

OCD-HOBBS

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

ATS-07-615  
EA-07-1252  
FORM APPROVED  
OMB No. 1004-0136  
Expires January 31, 2004

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM63368
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" 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	3b. Phone No. (include area code) 505-393-5905	8. Lease Name and Well No Norte 13 Federal #1 {36760}
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1980' FNL & 760' FEL Unit H Capitan Controlled Water Basin At proposed prod. zone Same		9. API Well No. 30.025-38575
14. Distance in miles and direction from nearest town or post office* 36 miles west of Hobbs, NM		10. Field and Pool, or Exploration Unit Under Morrow Bay Area Penn {73000}
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 760'	16. No. of Acres in lease 640	11. Sec., T., R., M., or Blk. and Survey or Area Sec 13-T19S-R32E
17. Spacing Unit dedicated to this well 320	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 542'	12. County or Parish Lea
19. Proposed Depth 13800'	20. BLM/BIA Bond No. on file NM1693, Nationwide	13. State NM
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3636' GL	22. Approximate date work will start* ASAP	23. Estimated duration 45

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 <i>Kristi Green</i>	Name (Printed/Typed) Kristi Green	Date 08/01/07
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Title Hobbs Regulatory		
Approved by (Signature) <i>Is/ Don Peterson</i>	Name (Printed/Typed) Is/ Don Peterson	Date SEP 26 2007
Title 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 TWO YEARS

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)

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

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

Mewbourne Oil Company of Hobbs, NM is a field office of Mewbourne Oil Company, 3901 S Broadway, Tyler TX 75701. **Mail connected to this APD should be directed to the Hobbs address.** 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 #NM63368

Legal Description of Land: Section 13, T-19S, R-32E Lea County, New Mexico.  
Location @ 1980' FNL & 760' FEL.

Formation (if applicable): Morrow

Bond Coverage: \$150,000

BLM Bond File: NM1693, Nationwide

Authorized Signature: \_\_\_\_\_



Name: NM (Micky) Young

Title: District Manager

Date: August 1, 2007

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-38575	Pool Code 73000	Buffalo Penn Pool Name Harris Morrow
Property Code 36760	Property Name NORTE "13" FEDERAL	Well Number 1
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3636'

Surface Location

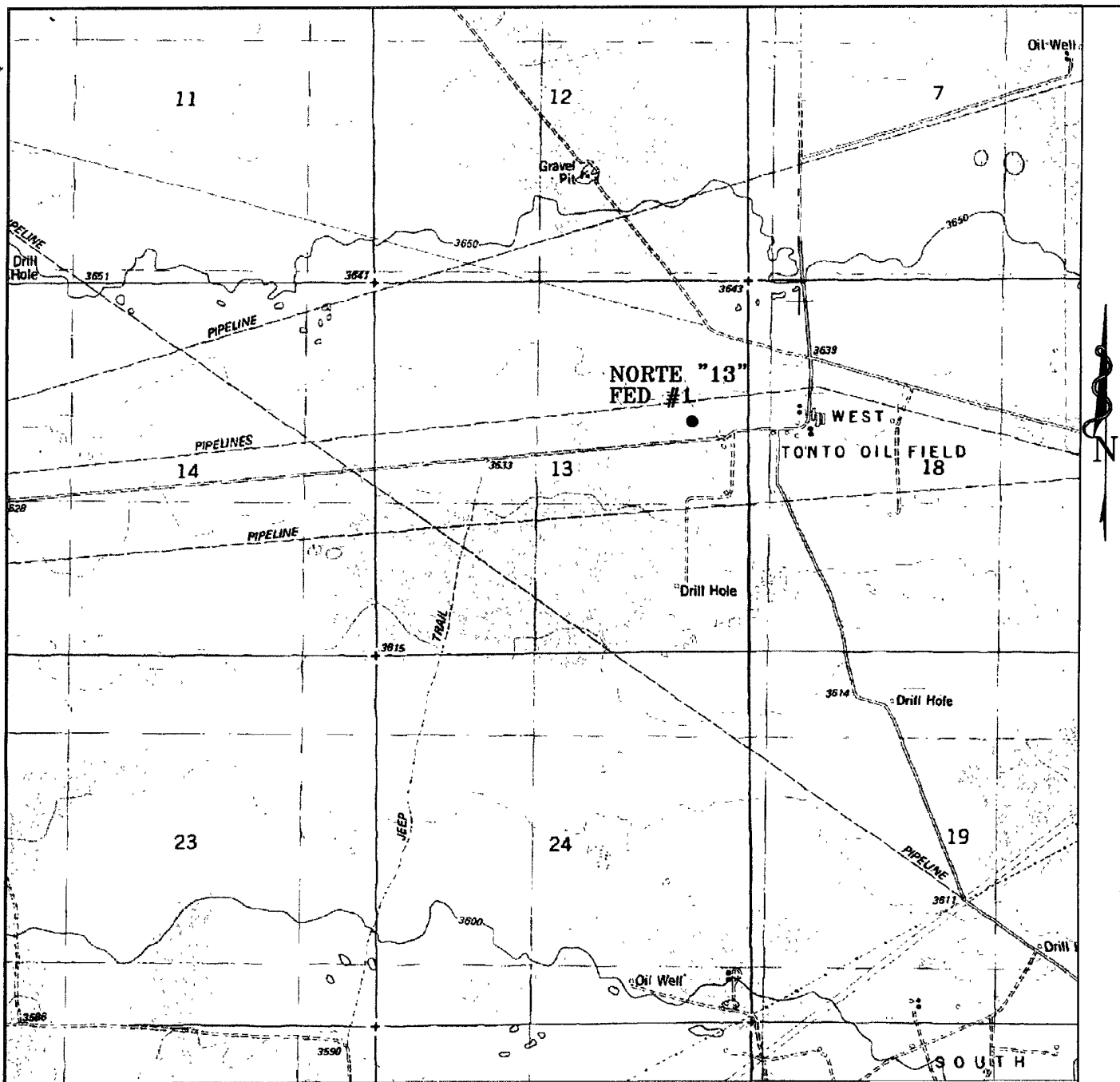
UL or lot No. H	Section 13	Township 19 S	Range 32 E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 760	East/West line EAST	County LEA
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 3.80	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>OPERATOR CERTIFICATION</b>  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.  Signature: <u>Kristi Green</u> Date: <u>8/2/07</u>  Printed Name: <u>Kristi Green</u>
	<b>SURVEYOR CERTIFICATION</b>  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.  Date Surveyed: <u>MAY 1 2007</u> Signature & Seal: <u>[Signature]</u> Professional Surveyor Certificate No. <u>6271 Jones</u> 7977
	<b>BASIN SURVEYS</b>

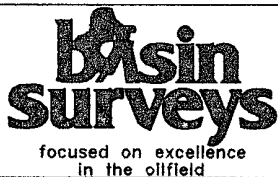


# **NORTE "13" FEDERAL #1**

Located 1980' FNL and 760' FEL

Section 13, Township 19 South, Range 32 East,  
N.M.P.M., Lea County, New Mexico.

*Exhibit 3*



P.O. Box 1786  
1120 N. West County Rd.  
Hobbs, New Mexico 88241  
(505) 393-7316 - Office  
(505) 392-3074 - Fax  
basinsurveys.com

W.O. Number: 18148T JMS

Survey Date: 05-21-2007

Scale: 1" = 2000'

Date: 05-22-2007

**MEWBOURNE  
OIL CO.**

**Drilling Program**  
**Mewbourne Oil Company**  
 Norte 13 Federal #1  
 1980' FNL & 760' FEL  
 Sec 13-T19S-R32E  
 Lea County, New Mexico

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

Rustler	1350'	Wolfcamp	10720'
Yates	3150'	Strawn	12000'
Queen	4150'	Atoka	12530'
San Andres	4930'	Barnett	13650'
Bone Springs	7650'		

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

Water	Fresh water will be protected by setting surface casing at 500' and cement to surface.
Hydrocarbons	All hydrocarbon bearing zones below the top of the Wolfcamp will be protected by setting production casing thru zones and cement as necessary.

**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 3000# WP Annular will be installed after running 9 " casing. Pressure tests will be conducted prior to drilling out under all casing strings. Testing of 2000# annular will be with rig pump. 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	Casing	Wt/Ft.	Grade	Depth	Jt Type
17 1/2"	13 " (new)	48#	H40	0-500'	ST&C
12 1/4"	9 " (new)	40#	N80	0-100'	LT&C
	9 5/8" (new)	40#	J55	100-4000'	LT&C
	9 5/8" (new)	40#	HCK55	4000-5000'	LT&C
8 3/4"	5 1/2" (new)	20#	HCP110	0-1000'	LT&C
	5 1/2" (new)	17#	HCP110	1000-3000'	LT&C
	5 1/2" (new)	17#	N80	3000-6000'	LT&C
	5 1/2" (new)	17#	HCP110	6000-13200'	LT&C
	5 1/2" (new)	20#	HCP110	13200-13800'	LT&C

Minimum casing design factors: Collapse 1.125, Burst 1.0, Tensile strength 1.8 (API standard).

## B. Cementing Program

- i. Surface Casing: 200 sacks Class C light cement containing 1/2#/sk cellophane flakes, 2% CaCl, 5#/sk gilsonite. Yield at 1.98 cuft/sk. 200 sks Class C cement containing 2% CaCl. Yield at 1.34 cuft/sk. Cmt circulated to surface.
- ii. Intermediate Casing: 1500 sacks Class C light cement containing 6% gel, 5#/sack gilsonite. Yield at 1.98 cuft/sk. 400 sacks Class C cement containing 2% CaCl. Yield at 1.34 cuft/sk. Cmt circulated to surface.
- iii. Production Casing: 500 sacks Class H cement containing fluid loss additive, friction reducer additive, compressive strength enhancer, and NaCl. Yield at 1.28 cuft/sk. 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. Cmt top to be 500' above Wolfcamp.

*\*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'-5000'	Brine water	10.0-10.2	28-30	NA
5000'-11000'	Cut Brine	8.4-9.4	28-30	NA
11000'-TD	BW/Starch	9.4-9.8	30-40	8-15

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

*It may become necessary to drill thru the Capitan reef with aerated fluid to maintain circulation.*

## 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.

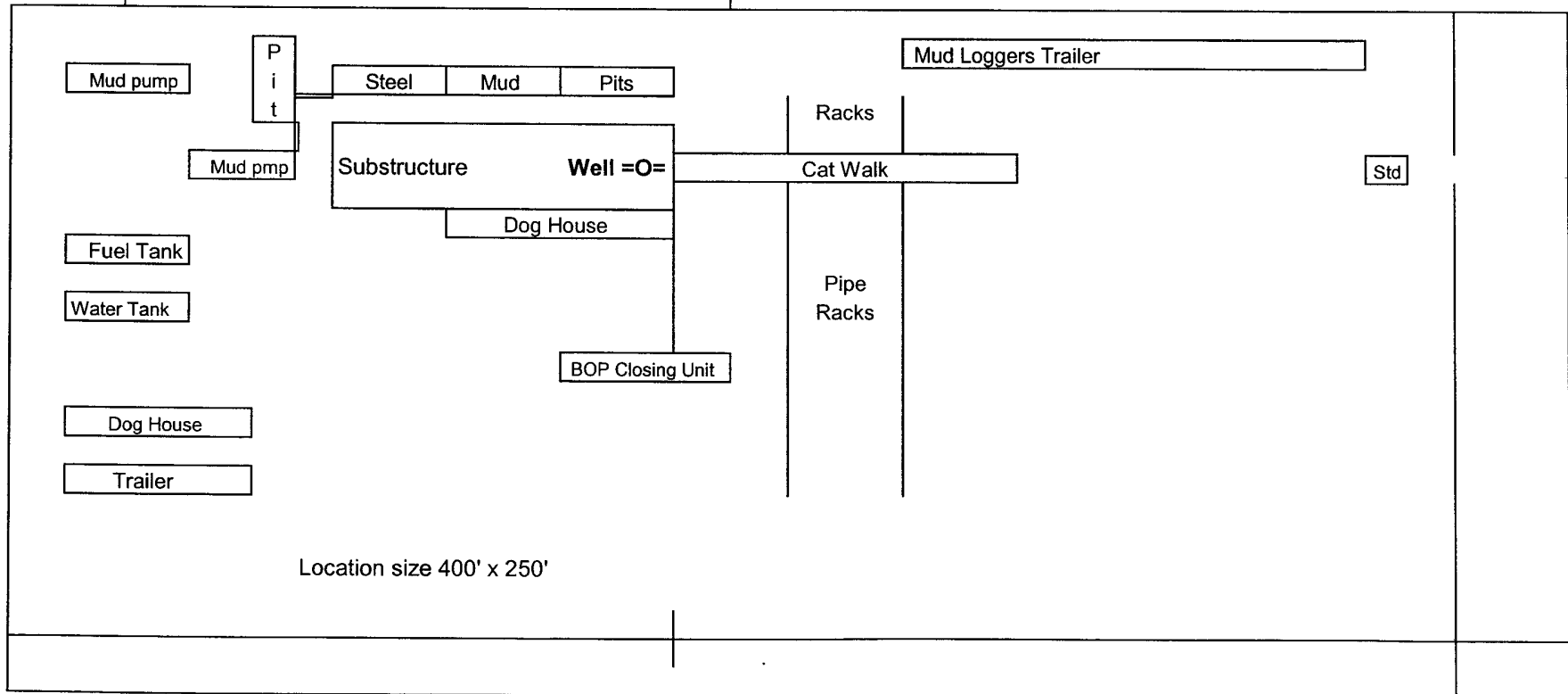
# Mewbourne Oil Company

## Exhibit #5

Well Name Norte 13 Federal #1  
Footages 1980' FNL & 760' FEL  
STR Sec 13-T19S-R32E  
County Lea, County  
State New Mexico

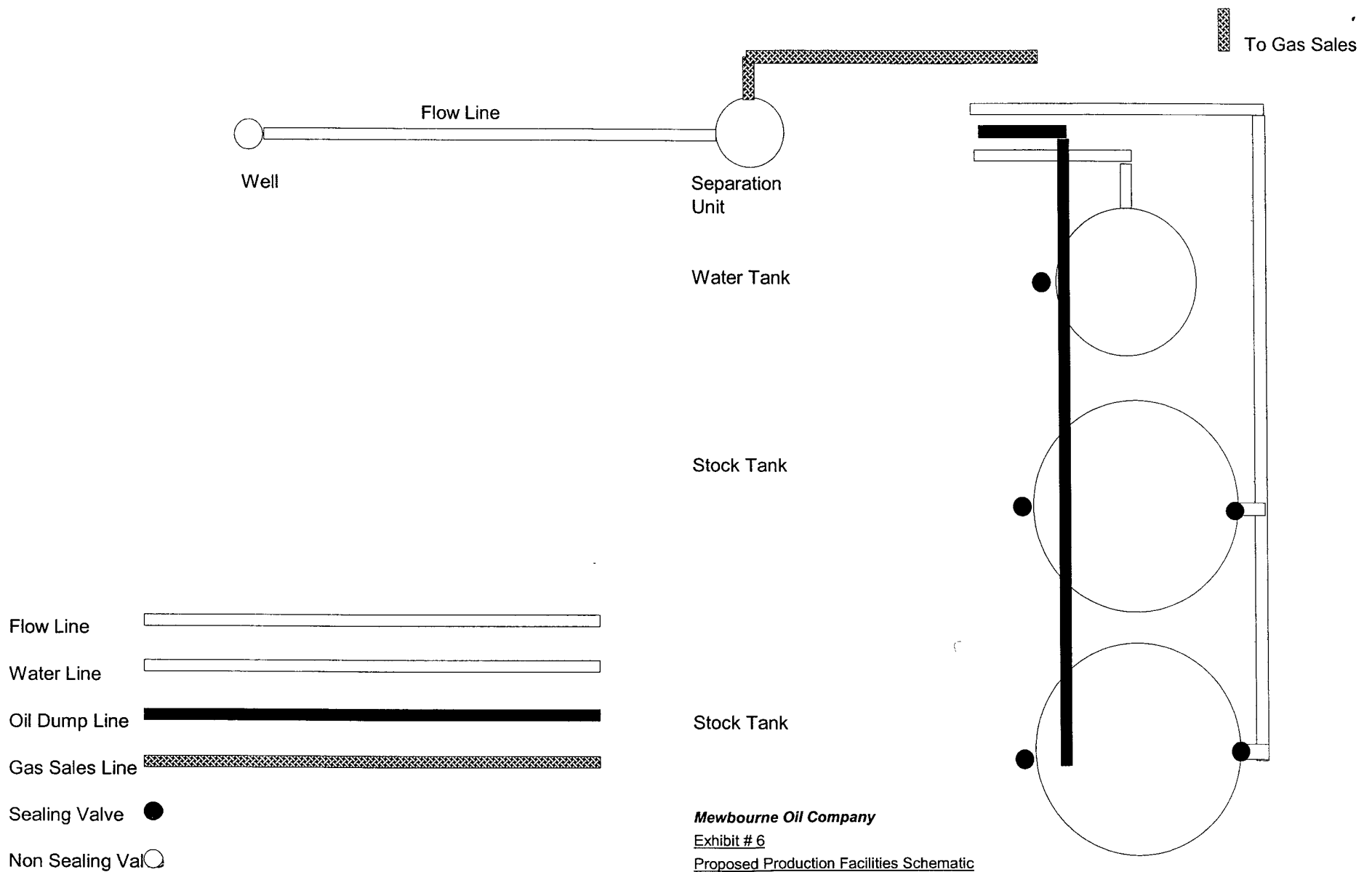
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Reserve Pit  
150 x 150'



Rig Location Schematic

# Proposed Production Facilities Schematic



**Mewbourne Oil Company**

Exhibit # 6

Proposed Production Facilities Schematic



**Notes Regarding Blowout Preventer**  
**Mewbourne Oil Company**

Norte 13 Federal #1  
1980' FNL & 760' FEL  
Sec 13-T19S-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.

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

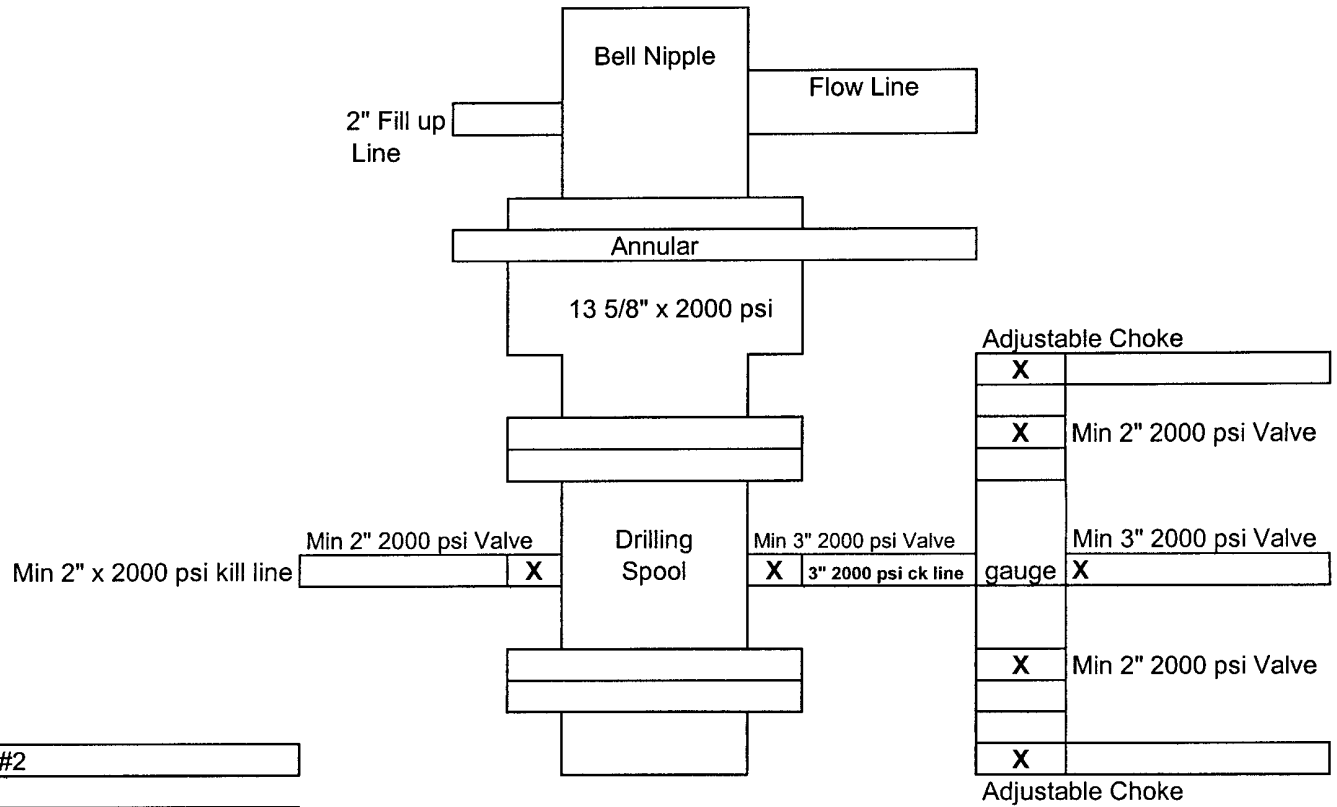


Exhibit #2

Norte 13 Federal #1  
1980' FNL & 760' FEL  
Sec 13-T19S-R32E  
Lea, County  
New Mexico

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

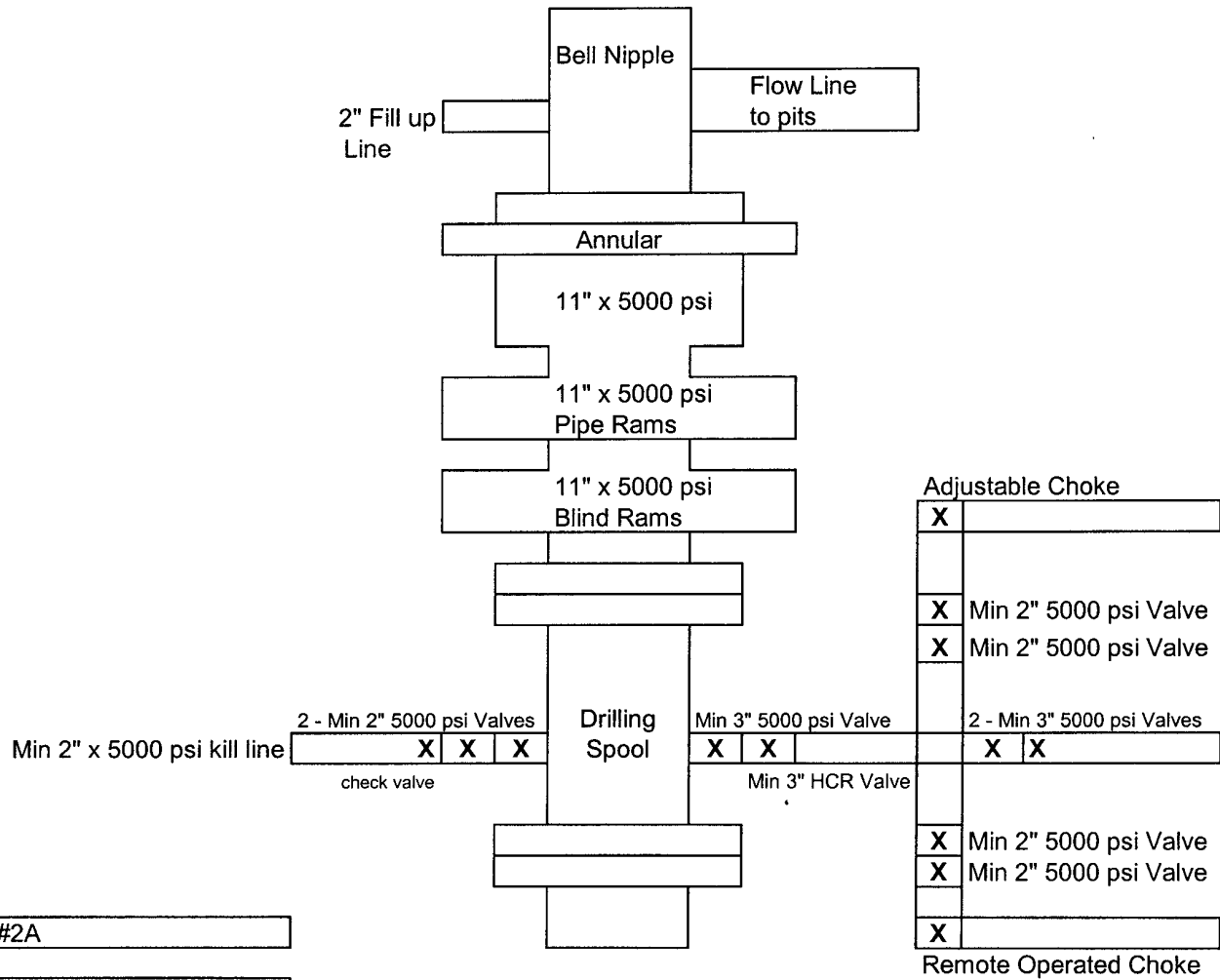


Exhibit #2A

Norte 13 Federal #1  
1980' FNL & 760' FEL  
Sec 13-T19S-R32E  
Lea, County  
New Mexico