

Form 3160-3
(March 2012)**HOBBS OCD**FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 05 2016

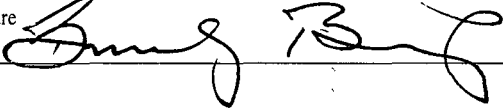
APPLICATION FOR PERMIT TO DRILL OR REENTER
RECEIVED

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No.	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. (316195) Paduca 7/6 W1ED Fed Com #3H	
2. Name of Operator Mewbourne Oil Company		9. API Well No. 30-025-43217 (98065)	
3a. Address PO Box 5270 Hobbs, NM 88241		10. Field and Pool, or Exploratory WC-025 G-08 5263205N:40R WC	
3b. Phone No. (include area code) 575-393-5905		11. Sec., T. R. M. or Blk. and Survey or Area Sec 7 T26S R32E	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2615' FNL & 1020' FWL, Sec 7 T26S R32E At proposed prod. zone 330' FNL & 440' FWL, Sec 6 T26S R32E UNORTHODOX LOCATION		12. County or Parish Lea	
14. Distance in miles and direction from nearest town or post office* 31 miles West of Jal, NM		13. State NM	
15. Distance from proposed* 330' location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		16. No. of acres in lease NMNM128929-760.71 NMNM120910 - 80	
17. Spacing Unit dedicated to this well 480		18. Distance from proposed location* 160' - Paduca 7/6 A2ED to nearest well, drilling, completed, #1H applied for, on this lease, ft.	
19. Proposed Depth 12,080' - TVD 19,480' - MD		20. BLM/BIA Bond No. on file NM1693 nationwide, NMB-000919	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3248' - GL		22. Approximate date work will start* 03/07/2016	
23. Estimated duration 60 days			

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) Bradley Bishop	Date 1-22-16
Title		
Approved by (Signature) /s/George MacDonell	Name (Printed/Typed)	Date MAY 3 2016
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval 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.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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.

(Continued on page 2)

*(Instructions on page 2)

Carlsbad Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVALApproval Subject to General Requirements
& Special Stipulations Attached

MAY 10 2016

Mewbourne Oil Co, Paduca 7/6 W1ED Fed Com #3H**Sec 7, T26S, R32E****SL: 2615' FNL & 1020' FWL, Sec 7****BHL: 330' FNL & 440' FWL, Sec 6****1. Geologic Formations**

TVD of target	12080'	Pilot hole depth	NA
MD at TD:	19480'	Deepest expected fresh water:	275'

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface	Water	
Rustler	1057	Water	
Top of Salt	1397	Salt	
Base of Salt	4152	Barren	
Delaware (Lamar)	4359	Oil/Gas	
Bell Canyon	4431		
Cherry Canyon	5390		
Manzanita Marker	5537		
Brushy Canyon	6882		
Bone Spring	8345	Oil/Gas	
1 st Bone Spring	9323		
2 nd Bone Spring	10022		
3 rd Bone Spring	11182		
Wolfcamp	11596	Target Zone	
Atoka			
Morrow			
Barnett Shale			
Devonian			
Granite Wash			

*H2S, water flows, loss of circulation, abnormal pressures, etc.

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Sec 7, T26S, R32E

SL: 2615' FNL & 1020' FWL, Sec 7

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2. Casing Program

See
COA

Hole Size	Casing Interval		Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
	From	To							
17.5"	0'	1085' 1210	13.375"	48	H40	STC	1.31	3.07	6.18
12.25"	0'	3453'	9.625"	36	J55	LTC	1.13	1.96	2.87
12.25"	3453'	4285'	9.625"	40	J55	LTC	1.15	1.77	15.62
8.75"	0'	11507'	7"	26	P110	LTC	1.30	1.66	2.15
8.75"	11507'	12407'	7"	26	P110	BTC	1.24	1.59	35.47
6.125"	11507'	19480'	4 1/2"	13.5	P110	LTC	1.70	1.98	3.13
BLM Minimum Safety Factor							1.125	1	1.6 Dry 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
Does casing meet API specifications? 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 intermediate 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.	
Is well located in SOPA but not in R-111-P?	N
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?	Y
If yes, are there two strings cemented to surface?	Y
(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?	

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3. Cementing Program

Casing	# Sk	Wt. lb/ gal	Yld ft ³ / sack	H ₂ O gal/ sk	500# Comp. Strength (hours)	Slurry Description
Surf	590	12.5	2.12	11	10	Lead: Class C (35:65:4) + 5% Sodium Chloride +5#/sk LCM +0.25lb/sk Cello-Flake
	200	14.8	1.34	6.3	8	Tail: Class C + 0.25 lb/sk Cello Flake + 0.005 lb/sk Static Free
Inter.	710	12.5	2.12	11	10	Lead: Class C (35:65:4) + 5% Sodium Chloride +5#/sk LCM +0.25lb/sk Cello-Flake
	200	14.8	1.34	6.3	8	Tail: Class C + 0.25 lb/sk Cello Flake + 0.005 lb/sk Static Free
Prod.	520	12.5	2.12	11	9	Lead: 60:40:0 Class C + 15.00 lb/sk BA-90 + 4.00% MPS-5 + 3.00% SMS + 5.00% A-10 + 1.00% BA-10A + 0.80% ASA-301 + 2.90% R-21 + 8.00 lb/sk LCM-1 + 0.005 lb/sk Static Free
	400	15.6	1.18	5.2	10	Tail: Class H + 0.65% FL-52 + 0.10% R-3 + 0.005 lb/sk Static Free
Liner	325	11.2	2.97	18	16	Class C (60:40:0)+4% MPA5+1.2% BA10A+10#/sk BA90+5%A10+0.65%ASA301+1.5%SMS+1.2%R21

DV tool depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

Casing String	TOC	% Excess
Surface	0'	100%
Intermediate	0'	25%
Production	4085'	25%
Liner	11407'	25%

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4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
12-1/4"	13-5/8"	3M	Annular	x	1500#
			Blind Ram		
			Pipe Ram		
			Double Ram		
			Other*		
8-3/4"	13-5/8"	10M	Annular	x	5000#
			Blind Ram	x	10000#
			Pipe Ram	x	
			Double Ram		
			Other*		
6-1/8"	13-5/8"	10M	Annular	x	5000#
			Blind Ram	x	10000#
			Pipe Ram	x	
			Double Ram		
			Other*		

*Specify if additional ram is utilized.

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. See attached schematics.

X	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or 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. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
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Y	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.	
	N	Are anchors required by manufacturer?
N	<p>A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.</p> <ul style="list-style-type: none"> • Provide description here <p>See attached schematic.</p>	

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0'	1085' 1210	FW Gel	8.6-8.8	28-34	N/C
1085'	4285'	Saturated Brine	10.0-10.2	28-34	N/C
4285'	11407'	Cut Brine	8.6-9.5	28-34	N/C
11407'	19480'	OBM	10.0-13.0	30-40	<20 cc

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	Pason/PVT/Visual Monitoring
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6. Logging and Testing Procedures

Logging, Coring and Testing	
X	Will run GR/CNL from KOP (11407') to surface. Stated logs run will be in the Completion Report and submitted to the BLM.
	No Logs are planned based on well control or offset log information.
	Drill stem test? If yes, explain
	Coring? If yes, explain

Additional logs planned		Interval
X	Gamma	11407'(KOP) to TD
	Density	
	CBL	
	Mud log	
	PEX	

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7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	8167 psi
Abnormal Temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers. Weighted mud for possible over-pressure in Wolfcamp formation.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

	H2S is present
X	H2S Plan attached

8. Other facets of operation

Is this a walking operation? If yes, describe.

Will be pre-setting casing? If yes, describe.

Attachments

___ Directional Plan

___ Other, describe

