Form 3160-5 (August 2007)

Approved By

UNITED STATES DEPARTMENT OF THE INTERIOR -

OCD	Artesia

FORM APPROVED OMB NO 1004-0135 Expires July 31, 2010

	BUREAU OF LAND MANAGEMENT					
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.			5. Lease Serial No NMNM14758			
			6. If Indian, Allottee or Tribe Name			
SUBMIT IN TRIP	LICATE - Other instruc	tions on rev	verse side.		7. If Unit or CA/Agree	ement, Name and/or No
1 Type of Well				8. Well Name and No. LONG DRAW 9 G FEDERAL 1		
				9. API Well No		
MEWBOURNE OIL COMPANY E-Mail: jlathan@mewbourne.com					30-015-37587-00-X1	
a. Address 3b. Phone N Ph: 575-3 HOBBS, NM 88241 Fx: 575-39				DE CEMETARY		
4 Location of Well (Footage, Sec., T., R., M., or Survey Description)					11 County or Parish, and State	
Sec 9 T20S R25E SWNE 2310			EDDY COUNTY, NM			
12. CHECK APPRO	OPRIATE BOX(ES) TO	INDICATE	E NATURE OF N	OTICE,	REPORT, OR OTHE	R DATA
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent Subsequent Report Final Abandonment Notice	Subsequent Report		cture Treat Reclama v Construction Recomp		plete rarily Abandon	□ Water Shut-Off □ Well Integrity ☑ Other
In the proposed or Completed Opera If the proposal is to deepen directionall Attach the Bond under which the work following completion of the involved o testing has been completed. Final Abai determined that the site is ready for final street.	ly or recomplete horizontally, and it is performed or provide to perations. If the operation resudented in the peration resudented in the file is the peration resudented in the file in the file is the peration resudented in the file in the file is the file in the file is the file in the file is the file in the file in the file is the file in the file in the file is the file in the file in the file is the file in the file in the file in the file in the file is the file in the file i	give subsurface the Bond No. o ults in a multip	locations and measu n file with BLM/BIA le completion or reco	ed and true Required mpletion ir	e vertical depths of all pertir subsequent reports shall be a new interval, a Form 316	ent markers and zones filed within 30 days 0-4 shall be filed once
Mewbourne Oil Company has a 01/15/12. We would like to extend	an approved APD for the end the APD for an addit	above capti tional 2 years	oned well that wil s.	expire o	_	
If you have any questions, please call 575-393-5905.			Accepted for record NMOCD NMOCD ARTESIA			for record
Bond on file: NM1693, Nationwide			JAN 06 2012			105/19/2012
		NMO	OCD ARTES	الــــــــــــــــــــــــــــــــــــ	APPROVED FOR 29 ENDING 1/15 T	MONTH PERIOD
Engi reviewe		! Me	1			
	Electronic Submission #1 For MEWBOUR	INE OIL COM	PANY, sent to the	Carlsbac	ı	
	Committed to AFMSS for processing by KUR Name(Printed/Typed) JACKIE LATHAN				EPRESENTATIVE	
Signature (Electronic Sul	bmission)		Date 11/17/20)11		
	THIS SPACE FO	R FEDERA	L OR STATE (FFICE	USE	
Approved By	Title SFIELD MANAGER Date 5					Date 15/1

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 lease which would entitle the applicant to conduct operations thereon. CARLSBAD FIELD OFFICE Office 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.

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME: Mewbourne Oil Company

LEASE NO.: | NM-14758

WELL NAME & NO.: Long Draw 9 G Federal 1

SURFACE HOLE FOOTAGE: 2310' FNL & 1650' FEL

BOTTOM HOLE FOOTAGE

LOCATION: | Section 9, T.20 S., R.25 E., NMPM

COUNTY: Eddy County, New Mexico

The previously approved Conditions of Approval for the approved APD dated 01/15/2010 still apply. Any additions to the originally approved COAs will be addressed below.

⊠ Drilling

Logging requirements High cave/karst Waste Material and Fluids

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

- 1. Although Hydrogen Sulfide has not been reported in this section, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts and formations to the BLM.
- 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. If the drilling rig is removed without approval an Incident of Non-Compliance will be written and will be a "Major" violation.
- 3. The record of the drilling rate along with the GR/N well log run from TD to surface shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies.

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

HIGH CAVE/KARST – CONTINGENCY CASING WILL BE REQUIRED IF LOST CIRCULATION OCCURS WHILE DRILLING THE SURFACE HOLE. THE SURFACE HOLE WILL HAVE TO BE REAMED AND A LARGER CASING INSTALLED. IF LOST CIRCULATION OCCURS WHILE DRILLING THE 7-7/8" HOLE, THE CEMENT PROGRAM FOR THE 4-1/2" CASING WILL NEED TO BE MODIFIED AND THE BLM IS TO BE CONTACTED PRIOR TO RUNNING THE CASING. A MINIMUM OF TWO CASING STRINGS CEMENTED TO SURFACE IS REQUIRED IN HIGH CAVE/KARST AREAS. THE CEMENT MUST BE IN A SOLID SHEATH THEREFORE, ONE INCH OPERATIONS WILL NOT BE PERMITTED. A DV TOOL WILL BE REQUIRED.

Possible water flows in the Grayburg and San Andres Formations Possible lost circulation in the San Andres Formation.

- 1. The 8-5/8 inch surface casing shall be set at approximately 925 feet within the San Andres Formation and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 2. The minimum required fill of cement behind the 4-1/2 inch production casing is:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.

3. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.
- 3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. The tests shall be done by an independent service company utilizing a test plug **not** a **cup** or **J-packer**.
 - c. The results of the test shall be reported to the appropriate BLM office.
 - d. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

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