

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs
HOBBSS OGD

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

SUNDRY NOTICES AND REPORTS ON WELLS JUN 13 2013
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other Injection Well

2. Name of Operator

Mewbourne Oil Company

3a. Address

PO Box 5270, Hobbs NM 88240

3b. Phone No. (include area code)

(575) 393-5905

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 14, T18S, R 32E NESE 1980' FSL & 660' FEL

5. Lease Serial No.
NMNM-88523

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.
Querecho Plains Bone Springs Sands Unit

8. Well Name and No.
QPBSSU 12C #4

9. API Well No.
30-025-30643

10. Field and Pool or Exploratory Area
Querecho Plains U. Bone Springs

11. County or Parish, State
LEA COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input checked="" type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Extension to |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Evaluate Economics |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Braden head test was performed on the QPBSSU 12C #4 and failed while shut in. This well is included in the Mewbourne Oil Company's Querecho Plains Waterflood. This test was performed on Feb. 12, 2013. Donna Mull with the NMOC was notified but did not witness. Well failed integrity test on Sept. 5, 2012 and was shut in.

Mewbourne Oil Company is asking for an extension on repairing well to fully evaluate economics.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Antonio Martinez

Title ENGINEER

Signature

Date 02/19/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

APPROVED

JUN 11 2013

Date /s/ Chris Walls

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1712 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.

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law 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, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

NOTICES

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

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

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

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

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 St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division Hobbs District Office

BRADENHEAD TEST REPORT

| | | |
|---|--|-----------------------------------|
| Operator Name <i>Mewbourne Oil Company</i> | | API Number <i>30-025-30643</i> |
| Property Name <i>QPBSSU 12C</i> | | Well No. <i>4</i> |

7. Surface Location

| | | | | | | | | |
|----------------------|----------------------|------------------------|---------------------|--------------------------|----------------------|-------------------------|----------------------|----------------------|
| UL - Lot <i>I</i> | Section <i>14</i> | Township <i>18S</i> | Range <i>32E</i> | Feet from <i>1980</i> | N/S Line <i>S</i> | Feet From <i>660</i> | E/W Line <i>E</i> | County <i>Lea</i> |
|----------------------|----------------------|------------------------|---------------------|--------------------------|----------------------|-------------------------|----------------------|----------------------|

Well Status

| | | | |
|-------------|---------------------|-----------|------|
| Well Status | SHUT-IN <i>✓</i> | PRODUCING | DATE |
|-------------|---------------------|-----------|------|

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

OBSERVED DATA

If bradenhead flowed water, check all of the descriptions that apply:

| | (A)Surf-Interm | (B)Interm(1)-Interm(2) | (C)Interm-Prod | (D)Prod Csg | (E)Tubing |
|-----------------------------|----------------|------------------------|----------------|----------------|--------------|
| Pressure | | | <i>120 #</i> | <i>120 #</i> | <i>280 #</i> |
| <u>Flow Characteristics</u> | | | | | |
| Puff | Y / N | Y / N | Y / <i>(N)</i> | Y / <i>(N)</i> | |
| Steady Flow | Y / N | Y / N | <i>(Y)</i> / N | <i>(Y)</i> / N | |
| Surges | Y / N | Y / N | Y / <i>(N)</i> | Y / <i>(N)</i> | |
| Down to nothing | Y / N | Y / N | Y / <i>(N)</i> | Y / <i>(N)</i> | |
| Gas or Oil | Y / N | Y / N | Y / <i>(N)</i> | Y / <i>(N)</i> | |
| Water | Y / N | Y / N | <i>(Y)</i> / N | <i>(Y)</i> / N | |

If bradenhead flowed water, check all of the descriptions that apply:

| | | | | |
|-------------------|-------|-------|--------|-------|
| CLEAR <i>✓</i> | FRESH | SALTY | SULFUR | BLACK |
|-------------------|-------|-------|--------|-------|

Remarks:

Well currently SI, We are currently evaluating economics on this well. Mewbourne will submit a Sundry to BLM asking for an extension to fully evaluate economic on well.

| | | | |
|--|--------|----------------------------------|--|
| Signature: <i>[Signature]</i> | | OIL CONSERVATION DIVISION | |
| Printed name: <i>Antonio Martinez</i> | | Entered into RBDMS | |
| Title: <i>Production Engineer</i> | | Re-test | |
| E-mail Address: <i>amartinez@mewbourne.com</i> | | | |
| Date: <i>2/12/2013</i> | Phone: | | |
| Witness: | | | |

Conditions of Approval

**Mewbourne Oil Company
Querecho Plains BS S Unit 12B - 03
API 3002530570, T18S-R32E, Sec 14**

Determine the operational value and condition this well with consideration of production in paying quantities or of service use value. **Submit evidence to support your determination and your wellbore reconditioning plans for BLM approval** on the Sundry Notice Form 3160-5 (the original and 3 copies) with your committed timetable for accomplishment **before 07/11/2013**.

A legitimate request is necessary for extension.

An inactive/shut-in well bore is a non-producing completion that is capable of “beneficial use” i.e. production in paying quantities or of service use.

1. Submit evidence to support your determination that the well has been returned to active “beneficial use” for BLM approval on the Sundry Notice Form 3160-5 (the original and 3 copies) before 08/11/2013.
2. Should “beneficial use” not be achieved submit for BLM approval a plan for plug and abandonment.

CRW 061113

Access information for use of Form 3160-5 “Sundry Notices and Reports on Wells”

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.