Form 3160-3
(September 2001)

45

OCD-HOBBS

AB-07-49

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NM-98189

6. If Indian, Allottee or Tribe Name

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

1a. Type of Work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No. (35313)
Geronimo 30 Federal #4

2. Name of Operator
Mewbourne Oil Company

9. API Well No.
30-025-38182

3a. Address
PO Box 5270 Hobbs, NM 88240

3b. Phone No. *(include area code)*
505-393-5905

10. Field and Pool, or Exploratory
North
Lusk BoneSpring 41450

4. Location of Well *(Report location clearly and in accordance with any State requirements. *)*
At surface 2440' FSL & 330' FWL
At proposed prod. zone NSL-5557

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 30-T18S-R32E

14. Distance in miles and direction from nearest town or post office*
10 miles south of Maljamar, NM

12. County or Parish
Lea

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330'	16. No. of Acres in lease 80	17. Spacing Unit dedicated to this well 40
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1300'	19. Proposed Depth 9400'	20. BLM/BIA Bond No. on file NM1693, Nationwide
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3678' GL	22. Approximate date work will start* ASAP	23. Estimated duration 30

NOV 2006
Received
Hobbs
OCD

24. Attachments

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 Kristi Green	Name *(Printed/Typed)* Kristi Green	Date 10/31/06
Title Hobbs Regulatory		
Approved by *(Signature)* /s/ James Stovall	Name *(Printed/Typed)*	Date NOV 20 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)

CAPITAN CONTROLLED WATER BASIN

OK to drill Cannot produce until NSL approved. Chris Williams - Approved NSL5557

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

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

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102
Revised October 12, 2005

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-38182	41450	Lusk Bone Spring North

Property Code	Property Name	Well Number
35313	GERONIMO "30" FEDERAL	4

OGRID No.	Operator Name	Elevation
14744	MEWBOURNE OIL COMPANY	3678'

Surface Location

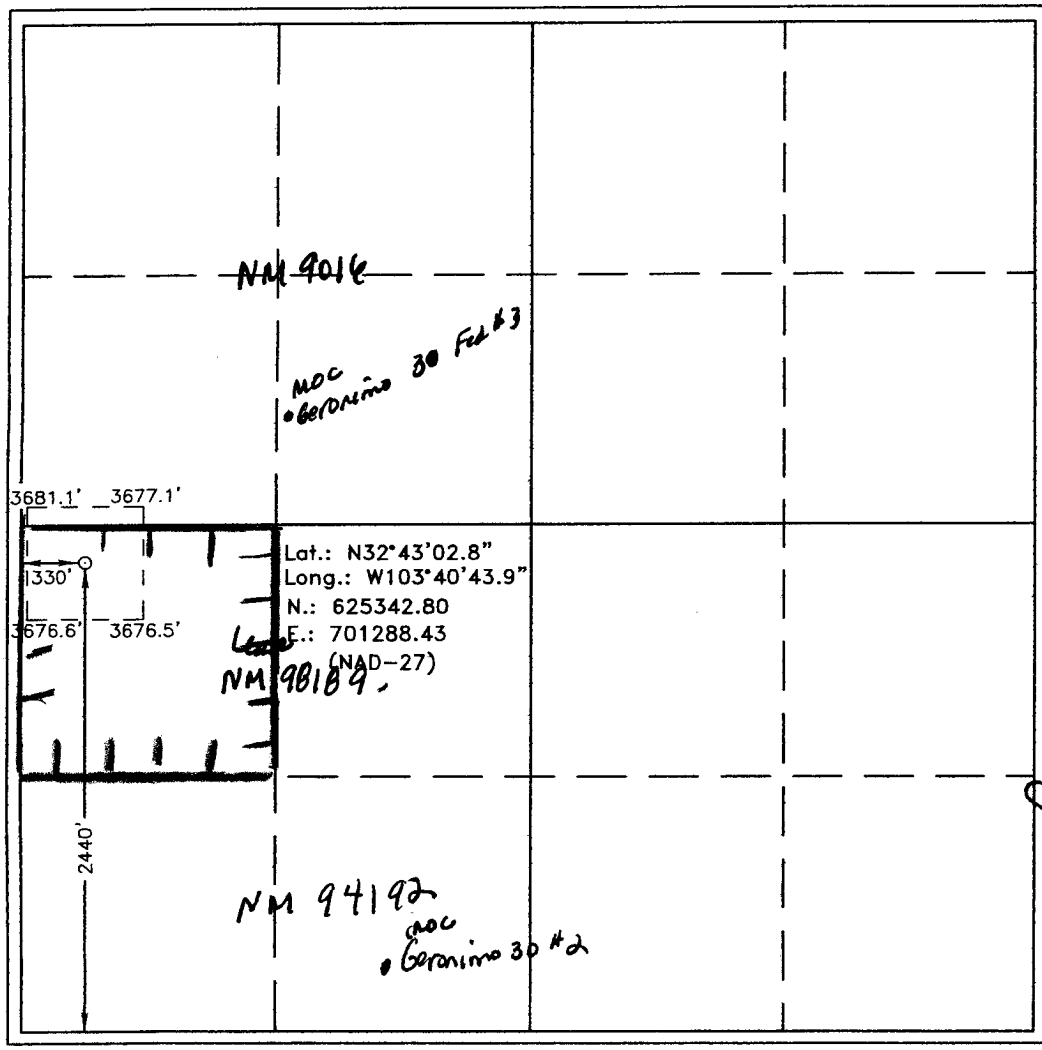
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	30	18 S	32 E		2440	SOUTH	330	WEST	LEA

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 or Infill	Consolidation Code	Order No.
40			

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 unleased 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 9/30/06

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 supervison, and that the same is true and correct to the best of my belief.

SEPTEMBER 11, 2006

Date Surveyed

Signature & Seal of Professional Surveyor 7977

GARY L. JONES NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR

W.O. [illegible]154

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

Drilling Program
Mewbourne Oil Company
Geronimo 30 Federal #4
2440' FSL & 330' FWL
Sec 30-T18S-R32E
Lea County, New Mexico

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

Rustler	902'
Salado	1116'
Yates	2452'
Seven Rivers	2895'
Queen	3625'
Penrose	3854'
Delaware	4732'
Bone Spring	6640'
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 ⅜" surface casing. A 3000 psi WP Double Ram BOP and a 3000 psi WP Annular will be installed after running 8 ⅝" 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:

Hole Size	Casing	Wt/Ft.	Grade	Depth
17 ½"	13 ⅜"	48#	H40	0-500' (Lea County alternative conditions of approval)
12 ¼"	8 ⅝"	32#	J55	0-2400'
7 ⅞"	5 ½"	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 ½#/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:

Interval	Type System	Weight	Viscosity	Fluid Loss
0'-500'	FW spud mud	8.6-9.4	32-34	NA
500'-2400'	Brine water	10.0-10.2	28-30	NA
2400'-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 #4
2440' FSL & 330' 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 Yates formation 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 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.

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.

Notes Regarding Blowout Preventer
Mewbourne Oil Company
Geronimo 30 Federal #4
2440' FSL & 330' 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 3000 psi working pressure after intermediate casing.

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 3000 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.

Mewbourne Oil Company
BOP Scematic for
12 ¼" Hole

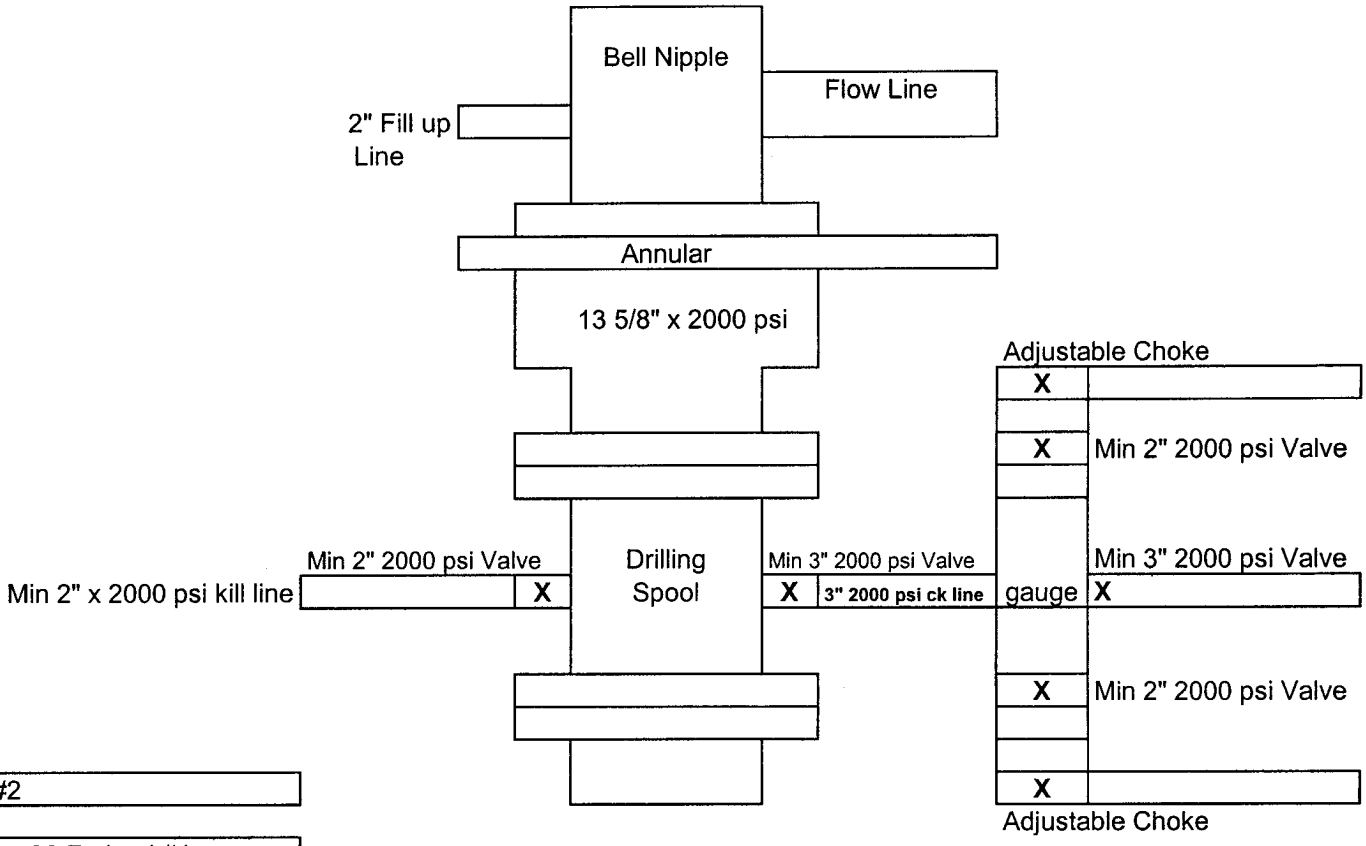


Exhibit #2

Geronimo 30 Federal #4
2440' FSL & 330' FWL
Sec 30-T18S-R32E
Lea County
New Mexico

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

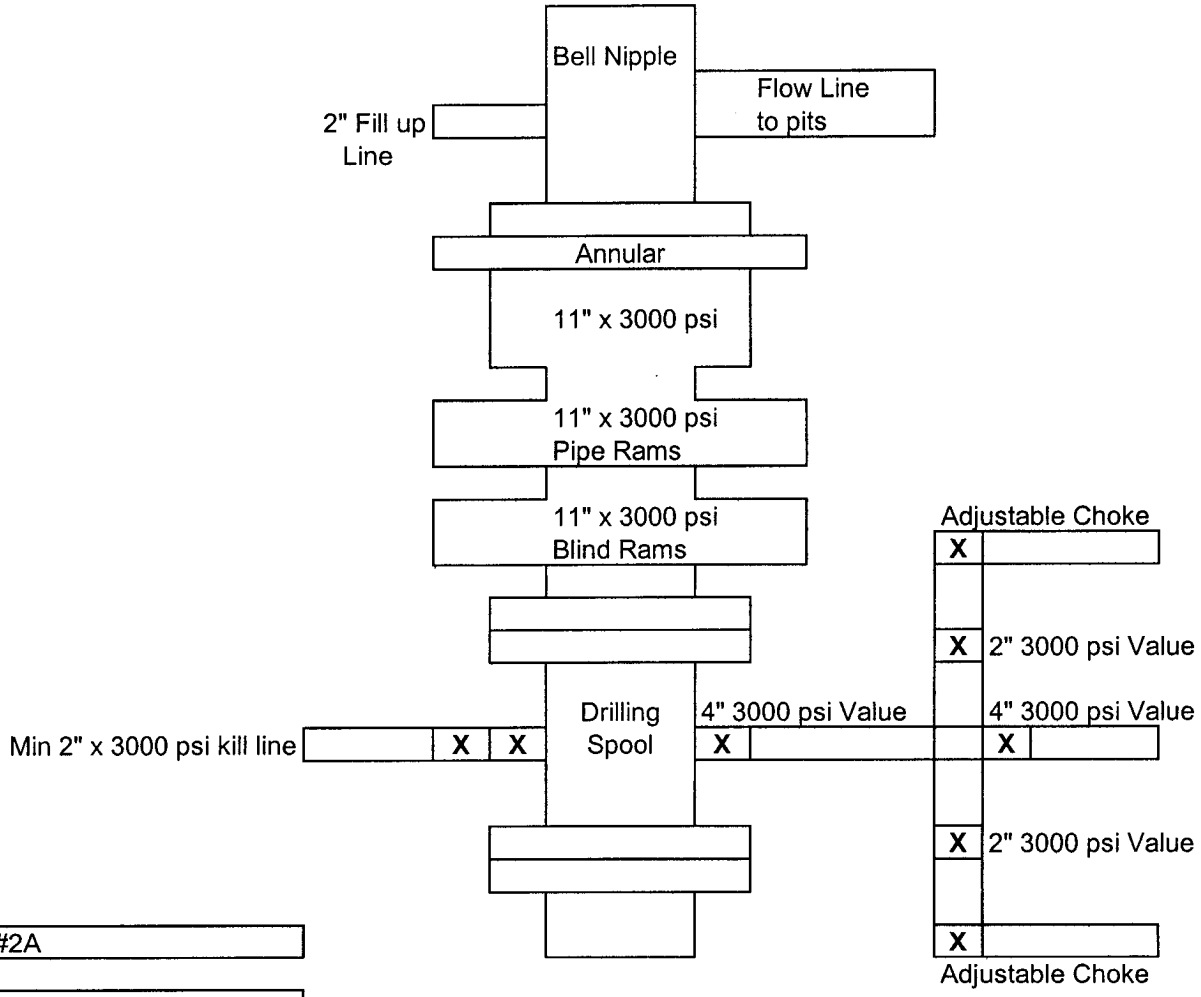


Exhibit #2A

Geronimo 30 Federal #4
2440' FSL & 330' FWL
Sec 30-T18S-R32E
Lea, NM

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 #4 API #: 30-025-38182 U/L or Qtr/Qtr Unit L Sec 30 T18S R32E County: Lea

Latitude N32°43'02.8" Longitude W103°40'43.9" NAD: 1927 ☒ 1983 ☐

Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit	**Below-grade tank**
Type: Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type: Synthetic ☒ Thickness 20 mil Clay ☐ Volume 24,000 bbl	Volume: bbl Type of fluid: Construction material: Double-walled, with leak detection? Yes ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (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 No	(20 points) (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 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (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: 10/19/06

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: 2/2/07

Printed Name/Title Chris Williams / Dist Sup Signature CHRIS WILLIAMS / DIST SUP

Jim W. Green
District II Supervisor