
| Logging: | Compensated density and dual laterlog from intermediate casing to TD |
| Coring: | As needed for evaluation |
| Drill Stem Tests: | As needed for evaluation |

7. Downhole Conditions

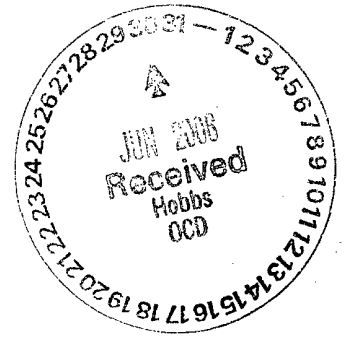
| | |
|----------------------------------|---|
| Zones of abnormal pressure: | None anticipated |
| Zones of lost circulation: | Anticipated in surface and intermediate holes |
| Maximum bottom hole temperature: | 150 degree F |
| Maximum bottom hole pressure: | 8.6 lbs/gal gradient or less |

8. Anticipated Starting Date:

Mewbourne Oil Company intends to drill this well as soon as possible after receiving approval with approximately 30 days involved in drilling operations and an additional 10 days involved in completion operations on the project.

Hydrogen Sulfide Drilling Operations Plan

Mewbourne Oil Company
Geronimo 30 Federal #3
1980' FNL & 1515' FWL
Sec 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:

- 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.

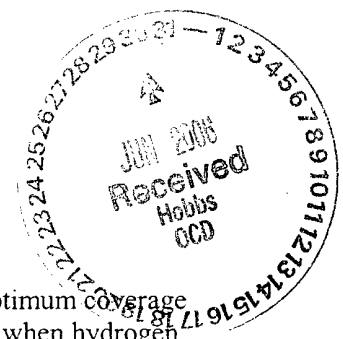
There will be an initial training session prior to encountering a known hydrogen sulfide source. The initial training session shall include a review of the site specific Hydrogen Sulfide Drilling Operations Plan.

3. Hydrogen Sulfide Safety Equipment and Systems

All hydrogen sulfide safety equipment and systems will be installed, tested, and operational prior to drilling below the intermediate casing.

1. Well Control Equipment
 - A. Flare line with automatic igniter or continuous ignition source.
 - B. Choke manifold with minimum of one adjustable choke.
 - C. Blowout preventers equipped with blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
 - D. Auxiliary equipment including rotating head and annular type blowout preventer.
2. Protective Equipment for Essential Personnel

Thirty minute self contained work unit located at briefing area as indicated on wellsite diagram.



3. Hydrogen Sulfide Protection and Monitoring Equipment

Two portable hydrogen sulfide monitors positioned on location for optimum coverage and detection. The units shall have audible sirens to notify personnel when hydrogen sulfide levels exceed 20 ppm.

4. Visual Warning Systems

A. Wind direction indicators as indicated on the wellsite diagram.

B. Caution signs shall be posted on roads providing access to location. Signs shall be painted a high visibility color with lettering of sufficient size to be readable at reasonable distances from potentially contaminated areas.

4. **Mud Program**

The mud program has been designed to minimize the amount of hydrogen sulfide entrained in the mud system. Proper mud weight, safe drilling practices, and the use of hydrogen sulfide scavengers will minimize hazards while drilling the well.

5. **Metallurgy**

All tubular systems, wellheads, blowout preventers, drilling spools, kill lines, choke manifolds, and valves shall be suitable for service in a hydrogen sulfide environment when chemically treated.

6. **Communications**

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

7. **Well Testing**

Drill stem testing is not an anticipated requirement for evaluation of this well. A drill stem test is required, it will be conducted with a minimum number of personnel in the immediate vicinity. The test will be conducted during daylight hours only.

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

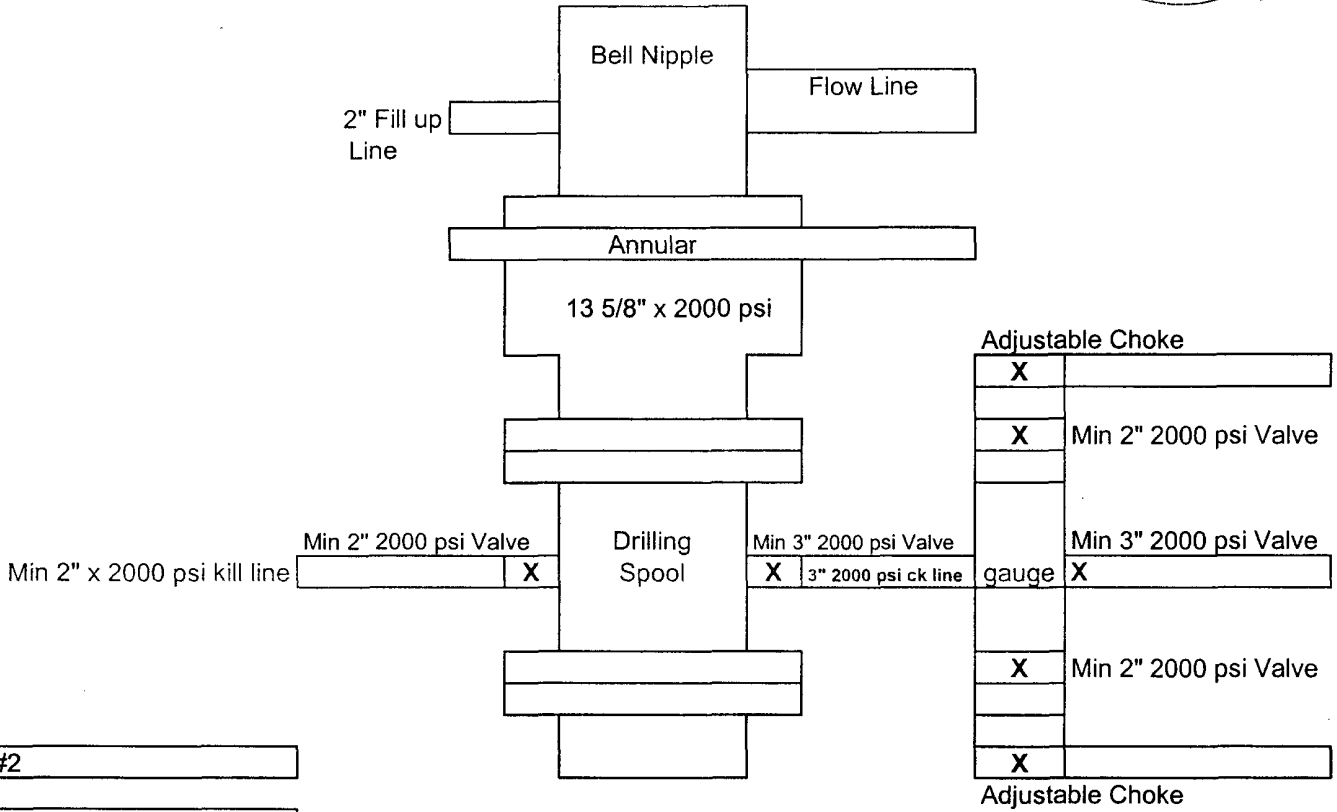


Exhibit #2

Geronimo 30 Federal #3
1980' FNL & 1515' FWL
Sec 30-T18S-R32E
Lea, NM

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

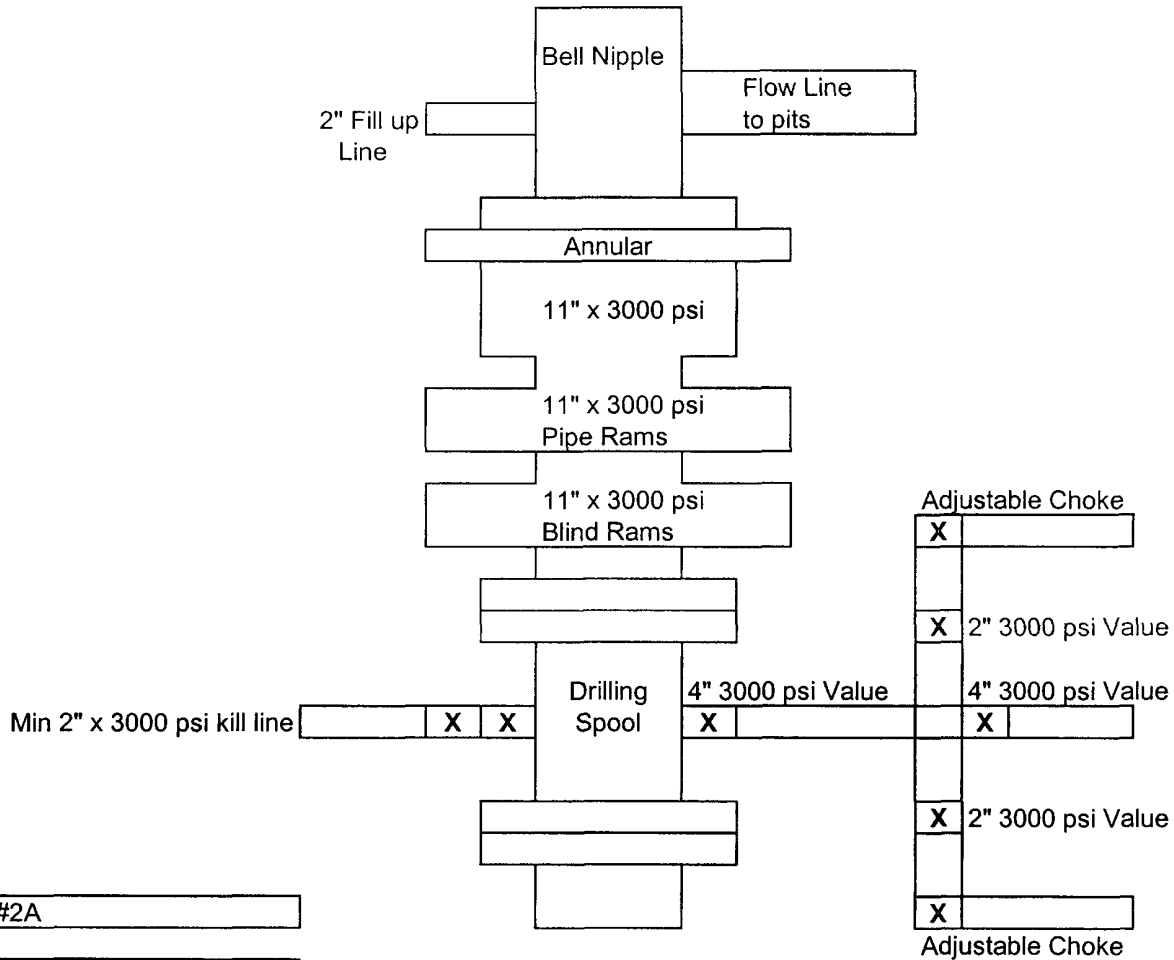
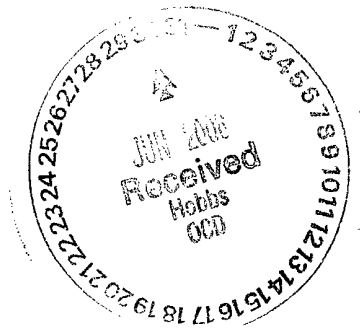


Exhibit #2A

Geronimo 30 Federal #3
1980' FNL & 1515' FWL
Sec 30-T18S-R32E
Lea, NM

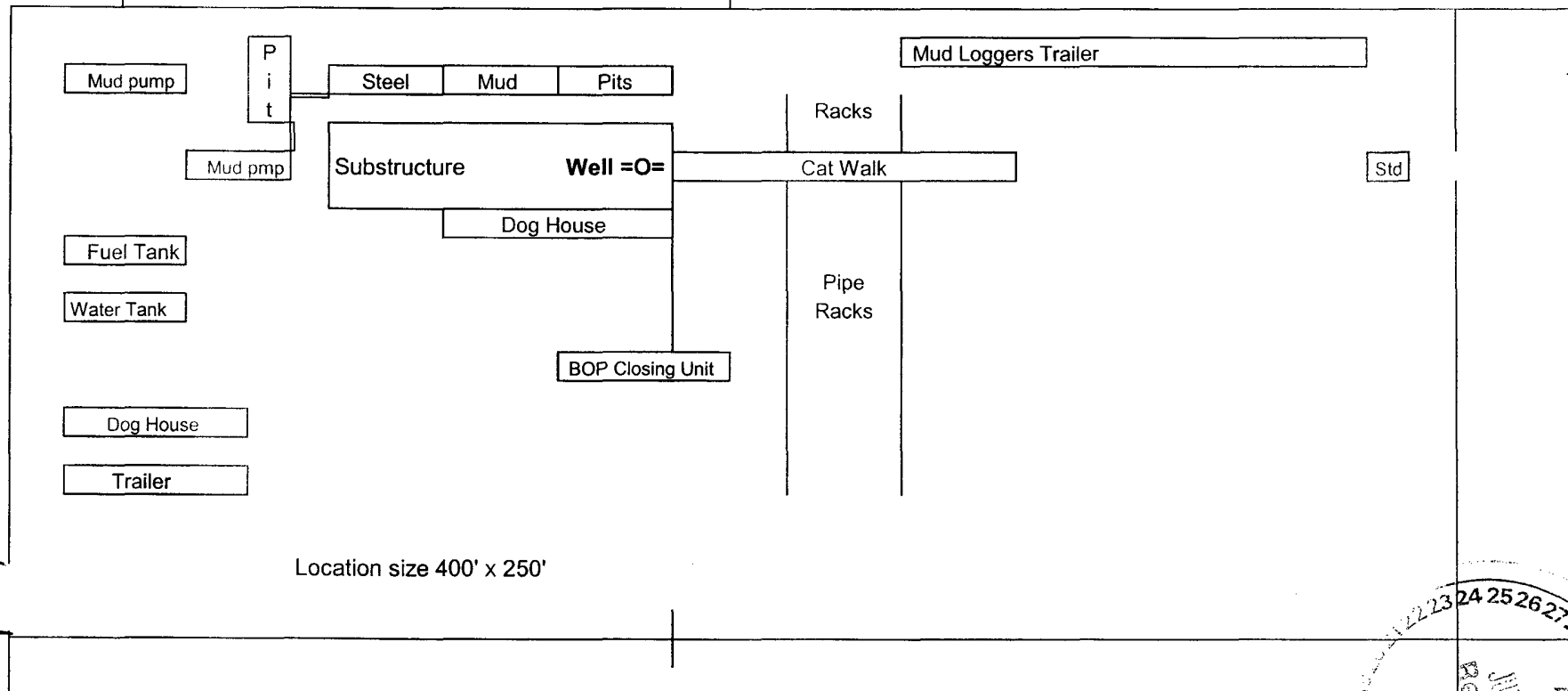
Mewbourne Oil Company

Exhibit #5

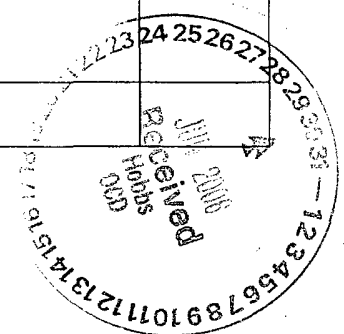
N

| | |
|-----------|------------------------|
| Well Name | Geronimo 30 Federal #3 |
| Footages | 1980' FNL & 1515' FWL |
| STR | Sec 30-T18S-R32E |
| County | Lea |
| State | New Mexico |

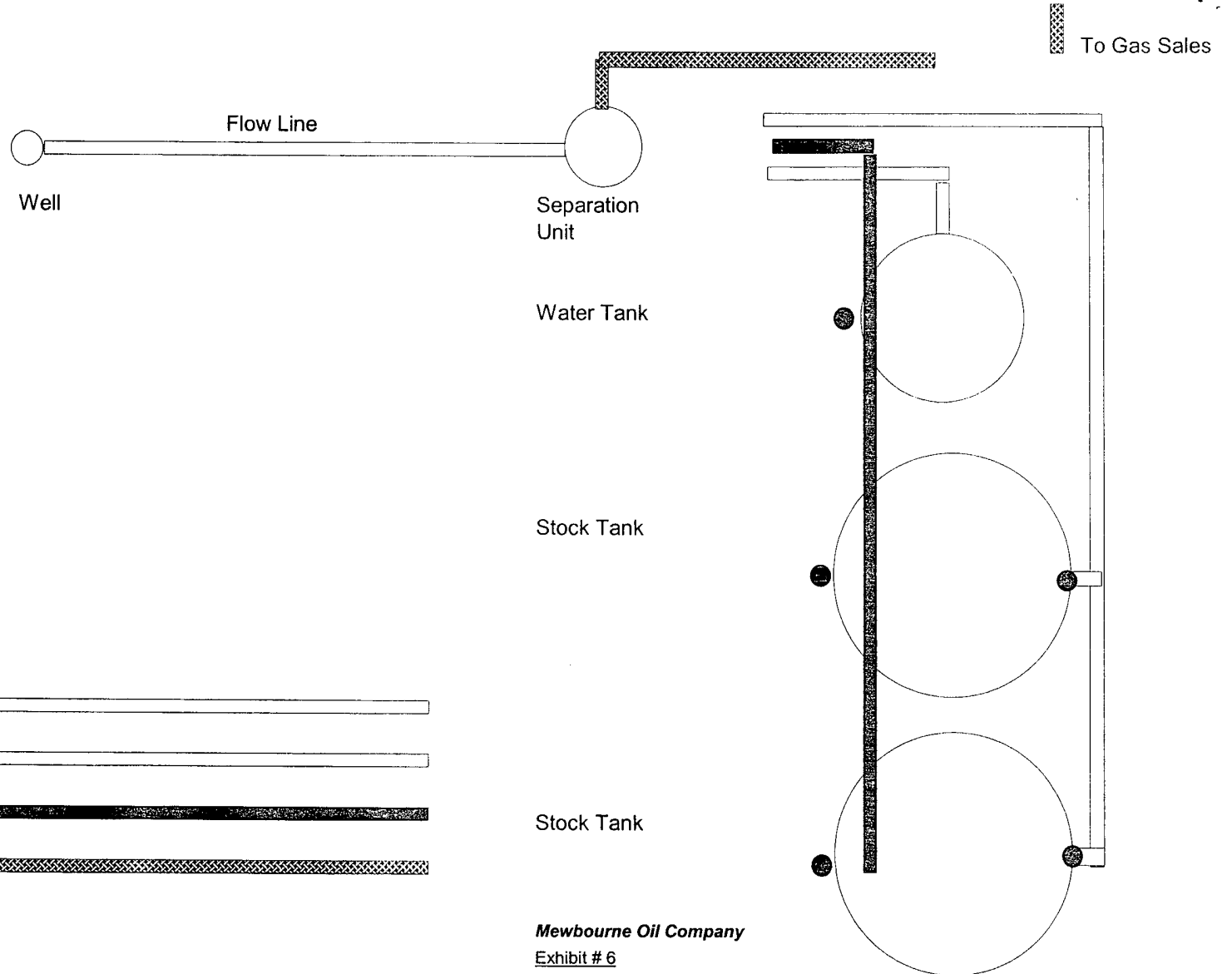
Reserve Pit
100 x 100'

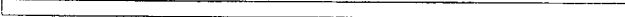







Rig Location Schematic



Proposed Production Facilities Schematic



- Flow Line 
- Water Line 
- Oil Dump Line 
- Gas Sales Line 
- Sealing Valve 
- Non Sealing Valve 

Mewbourne Oil Company

Exhibit # 6

Proposed Production Facilities Schematic

Geronimo 30 Federal #3
1980' FNL & 1515' FWL
Sec 30-T18S-R32E
Lea, NM

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.

Reclamation: 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 re-contoured, all trash removed, and reseeded as specified in this permit.

CULTURAL

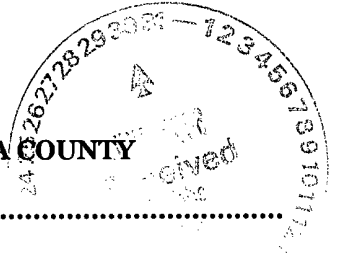
Whether or not an archaeological survey has been completed and notwithstanding that operations are being conducted as approved, the lessee/operator/grantee shall notify the BLM immediately if previously unidentified cultural resources are observed during surface disturbing operations. From the time of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

CONDITIONS OF APPROVAL - DRILLING

Well Name & No. 3 – GERONIMO 30 FEDERAL
Operator's Name: MEWBOURNE OIL COMPANY
Location: 2086' FNL & 1412' FWL – SEC 30 – T18S – R32E – LEA COUNTY
Lease: NM-9016



I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5909 or (505) 361-2822 (After hours) - for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 13-3/8 inch 8-5/8 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. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING:

1. The 13-3/8 inch surface casing shall be set at 500 feet below usable water and cement circulated to the surface. If cement does not circulate to the surface the appropriate 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. **Note: The operator will use the Alternative Conditions of Approval – Drilling (attached).**

2. The minimum required fill of cement behind the 8-5/8 inch intermediate casing is **circulate cement to the surface.**

3. The minimum required fill of cement behind the 5-1/2 inch production casing is **cement shall extend upward a minimum of 500 feet above the uppermost hydrocarbon bearing interval.**

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13-3/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) is 3000 psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- 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.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

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 may 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.



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

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe 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 ☐

Operator: Mewbourne Oil Company Telephone: 505-393-5905 e-mail address: kgreen@mewbourne.com
Address: PO Box 5270 Hobbs, NM 88240
Facility or well name: Geronimo 30 Federal #3 API # 30-025-37988 O/L or Qtr/Qtr Unit F Sec 30 T18S R32E County: Lea
Latitude N32°43'12.9" Longitude W103°48'32.1" NAD: 1927 ☒ 1983 ☐
Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 20 mil Clay ☐ Volume
24,000 bbl

Below-grade tank

Volume: bbl Type of fluid:

Construction material:

Double-walled, with leak detection? Yes ☐ If not, explain why not.

RECEIVED

APR 24 2006

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

| | |
|---|---------------|
| Less than 50 feet | (20 points) |
| 50 feet or more, but less than 100 feet | (10 points) |
| 100 feet or more | (0 points) X |

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

| | |
|-----|---------------|
| Yes | (20 points) |
| No | (0 points) X |

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

| | |
|---|---------------|
| Less than 200 feet | (20 points) |
| 200 feet or more, but less than 1000 feet | (10 points) |
| 1000 feet or more | (0 points) X |

Ranking Score (Total Points)

0 points

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface ft. 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 (attached) alternative OCD-approved plan ☐.

Date: 04/18/06

Printed Name/Title Kristi Green / Hobbs Regulatory Asst

Signature Kristi Green

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: JUL 21 2006

Printed Name/Title PETROLEUM ENGINEER

Signature [Signature]