

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

HOBBS OCD

MAY 07 2018

RECEIVED

OPERATOR'S NAME:	MEWBOURNE OIL COMPANY
LEASE NO.:	NMNM02965A
WELL NAME & NO.:	1H - EL MAR 21 H3NC FED COM
SURFACE HOLE FOOTAGE:	215'/S & 2460'/W
BOTTOM HOLE FOOTAGE:	330'/N & 2200'/W
LOCATION:	Section 21., T26S., R.33E., NMP
COUNTY:	LEA County, New Mexico

COA

H2S	<input checked="" type="radio"/> Yes	<input type="radio"/> No	
Potash	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input type="radio"/> Low	<input checked="" type="radio"/> Medium	<input type="radio"/> High
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input checked="" type="radio"/> Multibowl	<input type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP

A. Hydrogen Sulfide

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Delaware** formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **825** 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 **8 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 be 24%.**

❖ In Medium Cave/Karst Areas 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. **Additional cement maybe required. Excess calculates to be 24%.**

b. Second stage above DV tool: 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' 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**.

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)

☒ Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
393-3612

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 area.
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 integrity 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 integrity 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 022418

**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL**

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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.

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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.

V. SPECIAL REQUIREMENT(S)

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.
- 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 be 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, siting valves 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 valves, 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:

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

1. The proposed routes for both the powerline and surface flowlines will not be bladed.
2. Containment berms will be constructed around both tank battery production facilities designed to hold fluids. The containment berms will be constructed with compacted material capable of holding 1½ time the capacity of the largest tank.
3. Topsoil will be stockpiled on the pads to enhance future reclamation.
4. A closed loop drilling system will be used.
5. To prevent any spills from leaving the pads, a two foot berm shall be built inside the fence on each pad.
6. Straw wattles shall be placed completely around the disturbed areas of all pads and along all fences to reduce erosion in this sensitive karst area.
7. Drainage turnouts shall have straw wattles installed.
8. Drainage turnouts along the access road shall not lead to sinkholes.

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)

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

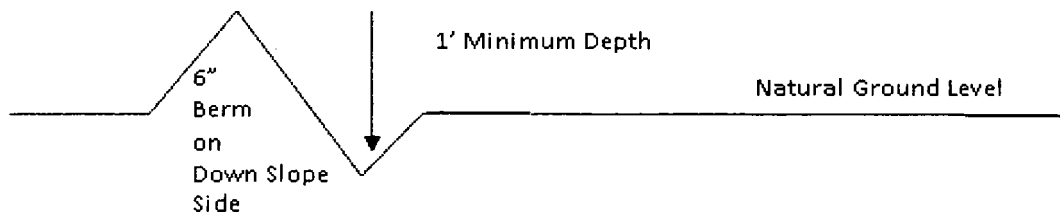
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outslowing 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:

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

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

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

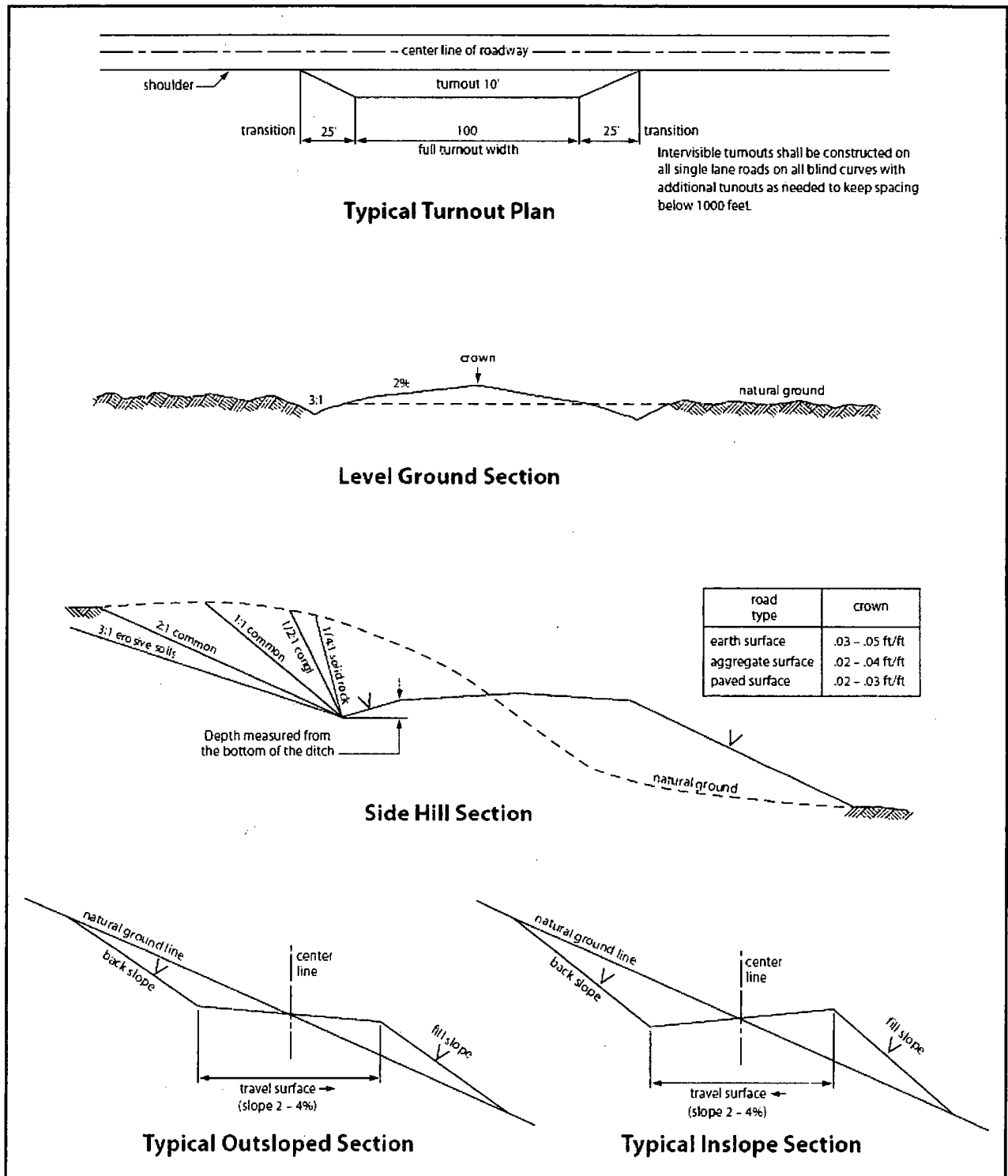


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

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

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.

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).

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 no 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:

<u>Species</u>	<u>lb/acre</u>
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sand love grass (<i>Eragrostis trichodes</i>)	1.0
Plains bristlegass (<i>Setaria macrostachya</i>)	2.0

*Pounds of pure live seed:

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

Hydrogen Sulfide Drilling Operations Plan
Mewbourne Oil Company

1. General Requirements

Rule 118 does not apply to this well because MOC has researched this area and no high concentrations of H₂S were found. MOC will have on location and working all H₂S safety equipment before the Delaware formation for purposes of safety and insurance requirements.

2. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will have received training from a qualified instructor in the following areas prior to entering the drilling pad area of the well:

1. The hazards and characteristics of hydrogen sulfide gas.
2. The proper use of personal protective equipment and life support systems.
3. The proper use of hydrogen sulfide detectors, alarms, warning systems, briefing areas, evacuation procedures.
4. The proper techniques for first aid and rescue operations.

Additionally, supervisory personnel will be trained in the following areas:

- 1 The effects of hydrogen sulfide on metal components. If high tensile tubular systems are utilized, supervisory personnel will be trained in their special maintenance requirements.
- 2 Corrective action and shut in procedures, blowout prevention, and well control procedures while drilling a well.
- 3 The contents of the Hydrogen Sulfide Drilling Operations Plan.

There will be an initial training session prior to encountering a known hydrogen sulfide source. The initial training session shall include a review of the site specific Hydrogen Sulfide Drilling Operations Plan.

3. Hydrogen Sulfide Safety Equipment and Systems

All hydrogen sulfide safety equipment and systems will be installed, tested, and operational prior to drilling below the 9 5/8" intermediate casing.

1. Well Control Equipment
 - A. Choke manifold with minimum of one adjustable choke/remote choke.
 - B. Blowout preventers equipped with blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
 - C. Auxiliary equipment including annular type blowout preventer.
2. Protective Equipment for Essential Personnel

Thirty minute self contained work unit located in the dog house and at briefing areas.

Additionally: If H₂S is encountered in concentrations less than 10 ppm, fans will be placed in work areas to prevent the accumulation of hazardous amounts of poisonous gas. If higher concentrations of H₂S are detected the well will be shut in and a rotating head, mud/gas separator, remote choke and flare line with igniter will be installed.

3. Hydrogen Sulfide Protection and Monitoring Equipment

Two portable hydrogen sulfide monitors positioned on location for optimum coverage and detection. The units shall have audible sirens to notify personnel when hydrogen sulfide levels exceed 20 PPM.

4. Visual Warning Systems

A. Wind direction indicators as indicated on the wellsite diagram.

B. Caution signs shall be posted on roads providing access to location. Signs shall be painted a high visibility color with lettering of sufficient size to be readable at reasonable distances from potentially contaminated areas.

4. **Mud Program**

The mud program has been designed to minimize the amount of hydrogen sulfide entrained in the mud system. Proper mud weight, safe drilling practices, and the use of hydrogen sulfide scavengers will minimize hazards while drilling the well.

5. **Metallurgy**

All tubular systems, wellheads, blowout preventers, drilling spools, kill lines, choke manifolds, and valves shall be suitable for service in a hydrogen sulfide environment when chemically treated.

6. **Communications**

State & County Officials phone numbers are posted on rig floor and supervisors trailer. Communications in company vehicles and toolpushers are either two way radios or cellular phones.

7. **Well Testing**

Drill stem testing is not an anticipated requirement for evaluation of this well. If a drill stem test is required, it will be conducted with a minimum number of personnel in the immediate vicinity. The test will be conducted during daylight hours only.

8. **Emergency Phone Numbers**

Eddy County Sheriff's Office	911 or 575-887-7551
Ambulance Service	911 or 575-885-2111
Carlsbad Fire Dept	911 or 575-885-2111
Loco Hills Volunteer Fire Dept.	911 or 575-677-3266
Closest Medical Facility - Columbia Medical Center of Carlsbad	575-492-5000

Mewbourne Oil Company	Hobbs District Office	575-393-5905
	Fax	575-397-6252
	2nd Fax	575-393-7259

District Manager	Robin Terrell	575-390-4816
Drilling Superintendent	Frosty Lathan	575-390-4103
	Bradley Bishop	575-390-6838
Drilling Foreman	Wesley Noseff	575-441-0729

Mewbourne Oil Company

Lea County, New Mexico NAD 83

El Mar 21 H3NC Fed Com #1H

Sec 21, T26S, R33E

SL: 215' FSL & 2460' FWL

BHL: 330' FNL & 220' FWL

HOBBS OCD

MAY 07 2018

RECEIVED

Plan: Design #1

Standard Planning Report

18 December, 2017

Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site El Mar 21 H3NC Fed Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3273.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3273.0usft (Original Well Elev)
Site:	El Mar 21 H3NC Fed Com #1H	North Reference:	Grid
Well:	Sec 21, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 330' FNL & 220' FWL		
Design:	Design #1		

Project:	Lea County, New Mexico NAD 83		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site:	El Mar 21 H3NC Fed Com #1H		
Site Position:		Northing:	372,679.00 usft
From:	Map	Easting:	775,487.00 usft
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "
		Latitude:	32.0223242
		Longitude:	-103.5778098
		Grid Convergence:	0.40 °

Well:	Sec 21, T26S, R33E		
Well Position	+N/-S	0.0 usft	Northing:
	+E/-W	0.0 usft	Easting:
Position Uncertainty	0.0 usft	Wellhead Elevation:	3,273.0 usft
		Latitude:	32.0223242
		Longitude:	-103.5778098
		Ground Level:	3,246.0 usft

Wellbore:	BHL: 330' FNL & 220' FWL		
Magnetics	Model Name	Sample Date	Declination
			(°)
	IGRF2010	12/18/2017	6.77
			Dip Angle
			(°)
			Field Strength
			(nT)
			59.83
			47,845

Design:	Design #1		
Audit Notes:			
Version:	Phase:	PROTOTYPE	Tie On Depth:
			0.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W
	(usft)	(usft)	(usft)
	0.0	0.0	0.0
			Direction
			(°)
			356.43

Plan Sections										
Measured	Inclination	Azimuth	Vertical	+N/-S	+E/-W	Dogleg	Build	Turn	TFO	Target
Depth	(°)	(°)	Depth	(usft)	(usft)	Rate	Rate	Rate	(°)	
(usft)			(usft)			(°/100usft)	(°/100usft)	(°/100usft)		
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
4,890.0	0.00	0.00	4,890.0	0.0	0.0	0.00	0.00	0.00	0.00	
5,051.2	3.22	231.53	5,051.2	-2.8	-3.6	2.00	2.00	0.00	231.53	
10,748.0	3.22	231.53	10,738.8	-202.2	-254.4	0.00	0.00	0.00	0.00	
10,909.2	0.00	0.00	10,900.0	-205.0	-258.0	2.00	-2.00	0.00	180.00 KOP @ 10,900'	
11,822.0	91.25	359.57	11,473.0	380.6	-262.4	10.00	10.00	0.00	-0.43	
16,177.5	91.25	359.57	11,378.0	4,735.0	-295.0	0.00	0.00	0.00	0.00 BHL: 330' FNL & 220'	

Planning Report

Database: Hobbs
 Company: Mewbourne Oil Company
 Project: Lea County, New Mexico NAD 83
 Site: El Mar 21 H3NC Fed Com #1H
 Well: Sec 21, T26S, R33E
 Wellbore: BHL: 330' FNL & 220' FWL
 Design: Design #1

Local Co-ordinate Reference: Site El Mar 21 H3NC Fed Com #1H
 TVD Reference: WELL @ 3273.0usft (Original Well Elev)
 MD Reference: WELL @ 3273.0usft (Original Well Elev)
 North Reference: Grid
 Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
SL: 215' FSL & 2460' FWL									
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,890.0	0.00	0.00	4,890.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.20	231.53	4,900.0	0.0	0.0	0.0	2.00	2.00	0.00
5,000.0	2.20	231.53	5,000.0	-1.3	-1.7	-1.2	2.00	2.00	0.00
5,051.2	3.22	231.53	5,051.2	-2.8	-3.6	-2.6	2.00	2.00	0.00

Planning Report

Database: Hobbs
 Company: Mewbourne Oil Company
 Project: Lea County, New Mexico NAD 83
 Site: El Mar 21 H3NC Fed Com #1H
 Well: Sec 21, T26S, R33E
 Wellbore: BHL: 330' FNL & 220' FWL
 Design: Design #1

Local Co-ordinate Reference:
 TVD Reference:
 MD Reference:
 North Reference:
 Survey Calculation Method:

Site El Mar 21 H3NC Fed Com #1H
 WELL @ 3273.0usft (Original Well Elev)
 WELL @ 3273.0usft (Original Well Elev)
 Grid
 Minimum Curvature

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N-S (usft)	+E-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5,100.0	3.22	231.53	5,099.8	-4.5	-5.7	-4.2	0.00	0.00	0.00
5,200.0	3.22	231.53	5,199.7	-8.0	-10.1	-7.4	0.00	0.00	0.00
5,300.0	3.22	231.53	5,299.5	-11.5	-14.5	-10.6	0.00	0.00	0.00
5,400.0	3.22	231.53	5,399.4	-15.0	-18.9	-13.8	0.00	0.00	0.00
5,500.0	3.22	231.53	5,499.2	-18.5	-23.3	-17.0	0.00	0.00	0.00
5,600.0	3.22	231.53	5,599.0	-22.0	-27.7	-20.3	0.00	0.00	0.00
5,700.0	3.22	231.53	5,698.9	-25.5	-32.1	-23.5	0.00	0.00	0.00
5,800.0	3.22	231.53	5,798.7	-29.0	-36.5	-26.7	0.00	0.00	0.00
5,900.0	3.22	231.53	5,898.6	-32.5	-40.9	-29.9	0.00	0.00	0.00
6,000.0	3.22	231.53	5,998.4	-36.0	-45.3	-33.1	0.00	0.00	0.00
6,100.0	3.22	231.53	6,098.3	-39.5	-49.7	-36.4	0.00	0.00	0.00
6,200.0	3.22	231.53	6,198.1	-43.0	-54.1	-39.6	0.00	0.00	0.00
6,300.0	3.22	231.53	6,297.9	-46.5	-58.6	-42.8	0.00	0.00	0.00
6,400.0	3.22	231.53	6,397.8	-50.0	-63.0	-46.0	0.00	0.00	0.00
6,500.0	3.22	231.53	6,497.6	-53.5	-67.4	-49.2	0.00	0.00	0.00
6,600.0	3.22	231.53	6,597.5	-57.0	-71.8	-52.4	0.00	0.00	0.00
6,700.0	3.22	231.53	6,697.3	-60.5	-76.2	-55.7	0.00	0.00	0.00
6,800.0	3.22	231.53	6,797.1	-64.0	-80.6	-58.9	0.00	0.00	0.00
6,900.0	3.22	231.53	6,897.0	-67.5	-85.0	-62.1	0.00	0.00	0.00
7,000.0	3.22	231.53	6,996.8	-71.0	-89.4	-65.3	0.00	0.00	0.00
7,100.0	3.22	231.53	7,096.7	-74.5	-93.8	-68.5	0.00	0.00	0.00
7,200.0	3.22	231.53	7,196.5	-78.0	-98.2	-71.8	0.00	0.00	0.00
7,300.0	3.22	231.53	7,296.4	-81.5	-102.6	-75.0	0.00	0.00	0.00
7,400.0	3.22	231.53	7,396.2	-85.0	-107.0	-78.2	0.00	0.00	0.00
7,500.0	3.22	231.53	7,496.0	-88.5	-111.4	-81.4	0.00	0.00	0.00
7,600.0	3.22	231.53	7,595.9	-92.0	-115.8	-84.6	0.00	0.00	0.00
7,700.0	3.22	231.53	7,695.7	-95.5	-120.2	-87.9	0.00	0.00	0.00
7,800.0	3.22	231.53	7,795.6	-99.0	-124.6	-91.1	0.00	0.00	0.00
7,900.0	3.22	231.53	7,895.4	-102.5	-129.0	-94.3	0.00	0.00	0.00
8,000.0	3.22	231.53	7,995.2	-106.0	-133.4	-97.5	0.00	0.00	0.00
8,100.0	3.22	231.53	8,095.1	-109.5	-137.8	-100.7	0.00	0.00	0.00
8,200.0	3.22	231.53	8,194.9	-113.0	-142.2	-103.9	0.00	0.00	0.00
8,300.0	3.22	231.53	8,294.8	-116.5	-146.6	-107.2	0.00	0.00	0.00
8,400.0	3.22	231.53	8,394.6	-120.0	-151.0	-110.4	0.00	0.00	0.00
8,500.0	3.22	231.53	8,494.5	-123.5	-155.4	-113.6	0.00	0.00	0.00
8,600.0	3.22	231.53	8,594.3	-127.0	-159.8	-116.8	0.00	0.00	0.00
8,700.0	3.22	231.53	8,694.1	-130.5	-164.3	-120.0	0.00	0.00	0.00
8,800.0	3.22	231.53	8,794.0	-134.0	-168.7	-123.3	0.00	0.00	0.00
8,900.0	3.22	231.53	8,893.8	-137.5	-173.1	-126.5	0.00	0.00	0.00
9,000.0	3.22	231.53	8,993.7	-141.0	-177.5	-129.7	0.00	0.00	0.00
9,100.0	3.22	231.53	9,093.5	-144.5	-181.9	-132.9	0.00	0.00	0.00
9,200.0	3.22	231.53	9,193.3	-148.0	-186.3	-136.1	0.00	0.00	0.00
9,300.0	3.22	231.53	9,293.2	-151.5	-190.7	-139.4	0.00	0.00	0.00
9,400.0	3.22	231.53	9,393.0	-155.0	-195.1	-142.6	0.00	0.00	0.00
9,500.0	3.22	231.53	9,492.9	-158.5	-199.5	-145.8	0.00	0.00	0.00
9,600.0	3.22	231.53	9,592.7	-162.0	-203.9	-149.0	0.00	0.00	0.00
9,700.0	3.22	231.53	9,692.6	-165.5	-208.3	-152.2	0.00	0.00	0.00
9,800.0	3.22	231.53	9,792.4	-169.0	-212.7	-155.5	0.00	0.00	0.00
9,900.0	3.22	231.53	9,892.2	-172.5	-217.1	-158.7	0.00	0.00	0.00
10,000.0	3.22	231.53	9,992.1	-176.0	-221.5	-161.9	0.00	0.00	0.00
10,100.0	3.22	231.53	10,091.9	-179.5	-225.9	-165.1	0.00	0.00	0.00
10,200.0	3.22	231.53	10,191.8	-183.0	-230.3	-168.3	0.00	0.00	0.00
10,300.0	3.22	231.53	10,291.6	-186.5	-234.7	-171.5	0.00	0.00	0.00
10,400.0	3.22	231.53	10,391.4	-190.0	-239.1	-174.8	0.00	0.00	0.00

Planning Report

Database: Hobbs
 Company: Mewbourne Oil Company
 Project: Lea County, New Mexico NAD 83
 Site: El Mar 21 H3NC Fed Com #1H
 Well: Sec 21, T26S, R33E
 Wellbore: BHL: 330' FNL & 220' FWL
 Design: Design #1

Local Co-ordinate Reference:
 TVD Reference:
 MD Reference:
 North Reference:
 Survey Calculation Method:

Site El Mar 21 H3NC Fed Com #1H
 WELL @ 3273.0usft (Original Well Elev)
 WELL @ 3273.0usft (Original Well Elev)
 Grid
 Minimum Curvature

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
10,500.0	3.22	231.53	10,491.3	-193.5	-243.5	-178.0	0.00	0.00	0.00
10,600.0	3.22	231.53	10,591.1	-197.0	-247.9	-181.2	0.00	0.00	0.00
10,700.0	3.22	231.53	10,691.0	-200.5	-252.3	-184.4	0.00	0.00	0.00
10,748.0	3.22	231.53	10,738.8	-202.2	-254.4	-186.0	0.00	0.00	0.00
10,800.0	2.18	231.53	10,790.8	-203.7	-256.4	-187.4	2.00	-2.00	0.00
10,900.0	0.18	231.53	10,890.8	-205.0	-258.0	-188.6	2.00	-2.00	0.00
10,909.2	0.00	0.00	10,900.0	-205.0	-258.0	-188.6	2.00	-2.00	0.00
KOP @ 10,900'									
11,000.0	9.08	359.57	10,990.4	-197.8	-258.1	-181.4	10.00	10.00	0.00
11,100.0	19.07	359.57	11,087.3	-173.5	-258.2	-157.1	10.00	10.00	0.00
11,200.0	29.07	359.57	11,178.5	-132.8	-258.5	-116.5	10.00	10.00	0.00
11,300.0	39.07	359.57	11,261.2	-76.8	-259.0	-60.6	10.00	10.00	0.00
11,400.0	49.07	359.57	11,333.0	-7.4	-259.5	8.8	10.00	10.00	0.00
11,500.0	59.06	359.57	11,391.6	73.5	-260.1	89.5	10.00	10.00	0.00
11,547.3	63.79	359.57	11,414.2	115.0	-260.4	131.0	10.00	10.00	0.00
FTP: 330' FSL & 2200' FWL									
11,600.0	69.06	359.57	11,435.3	163.3	-260.8	179.2	10.00	10.00	0.00
11,700.0	79.06	359.57	11,462.7	259.3	-261.5	275.1	10.00	10.00	0.00
11,797.0	88.75	359.57	11,473.0	355.6	-262.2	371.2	10.00	10.00	0.00
LP: 595' FSL & 2200' FWL									
11,800.0	89.05	359.57	11,473.1	358.6	-262.2	374.3	10.00	10.00	0.00
11,822.0	91.25	359.57	11,473.0	380.6	-262.4	396.2	10.00	10.00	0.00
11,900.0	91.25	359.57	11,471.3	458.6	-263.0	474.1	0.00	0.00	0.00
12,000.0	91.25	359.57	11,469.1	558.6	-263.7	573.9	0.00	0.00	0.00
12,100.0	91.25	359.57	11,466.9	658.6	-264.5	673.7	0.00	0.00	0.00
12,200.0	91.25	359.57	11,464.8	758.5	-265.2	773.6	0.00	0.00	0.00
12,300.0	91.25	359.57	11,462.6	858.5	-266.0	873.4	0.00	0.00	0.00
12,400.0	91.25	359.57	11,460.4	958.5	-266.7	973.2	0.00	0.00	0.00
12,500.0	91.25	359.57	11,458.2	1,058.5	-267.5	1,073.1	0.00	0.00	0.00
12,600.0	91.25	359.57	11,456.0	1,158.4	-268.2	1,172.9	0.00	0.00	0.00
12,700.0	91.25	359.57	11,453.8	1,258.4	-269.0	1,272.7	0.00	0.00	0.00
12,800.0	91.25	359.57	11,451.7	1,358.4	-269.7	1,372.5	0.00	0.00	0.00
12,900.0	91.25	359.57	11,449.5	1,458.4	-270.5	1,472.4	0.00	0.00	0.00
13,000.0	91.25	359.57	11,447.3	1,558.3	-271.2	1,572.2	0.00	0.00	0.00
13,100.0	91.25	359.57	11,445.1	1,658.3	-272.0	1,672.0	0.00	0.00	0.00
13,200.0	91.25	359.57	11,442.9	1,758.3	-272.7	1,771.8	0.00	0.00	0.00
13,300.0	91.25	359.57	11,440.8	1,858.3	-273.5	1,871.7	0.00	0.00	0.00
13,400.0	91.25	359.57	11,438.6	1,958.2	-274.2	1,971.5	0.00	0.00	0.00
13,500.0	91.25	359.57	11,436.4	2,058.2	-275.0	2,071.3	0.00	0.00	0.00
13,600.0	91.25	359.57	11,434.2	2,158.2	-275.7	2,171.1	0.00	0.00	0.00
13,700.0	91.25	359.57	11,432.0	2,258.1	-276.4	2,271.0	0.00	0.00	0.00
13,800.0	91.25	359.57	11,429.9	2,358.1	-277.2	2,370.8	0.00	0.00	0.00
13,865.9	91.25	359.57	11,428.4	2,424.0	-277.7	2,436.6	0.00	0.00	0.00
PPP-1: 2639' FSL & 2200' FWL									
13,900.0	91.25	359.57	11,427.7	2,458.1	-277.9	2,470.6	0.00	0.00	0.00
14,000.0	91.25	359.57	11,425.5	2,558.1	-278.7	2,570.4	0.00	0.00	0.00
14,100.0	91.25	359.57	11,423.3	2,658.0	-279.4	2,670.3	0.00	0.00	0.00
14,200.0	91.25	359.57	11,421.1	2,758.0	-280.2	2,770.1	0.00	0.00	0.00
14,300.0	91.25	359.57	11,419.0	2,858.0	-280.9	2,869.9	0.00	0.00	0.00
14,400.0	91.25	359.57	11,416.8	2,958.0	-281.7	2,969.8	0.00	0.00	0.00
14,500.0	91.25	359.57	11,414.6	3,057.9	-282.4	3,069.6	0.00	0.00	0.00
14,600.0	91.25	359.57	11,412.4	3,157.9	-283.2	3,169.4	0.00	0.00	0.00
14,700.0	91.25	359.57	11,410.2	3,257.9	-283.9	3,269.2	0.00	0.00	0.00

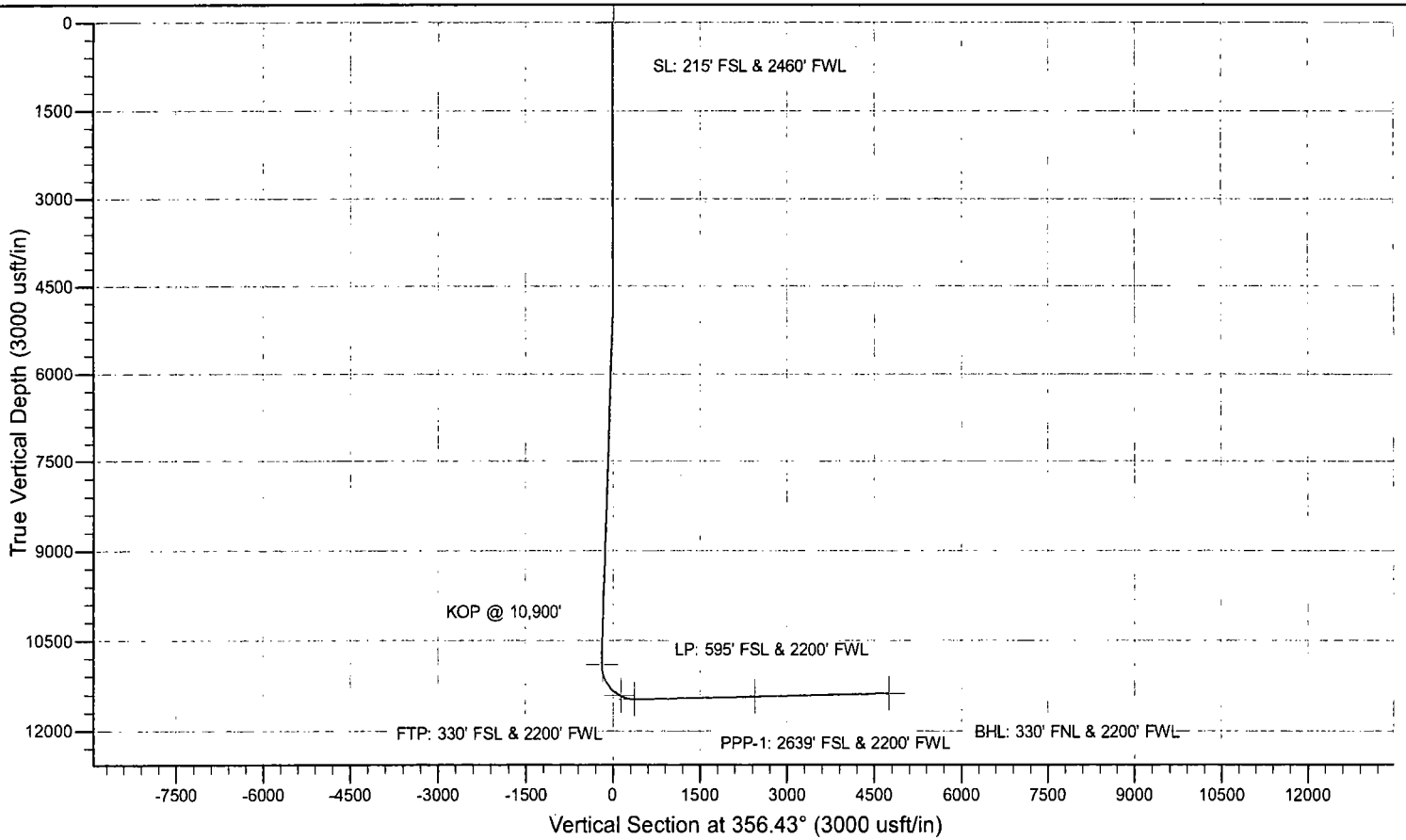
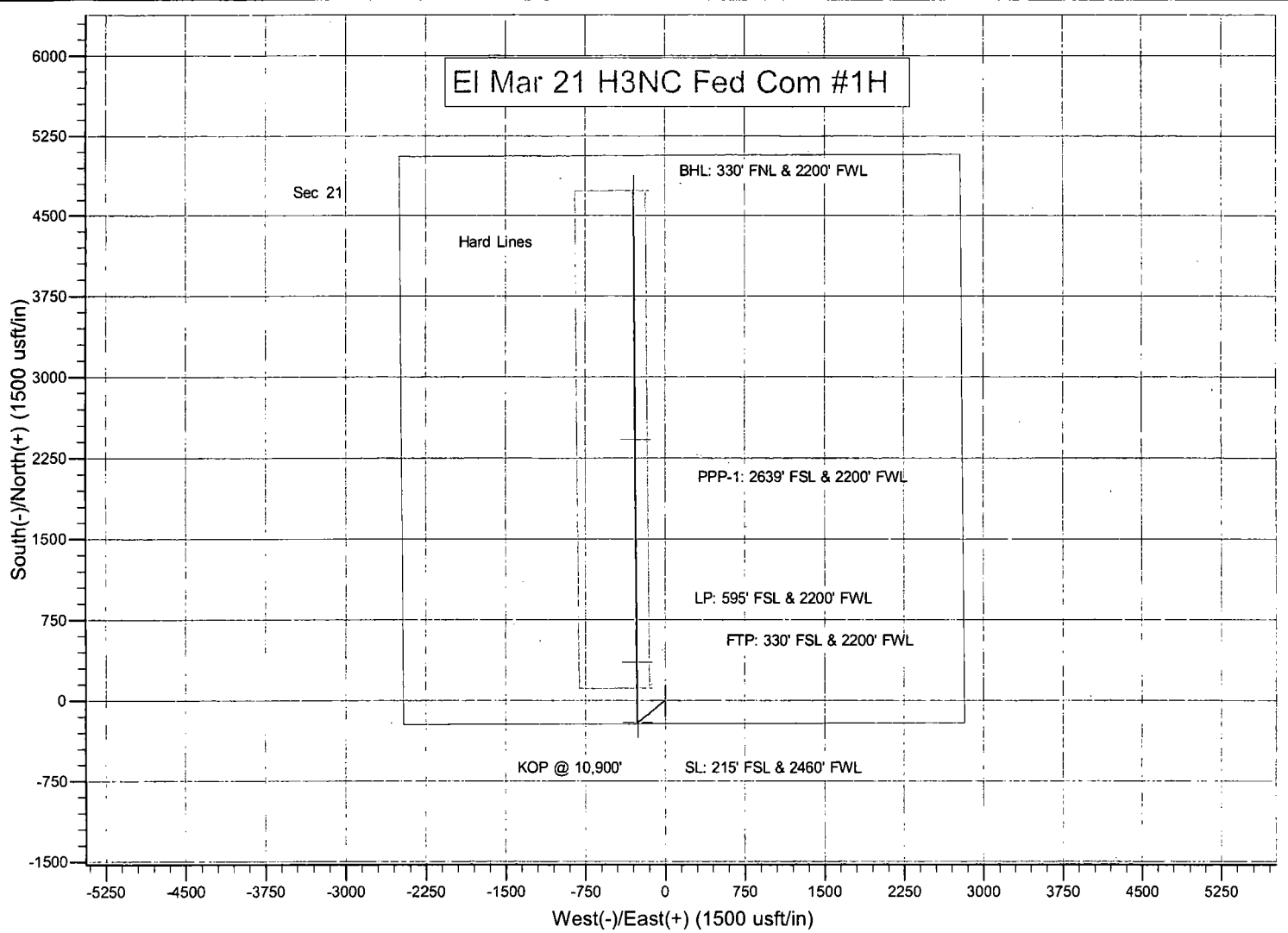
Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site El Mar 21 H3NC Fed Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3273.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3273.0usft (Original Well Elev)
Site:	El Mar 21 H3NC Fed Com #1H	North Reference:	Grid
Well:	Sec 21, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 330' FNL & 220' FWL		
Design:	Design #1		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
14,800.0	91.25	359.57	11,408.0	3,357.9	-284.7	3,369.1	0.00	0.00	0.00	
14,900.0	91.25	359.57	11,405.9	3,457.8	-285.4	3,468.9	0.00	0.00	0.00	
15,000.0	91.25	359.57	11,403.7	3,557.8	-286.2	3,568.7	0.00	0.00	0.00	
15,100.0	91.25	359.57	11,401.5	3,657.8	-286.9	3,668.5	0.00	0.00	0.00	
15,200.0	91.25	359.57	11,399.3	3,757.7	-287.7	3,768.4	0.00	0.00	0.00	
15,300.0	91.25	359.57	11,397.1	3,857.7	-288.4	3,868.2	0.00	0.00	0.00	
15,400.0	91.25	359.57	11,395.0	3,957.7	-289.2	3,968.0	0.00	0.00	0.00	
15,500.0	91.25	359.57	11,392.8	4,057.7	-289.9	4,067.8	0.00	0.00	0.00	
15,600.0	91.25	359.57	11,390.6	4,157.6	-290.7	4,167.7	0.00	0.00	0.00	
15,700.0	91.25	359.57	11,388.4	4,257.6	-291.4	4,267.5	0.00	0.00	0.00	
15,800.0	91.25	359.57	11,386.2	4,357.6	-292.2	4,367.3	0.00	0.00	0.00	
15,900.0	91.25	359.57	11,384.1	4,457.6	-292.9	4,467.2	0.00	0.00	0.00	
16,000.0	91.25	359.57	11,381.9	4,557.5	-293.7	4,567.0	0.00	0.00	0.00	
16,100.0	91.25	359.57	11,379.7	4,657.5	-294.4	4,666.8	0.00	0.00	0.00	
16,177.5	91.25	359.57	11,378.0	4,735.0	-295.0	4,744.2	0.00	0.00	0.00	
BHL: 330' FNL & 2200' FWL										

Design Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
SL: 215' FSL & 2460' FV - hit/miss target - Shape - Point	0.00	0.00	0.0	0.0	0.0	372,679.00	775,487.00	32.0223242	-103.5778098	
KOP @ 10,900' - plan hits target center - Point	0.00	0.00	10,900.0	-205.0	-258.0	372,474.00	775,229.00	32.0217657	-103.5786469	
BHL: 330' FNL & 2200' F - plan hits target center - Point	0.00	0.00	11,378.0	4,735.0	-295.0	377,414.00	775,192.00	32.0353452	-103.5786549	
FTP: 330' FSL & 2200' F - plan hits target center - Point	0.00	0.00	11,414.2	115.0	-260.4	372,794.00	775,226.60	32.0226453	-103.5786474	
PPP-1: 2639' FSL & 220 - plan hits target center - Point	0.00	0.00	11,428.4	2,424.0	-277.7	375,103.00	775,209.31	32.0289925	-103.5786511	
LP: 595' FSL & 2200' FV - plan hits target center - Point	0.00	0.00	11,473.0	355.6	-262.2	373,034.62	775,224.80	32.0233068	-103.5786478	

El Mar 21 H3NC Fed Com #1H



Mewbourne Oil Company, El Mar 21 H3NC Fed Com #1H
Sec 21, T26S, R33E
SL: 215' FSL & 2460' FWL
BHL: 330' FNL & 2200' FWL

1. Geologic Formations

TVD of target	11473'	Pilot hole depth	NA
MD at TD:	16177'	Deepest expected fresh water:	100'

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface		
Rustler	800		
Top of Salt	1170		
Castile			
Base of Salt	4650		
Lamar	4890	Oil/Gas	
Bell Canyon	4935	Oil/Gas	
Cherry Canyon	6130	Oil/Gas	
Manzanita Marker	6220		
Brushy Canyon	7620	Oil/Gas	
Bone Spring	9050	Oil/Gas	
1 st Bone Spring Sand	10070	Oil/Gas	
2 nd Bone Spring Sand	10600	Oil/Gas	
3 rd Bone Spring Sand	11096	Target Zone	
Abo			
Wolfcamp			
Devonian			
Fusselman			
Ellenburger			
Granite Wash			

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

2. Casing Program

Mewbourne Oil Company, El Mar 21 H3NC Fed Com #1H
Sec 21, T26S, R33E
SL: 215' FSL & 2460' FWL
BHL: 330' FNL & 2200' FWL

Hole Size	Casing Interval		Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Jt Tension	SF Body Tension
	From	To								
17.5"	0'	875'	13.375"	48	H40	STC	1.88	4.22	7.67	12.88
12.25"	0'	3453'	9.625"	36	J55	LTC	1.13	1.96	2.53	4.54
12.25"	3453'	4393'	9.625"	40	J55	LTC	1.13	1.73	9.54	16.75
12.25"	4393'	4815'	9.625"	40	N80	LTC	1.23	2.30	43.68	54.29
8.75"	0'	11797'	7"	26	HCP110	LTC	1.38	1.76	2.10	2.71
6.125"	1090 0'	16177'	4.5"	13.5	P110	LTC	1.79	2.08	4.74	5.92
BLM Minimum Safety Factor	1.125	1	1.6 Dry 1.8 Wet	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
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.	
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?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N

Mewbourne Oil Company, El Mar 21 H3NC Fed Com #1H
Sec 21, T26S, R33E
SL: 215' FSL & 2460' FWL
BHL: 330' FNL & 2200' FWL

If yes, are there three strings cemented to surface?	
--	--

3. Cementing Program

Casing	# Sks	Wt. lb/ gal	Yld ft3/ sack	H ₂ O gal/ sk	500# Comp. Strength (hours)	Slurry Description
Surf.	450	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.	800	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. Stg 1	275	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
ECP/DV Tool @ 6220'						
Prod. Stg 2	90	12.5	2.12	11	9	Lead: Class C + Gel + Retarder + Defoamer + Extender
	100	14.8	1.34	6.3	8	Tail: Class C + Retarder
Liner	220	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	4615'	25%
Liner	10900'	25%

Mewbourne Oil Company, El Mar 21 H3NC Fed Com #1H
Sec 21, T26S, R33E
SL: 215' FSL & 2460' FWL
BHL: 330' FNL & 2200' FWL

4. Pressure Control Equipment

	Variance: None
--	----------------

BOP installed and tested before drilling which hole?	Size?	System Rated WP	Type	<input type="checkbox"/>	Tested to:
12-1/4"	13-5/8"	5M	Annular	X	2500#
			Blind Ram	X	5000#
			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.
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?
Y	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. <ul style="list-style-type: none"> Provide description here: See attached schematic.

Mewbourne Oil Company, El Mar 21 H3NC Fed Com #1H
Sec 21, T26S, R33E
SL: 215' FSL & 2460' FWL
BHL: 330' FNL & 2200' FWL

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0'	875'	FW Gel	8.6-8.8	28-34	N/C
875'	4815'	Saturated Brine	10.0	28-34	N/C
4815'	10900'	Cut Brine	8.6-9.5	28-34	N/C
10900'	16177'	OBM	8.6-10.0	30-40	<10cc

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?	Visual monitoring
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6. Logging and Testing Procedures

Logging, Coring and Testing.	
X	Will run GR/CNL from KOP (10900') to surface (horizontal well – vertical portion of hole). 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 Ray	10900' (KOP) to TD
	Density	
	CBL	
	Mud log	
	PEX	

Mewbourne Oil Company, El Mar 21 H3NC Fed Com #1H
Sec 21, T26S, R33E
SL: 215' FSL & 2460' FWL
BHL: 330' FNL & 2200' FWL

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	5966 psi
Abnormal Temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers in surface hole.

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