Received by MCD.S 9/2021 8:42:07 AM U.S. Department of the Interior BUREAU OF LAND MANAGEMENT		Sundry Print Report
Well Name: LOCO HILLS 2/3 B2CD FED COM	Well Location: T18S / R30E / SEC 2 / SWNE / 32.7826386 / -103.9680471	County or Parish/State: EDDY / NM
Well Number: 1H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM0001159, NMNM01159	Unit or CA Name:	Unit or CA Number:
US Well Number: 3001546020	Well Status: Approved Application for Permit to Drill	Operator: MEWBOURNE OIL COMPANY

Notice of Intent

Type of Submission: Notice of Intent

Date Sundry Submitted: 02/08/2021

Type of Action Casing

Time Sundry Submitted: 09:42

Date proposed operation will begin: 02/08/2021

Procedure Description: The setting depth of the intermediate casing string (9 5/8") needs to be changed from the current (3775' MD) to 1800' MD. TOC for production casing (7") will change to 1600' MD as well.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Loco_Hills_2_3_B2CD_Fed_Com_1H_Changes_20210122151406_20210208094206.docx

Conditions of Approval

Specialist Review

LOCO_HILLS_2_3_B2CD_FED_COM_1H_Sundry_Drilling_COA_OTA_20210208141306.pdf

Received by OCD: 2/9/2021 8:42:07 AM Well Name: LOCO HILLS 2/3 B2CD FED COM	Well Location: T18S / R30E / SEC 2 / SWNE / 32.7826386 / -103.9680471	County or Parish/State: EDDY /
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US Well Number: 3001546020	Well Status: Approved Application for Permit to Drill	Operator: MEWBOURNE OIL COMPANY

Operator Certification

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: BISHOP

Title: Regulatory

Street Address: P O BOX 5270

Email address: NOT ENTERED

City: HOBBS

State: NM

Field Representative

Phone: (505) 393-5905

Representative Name: Street Address: State: City: Phone: **Email address:**

BLM Point of Contact

BLM POC Name: AJIBOLA OLABODE BLM POC Phone: 5752342231 **Disposition:** Approved Signature: Olabode Thomas Ajibola

BLM POC Title: Engineer

Zip:

BLM POC Email Address: OAJIBOLAEIT@BLM.GOV

Signed on: FEB 08, 2021 09:42 AM

Disposition Date: 02/08/2021

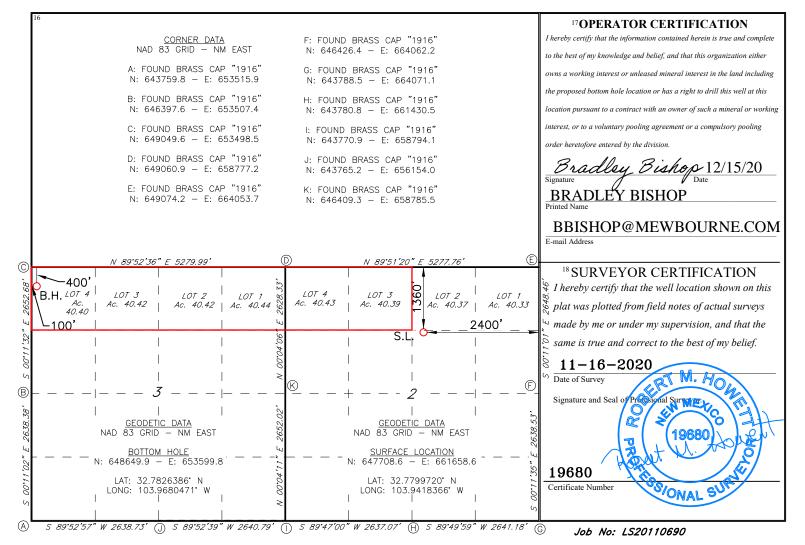
Name: MEWBOURNE OIL COMPANY

Released to Imaging: 2/26/2021 9:14:10 AM

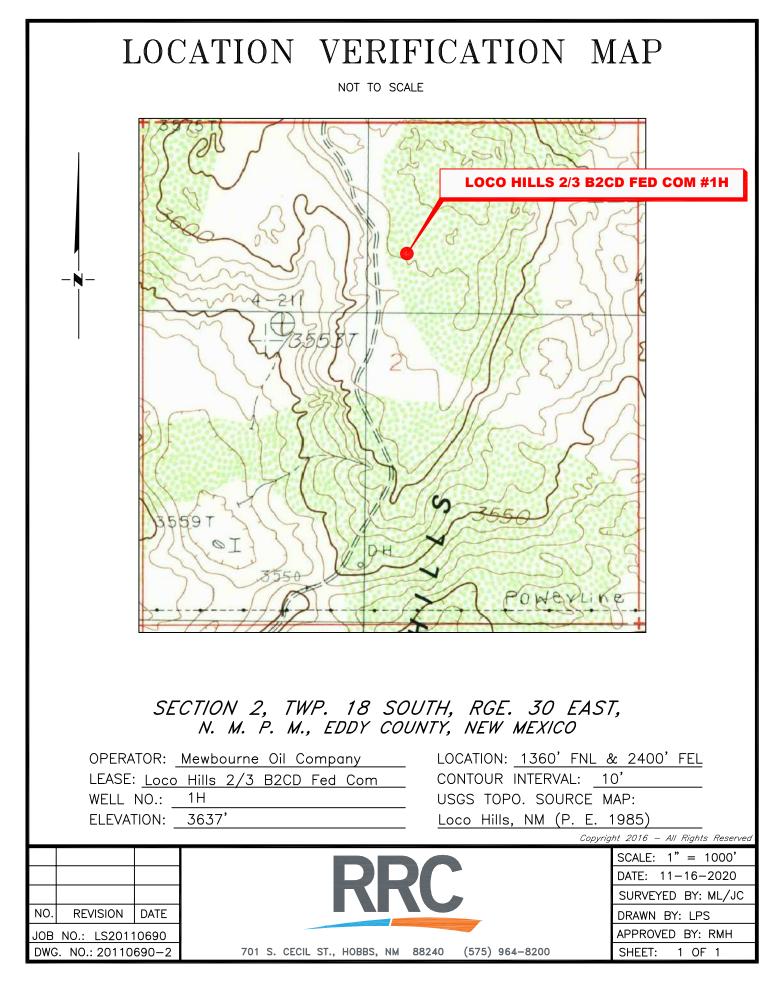
<u>District I</u> 1625 N. French Dr., Hobbs, T Phone: (575) 393-6161 Fax:		0720	Energ	y, Mi			w Mexico Resources De	partment		R	Form C-10 evised August 1, 201
Phone: (575) 748-1283 Fax: District III	<u>tt II</u> First St., Artesia, NM 88210 : (575) 748-1283 Fax: (575) 748-9720			OIL CONSERVATION DIVISION 1220 South St. Francis Dr.			Su	lbmit o	ne copy to appropriate District Office		
1000 Rio Brazos Road, Azte Phone: (505) 334-6178 Fax: <u>District IV</u> 1220 S. St. Francis Dr., Sant Phone: (505) 476-3460 Fax:	(505) 334-6 a Fe, NM 87	170 2505		Santa Fe, NM 87505					AMENDED REPORT		
		,	WELL L	OCAT	TION AND	ACR	EAGE DEDIC	CATION PLA	Т		
1 A	API Numbe	r		2Pool Code 3 Pool Name							
30-01	15-460	20	6	62685 WALTONS LAKE BONE SPRING							
⁴ Property Code	;					operty Na					6 Well Number
				LOCO	HILLS 2	/3 E	B2CD FED C	ОМ			1H
70grid no 14744	D.		⁸ Operator Name MEWBOURNE OIL COMPA								⁹ Elevation 3637'
					¹⁰ Sur	face I	Location				
UL or lot no.	Section	Township	Range	Lot Id	In Feet from	m the	North/South line	Feet From the	East/W	est line	County
G	2	18S	30E		136	0	NORTH	2400	EA	ST	EDDY
			11]	Botton	n Hole Loc	ation	If Different Fr	om Surface			
UL or lot no.	Section	Township	Range	Lot Id	In Feet from	m the	North/South line	Feet from the	East/W	est line	County
4	3	18S	30E		400)	NORTH	100	WE	ST	EDDY
12 Dedicated Acres	13 Joint	or Infill 14	Consolidation	Code	15 Order No.						
242.50											

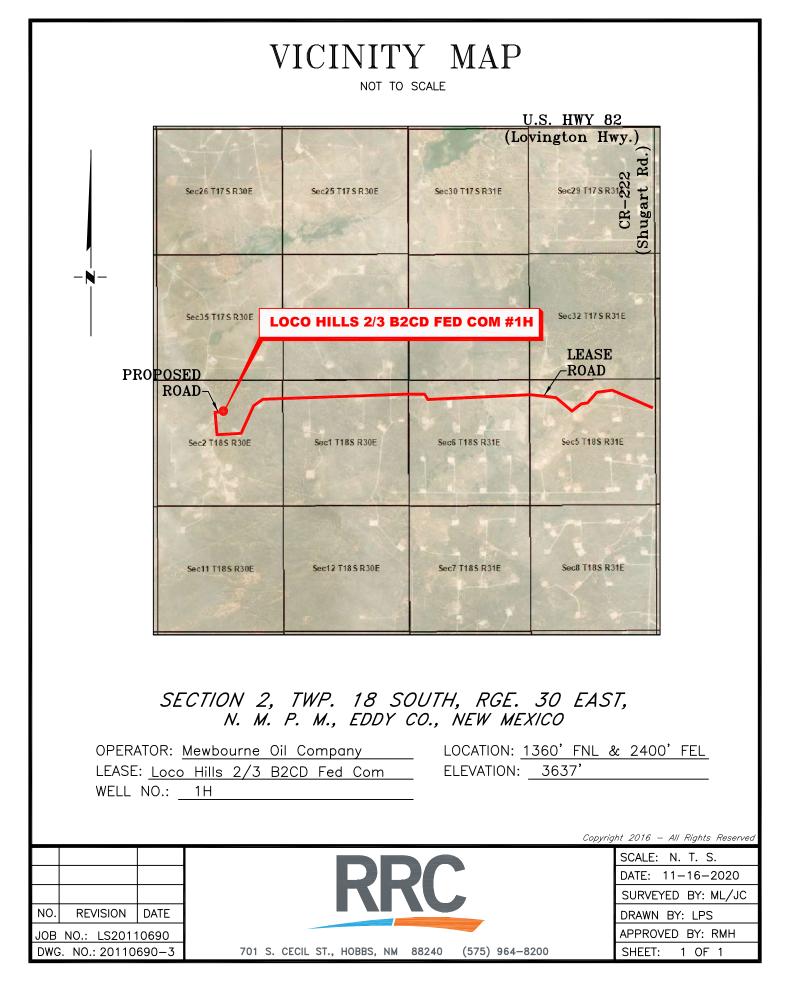
State of New Mexico

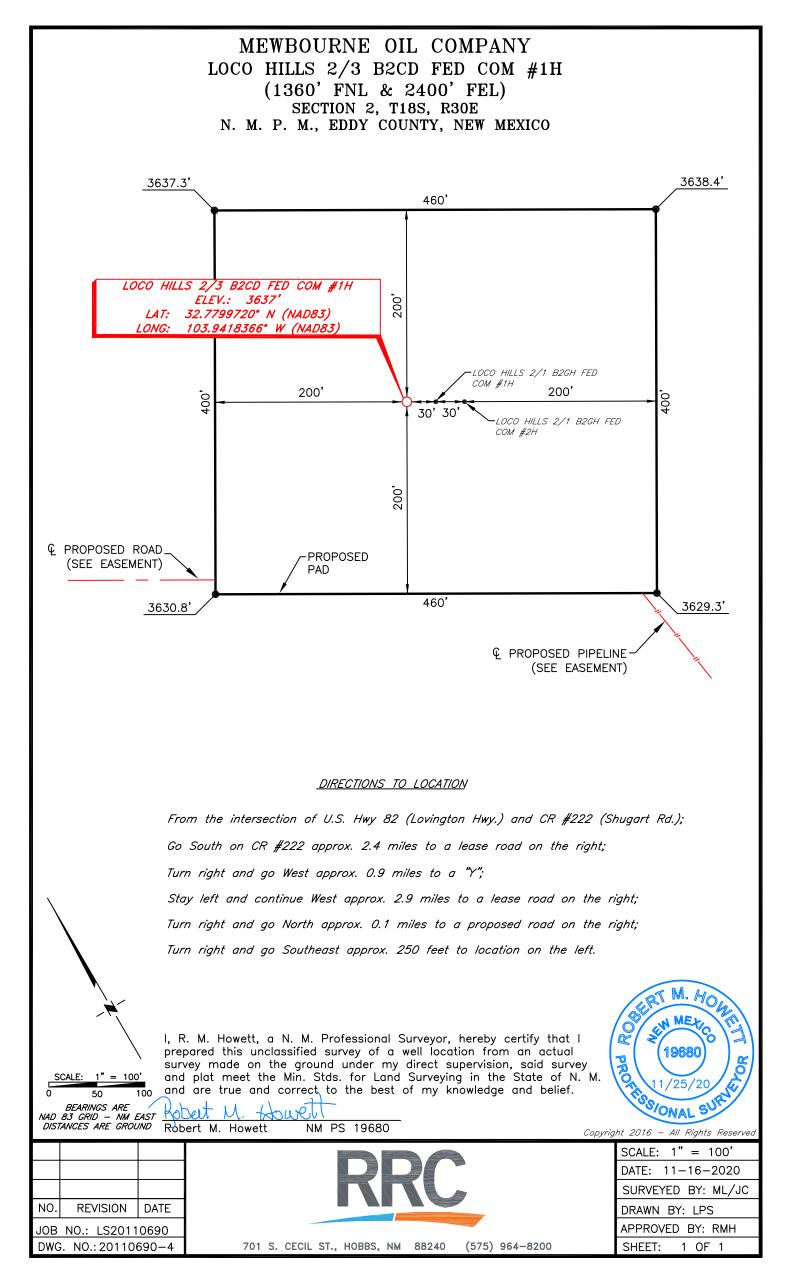
No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

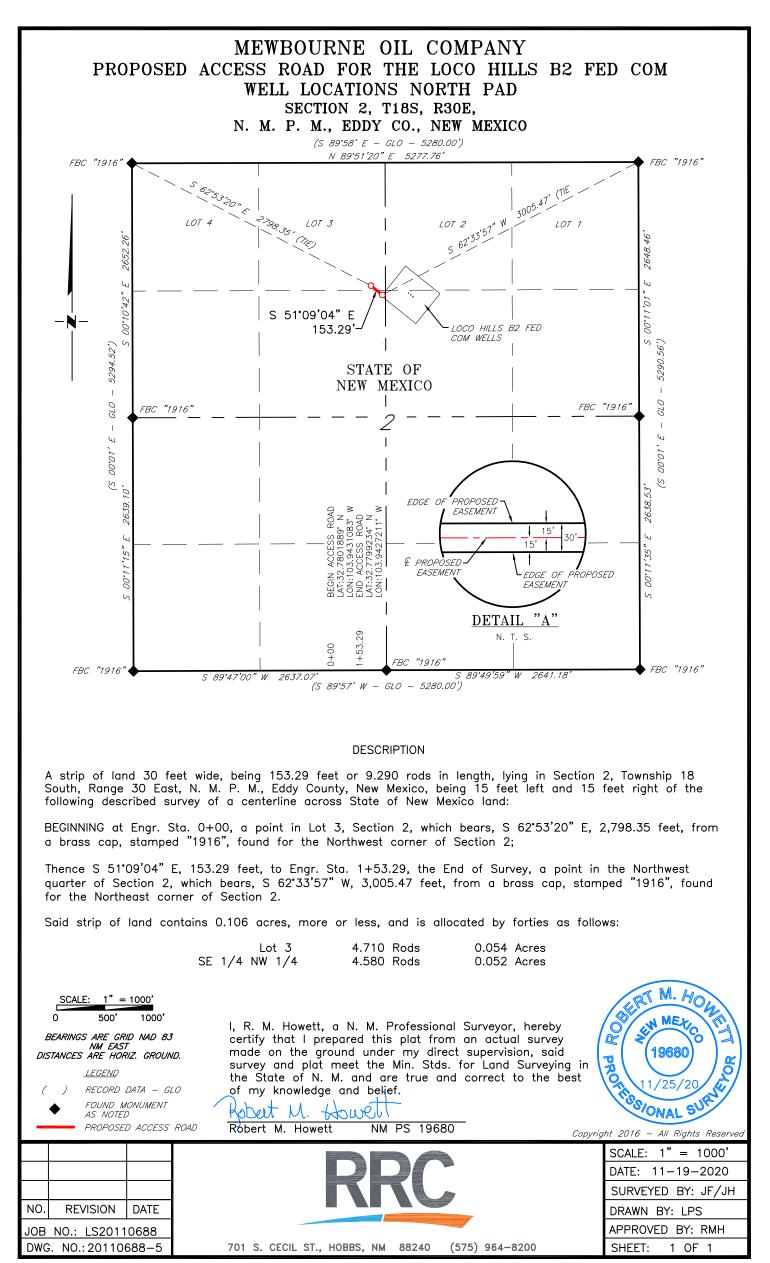


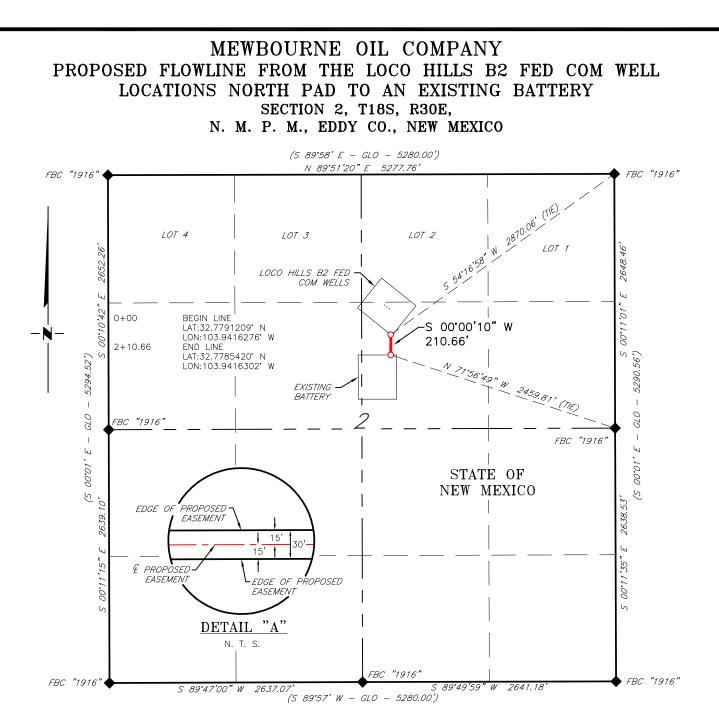
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DESCRIPTION

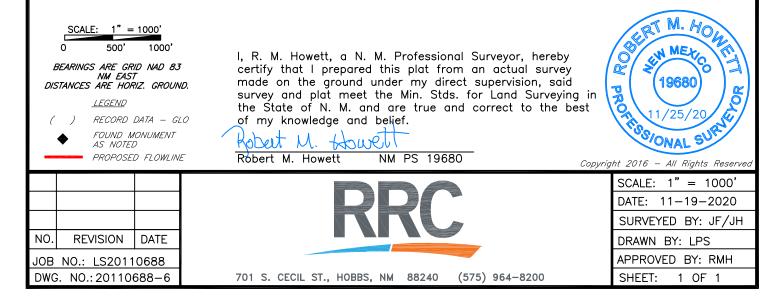
A strip of land 30 feet wide, being 210.66 feet or 12.767 rods in length, lying in Section 2, Township 18 South, Range 30 East, N. M. P. M., Eddy County, New Mexico, being 15 feet left and 15 feet right of the following described survey of a centerline across State of New Mexico land:

BEGINNING at Engr. Sta. 0+00, a point in the Northeast quarter of Section 2, which bears, S 54*16'58" W, 2,870.06 feet, from a brass cap, stamped "1916", found for the Northeast corner of Section 2;

Thence S 00°00'10" W, 210.66 feet, to Engr. Sta. 2+10.66, the End of Survey, a point in the Northeast quarter of Section 2, which bears, N 71°56'49" W, 2,459.81 feet, from a brass cap, stamped "1916", found for the East quarter corner of Section 2.

Said strip of land contains 0.145 acres, more or less, and is allocated by forties as follows:

SW 1/4 NE 1/4 12.767 Rods 0.145 Acres



2. Casing Program

Hole	Casing	Interval	Csg.	Weight	Grade	Conn.	SF	SF	SF Jt	SF Body
Size	From	То	Size	(lbs)			Collapse	Burst	Tension	Tension
17.5"	0'	500'	13.375"	48	H40	STC	3.37	7.56	13.42	22.54
12.25"	0'	1800'	9.625"	36	J55	LTC	2.16	3.76	6.99	8.7
8.75"	0'	8211'	7"	26	P110	LTC	1.89	2.57	3.89	2.97
6.125"	7441'	15544'	4.5"	13.5	P110	LTC	2.59	3.01	3.09	3.86
				BL	M Minimu	m Safety	1.125	1	1.6 Dry	1.6 Dry
						Factor			1.8 Wet	1.8 Wet

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h Must have table for contingency casing

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Is casing API approved? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
	N
Is well located in SOPA but not in R-111-P?	IN
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back	
500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	-
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

3. Cementing Program

Casing	# Sks	Wt. lb/ gal	Yld ft3/ sack	H20 gal/ sk	500# Comp. Strength (hours)	Slurry Description
Surf.	205	12.5	2.12	11	10	Lead: Class C + Salt + Gel + Extender + LCM
	200	14.8	1.34	6.3	8	Tail: Class C + Retarder
Inter.	210	12.5	2.12	11	10	Lead: Class C + Salt + Gel + Extender + LCM
	200	14.8	1.34	6.3	8	Tail: Class C + Retarder
Prod.	365	12.5	2.12	11	9	Lead: Class C + Gel + Retarder + Defoamer + Extender
	400	15.6	1.18	5.2	10	Tail: Class H + Retarder + Fluid Loss + Defoamer
Liner	330	11.2	2.97	18	16	Class C + Salt + Gel + Fluid Loss + Retarder + Dispersant + Defoamer + Anti-Settling Agent

A copy of cement test will be available on location at time of cement job providing pump times & compressive strengths.

Casing String	TOC	% Excess	
Surface	0'	100%	
Intermediate	0'	25%	
Production	1600'	25%	
Liner	7454'	25%	

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Mewbourne Oil Company
LEASE NO.:	NMNM0001159
WELL NAME & NO.:	LOCO HILLS 2-3 B2CD FED COM 1H
SURFACE HOLE FOOTAGE:	1360'/N & 2400'/E
BOTTOM HOLE FOOTAGE	400'/N & 100'/E
LOCATION:	Section 02, T.18 S., R.30 E., NMP
COUNTY:	EDDY County, New Mexico

COA

H2S	• Yes	O No	
Potash	None	Secretary	© R-111-P
Cave/Karst Potential	• Low	O Medium	O High
Cave/Karst Potential	Critical		
Variance	O None	Flex Hose	O Other
Wellhead	Conventional	Multibowl	O Both
Other	□4 String Area	Capitan Reef	WIPP
Other	Fluid Filled	Cement Squeeze	Pilot Hole
Special Requirements	🗆 Water Disposal	COM	🗆 Unit

All Previous COAs Still Apply.

A. CASING

Casing Design:

- 1. The **13-3/8** inch surface casing shall be set at approximately **500** feet (a minimum of **70 feet (Eddy County)** 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> <u>hours</u> 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 **9-5/8** inch intermediate casing shall be set at approximately **1800** feet. 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. Excess cement calculates to 20%, additional cement might be required.
- 3. The minimum required fill of cement behind the 7 inch production casing is:
 - Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.
- 4. The minimum required fill of cement behind the 4-1/2 inch production liner is:
 - Cement should tie-back **100 feet** into the previous casing. Operator shall provide method of verification.

B. 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. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000** (**3M**) psi.
 - 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.

C. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. <u>When the Communitization Agreement number is known, it shall also be on the sign.</u>

OTA02082021

District II

District IV

District I 1625 N. French Dr., Hobbs, NM 88240

Phone:(575) 393-6161 Fax:(575) 393-0720

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

District III 1000 Rio Brazos Rd., Aztec, NM 87410 COMMENTS

Action 17477

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

COMMENTS

Operator:		OGRID:	Action Number:	Action Type:
MEWBOURNE OIL CO P.C	. Box 5270 Hobbs, NM88241	14744	17477	C-103A
Created By	Comment	Comment Date	e	
jagarcia	Accepted for record 02/26/2021			

District II

District IV

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1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

District III 1000 Rio Brazos Rd., Aztec, NM 87410

CONDITIO	NS

Action 17477

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS OF APPROVAL

Operator:				OGRID:	Action Number:	Action Type:	
MEWBOURNE OIL CO	P.O. Box 5270	Hobbs, NM88241		14744	17477	C-103A	
OCD Reviewer			Cond	Condition			
jagarcia			None)			