30.025-39904

RECEIVED

SEP 16 2010

HOBBSOCD

Hydrogen Sulfide Drilling Operations Plan Mewbourne Oil Company Cochise 30 Federal Com #1H 710' FNL & 330' FWL (SL) Sec 30-T18S-R32E Lea County, New Mexico

1. General Requirements

4

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 drilling out from surface casing 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 annular type blowout preventer.
- 2. <u>Protective Equipment for Essential Personnel</u> Thirty minute self contained work unit located at briefing area as indicated on wellsite diagram.

Hydrogen Sulfide Drilling Operations Plan Mewbourne Oil Company Cochise 30 Fed Com #1H Page 2

١

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.

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.

8. Emergency Phone Numbers

Eddy County Sheriff's Office	911 or 575-887-7551
Ambulance Service	911 or 575-885-2111
Carlsbad Fire Dept	911 or 575-885-2111
Closest Medical Facility - Columbia Medical	Center of Carlsbad 575-492-5000

Mewbourne Oil Company	Hobbs District Office Fax 2 nd Fax	575-393-5905 575-397-6252 575-393-7259
District Manager	Micky Young	575-390-0999
Drilling Superintendent	Frosty Lathan	575-390-4103
Drilling Foreman	Wesley Noseff	575-441-0729
Drilling Foreman	George Smith	575-390-4365

MULTI-POINT SURFACE USE AND OPERATIONS PLANMEWBOURNE OIL COMPANY
Cochise 30 Federal Com #1HRECEIVED710' FNL & 330' FWL (SHL)
Sec 30-T18S-R32E
Lea County, New MexicoSEP 16 2010HOBBSOCD

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. Existing roads are highlighted in black and proposed road is highlighted in blue. Exhibit #3A is a topographic map showing the location of the proposed well and access road. Existing and proposed roads are highlighted in black.
- B. Directions to location: Leaving out of Maljamar, NM on CR 126 (south) 7.5 miles. Turn right (west) on St Marys lease road & go 1.1 mile. Turn left (south) & go 0.2 mile. Road bends to SW & go 0.75 mile. Turn left (SE) & go 0.7 mile. Turn left (east) & go 400' on new lease road to location.

2. Proposed Access Road:

- A No new road will be needed.
- B. The access to the location will be limited to 14' 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 the well site. Exhibit #4 shows the proposed well and existing wells within a one mile radius.

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 NE side of 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.

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 hauled to approved land fill.
- B. Water produced during operations will be hauled to an approved SWD.
- C. If any liquid hydrocarbons are produced during operations, those liquids will be stored in suitable tanks until sold.
- D. Current regulations regarding the proper disposal of human waste will be followed.
- E. 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 A diagram of the drill pad is shown in Exhibit #5. Dimensions of the pad and location of major rig components are shown.
- B. The pad dimension of 280' x 320' has been staked and flagged.
- C. An archaeological survey is in the process of being conducted on the proposed 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 entire location will be restored to the original contour as much as reasonable possible. All trash and garbage 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. Any additional caliche required for production facilities will be obtained from a source as described in Section 6.
- D. 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.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN MEWBOURNE OIL COMPANY Cochuse 30 Federal Com #1H Page 3

11. Surface Ownership:

.

,

The surface is owned by BLM.

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 575-393-5905

Mewbourne Oil Company

PO Box 5270 Hobbs, NM 88241 (575) 393-5905

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this _13__day of July__, 2010.

Name: NM Young

Signature: <u>M. Young</u> by Jeckie Lathan Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: <u>575-393-5905</u>

E-mail: myoung@mewbourne.com





SECTION 30, TOWNSHIP 18 SO LEA COUNTY,	UTH, RANGE 32 EAST, N.M.P.M., NEW MEXICO.
3698.4'	600' <i>3697.4'</i>
EV	150' NORTH OFF SET 3698.4'
	□ MEWBOURNE OIL COMPANY DNCHISE "30" FEDERAL COM #1H
50' WE OFF SE 3695.6	T C I O I OFF SET 6 Lat - N 32*43'25.62" 3694.3' Long - W 103*48'46.14" NMSPCF_ N 627415.999
	(NAD-27) (NAD-27) 150' SOUTH
	OFF SET 3692.9'
3697.3'	600' <i>3692.7</i> '
Exhibit 3B	
	200 0 200 400 FEET
Directions to Location: FROM THE JUNCTION OF HWY 529 AND MALJAMAR,	SCALE: 1" = 200' MEWBOURNE OIL COMPANY
GO SOUTH 4.3 MILES TO LEASE ROAD, ON LEASE ROAD GO NORTHWEST 1.0 MILES THENCE SOUTH 0.1	REF: CONCHISE "30" FEDERAL COM #1H / WELL PAD TOPO
MILES THENCE 0.2 MILES SOUTHEAST THENCE SOUTH 0.1 MILES TO OLD LEASE ROAD, ON OLD LEASE ROAD GO SOUTH 0.4 MILES TO PROPOSED LEASE	THE CONCHISE "30" FEDERAL COM #1H LOCATED 710'
ROAD.	FROM THE NORTH LINE AND 330' FROM THE WEST LINE OF
BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO	SECTION 30, TOWNSHIP 18 SOUTH, RANGE 32 EAST,
W.O. Number: 22660 Drawn By: J. SMALL	N.M.P.M., LEA COUNTY, NEW MEXICO.
Date: 04-27-2010 Disk: JMS 22660	Survey Date: 04-23-2010 Sheet 1 of 1 Sheets

