Form 3160-3 (March 2012)

UNITED STATES

FORM APPROVED OMB No. 1004-0137 Expires October 31, 2014

| DEPARTMENT OF THE 1 BUREAU OF LAND MAN | | | | NMNM 120904 | |
|---|-----------------------------------|--|--------------------|--|-----------------------|
| APPLICATION FOR PERMIT TO | | REENTER | | 6. If Indian, Allotee or | Tribe Name |
| fa. Type of work: DRDLL REENTS | R | | | 7 If Unit or CA Agreem | |
| 1b. Type of Well: Oil Well Gas Well Other | Sia | ngle Zone: 🗹 Multip | de Zone | 8. Lease Name and We SUMIDEROS 12 W1 | |
| 2 Name of Operator MEWBOURNE Off L COMPANY | | 14 | 744 | 9. API Way No. 30 - 0 | 15-4501 |
| 3a. Address PO Box 5270 Hobbs NM 88240 | 3b. Phone No (575)393-5 | (include area code) 1905 | | 101. Field and Pool, or Exp PURPLE-SAGE WO | • |
| 4. Location of Well Report breaton clearly and in accordance with an At surface SESE / 185 FSL / 330 FEL / LAT 32.0507186 | /Long-10 | 13.7241325 | 142 | 11. Sec., T. R. M. or BIK SEC 12 / T26S / R31 | • |
| At proposed prod. zone NENE / 330 FRL / 330 FEL / LAT 3 14. Distance in miles and direction from nearest town or post office 25 miles | 2.00336311 | LONG - 103.72413 | 143 | 1/2. County or Parish EDDY | F3. State NM |
| Is Distance from proposed* location to nearest 185 feet property or lease line, ft. (Also to nearest drig, unit line, if any) | IS. No. of a | cres in lease | 17. Spaci: 320 | g Unit dedicated to this we | ı |
| 18. Distance from proposed location* to nearest well, drilling, completed, 50 feet applied for, on this lease, ft. | 19. Proposed | i Depth 1 / 16765 feet | 20. BLM/ FED: N | SIA Band No. on file M1693 | |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3269 feet | 22. Approxim 10/27/201 | nate date work will sta 7 | ri* | 23. Estimated duration 60 days | |
| | 24. Attac | hmeats | | | |
| The following, completed in accordance with the requirements of Onshor 1. Well plus certified by a registered surveyor. 2. A Drilling Plan 3. A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office). | | Bond to cover t ltcm 20 above). Operator certification. | be operation | is form: us unless covered by an ex ormation and/or plans as n | |
| 25. Signature (Electronic Submission) | | (Printed/Typed) ev Bishop / Ph: (57 | ′51393-59 | . 1" | nate 07/26/2017 |
| Fitle Regulatory | 1 | <u></u> | | | |
| Approved by (Signature) (Electronic Submission) | I | (Printed/Typed) Layton / Ph: (575); | 234-5959 | 1- | Date 06/22/2018 |
| Title Supervisor Multiple Resources | 1 | LSBAD | | | |
| Application approval does not warrant or certify that the applicant hold conduct operations thereon. Conditions of approval, if any, are attached. | ls legal or equi | table title to those rigi | nts in the su | oject lease which would ent | itle the applicant to |
| Trile 18 U.S.C. Section 1001 and Tule 43 U.S.C. Section 1212, make it a c States any false, fictitious or frandulent statements or representations as | rime for any p to any matter v | erson knowingly and within its jurisdiction. | willfully to : | nake to any department or | agency of the United |

(Continued on page 2)

*(Instructions on page 2)



NM OIL CONSERVATION ARTESIA DISTRICT

JUN 27 2018

RECEIVED

RNP 1-9-18.

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal 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 local Federal offices.

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 Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices 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 the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

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

NOTICES

The Privacy Act of 1974 and 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 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts. ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information 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 or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours 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 (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

(Continued on page 3) (Form 3160-3, page 2)

Additional Operator Remarks

Location of Well

1. SHL: SESE / 185 FSL / 330 FEL / TWSP: 26S / RANGE: 31E / SECTION: 12 / LAT: 32.0507186 / LONG: -103.7241325 (TVD: 0 feet, MD: 0 feet)

PPP: SENE / 2667 FNL / 330 FEL / TWSP: 26S / RANGE: 31E / SECTION: 12 / LAT: 32.057547 / LONG: -103.724322 (TVD: 12018 feet, MD: 14400 feet)

PPP: SESE / 330 FSL / 330 FEL / TWSP: 26S / RANGE: 31E / SECTION: 12 / LAT: 32.050838 / LONG: -103.724227 (TVD: 12014 feet, MD: 12300 feet)

BHL: NENE / 330 FNL / 330 FEL / TWSP: 26S / RANGE: 31E / SECTION: 12 / LAT: 32.0639651 / LONG: -103.7241343 (TVD: 12021 feet, MD: 16765 feet)

BLM Point of Contact

Name: Tenille Ortiz

Title: Legal Instruments Examiner

Phone: 5752342224 Email: tortiz@blm.gov

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

(Form 3160-3, page 4)

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: Mewbourne Oil Co

LEASE NO.: NM120904

WELL NAME & NO.: 2H – Sumideros 12 W1PA Fed Com

SURFACE HOLE FOOTAGE: 185'/S & 380'/E BOTTOM HOLE FOOTAGE 330'/N & 990'/E

LOCATION: Sec. 12, T. 26 S, R. 31 E

COUNTY: Eddy County

COA

| H2S | CYes | 6 No | |
|----------------------|-----------------|------------------------|--------------|
| Potash | © None | Secretary | C R-111-P |
| Cave/Karst Potential | CLow | C Medium | 6 High |
| Variance | None | © Flex Hose | C Other |
| Wellhead | Conventional | [©] Multibowl | C Both |
| Other | ☐ 4 String Area | Capitan Reef | □WIPP |

A. Hydrogen Sulfide

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

- 1. The 13-3/8 inch surface casing shall be set at approximately 1275 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) 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 will be a minimum of <u>8</u> hours or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)

- 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 9-5/8 inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above. Additional cement maybe required. Excess calculates to 24%.
 - ❖ In <u>High Cave/Karst Areas</u> if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
- 3. The minimum required fill of cement behind the 7 inch production casing is: Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.
 - a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
 - Second stage above DV tool:Cement should tie-back at least 200 feet into
 previous casing string. Operator shall provide method of verification.
 Additional cement maybe required. Excess calculates to -68%.
- 4. The minimum required fill of cement behind the 4-1/2 inch production liner is:
 - Cement should tie-back 100' into the previous casing. Operator shall provide method of verification.

C. PRESSURE CONTROL

- 1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).
- 2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 5000 (5M) psi.
- 3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the production casing shoe shall be 10,000 (10M) psi.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - Eddy County
 Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
- 1. 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.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway
- 3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) 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. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e.

- changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
- 2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
- 6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 7. 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.
- 8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. 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. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
- 5. 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. In potash areas, 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. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, no tests shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. The tests shall be done by an independent service company utilizing a test plug. The results of the test shall be reported to the appropriate BLM office.
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. 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.
- f. 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. This test shall be performed prior to the test at full stack pressure.
- g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. 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.

Waste Minimization Plan (WMP)

In the interest of resource development, submission of additional well gas capture development plan information is deferred but may be required by the BLM Authorized Officer at a later date.

ZS 010818

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PECOS DISTRICT SURFACE USE CONDITIONS OF APPROVAL

OPERATOR'S NAME:
LEASE NO.:
WELL NAME & NO.:
SURFACE HOLE FOOTAGE:
BOTTOM HOLE FOOTAGE
LOCATION:
COUNTY:
Mewbourne Oil Company
NMNM120904
Sumideros 12 W1Pa Fed Com 1H
185'/N & 330'/W
330'N & 330'/E
Section 12, T23S, R31E, NMPM
Eddy

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

| General Provisions |
|---|
| Permit Expiration |
| Archaeology, Paleontology, and Historical Sites |
| Noxious Weeds |
| Special Requirements |
| Phantom Banks Heronries |
| Cave/Karst |
| Watershed |
| Construction |
| Notification |
| Topsoil |
| Closed Loop System |
| Federal Mineral Material Pits |
| Well Pads |
| Roads |
| Road Section Diagram |
| Production (Post Drilling) |
| Well Structures & Facilities |
| Interim Reclamation |
| Final Abandonment & Reclamation |

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

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V. SPECIAL REQUIREMENT(S)

Phantom Banks Heronries

Surface disturbance will not be allowed within up to 200 meters of active heronries or by delaying activity for up to 120 days, or a combination of both.

Exhaust noise from engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Cave and Karst Conditions of Approval for APDs

** Depending on location, additional Drilling, Casing, and Cementing procedures may be required by engineering to protect critical karst groundwater recharge areas.

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production:

Construction:

In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

No Blasting:

No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

Pad Berming:

- The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.
- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g., caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

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- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised. (Any access road crossing the berm cannot be lower than the berm height.)
- Following a rain event, all fluids will vacuumed off of the pad and hauled off-site and disposed at a proper disposal facility.

Tank Battery Liners and Berms:

Tank battery locations and all facilities will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing, or equivalent, to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Leak Detection System:

A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating values and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

Automatic Shut-off Systems:

Automatic shut off, check values, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and ground water concerns:

Rotary Drilling with Fresh Water:

Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:

Kick off for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:

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ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported in the drilling report. Regardless of the type of drilling machinery used, if a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:

Upon well abandonment in cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:

Annual pressure monitoring will be performed by the operator on all casing annuli and reported in a sundry notice. If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

Watershed

- The entire well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed.
- Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion.
- Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

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VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Page 6 of 13

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

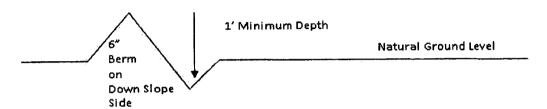
Drainage

Page 7 of 13

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope:
$$\frac{400'}{40'}$$
 + 100' = 200' lead-off ditch interval

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

- Salvage topsoil
 Construct road
- 3. Redistribute topsoil 4. Revegetate slopes
- center line of roadway shoulder tumout 10 transitio 100 full turnout width Intervisible tumouts shall be constructed on all single lane roads on all blind curves with additional tunouts as needed to keep spacing below 1000 feet. Typical Turnout Plan natural ground **Level Ground Section** pson CIONIN type earth surface .03 - .05 ft/ft aggregate surta .02 - .04 ft/ft pavod surface .02 - .03 ft/ft Depth measured from the bottom of the ditch **Side Hill Section** center line center line travel surface travel surface -(stope 2 - 4%) (slope 2 - 4%) **Typical Outsloped Section Typical Inslope Section**

Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Page 10 of 13

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

IX. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

Page 11 of 13

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Page 12 of 13

Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be <u>no</u> primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

| Species | l <u>b/acre</u> |
|--|-----------------|
| Sand dropseed (Sporobolus cryptandrus) | 1.0 |
| Sand love grass (Eragrostis trichodes) | 1.0 |
| Plains bristlegrass (Setaria macrostachya) | 2.0 |

^{*}Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

B.T. FESG.

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U.S. Department of the interior BUREAU OF LAND MANAGEMENT



APD ID: 10400013817

Operator Name: MEWBOURNE OIL COMPANY

Well Name: SUMIDEROS 12 W1PA FED COM

Well Type: CONVENTIONAL GAS WELL

Submission Date: 07/26/2017

Federal/Indian APD: FED

Well Number: 1H

Well Work Type: Drill

Highlighted data reflects the most recent changes

Show Final Text

Application

Section 1 - General

APD ID:

10400013817

Tie to previous NOS?

Submission Date: 07/26/2017

BLM Office: CARLSBAD

User: Bradley Bishop

Title: Regulatory

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM 120904

Lease Acres:

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? YES

Permitting Agent? NO

APD Operator: MEWBOURNE OIL COMPANY

Operator letter of designation:

Sumideros12W1PAFedCom1H_operatorletterofdesig_07-26-2017.pdf

Operator Info

Operator Organization Name: MEWBOURNE OIL COMPANY

Operator Address: PO Box 5270

Operator PO Box:

Zip: 88240

Operator City: Hobbs

State: NM

Operator Phone: (575)393-5905

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO

Mater Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Approval Date: 06/22/2018

Page 1 of 24

Well Name: SUMIDEROS 12 W1PA FED COM

Well Number: 1H

Well Name: SUMIDEROS 12 W1PA FED COM

Well Number: 1H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: PURPLE-SAGE

Pool Name: WOLFCAMP

WOLFCAMP GAS

Is the proposed well in an area containing other mineral resources? USEABLE WATER, NATURAL GAS, OIL

Describe other minerals:

Is the proposed well in a Helium production area? N Use Existing Well Pad? NO

New surface disturbance?

Type of Well Pad: SINGLE WELL

Multiple Well Pad Name:

Number:

Well Class: HORIZONTAL

Number of Legs:

Well Work Type: Drill

Well Type: CONVENTIONAL GAS WELL

Describe Well Type:

Well sub-Type: APPRAISAL

Describe sub-type:

Distance to town: 25 Miles

Distance to nearest well: 50 FT

Distance to lease line: 185 FT

Reservoir well spacing assigned acres Measurement: 320 Acres

Well plat:

Sumideros12W1PAFedCom1H_wellplat_07-26-2017.pdf

Well work start Date: 10/27/2017

Duration: 60 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number:

| | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Meridian | Lease Type | Lease Number | Elevation | MD | סעד |
|------------------|---------|--------------|---------|--------------|------|-------|---------|-------------------|----------------|----------------------|----------|-------------------|----------|------------|----------------|---------------|-----------|-----------|
| SHL Leg #1 | 185 | FSL | 330 | FEL | 268 | 31E | 12 | Aliquot SESE | 32.05071 86 | - 103.7241 325 | EDD Y | NEW MEXI CO | | П | i | 320 9 | 0 | 0 |
| KOP Leg #1 | 185 | FSL | 330 | FEL | 26\$ | 31E | 12 | Aliquot SESE | 32.05071 86 | - 103.7241 325 | EDD Y | NEW MEXI CO | | F | NMNM 120904 | - 823 4 | 114 43 | 114 43 |
| PPP Leg #1 | 330 | FSL | 330 | FEL | 26\$ | 31E | 12 | Aliquot SESE | 32.05083 8 | - 103.7242 27 | EDD Y | NEW MEXI CO | | F | NMNM 120904 | - 880 5 | 123 00 | 120 14 |

Approval Date: 06/22/2018

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Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

| | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twep | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Mendian | Lease Type | Lease Number | Elevation | MO | ۵۷T |
|-------------------|----------|--------------|---------|--------------|------|-------|---------|-------------------|----------------|----------------------|----------|-------------------|-------------------|------------|----------------|---------------|-----------|-----------|
| PPP Leg #1 | 266 7 | FNL | 330 | FEL | 268 | 31E | 12 | Aliquet SENE | 32.05754 7 | - 103.7243 22 | EDD Y | NEW MEXI CO | NEW MEXI CO | | NMNM 089057 | - 880 9 | 144 00 | 120 18 |
| EXIT Leg #1 | 330 | FNL | 330 | FEL | 268 | 31E | 12 | | 32.06396 51 | - 103.7241 343 | EDD Y | | MEXI MEXI | F | NMNM 089057 | - 881 2 | 167 65 | 120 21 |
| BHL Leg #1 | 330 | FNL | 330 | FEL | 268 | 31E | 12 | | 32.06396 51 | - 103.7241 343 | EDD Y | NEW MEXI CO | NEW MEXI CO | | NMNM 089057 | - 881 2 | 167 65 | 120 21 |

Drilling Plan

Section 1 - Geologic Formations

| Formation ID | Formation Name | Elevation | True Vertical Depth | Measured Depth | Lithologies | Mineral Resources | Producing Formation |
|-----------------|-----------------|-----------|------------------------|-------------------|-------------------|-------------------|------------------------|
| 1 | UNKNOWN | 3209 | 27 | 27 | | NONE | No |
| 2 | RUSTLER | 1869 | 1350 | 1350 | DOLOMITE ANHYDRIT | USEABLE WATER | No |
| 3 | TOP SALT | 1299 | 1910 | 1910 | SALT | NONE | No |
| 4 | BASE OF SALT | 599 | 2610 | 2610 | SALT | NONE | No |
| 5 | YATES | -891 | 4100 | 4100 | SANDSTONE | NATURAL GAS,OIL | No |
| 6 | CHERRY CANYON | -1101 | 4310 | 5310 | SANDSTONE | NATURAL GAS,OIL | No |
| 7 | LAMAR | -1101 | 4310 | 4310 | LIMESTONE | NATURAL GAS,OIL | No |
| 8 | BELL CANYON | -1136 | 4345 | 4345 | SANDSTONE | NATURAL GAS,OIL | No |
| 9 | MANZANITA | -2251 | 5460 | 5460 | | NONE | No |
| 10 | BRUSHY CANYON | -3641 | 6850 | 6850 | SANDSTONE | NATURAL GAS,OIL | Yes |
| 11 | BONE SPRING | -5101 | 8310 | 8310 | LIMESTONE, SHALE | NATURAL GAS,OIL | No |
| 12 | BONE SPRING 1ST | -5151 | 8360 | 8360 | SANDSTONE | NATURAL GAS,OIL | No |

Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

| Formation ID | Formation Name | Elevation | True Vertical Depth | Measured Depth | | Mineral Resources | Producing Formation |
|--------------|-----------------|-----------|------------------------|-------------------|-------------------------------|-------------------|------------------------|
| 13 | BONE SPRING 2ND | -5751 | 8960 | 8960 | SANDSTONE | NATURAL GAS, OFL | No |
| 14 | BONE SPRING 3RD | -8011 | 11220 | 11220 | SANDSTONE | NATURAL GAS, OFL | No |
| 15 | WOLFCAMP | -8451 | 11660 | 11660 | LEJESTONE,SHALE,SA NOSTONE | NATURAL GAS,OIL | Yes |

Section 2 - Blowout Prevention

Pressure Rating (PSI): 10M

Rating Depth: 16775

Equipment: Annular, Pipe Ram, Blind Ram

Requesting Variance? YES

Variance request: A variance is requested for the use of a 5M annular BOP. Please see attachment. A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. Anchors are not required by the manufacturer. A multibowl wellhead is being used. See attached schemafic.

Testing Procedure: BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested. 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 tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold.

Choke Diagram Attachment:

Sumideros_12_W1PA_Fed_Com_1H_Flex_Line_Specs_20171128164829.pdf

Sumideros_12_W1PA_Fed_Com_1H_10M_BOPE_Choke_Diagram_20171128164919.pdf

BOP Diagram Attachment:

Sumideros 12 W1PA Fed Com 1H Multi Bowl WH 07-18-2017.pdf

Sumideros_12_W1PA_Fed_Com_1H_10M_Annular_BOP_Variance_20171128164929.doc

Sumideros 12 W1PA Fed Com 1H 10M BOPE Schematic 20171128164943.pdf

Section 3 - Casing

| Casing ID | | Hole Size | Csg Size | Condition | Standard | Tapered String | Top Set MD | Bottom Set MD | Top Set TVD | Bottom Set TVD | Top Set MSL | Bottom Set MSL | Calculated casing iength MD | Grade | Weight | Joint Type | Collapse SF | Burst SF | Joint SF Type | Joint SF | Body SF Type | B.4. 06 |
|-----------|--|-----------|----------|-----------|----------|----------------|------------|---------------|-------------|----------------|-------------|----------------|-----------------------------|-------|--------|------------|-------------|----------|---------------|----------|--------------|---------|
|-----------|--|-----------|----------|-----------|----------|----------------|------------|---------------|-------------|----------------|-------------|----------------|-----------------------------|-------|--------|------------|-------------|----------|---------------|----------|--------------|---------|

Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

| Casing ID | String Type | Hole Size | Csg Size | Condition | Standard | Tapered String | Top Set MD | Bottom Set MD | Top Set TVD | Bottom Set TVD | Top Set MSL | Bottom Set MSL | Calculated casing length MD | Grade | Weight | Joint Type | Collapse SF | Burst SF | Joint SF Type | Joint SF | Body SF Type | 0.4.0 |
|-----------|------------------|-----------|----------|-----------|----------|----------------|------------|---------------|-------------|----------------|-------------|----------------|--------------------------------|-----------|--------|------------|-------------|----------|---------------|-----------|--------------|---------|
| 1 | SURFACE | 17.5 | 13.375 | NEW | API | N | 0 | 1375 | 0 | 1375 | -8812 | - 10187 | 1375 | H-40 | 48 | STC | 1.2 | 2.69 | DRY | 4.88 | DRY | 8.: |
| 2 | INTERMED IATE | 12,2 5 | 9.625 | NEW | API | 7 | 0 | 3453 | 0 | 3453 | -8812 | - 12265 | 3453 | J-55 | 40 | LTC | 1.17 | 1.79 | DRY | 20.1 4 | DRY | 1£ 2 |
| 3 | PRODUCTI ON | 8.75 | 7.0 | NEW | API | N | 0 | 12150 | 0 | 11891 | -8812 | - 20703 | 12150 | P- 110 | 26 | LTC | 1.31 | 1.67 | DRY | 2.07 | DRY | 2. |
| 4 | LINER | 6.12 5 | 4.5 | NEW | API | N | 11445 | 16775 | 11445 | | - 20257 | | | P- 110 | 13.5 | LTC | 1.31 | 1.53 | DRY | 4.7 | DRY | 5 |

Casing Attachments

Casing ID: 1

String Type: SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Sumideros_12_W1PA_Fed_Com_1H_Csg_Assumptions_07-18-2017.pdf

Casing ID: 2

String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Sumideros_12_W1PA_Fed_Com_1H_TaperedCsg_07-18-2017.pdf

Casing Design Assumptions and Worksheet(s):

 $Sumideros_12_W1PA_Fed_Com_1H_Csg_Assumptions_07-18-2017.pdf$

Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

Casing Attachments

Casing ID: 3

String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Sumideros_12_W1PA_Fed_Com_1H_Csg_Assumptions_07-18-2017.pdf

Casing ID: 4

String Type:LINER

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Sumideros_12_W1PA_Fed_Com_1H_Csg_Assumptions_07-18-2017.pdf

Section 4 - Cement Cement type Quantity(sx) String Type **Bottom MD** Excess% ead/Tall Top MD Density Yleld 缸 귱 Class C 1183 780 2.12 12.5 1654 100 Salt, Gel, Extender, SURFACE Lead LCM 14.8 268 100 Class C Retarder SURFACE Tail 1183 1375 200 1.34 Salt, Gel, Extender, 710 2.12 12.5 1505 Class C INTERMEDIATE Lead 0 3595 LCM Retarder INTERMEDIATE 3595 4235 200 1.34 14.8 268 Class C Tail

Operator Name: MEWBOURNE OIL COMPANY

Well Name: SUMIDEROS 12 W1PA FED COM

Well Number: 1H

| String Type | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives |
|-------------|-----------|---------------------|-----------|-----------|--------------|-------|---------|-------|---------|-------------|---|
| PRODUCTION | Lead | 5460 | 4035 | 4783 | 70 | 2.12 | 12.5 | 148 | 25 | Class C | Gel, Retarder, Defoamer, Extender |
| PRODUCTION | Tail | | 4783 | 5460 | 100 | 1.34 | 14.8 | 134 | 25 | Class C | Retarder |
| PRODUCTION | Lead | 5460 | 2835 | 9658 | 375 | 2.12 | 12.5 | 795 | 25 | Class C | Gel, Retarder, Defoamer, Extender |
| PRODUCTION | Tail | | 9658 | 1215 0 | 400 | 1.18 | 15.6 | 472 | 25 | Class H | Retarder, Fluid Loss, Defoamer |
| LINER | Lead | | 1144 5 | 1677 5 | 220 | 2.97 | 11.2 | 653 | 25 | Class C | Salt, Gel, Fluid Loss, Retarder, Dispersant, Defoamer, Anti-Settling Agent |

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Lost circulation material Sweeps Mud scavengers in surface hole

Describe the mud monitoring system utilized: Pason/PVT/Visual Monitoring

Circulating Medium Table

| Ton Donth | | Mud Type | Min Weight (ibs/gal) | Max Weight (Ibs/gal) | Density (lbs/cu ft) | Gel Strength (lbs/100 sqft) | Hd | Viscosity (CP) | Salinity (ppm) | Filtration (cc) | Additional Characteristics |
|-----------|------|----------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
| C | 1375 | SPUD MUD | 8.6 | 8.8 | | | | | | | |

Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

| Top Depth | Bottom Depth | Mud Type | Min Weight (Ibe/gal) | Max Weight (Ibe/gal) | Density (ibs/cu ft) | Gel Strength (lbs/100 sqft) | ЬН | Viscosity (CP) | Salinity (ppm) | Filtration (cc) | Additional Charecteristics |
|-----------|--------------|--------------------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|--|--|
| 1375 | 4235 | SALT SATURATED | 10 | 10 | | | | ı. | | | |
| 4235 | 1144 5 | WATER-BASED MUD | 8.6 | 9.7 | | | | | | | |
| 1144 5 | 1202 1 | OIL-BASED MUD | 10 | 13 | · | | | | | and a supplied to the supplied | MW up to 13.0 ppg may be required for shale control. The highest MW needed to balance formation pressure is expected to be 12.0 ppg. |

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Will run GR/CNL from KOP (11445') to surface

List of open and cased hole logs run in the well:

CNL,DS,GR,MWD,MUDLOG

Coring operation description for the well:

None

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7501

Anticipated Surface Pressure: 4856.38

Anticipated Bottom Hole Temperature(F): 140

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Sumideros 12 W1PA Fed_Com 1H H2S_Plan_07-18-2017.pdf

Approval Date: 06/22/2018 Page 8 of 24

Well Name: SUMIDEROS 12 W1PA FED COM

Well Number: 1H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

 $Sumideros_12_W1PA_Fed_Com_1H_Dir_Plan_07-18-2017.pdf$

Sumideros 12 W1PA Fed Com 1H Dir Plot 07-18-2017.pdf

Other proposed operations facets description:

Other proposed operations facets attachment:

Sumideros 12 W1PA_Fed_Com_1H_Drlg_Program_07-18-2017.doc

Other Variance attachment:

SUPO

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

Sumideros12W1PAFedCom1H existingroadmap 07-26-2017.pdf

Existing Road Purpose: ACCESS, FLUID TRANSPORT

Row(s) Exist? NO

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ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

Sumideros12W1PAFedCom1H newroadmap 07-26-2017.pdf

New road type: RESOURCE

Length: 3402.59

Feet

Width (ft.): 20

Max slope (%): 3

Max grade (%): 3

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

New road travel width: 14

New road access erosion control: None

New road access plan or profile prepared? NO

New road access plan attachment:

Access road engineering design? NO

Access road engineering design attachment:

Access surfacing type: OTHER

Access topsoil source: OFFSITE

Access surfacing type description: Caliche

Access onsite topsoil source depth:

Offsite topsoil source description: Topsoil will be on edge of lease road.

Onsite topsoil removal process:

Access other construction information: None

Access miscellaneous information: None

Number of access turnouts: 3

Access turnout map:

Drainage Control

New road drainage crossing: OTHER

Drainage Control comments: None

Road Drainage Control Structures (DCS) description: None

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Additional Attachment(s):

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

Sumideros12W1PAFedCom1H_existingwellmap_07-26-2017.pdf

Existing Wells description:

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Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description: a. All permanent, lasting more than 6 months, above ground structures including but not limited to pumpjacks, storage tanks, pipeline risers, meter housing, etc. that are not subject to safety requirements will be painted a non-reflective paint color that blends in with the surrounding landscape. The paint color will be one of the colors from the BLM Standard Environmental Colors chart selected by the BLM authorized officer. b. All proposed production facilities that are located on the well pad will be strategically placed to allow for maximum interim reclamation, recontouring, and revegetation of the well location. c. Production from the proposed well will be located on the east edge of location. d. If any plans change regarding the production facility or other infrastructure (pipeline, electric line, etc.), we will submit a sundry notice or right of way (if applicable) prior to installation of construction.

Production Facilities map:

Sumideros12W1PAFedCom1H_productionfacilitymap_07-26-2017.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: DUST CONTROL,

INTERMEDIATE/PRODUCTION CASING, STIMULATION, SURFACE

CASING

Describe type: Source longitude: -103.75335

Source latitude: 32.066223 Source datum: NAD83

Water source permit type: WATER WELL

Source land ownership: FEDERAL

Water source transport method: TRUCKING

Source transportation land ownership: COMMERCIAL

Water source volume (barrels): 2014

Source volume (gal): 84588

Water source use type: DUST CONTROL. Water source type: IRRIGATION

INTERMEDIATE/PRODUCTION CASING, STIMULATION, SURFACE

CASING

Describe type: Source longitude: -103,8013

Source latitude: 32.05537 Source datum: NAD83

Water source permit type: WATER WELL

Source land ownership: PRIVATE

Water source transport method: TRUCKING

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Water source type: IRRIGATION

Source volume (acre-feet): 0.2595907

Well Name: SUMIDEROS 12 W1PA FED COM

Weli Number: 1H

Source transportation land ownership: COMMERCIAL

Water source volume (barrels): 2014

Source volume (acre-feet): 0.2595907

Source volume (gal): 84588

Water source and transportation map:

Sumideros12W1PAFedCom1H_watersourceandtransportationmap_07-26-2017.pdf

Water source comments: Both sources shown on one map

New water well? NO

New Water Well Info

Well latitude:

Well Longitude:

Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft):

Est thickness of aquifer:

Aguifer comments:

Aquifer documentation:

Well depth (ft):

Well casing type:

Well casing outside diameter (in.):

Well casing inside diameter (in.):

New water well casing?

Used casing source:

Drilling method:

Drill material:

Grout material:

Grout depth:

Casing length (ft.):

Casing top depth (ft.):

Well Production type:

Completion Method:

Water well additional information:

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Construction Materials description: Caliche - both sources shown on one map.

Construction Materials source location attachment:

Sumideros12W1PAFedCom1H_calichesourceandtransportationmap_07-26-2017.pdf

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Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

Section 7 - Methods for Handling Waste

Waste type: SEWAGE

Waste content description: Human waste & grey water

Amount of waste: 1500

gallons

Waste disposal frequency: Weekly

Safe containment description: 2,000 gallon plastic container

Safe containment attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE

FACILITY

Disposal type description:

Disposal location description: City of Carlsbad Water Treatment facility

Waste type: GARBAGE

Waste content description: Garbage & trash

Amount of waste: 1500

pounds

Waste disposal frequency: One Time Only

Safe containment description: Enclosed trash trailer

Safe containment attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE

FACILITY

Disposal type description:

Disposal location description: Waste Management facility in Carlsbad.

Waste type: DRILLING

Waste content description: Drill cuttings

Amount of waste: 940

barrels

Waste disposal frequency: One Time Only

Safe containment description: Drill cuttings will be properly contained in steel tanks (20 yard roll off bins.)

Safe containment attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE

FACILITY

Disposal type description:

Disposal location description: NMOCD approved waste disposal locations are CRI or Lea Land, both facilities are located on HWY 62/180, Sec. 27 T20S R32E.

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Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.)

Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? NO

Description of cuttings location

Cuttings area length (ft.)

Cuttings area width (ft.)

Cuttings area depth (ft.)

Cuttings area volume (cu. yd.)

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

Sumideros12W1PAFedCom1H_wellsitelayout_07-26-2017.pdf

Comments:

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Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance Multiple Well Pad Name:

Multiple Well Pad Number:

Recontouring attachment:

Drainage/Erosion control construction: None **Drainage/Erosion control reclamation:** None

Wellpad long term disturbance (acres): 1.414 Wellpad short term disturbance (acres): 2.65

Access road long term disturbance (acres): 1.561 Access road short term disturbance (acres): 1.561

Pipeline long term disturbance (acres): 0 Pipeline short term disturbance (acres): 0 Other long term disturbance (acres): 0 Other short term disturbance (acres): 0

Total long term disturbance: 2.975 Total short term disturbance: 4.211

Disturbance Comments: In areas to be heavily disturbed, the top 6 inches of soil material, will be stripped and stockpiled on the perimeter of the well location to keep topsoil viable, and to make redistribution of topsoil more efficient during interim reclamation. Stockpiled topsoil should include vegetative material. Topsoil will be clearly segregated and stored separately from subsoils. Contaminated soil will not be stockpiled, but properly treated and handled prior to topsoil salvaging. Reconstruction method: The areas planned for interim reclamation will then be recontoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as possible. Where applicable, the fill material of the well pad will be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio, unless the adjacent native topography is steeper. Note: Constructed slopes may be much steeper during drilling, but will be recontoured to the above ratios during interim reclamation.

Topsoll redistribution: Topsoil will be evenly respread and aggressively revegetated over the entire disturbed area not needed for all-weather operations including cuts & fills. To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used.

Soil treatment: NA

Existing Vegetation at the well pad: Various brush & grasses

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: Various brush & grasses

Existing Vegetation Community at the road attachment:

Existing Vegetation Community at the pipeline: NA

Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: NA

Existing Vegetation Community at other disturbances attachment:

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| Operator Name: MEWBOURNE OIL COMPANY | |
|--|--------------------------|
| Well Name: SUMIDEROS 12 W1PA FED COM | Well Number: 1H |
| Non native seed used? NO | |
| Non native seed description: | |
| Seedling transplant description: | |
| Will seedlings be transplanted for this project? NO | |
| Seedling transplant description attachment: | |
| Will seed be harvested for use in site reclamation? NO | |
| Seed harvest description: | |
| Seed harvest description attachment: | |
| | |
| Seed Management | |
| Seed Table | |
| Seed type: | Seed source: |
| Seed name: | |
| Source name: | Source address: |
| Source phone: | |
| Seed cultivar: | |
| Seed use location: | |
| PLS pounds per acre: | Proposed seeding season: |

| Seed Summary | | Total pounds/Acre: |
|--------------|-------------|--------------------|
| Seed Type | Pounds/Acre | |

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name: Bradley Last Name: Bishop

Phone: (575)393-5905 Email: bbishop@mewbourne.com

Seedbed prep: Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites. **Seed BMP:** To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used.

seed biar. To seed the area, the proper businessed mixture, free or motious weeds, with be use

Seed method: drilling or broadcasting seed over entire reclaimed area.

Existing invasive species? NO

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Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: NA

Weed treatment plan attachment:

Monitoring plan description: vii. All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, and that erosion and invasive/noxious weeds are controlled.

Monitoring plan attachment:

Success standards: regrowth within 1 full growing season of reclamation.

Pit closure description: NA

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: EXISTING ACCESS ROAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office: USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

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Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

Fee Owner: Pecos Valley Artesian Convservation

Fee Owner Address: PO Box 1346 Roswell NM 88202

District

Phone: (575)622-7000

Email:

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: Agreement

Surface Access Agreement Need description: SUA in place

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Disturbance type: WELL PAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

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Well Name: SUMIDEROS 12 W1PA FED COM

Well Number: 1H

Fee Owner: Pecos Valley Artesian Conservation

District

Phone: (575)622-7000

Fee Owner Address: PO Box 1346 Roswell NM 88202

Email:

Surface use plan certification: NO Surface use plan certification document:

Surface access agreement or bond: Agreement

Surface Access Agreement Need description: SUA in place

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Section 12 - Other Information

Right of Way needed? NO

Use APD as ROW?

ROW Type(s):

ROW Applications

SUPO Additional Information: NONE

Use a previously conducted onsite? YES

Previous Onsite information: Met with RRC Surveying, Vance Wolf & Colleen Cepero with BLM & staked location @ 185' FSL & 400' FEL, Sec 12, T26S, R31E, Eddy Co., NM. This location was unacceptable by the BLM to minimize disturbance. Moved location to 185' FSL & 330' FEL, Sec 12, T26S, R31E, Eddy Co., NM. (Elevation @ 3209'). This appears to be a drillable location with pit area to the N. Approx. 3100' of new road off the NE corner of pad & then N to the Paduca 7/6 A2ED Fed Com #1H pad. Battery is on E side. Reclaim 60' SW, NW, & W sides. Topsoil west. Pad is 340' x 340'.

Other SUPO Attachment

Sumideros12W1PAFedCom1H_interimreclamation_07-26-2017.pdf

PWD

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Well Name: SUMIDEROS 12 W1PA FED COM

Well Number: 1H

Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

is the reclamation bond a rider under the BLM bond?

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Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aguifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

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Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: PWD disturbance (acres):

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number: Injection well name:

Assigned injection well API number? Injection well API number:

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: PWD disturbance (acres):

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: PWD disturbance (acres):

Other PWD discharge volume (bbl/day):

Other PWD type description:

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Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:

Bond Info

Bond Information

Federal/Indian APD: FED

BLM Bond number: NM1693

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

Operator Certification

Operator Certification

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.

NAME: Bradley Bishop

Signed on: 07/26/2017

Title: Regulatory

City: Hobbs

Street Address: PO Box 5270

Subst Address. I C Dox 3270

State: NM Zip: 88240

Phone: (575)393-5905

Email address: bbishop@mewbourne.com

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Well Name: SUMIDEROS 12 W1PA FED COM Well Number: 1H

Field Representative

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

Payment Info

Payment

APD Fee Payment Method:

PAY.GOV

pay.gov Tracking ID:

263S9V3V

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