Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

Э.	Lease Senai No.	
	NMNM35164	

NMNM35164	

Form 3160-5 (June 2015) DE							
BI STINUDA	UREAU OF LAND MANA	GEMENT RTS ON WELLS 🕿	BBSU	5. Lease Serial No. NMNM35164	anuary 31, 2018		
Do not use thi	is form for proposals to	drill or to re-entitied	68	6. If Indian, Allottee	or Tribe Name		
abandoned we	III. USE form 3160-3 (AP	D) for such proposal	MIGO	-60			
SUBMIT IN	TRIPLICATE - Other ins	tructions on page 2	BECE!	7. If Unit or CA/Agre	eement, Name and/or No.		
1. Type of Well Gas Well Oth	ner	HC	MES	8. Well Name and No IBEX 10/15 B1A			
Name of Operator MEWBOURNE OIL COMPAN	Contact: IY E-Mail: jlathan@m	JACKIE LATHAN newbourne.com		9. API Well No. 30-025-46188-	00-X1		
3a. Address P O BOX 5270 HOBBS, NM 88241		3b. Phone No. (include a Ph: 575-393-5905	rea code)	10. Field and Pool or APACHE RIDG	Exploratory Area		
4. Location of Well (Footage, Sec., 7	., R., M., or Survey Description	j		11. County or Parish,	State		
Sec 10 T23S R34E NENE 400 32.325294 N Lat, 103.452690				LEA COUNTY,	NM		
12. CHECK THE AI	PPROPRIATE BOX(ES)	TO INDICATE NAT	URE OF NOT	TCE, REPORT, OR OT	HER DATA		
TYPE OF SUBMISSION		1	TYPE OF ACTION	ON			
Notice of Intent	☐ Acidize	☐ Deepen	□ Pr	oduction (Start/Resume)	■ Water Shut-Off		
	☐ Alter Casing	☐ Hydraulic Fra	cturing 🔲 Re	eclamation	■ Well Integrity		
☐ Subsequent Report	Casing Repair	■ New Construction	ction Re	ecomplete	Other		
☐ Final Abandonment Notice	☐ Change Plans	□ Plug and Aba	ndon 🗖 Te	emporarily Abandon	Change to Original A PD		
	Convert to Injection	☐ Plug Back	_ u	ater Disposal			
13. Describe Proposed or Completed Op If the proposal is to deepen direction: Attach the Bond under which the wo following completion of the involved testing has been completed. Final Al determined that the site is ready for f	ally or recomplete horizontally, rk will be performed or provide I operations. If the operation re bandonment Notices must be fi inal inspection.	give subsurface locations a the Bond No. on file with sults in a multiple completi led only after all requiremen	and measured and of BLM/BIA. Requi- on or recompletion its, including recla	true vertical depths of all perti red subsequent reports must b n in a new interval, a Form 31 amation, have been completed	nent markers and zones. e filed within 30 days 60-4 must be filed once		
Mewbourne Oil Company requ	uests approval to make th	ne following changes to	the approved t	risbad Fiel	of Office		
Raise 13 3/8" surface casin Add 9 5/8" intermediate cas Adjust cement design to fit	sing set @ 2650'.	own in attachment.		OCD Ho			
Please contact Andy Taylor w	ith any questions.						
		C	SEE AT	TACHED FOR NS OF APPROVA	NT		
All Previous COA	15 Still Appl	4 Except	Forth.	e Following	<i>[]</i>		
14. I hereby certify that the foregoing is	Electronic Submission #	474303 verified by the I URNE OIL COMPANY,	3LM Well Inform	nation System bs	<i>.</i>		
	nmitted to AFMSS for proc	essing by PRISCILLA P	EREZ on 07/22				
Name (Printed/Typed) ANDY TA	YLOR	Title	ENGINEER				
Signature (Electronic	Submission)	Date	07/19/2019				
	THIS SPACE FO	OR FEDERAL OR S	TATE OFFIC	E USE			
Approved By JEROMY PORTER		TitlePF	TROLEUM EN	NGINEER	Date 07/23/2019		
Conditions of approval, if any, are attache certify that the applicant holds legal or equ	d. Approval of this notice doe	s not warrant or	·				
which would entitle the applicant to condu	uct operations thereon.	Office			·		
Title 18 U.S.C. Section 1001 and Title 43				y to make to any department o	r agency of the United		

(Instructions on page 2)
** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Revisions to Operator-Submitted EC Data for Sundry Notice #474303

Operator Submitted

BLM Revised (AFMSS)

Sundry Type:

APDCH

NOI

NMLC065649

NMNM35164

APDCH NOI

Agreement:

Lease:

Operator:

MEWBOURNE OIL COMPANY PO BOX 5270 HOBBS, NM 88241 Ph: 575-393-5905

MEWBOURNE OIL COMPANY P O BOX 5270 HOBBS, NM 88241 Ph: 575.393.5905

Admin Contact:

JACKIE LATHAN AUTHORIZED REPRESENTATIVE E-Mail: jlathan@mewbourne.com

Ph: 575-393-5905

JACKIE LATHAN REGULATORY E-Mail: jlathan@mewbourne.com

Ph: 575-393-5905

Tech Contact:

ANDY TAYLOR ENGINEER E-Mail: ataylor@mewbourne.com

Ph: 575-393-5905

ANDY TAYLOR ENGINEER E-Mail: ataylor@mewbourne.com

Ph: 575.393.5905

Location:

State: County: NM LEA

Field/Pool:

2207

NM LEA

APACHE RIDGE

Well/Facility:

IBEX 10/15 B1AP FED COM 2H Sec 10 T23S R34E Mer NMP NENE 400FNL 1010FEL

IBEX 10/15 B1AP FED COM 2H Sec 10 T23S R34E NENE 400FNL 1010FEL 32.325294 N Lat, 103.452690 W Lon

SL: 400' FNL & 1010' FEL (Sec 10) BHL: 100' FSL & 450' FEL (Sec 15)

Geologic Formations

TVD of target	9,636'	Pilot hole depth	NA
MD at TD:	19,918'	Deepest expected fresh water:	300'

Basin

Formation	Depth (TVD)	Water/Mineral Bearing/	Hazards*
	from KB	Target Zone?	
Quaternary Fill	Surface		
Rustler	2584		_
Top of Salt	3000		
Base of Salt	4622		
Delaware (Lamar)	4982	Oil	
Bell Canyon	5110		
Cherry Canyon	5936		
Manzanita Marker	6037		
Brushy Canyon	7192	-	
Bone Spring	8467	Oil/Gas	
1 st Bone Spring Sand	9612	Target Zone	
2 nd Bone Spring Sand			
3rd Bone Spring Sand			
Abo			
Wolfcamp			
Devonian			
Fusselman			
Ellenburger			
Granite Wash			· ·

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

SL: 400' FNL & 1010' FEL (Sec 10) BHL: 100' FSL & 450' FEL (Sec 15)

Casing Program

Hole	Casing	g Interval	Csg.	Weight	Grad	le Conn.	SF	SF	SF Jt	SF Body
Size	From	To	Size	(lbs)	1		Collapse	Burst	Tension	Tension
17.5"	0'	1088'	13.375"	48	H40	STC	1.51	3.40	6.17	10.36
12.25"	0'	2650'	9.625"	36	J55	LTC	1.63	2.84	4.75	5.91
8.75"	0'	9942'	7"	26	P110	LTC	1.31	2.09	2.47	3.21
6.125"	9192'	19918'	4.5"	13.5	P110	LTC	1.64	1.91	2.33	2.91
	BLM Min	mum Safety I	Factor 1	.125	1	1.6 Dry	1.6 Dry			
		•				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?	Y
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?	N
If yes, are there two strings cemented to surface?	

SL: 400' FNL & 1010' FEL (Sec 10)

BHL: 100' FSL & 450' FEL (Sec 15)

(For 2 string we	lls) If yes, is th	ere a contingency cas	sing if lost circulation	occurs?	
Is well located in c	ritical Cave/Ka	rst?			N
If yes, are there	three strings ce	mented to surface?			

Cementing Program

Casing	# Sks	Wt.	Yld	H ₂ 0	500#	Slurry Description
	,	lb/	ft3/	gal/	Comp.	
		gal	sack	sk	Strength	
				<u> </u>	(hours)	
Surf.	1615	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.	405	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.	145	12.5	2.12	11	9	Lead: Class C + Gel + Retarder + Defoamer +
Stg 1						Extender
	400	15.6	1.18	5.2	10	Tail: Class H + Retarder + Fluid Loss + Defoamer
					ECP/DV T	'ool @ 6037'
Prod.	260	12.5	2.12	11	10	Lead: Class C + Salt + Gel + Extender + LCM
Stg 2	100	14.8	1.34	6.3	8	Tail: Class C + Retarder
Liner	430	11.2	2.97	18	16	Class C + Salt + Gel + Fluid Loss + Retarder +
<u> </u>					<u> </u>	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	2450'	25%
Liner	9192'	25%

SL: 400' FNL & 1010' FEL (Sec 10) BHL: 100' FSL & 450' FEL (Sec 15)

Mud Program

	TVD	Туре	Type Weight (ppg)		Water Loss
From	To				
0	2650	FW Gel	8.6-8.8	28-34	N/C
2650	9626	Saturated Brine	10.0	28-34	N/C
9626	9636	OBM ·	10.0-13.0	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	Pason/PVT/Visual Monitoring
of fluid?	

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: | MEWBOURNE OIL COMPANY

LEASE NO.: NMNM35164

WELL NAME & NO.: | 2H – IBEX 10/15 B1AP FED COM

SURFACE HOLE FOOTAGE: 400'/N & 1010'/E BOTTOM HOLE FOOTAGE 100'/S & 450/'E

LOCATION: | SECTION 10, T23S, R34E, NMPM

COUNTY: | LEA

COA

H2S	• Yes	○ No	
Potash	© None	Secretary	←R-111-P
Cave/Karst Potential	€ Low		← High
Variance	None	• Flex Hose	Other
Wellhead	Conventional	Multibowl	Both
Other	☐4 String Area	Capitan Reef	☐ WIPP
Other	Fluid Filled	Cement Squeeze	Pilot Hole
Special Requirements		▼ COM	Unit

All previous COAs still exist, except for the following:

A. CASING

- 1. Due to well conditions, surface casing will be set at two intervals. Both intervals shall be drilled with Fresh Water mud to surface TD of 2,650 feet. The 13-3/8 inch surface casing shall be set at approximately 1,088 feet. The 9 5/8 inch surface casing shall be set at approximately 2,650 feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite and above the salt). Both casing intervals shall be 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.

Production String must be kept at least 1/3 fluid filled to meet BLM Collapse Requirements.

2. The minimum required fill of cement behind the 7 inch production casing is:

Operator has proposed DV tool at depth of 6,037 feet, but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.

- 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.
- b. Second stage above DV tool: Cement 7 inch production casing to surface. If cement does not circulate see B.1.a, c-d above.
- 3. The minimum required fill of cement behind the 4-1/2 inch production liner is:
 - Cement should tie-back at least 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 5000 (5M) 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.

JJP07232019

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)
 - \(\times \)
 Chaves and Roosevelt Counties
 Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
 During office hours call (575) 627-0272.
 After office hours call (575)
 - Eddy County
 Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on

which the draw works are located, this does not include the dog house or stairway 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.
- 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.
- 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: 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. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. 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.
- 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.
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- 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. The results of the test shall be reported to the appropriate BLM office.
- f. 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.
- g. 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 if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. 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.

Mud Program

TVD		Туре	Weight (ppg)	Viscosity	Water
From	To	7 -	7 . 7.77		Loss
0	2650	FW Gel	8.6-8.8	28-34	N/C
2650	9626	Saturated Brine	10.0	28-34	N/C
9626	9636	OBM	10.0-13.0	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	Pason/PVT/Visual Monitoring
of fluid?	