

N.M. OIL
P.O. BOX
HOBBES, N.M.
APPLICATION

OPER. OGRID NO. 147414
PROPERTY NO. 15343
POOL CODE 51580
EFF. DATE 11-1-94
API NO. 30-225-32724

FORM APPROVED
Budget Bureau No. 1004-0136
Expires: December 31, 1991

LEASE DERIVATION AND SERIAL NO.
M-4609
IF INDIAN, ALLOTTEE OR TRIBE NAME

1. TYPE OF WORK

DRILL ☒

2. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

3. NAME OF OPERATOR

Mewbourne Oil Company

4. ADDRESS AND TELEPHONE NO.

P.O. Box 5270 Hobbs, New Mexico 88241

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

825' FWL & 330' FNL

At proposed prod. zone

Same

Unit D

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

6 miles South of Maljamar New Mexico

7. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drig. unit line, if any)

330'

8. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

1485'

9. NO. OF ACRES IN LEASE

640

10. NO. OF ACRES ASSIGNED TO THIS WELL

40

11. PROPOSED DEPTH

4300'

12. ROTARY OR CABLE TOOLS

Rotary

13. ELEVATIONS (Show whether DF, RT, GR, etc.)

3759' GR

14. APPROX. DATE WORK WILL START*

Dec. 1, 1994

15.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" J-55	24#	1200' + or -	450 sks. Class "C" CIRCULATE
7-7/8"	5-1/2" J-55	14#	4300' + or -	600 sks. Class "C" (tie back)

Mewbourne Oil Company proposes to drill to a depth of sufficient to test the Queen formation for oil. If productive, 5-1/2" casing will be cemented at T.D. If non-productive, the well will be plugged and abandoned in a manner consistent with federal regulations. Specific programs are outlined in the following attachments:

Drilling Program

Surface Use and Operating Plan

Exhibit #1 - Location and Elevation Plat

Schedule #1 - Casing Design Program

Exhibit #2 - Attachment - Blowout Preventor

Exhibit #3, 3A - Existing and Planned Access Road w/Location

Exhibit #4 - 1/2 Mile Radius Map w/Attachment

Exhibit #5 - Proposed Drilling Rig Layout

Hydrogen Sulfide Drilling Operations Plan w/Schematic

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

16.

SIGNED

Bill Pierce

TITLE Drilling Superintendent

DATE Sept. 19, 1994

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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:

APPROVED BY

Link Sawell

TITLE

AREA MANAGER

DATE

11-1-94

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

RECEIVED
SEP 26 2 05 PM '94
CART
AREA
FMS
OF

APPROVAL SENT TO
FEDERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when requested by Federal or State agency officials.

ITEMS 15 AND 16: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill or deepen an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the operator elects to initiate drilling operations on an oil and gas lease.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0136), Washington, D.C. 20503.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications

Response to this request is mandatory only if the operator elects to initiate drilling operations on an oil and gas lease.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-32724		2 Pool Code 50580		3 Pool Name Querecho Plains (Associated) Queen	
4 Property Code 15-34-5 NM-4609		5 Property Name QPQASU			6 Well Number 29
7 OGRID No. 14744		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3759

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	18S	32E		330	NORTH	825	WEST	LEA

11 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

12 Dedicated Acres 40	13 Joint or Infill N	14 Consolidation Code	15 Order No.
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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

16				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Bill Pierce</i> Signature Bill Pierce Printed Name Drilling Superintendent Title September 19, 1994 Date	
					18 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. 9/07/94 Date of Survey Signature of Surveyor: <i>Herschel L. Jones</i> Herschel L. Jones 3640 Certificate Number

DRILLING PROGRAM
(Attached to Form 3160-3)

Mewbourne Oil Company
QPQASU #29
Lease # NM-4609
Unit Letter "D"
825' FWL & 330' FNL
Section 27 - T18S - R32E
Lea County, New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Permian	Surface
Base of Salt	2,551'
Yates	2,715'
Seven Rivers	3,112'
Upper Queen	3,942'
Lower Queen	3,967'
Queen	4,188'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Upper Permian Sands	100'	Fresh Water
Yates	2,715'	Oil
Seven Rivers	3,112'	Oil
Queen	3,942'	Oil
Penrose	4,188'	Oil

No other formations are expected to contain oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 8 5/8" surface casing at 1200' and circulating cement back to the surface. All oil bearing zones will be cemented off by circulating cement to the surface on the 5 1/2 inch production casing.

4. Casing Program:

<u>Hole Size</u>	<u>Casing OD</u>	<u>Wt./Ft.</u>	<u>Grade</u>	<u>Interval</u>	<u>Length</u>
12 1/4"	8 5/8"	24#	J-55	0 -1200'	1200'
7 7/8"	5 1/2"	14#	J-55	0 -4300'	4300'

(See schedule #1)

Cement Program:

8 5/8" Surface Casing:

Cemented to surface with 250 sacks of Class "C" Lite containing 1/4#/sk. Cellophane flakes + 3% CaCl₂ + 1#/sk. Gilsonite followed by 200 sks. Class "C" neat containing 3% CaCl₂.

5 1/2" Production Casing:

Cemented with 600 sacks of Class "H" containing .7% fluid loss additive + .3% friction reducer additive + 5#/sk. compressive strength enhancer + 5% NaCl. This cement slurry is designed to bring the TOC to surface.

Mewbourne Oil Company reserves the right to change the cement types and volumes depending on hole conditions encountered during drilling operations.

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #2 will consist of a double ram-type (2M psi WP) preventer.

The unit will be hydraulically operated and the ram-type preventer will be equipped with blind rams on bottom and drill pipe rams on top.

The BOP will be used on the production portion of the hole until TD is reached. The BOP will be tested to 1,000# psi before drilling out of surface casing.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily IADC tour sheets. A 2" kill line and choke line will be included in the drilling spool located below the ram-type BOP.

See also EXHIBIT 2 and Attachment Sheet.

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination fresh and cut brine mud system. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity (sec.)</u>	<u>Waterloss (cc's)</u>
0-1200'	Fresh Wtr.(spud)	8.5	35-45	N.C.
1200-4300'	Brine Water	10.0	29	N.C.

Sufficient mud materials to maintain mud properties and meet minimum loss circulation and weight increase requirements will be kept on the wellsite at all times.

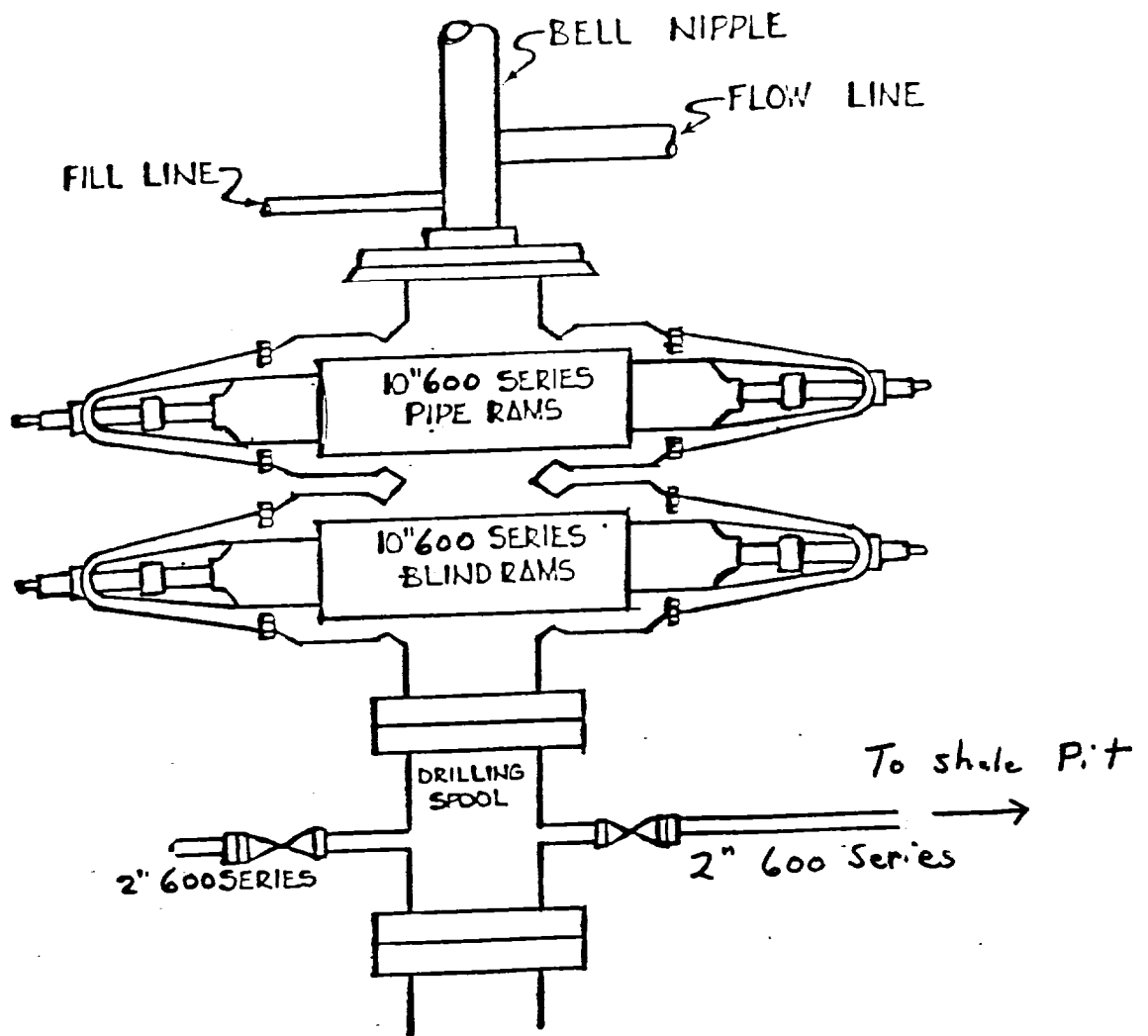
7. Auxiliary Well Control and Monitoring Equipment:

- (A.) A kelly cock will be kept in the drill string at all times.
- (B.) A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connection will be on the rig floor at all times.
- (C.) A company geologist will monitor drilling penetration rate and hydrocarbon shows from 1200' to T. D.

8. Logging, Testing and Coring Program:

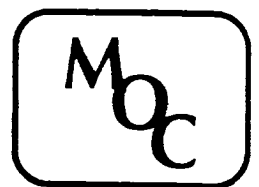
- (A.) No drillstem tests are anticipated.
- (B.) The electric logging program will consist of GR-Dual Laterolog-Micro Guard from TD to surface casing and GR-Spectral Density Dual Spaced Neutron from TD to surface.
- (C.) No cores either conventional or sidewall are anticipated.

- (D.) Further testing procedures will be determined after production casing/liner has been cemented at TD based on drill shows, log evaluations, and drill stem test results.
9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:
- No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 95 degrees F and estimated maximum bottom hole pressure (BHP) is 800# psig. Some Hydrogen Sulfide or other hazardous gases or fluids have been encountered, reported, or known to exist at this depth in this area. Some loss circulation zones have been encountered in off-setting wells.
10. Anticipated Starting Date and Duration of Operations:
- Road and location work will not begin until approval has been recieved from the BLM. The anticipated spud date is Dec. 15, 1994. Actual spud date will depend on availability of contractors' rig. Once spudded, the drilling operation should be finished in approximately 10 days. If production casing/liner is run, an additional 10 days will be required for completion and testing.



QPQASU #29
 Unit Letter "D"
 825' FWL & 330' FNL
 Section 27-T18S-R32E
 Lea County, New Mexico
 Lease # NM-4609

Exhibit #2



MEWBOURNE OIL CO.