Form 3160-5 (August 2007)

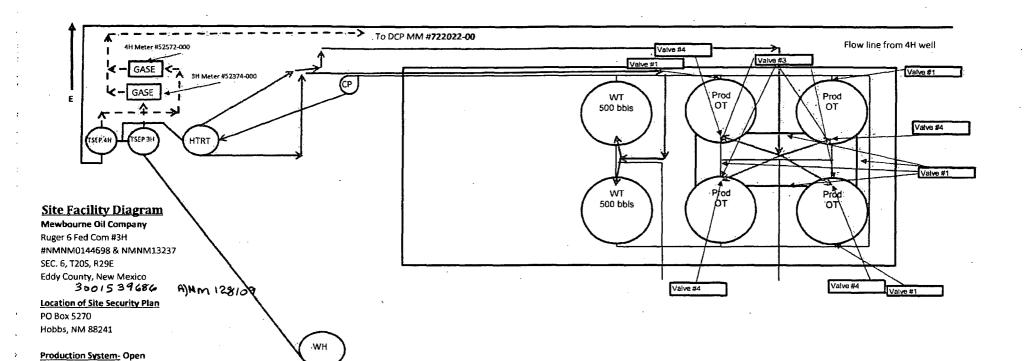
#### **UNITED STATES** DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

OCD-ARTESIA

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

### 5. Lease Serial No. NMNM13237

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.				NMNM13237  6. If Indian, Allottee or Tribe Name		
						SUBMIT IN TRII
1. Type of Well  ☑ Oil Well ☐ Ġas Well ☐ Oth	er				8. Well Name and No. RUGER 31 MP FE	ED #1H
Name of Operator     MEWBOURNE OIL COMPAN		ACKIE LATH	IAN		9. API Well No. 30-015-40242	
3a. Address PO BOX 5270 HOBBS, NM 88421		3b. Phone No. Ph: 575-39	(include area code 3-5905	)	10. Field and Pool, or WINCHESTER	Exploratory BONE SPRINGS
4. Location of Well (Footage, Sec., T.	, R., M., or Survey Description)				11. County or Parish, a	and State
Sec 31 T19S R29E Mer NMP	SWSW 715FSL 50FWL				EDDY COUNTY	′, NM
12. CHECK APPR	ROPRIATE BOX(ES) TO	INDICATE	NATURE OF	NOTICE, RI	EPORT, OR OTHE	R DATA
TYPE OF SUBMISSION			ТҮРЕ О	F ACTION		
☐ Notice of Intent	☐ Acidize `	□ Deep	en	□ Product	ion (Start/Resume)	■ Water Shut-Off
_	Alter Casing	☐ Frac	ture Treat .	Reclam Reclam	ation	■ Well Integrity
Subsequent Report	□ Casing Repair	□ New	Construction	☐ Recomp	olete	Other     Site Facility Diagra
☐ Final Abandonment Notice	☐ Change Plans	Plug	and Abandon	□ Tempor	arily Abandon	m/Security Plan
	□ Convert to Injection	Plug	Back	■ Water I	Disposal	
Attach the Bond under which the worfollowing completion of the involved testing has been completed. Final At determined that the site is ready for f Please see the attached Site wells:  Ruger 31 MP Fed #1H 30-015 Ruger 31 DA Fed #1H 30-015 Ruger 31 DA Fed #1H 30-015 Ruger 31 Fed #1 30-015-3 Ruger 31 Fed #2 30-015-3 Ruger 31 Fed #3 30-015-3 Ruger 31 Fed #3 30-015-3	operations. If the operation respondonment Notices shall be file inal inspection.)  Security Diagrams along was 5-40242 41679 5-41952 3554 3904	ults in a multipled only after all in which the Wate  VIOLE CO.  ARTESIA	e completion or recequirements, inclu r Disposal plan  NSERVATIO DISTRICT	completion in a ding reclamation for the follow	new interval, a Form 316 n, have been completed, ving SEE / CONDITION	0-4 shall be filed once and the operator has  ATTACHED FOR ONS OF APPROVAL
Ruger 31 Fed #3 30-015-35067 Ruger 6 Fed #1 30-015-33905 Ruger 6 Fed #2 30-015-34208  JAN 0		Date: 1/4/13				
		RECE	IVED		grow Om	<b>34.</b>
14. I hereby certify that the foregoing is	Electronic Submission #2	RNE OIL COM	PAŃY, sent to t	he Carlsbad		OD 1/14/15
Name(Printed/Typed) REID SH/	ARPE		Title ENGIN	NEER	·	MMOCD
. Signature (Electronic)	Submission)		Date 08/06/	2014		
, }	THIS SPACE FO	R FEDERA	L OR STATE	OFFICE U	ISE	
					<u> </u>	
Approved By			Title	·	·	Date
Conditions of approval, if any, are attache certify that the applicant holds legal or eq which would entitle the applicant to cond	uitable title to those rights in the		Office			
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any pe to any matter w	erson knowingly ar ithin its jurisdiction	nd willfully to m	nake to any department or	agency of the United



Seal Requirements as follows:

to tank truck

Oil Sales description as: by tank gauge

Sealed Closed Open
Sales phase 1,2,4 3
Production phase 1,2,3 4

Other Wells Going to Facility

Ruger 6 Fed Com #4H #NMNM0144698 & NMNM13237 SEC. 6, T205, R29E

Eddy County, New Mexico

30015 37198 A) Nm 128244

Accepted for Record Purposes. Approval Subject to Onsite Inspection. Value

## WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

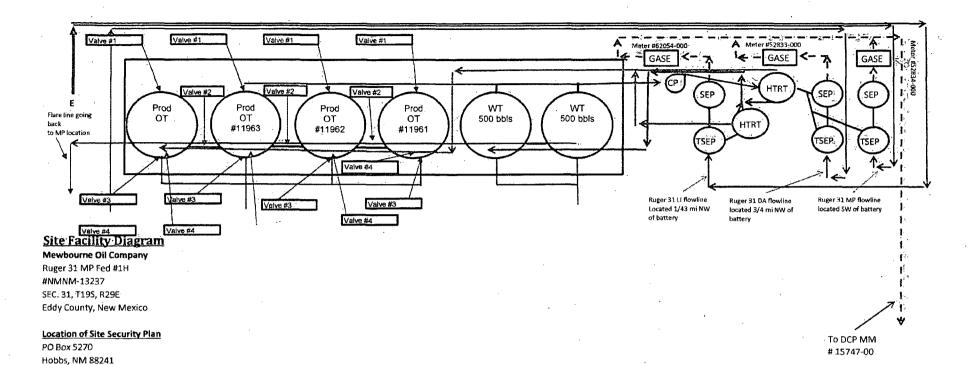
1.	Name of formations producing water on the lease.
	Bone Springs
2. '	Amount of water produced from all formations in barrels per day.
	80 800
	Attach a current water analysis of produced water from all zones showing at least al dissolved solids, ph, and the concentrations of chlorides and sulfates. (One will suffice if water is commingled.)
4.	How water is stored on lease. 2-500 bb/ fiberglass tanks
5.	How water is moved to the disposal facility. Truck have by 314 port
6.	Identify the Disposal Facility by:  A. Facility Operators name.  Mewhowine Dil Compacy
	B. Name of facility or well name and number. Derroger 18 Feb Swo #1
	C. Type of facility or well (WDW) (WIW) etc. WDW
	D. Location by 1/4 SESW Section 18 Township 205 Range 29E
7.	Attach a copy of the State issued permit for the Disposal Facility.

Submit to this office, 620 EAST GREENE ST, CARLSBAD NM, 88220, the above required information on a Sundry Notice 3160-5. Submit 1 original and 3 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice.)

Accepted for Record Purposes.

Approval Subject to Onsite Inspection.

Date: 1/6/15



Production System- Open

Oil Sales description as: by tank gauge to tank truck

#### Seal Requirements as follows:

Sales phase 1,2,4 3
Production phase 1,2,3 4

Other Wells on Location

Ruger 31 LI Fed #1H #NMNM-13237 SEC. 31, T19S, R29E Eddy County, New Mexico

Ruger 31 DA Fed #1H #NMNM-13237 SEC. 31, T19S, R29E Eddy County, New Mexico Accepted for Record Purposes.
Approval Subject to Onsite Inspection
Date: 1/6/15

## WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

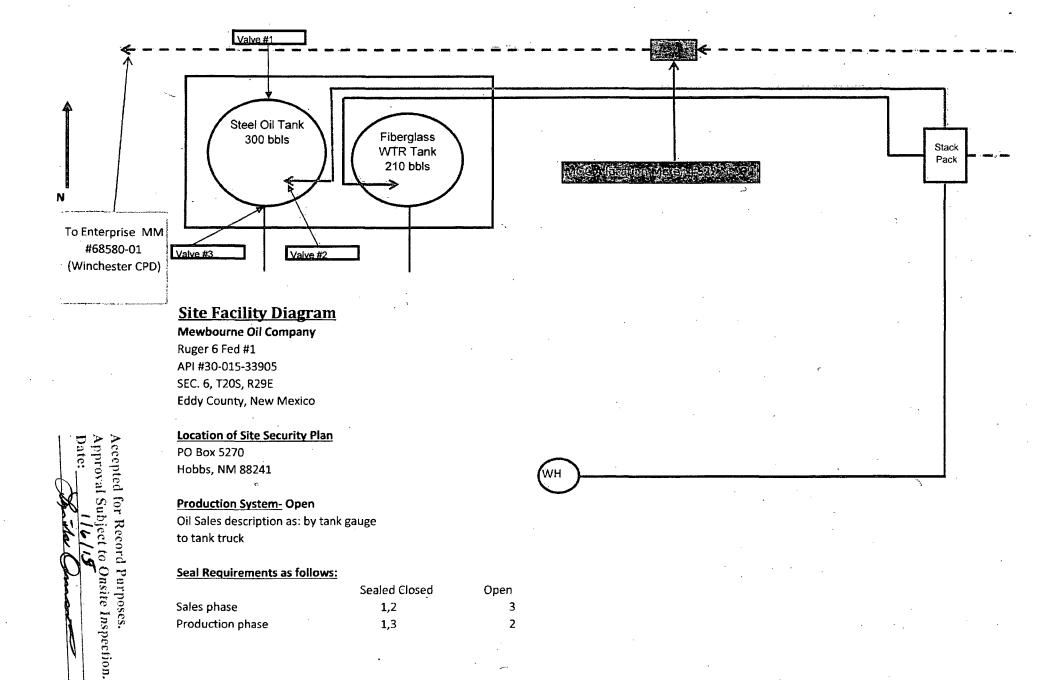
1.	Name of formations producing water on the lease.
	R
	Bone Springs
2.	Amount of water produced from all formations in barrels per day.
	800 BPD
	Attach a current water analysis of produced water from all zones showing at least otal dissolved solids, ph, and the concentrations of chlorides and sulfates. (One ole will suffice if water is commingled.)
4.	How water is stored on lease. 2 Siberglasa 500 bbl tanks
5.	How water is moved to the disposal facility. Truck howled by 3(2) porty
6.	Identify the Disposal Facility by:  A. Facility Operators name.  Mewbourne On Company
	B. Name of facility or well name and number. Descinges 18 Fed SWO #1
	C. Type of facility or well (WDW) (WIW) etc.
	D. Location by 1/4 SESW Section 18 Township DOS Range 29E
7:	Attach a copy of the State issued permit for the Disposal Facility.

Submit to this office, 620 EAST GREENE ST, CARLSBAD NM, 88220, the above required information on a Sundry Notice 3160-5. Submit 1 original and 3 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice.)

Accepted for Record Purposes.

Approval Subject to Onsite Inspection.

Date: 1/6/15

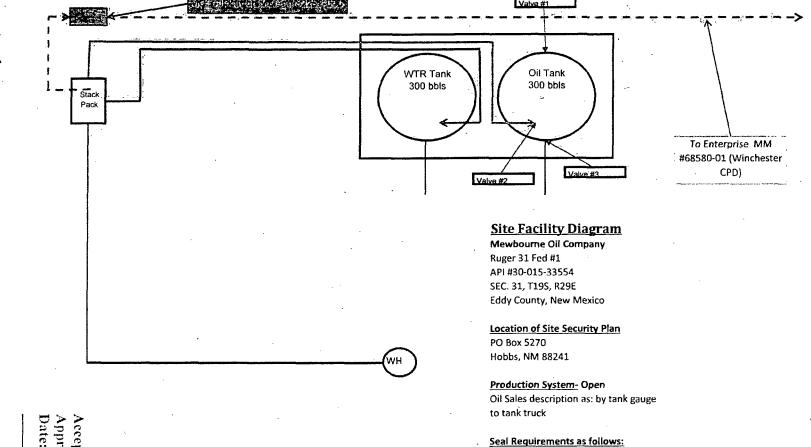


## Ruger 6 #\ WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1.	Name of formations producing water on the lease.
	Morrow/Atoka
2.	Amount of water produced from all formations in barrels per day.
	Attach a current water analysis of produced water from all zones showing at least all dissolved solids, ph, and the concentrations of chlorides and sulfates. (One e will suffice if water is commingled.)
4	How water is stored on lease. 1-210 bbl Fiberglass tank.
5.	How water is moved to the disposal facility. Truck hasled by 3rd part
6.	Identify the Disposal Facility by:  A. Facility Operators name.  Membrason On Company
	B. Name of facility or well name and number. Derringer 18 Fed Swo #1
•	C. Type of facility or well (WDW) (WIW) etc. wow
	D. Location by 1/4 SESW Section 16 Township 205 Range 29E
<b>7</b> :	Attach a copy of the State issued permit for the Disposal Facility.

Submit to this office, 620 EAST GREENE ST, CARLSBAD NM, 88220, the above required information on a Sundry Notice 3160-5. Submit 1 original and 3 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice.)



Accepted for Record Purposes.
Approval Subject to Onsite Inspection.
Date: 1/6/15

Sales phase 1,2 3
Production phase 1,3 2

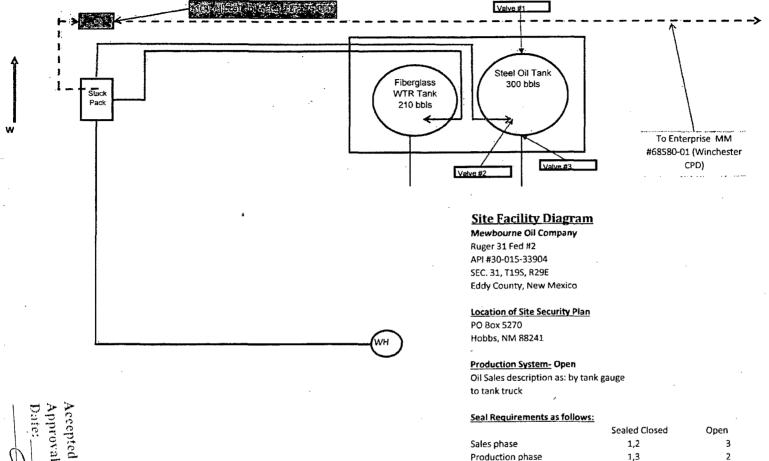
### Ruger 31#1

### WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1.	Name of formations producing water on the lease.
	Morrow
2.	Amount of water produced from all formations in barrels per day.
=======================================	.5 BPD ···
	Attach a current water analysis of produced water from all zones showing at least all dissolved solids, ph, and the concentrations of chlorides and sulfates. (One e will suffice if water is commingled.)
4.	How water is stored on lease. 1-300bbl fiberglass tank
5.	How water is moved to the disposal facility. Truck howled by 3rd part
6.	Identify the Disposal Facility by:  A. Facility Operators name.  Mewhourne Oil Company
	B. Name of facility or well name and number. Decringer & Fel SWD#1
	C. Type of facility or well (WDW) (WIW) etc. WOW
•	D. Location by 1/4 SESU Section 18 Township 205 Range 29E
7:	Attach a copy of the State issued permit for the Disposal Facility.

Submit to this office, 620 EAST GREENE ST, CARLSBAD NM, 88220, the above required information on a Sundry Notice 3160-5. Submit 1 original and 3 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice.)



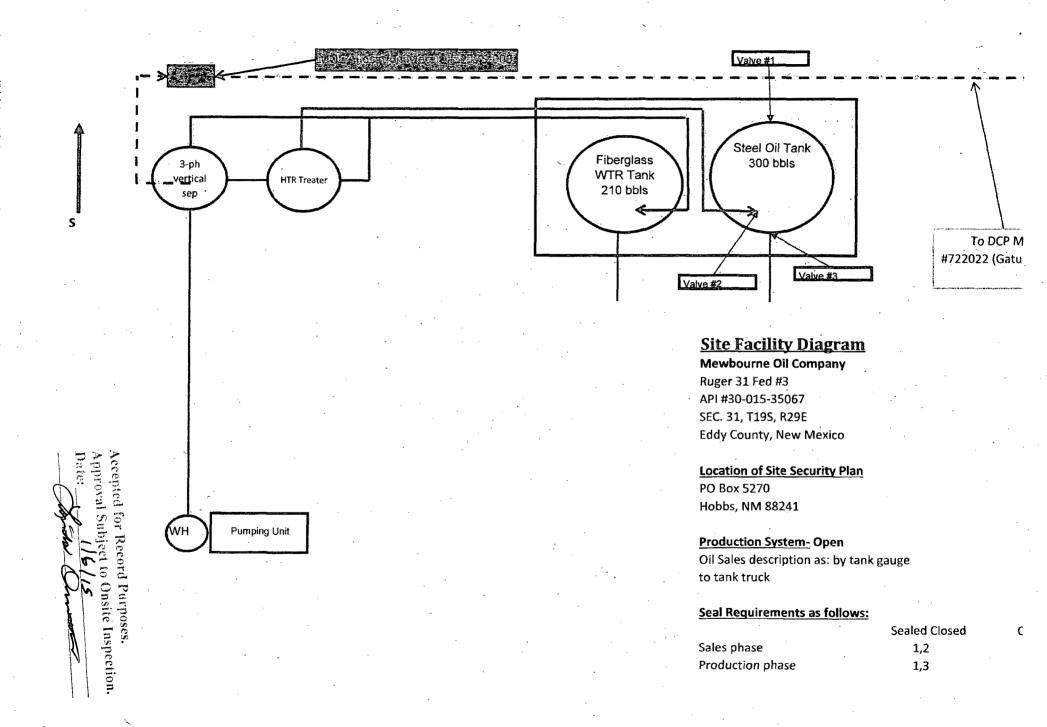
Accepted for Record Purposes.
Approval Subject to Onsite Inspection.

# Ruger 31 #2 WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1.	Name of formations producing water on the lease.
	Morrow, Atoka
2.	Amount of water produced from all formations in barrels per day.  4 BPD
	Attach a current water analysis of produced water from all zones showing at least tal dissolved solids, ph, and the concentrations of chlorides and sulfates. (One le will suffice if water is commingled.)
4.	How water is stored on lease. 1-210 bbl fiberglass tank
5.	How water is moved to the disposal facility. truck howled by 311 part
6.	Identify the Disposal Facility by:  A. Facility Operators name.  Mewboorne Oil Company
	B. Name of facility or well name and number. Dentinger 18 Fel Swn #1
	C. Type of facility or well (WDW) (WIW) etc.
	D. Location by W. W. SESW Section 18 Township 20 S Range 29E
<b>7:</b>	Attach a copy of the State issued permit for the Disposal Facility.

Submit to this office, 620 EAST GREENE ST, CARLSBAD NM, 88220, the above required information on a Sundry Notice 3160-5. Submit 1 original and 3 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice.)

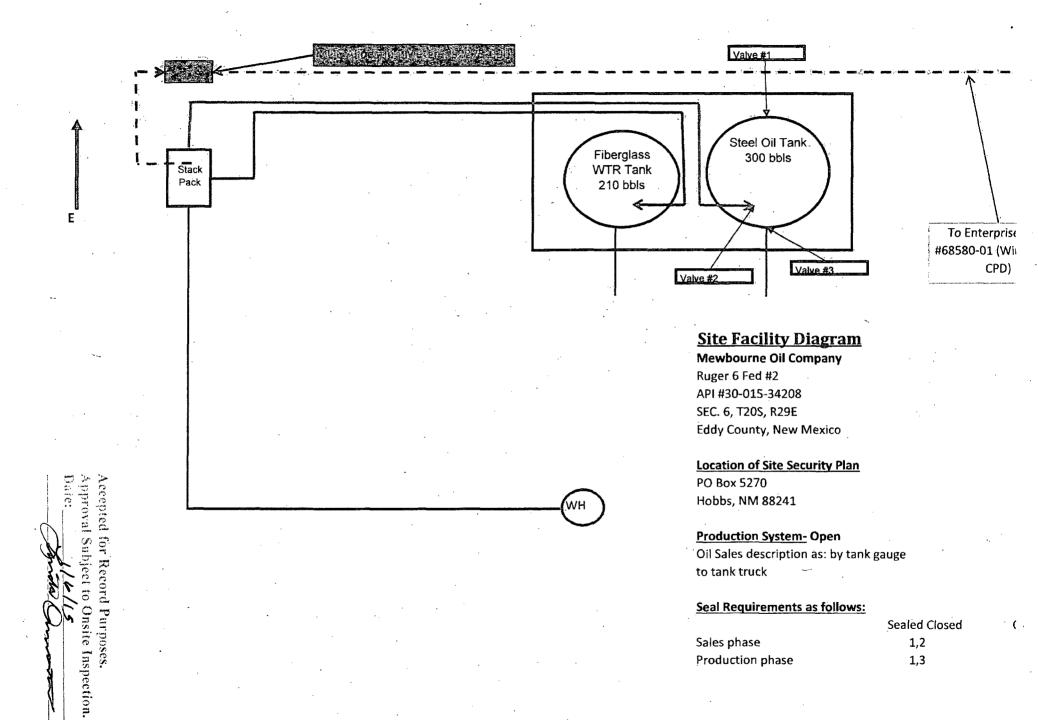


# Ruger 31#3 WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1.	Name of formations producing water on the lease.
	Delaware
2.	Amount of water produced from all formations in barrels per day.
	1 BPD
	Attach a current water analysis of produced water from all zones showing at least otal dissolved solids, ph, and the concentrations of chlorides and sulfates. (One ple will suffice if water is commingled.)
4.	How water is stored on lease. 1-210 bbl Fiberglass tank
5.	How water is moved to the disposal facility. Truck hauted by 3rd part
6.	Identify the Disposal Facility by:  A. Facility Operators name.  Mewboorne Oil Company
	B. Name of facility or well name and number. Derringer 18 Fel Swo #1
	C. Type of facility or well (WDW) (WIW) etc. いりい
	D. Location by W. W. SESW Section 18 Township 205 Range 19E
7.	Attach a copy of the State issued permit for the Disposal Facility.

Submit to this office, 620 EAST GREENE ST, CARLSBAD NM, 88220, the above required information on a Sundry Notice 3160-5. Submit 1 original and 3 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice.)



### WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

	·
1.	Name of formations producing water on the lease.
····	Morrow
2.	Amount of water produced from all formations in barrels per day.  \[ \frac{1}{4} BPD \]
	Attach a current water analysis of produced water from all zones showing at least tal dissolved solids, ph, and the concentrations of chlorides and sulfates. (One e will suffice if water is commingled.)
4.	How water is stored on lease. 1210 bbl Fiberglass tonk
5.	How water is moved to the disposal facility. Truck hasted by 31d Party
6.	Identify the Disposal Facility by:  A. Facility Operators name.  Mewhouse On Company
	B. Name of facility or well name and number. Derringer 18 Fel Slin #1
	C. Type of facility or well (WDW) (WIW) etc. WDW
	D. Location by W. 1/4 JESW Section 18 Township 205 Range 29E
7.	Attach a copy of the State issued permit for the Disposal Facility.

Submit to this office, 620 EAST GREENE ST, CARLSBAD NM, 88220, the above required information on a Sundry Notice 3160-5. Submit 1 original and 3 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice.)

Accepted for Record Purposes.
Approval Subject to Onsite Inspection.
Date:

### State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin
Cabinet Secretary-Designate .

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Balley, Division Director Oil Conservation Division



Administrative Order SWD-1425 July 3, 2013

### ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Pursuant to the provisions of 19.15.26.8B NMAC, Mewbourne Oil Company (the "operator"), seeks an administrative order to utilize its Derringer Federal SWD No. 1 with a location of 660 feet from the South line and 1980 feet from the West line, Unit letter N of Section 18, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

#### THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

#### **IT IS THEREFORE ORDERED THAT:**

The applicant, Mewbourne Oil Company (ORID 14744), is hereby authorized to utilize its Derringer Federal SWD Well No. 1 (API 30-015-30828) with a location of 660 feet from the South line and 1980 feet from the West line, Unit letter N of Section 18, Township 20 South, Range 29 East, NMPM, Eddy County, for disposal of oil field produced water (UIC Class II only) into the Devonian formations through open hole from approximately 12600 feet to 13200 feet. Injection will occur through internally coated tubing and a packer set within 100 feet of the permitted interval.

#### IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes all changes in well construction proposed and described in the application.

The operator shall supply the Division's Engineering Bureau with a copy of a mud log over the permitted disposal interval and an estimated insitu water salinity for the permitted disposal interval developed from open-hole log correlations. If significant hydrocarbon shows occur while drilling, the operator shall receive permission in writing from the Division prior to commencing disposal.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to no more than 2520 psig. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's district II office of the date and time of the installation of disposal equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district II office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate ipso facto. The Division, upon written

request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

JAMI BAILEY

Director

JB/prg

cc: Oil Conservation Division – Artesia District Office
United States Bureau of Land Management – Carlsbad Office

### BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

### Disposal of Produced Water From Federal Wells Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

- 1. This agency shall be notified of any change in your method or location of disposal.
- 2. Compliance with all provisions of Onshore Order No. 7.
- 3. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- 6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
- 8. Disposal at any other site will require prior approval.
- 9. Subject to like approval by NMOCD.

7/10/14