Form 3160-3 (June 2015)					OMB N	APPRON lo. 1004-0	137
UNITED STATES DEPARTMENT OF THE IN BUREAU OF LAND MANA	NTEF				Expires: J 5. Lease Serial No. NMNM114355		, 2018
APPLICATION FOR PERMIT TO DI	RILL	OR I	REENTER		6. If Indian, Allotee	e or Tribe	Name
1a. Type of work: Image: Constraint of the second seco	EENTI	ER			7. If Unit or CA Ag		
1b. Type of Well: Oil Well Gas Well Ot	ther				FNR UNIT / NMN 8. Lease Name and		31X
1c. Type of Completion: Hydraulic Fracturing Sir	ngle Z	one	Multiple Zone		FNR FEDERAL U		
2. Name of Operator MEWBOURNE OIL COMPANY					9. API Well No. 30	015 482	24
		hone N) 393-5	o. (include area coa 905	le)	10. Field and Pool, FORTY NINER R	-	-
 Location of Well (Report location clearly and in accordance w At surface NWSE / 2544 FSL / 1570 FEL / LAT 32.3048 At proposed prod. zone NENE / 100 FNL / 400 FEL / LAT 	8014	LONG	G -103.8999331	2253	11. Sec., T. R. M. o SEC 17/T23S/R30		Survey or Area
14. Distance in miles and direction from nearest town or post office 30 miles		41101	7 LONG - 103.890	2233	12. County or Paris EDDY	sh	13. State
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. N	lo of ac	res in lease	17. Spac 160.0	ing Unit dedicated to	this well	I
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 50 feet			d Depth 22879 feet	20, BLM FED: N	I/BIA Bond No. in file M1693	2	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3215 feet		opproxii 2/2020	mate date work will	start*	23. Estimated durat 60 days	tion	
	24.	Attac	hments		·		
The following, completed in accordance with the requirements of (as applicable)	f Onshe	ore Oil	and Gas Order No.	1, and the	Hydraulic Fracturing	rule per 4	3 CFR 3162.3-3
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office) 		ds, the	Item 20 above). 5. Operator certifi	cation.	ns unless covered by a rmation and/or plans a	C	×
25. Signature (Electronic Submission)			(Printed/Typed) LEY BISHOP / P	h: (575) 3	93-5905	Date 05/12/2	2020
Title Regulatory	.						
Approved by (Signature) (Electronic Submission)			(Printed/Typed) Layton / Ph: (575)	234-5959)	Date 04/16/2	2021
Title Assistant Field Manager Lands & Minerals		Office Carlsb	ad Field Office			1	
Application approval does not warrant or certify that the applicant applicant to conduct operations thereon. Conditions of approval, if any, are attached.	t holds	s legal o	or equitable title to t	hose rights	in the subject lease v	vhich wou	ld entitle the
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, m of the United States any false, fictitious or fraudulent statements o						any depai	tment or agency



(Continued on page 2)

*(Instructions on page 2)

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u>

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 Form C-102

District Office

Revised August 1, 2011 Submit one copy to appropriate

1220 South St. Francis Dr. District III 1000 Rio Brazos Road, Aztec, NM 87410 Santa Fe, NM 87505 Phone: (505) 334-6178 Fax: (505) 334-6170 AMENDED REPORT District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 WELL LOCATION AND ACREAGE DEDICATION PLAT ¹ API Number ²Pool Code ³ Pool Name 30 015 48224 FORTY NINER RIDGE BONE SPRING 24720 ⁴Property Code 5 Property Name 6 Well Number FNR FEDERAL UNIT 7H 317545 7 OGRID NO. 8 Operator Name ⁹Elevation 14744 3215' MEWBOURNE OIL COMPANY ¹⁰ Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet From the East/West line County 2544 SOUTH 1570 EDDY J 17 23S**30E** EAST ¹¹ Bottom Hole Location If Different From Surface UL or lot no. Lot Idn Feet from the North/South line Feet from the East/West line Section Township Range County 5 23S NORTH 400 EAST EDDY **30E** 100 1 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No. 400

State of New Mexico

OIL CONSERVATION DIVISION

Energy, Minerals & Natural Resources Department

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

G	s 89°55'08" w 2675.82' 🕀 s 89°53'35" w 2676.59'	0	
. 🖂 N 0014 07" W 2654 21' 🗍 N 0001 25" E 2651.52' 🗍 N 0001 32" E 2664.96' 🕤	5 895508" W 2675.82' (H) 5 895335" W 2676.59' 16 100 B.H. LOT 4 LOT 3 LOT 2 PROJECT AREA PRODUCING AREA 5 8954100" W 2683.74' 5 893859" W 2682.51' (R) 	400' <u>GEODETIC DATA</u> NAD 83 GRD - NM EAST <u>SURFACE LOCATION</u> N: 474889.9 - E: 675240.6 LAT: 32.3048014' N LONG: 103.8999331' W <u>BOTTOM HOLE</u> N: 488129.1 - E: 676332.2 LAT: 32.3411810' N LONG: 103.8962253' W <u>CORNER DATA</u> NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1942" J: FOUND BRASS CAP "1942" N: 472297.5 - E: 671429.1 N: 485577.8 - E: 676737.7	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Hard Comparison Signature Date BRADLEY BISHOP Printed Name BBISHOP@MEWBOURNE.COM E-mail Address
51.13' 🔘 N 00'14'15" W 2653.27' 🔘 N	8 	N: 472297.5 - E: 671429.1 N: 485577.8 - E: 676737.7 B: FOUND BRASS CAP "1942" K: FOUND BRASS CAP "1942" N: 474948.9 - E: 671415.2 N: 482936.8 - E: 676743.4 C: FOUND BRASS CAP "1942" L: FOUND BRASS CAP "1942" N: 477599.4 - E: 671400.3 N: 480298.2 - E: 676753.3 D: FOUND BRASS CAP "1942" N: 480298.2 - E: 676753.3 N: 480252.1 - E: 671389.3 N: 477660.1 - E: 676763.6 M: E: FOUND BRASS CAP "1942" N: 482905.7 - E: 671378.4 N: FOUND BRASS CAP "1942"	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 03-16-2020
N 00.17'58" W 2652.04' 🗍 N 0019'27" W 265	+ - + - + - + - + - + - + - + - + -	F: FOUND BRASS CAP "1942" O: FOUND BRASS CAP "1942" N: 485556.6 - E: 671379.5 N: 472367.7 - E: 676781.9 G: FOUND BRASS CAP "1916" P: FOUND BRASS CAP "1942" N: 488221.0 - E: 671380.6 N: 472332.3 - E: 674105.8 N: H: FOUND BRASS CAP "1916" N: 488224.8 - E: 674055.9 N: 477629.8 - E: 674079.9 I: FOUND BRASS CAP "1916" N: 488229.8 - E: 676731.9 N: 488229.8 - E: 676731.9 N: 482920.4 - E: 674061.5	Date of Survey Signature and Seal of Protectional Survey 19680 Certificate Number
A	s 89°15'16" w 2677.55' (P) s 89°14'32" w 2676.86'	© RRC – Job No.:	LS20030180

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NO.:

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Original to Appropriate District Office

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

GAS CAPTURE PLAN

Date: 4-2-20

 \boxtimes Original

Operator & OGRID No.: Mewbourne Oil Company - 14744

□ Amended - Reason for Amendment:

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
FNR Federal Unit #7H		J - 17-238-30E	2544' FSL & 1570' FE	^L 0	NA	ONLINE AFTER FRAC

Gathering System and Pipeline Notification

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on <u>____western</u>___ system at that time. Based on current information, it is <u>Operator's</u> belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
 - Compressed Natural Gas On lease
 - o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
 - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

VAFMSS

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

APD ID: 10400055837

Operator Name: MEWBOURNE OIL COMPANY Well Name: FNR FEDERAL UNIT Well Type: OIL WELL

Well Work Type: Drill Well Number: 7H

Submission Date: 05/12/2020

reflects the most Show Final Text Highlighted data recent changes

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Producing Formation	z	z	z	z	z	z	z	z	z	z	≻
Mineral Resources	NONE	NONE	NONE	NATURAL GAS, OIL	NATURAL GAS, OIL	NATURAL GAS, OIL	NATURAL GAS, OIL				
Lithologies	OTHER : Topsoil	SALT	SALT	LIMESTONE	SANDSTONE	SANDSTONE	LIMESTONE	ANHYDRITE, SANDSTONE	LIMESTONE, SHALE	SANDSTONE	SANDSTONE
Measured Depth	28	360	3360	3585	3620	4380	4605	7160	7500	8400	9020
True Vertical Measured Depth Depth	28	360	3360	3585	3620	4380	4605	7160	7500	8400	9020
uo	3243	2883	-117	-342	-377	-1137	-1362	-3917	4257	-5157	-5777
Formation Name	NNOWN	TOP SALT	BOTTOM SALT	LAMAR	BELL CANYON	CHERRY CANYON	MANZANITA	BRUSHY CANYON	BONE SPRING	BONE SPRING 1ST	BONE SPRING 2ND
Formation	705924	705936	705925	705932	705928	705929	705930	705937	705923	705926	705927

2 - Blowout Prevention Section

Pressure Rating (PSI): 5M

Rating Depth: 22897

Equipment: Annular, Pipe Rams, Blind Rams

Requesting Variance? YES

Variance request: Request variance for the use of a flexible choke line from the BOP to Choke Manifold. Anchors not

required by manufacturer. A multi-bowl wellhead will be used. See attached schematic. **Testing Procedure**: 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

Page 1 of 6

Drilling Plan Data Report

Metabolic contracts Metabolic contracts</t FNR_Fed_Unit_7H_5M_BOPE_Choke_Diagram_20200430152820.pdf FNR_Fed_Unit_7H_Flex_Line_Specs_API_16C_20200430152820.pdf FNR_Fed_Unit_7H_Flex_Line_Specs_20200430152820.pdf

Choke Diagram Attachment:

FNR_Fed_Unit_7H_5M_BOPE_Schematic_20200430152833.pdf

Section 3 - Casing

FNR_Fed_Unit_7H_Multi_Bowl_WH_20200430152833.pdf

BOP Diagram Attachment:

	Body SF	37.5 7	4.49	3.23	2.28
	Body SF Type	DRY	DRY	DRY	DRY
	Joint SF	22.3 6	3.7	2.69	1.82
	Joint SF Type	DRY	DRY	DRY	DRY
	Burst SF	12,6	2.16	2.16	2.5
	Collapse SF	5.61	1.41	1.62	2.15
	əqyT trioL	ST&C	LT&C	LT&C	LT&C
	Meight	48	40	26	13.5
	Grade	H-40 48	J-55	НСР -110	P- 110
	Calculated casing length MD	300	3510	9897	13732
	Bottom Set MSL	2915	-295	-6328	-6313
	Top Set MSL	3215	3220	3220	-5851
	Bottom Set TVD	300	3510	9543	9528
]	Top Set TVD	0	0	0	22879 9066
	Bottom Set MD	300	3510	9897	22879
	Top Set MD	0	0	0	9147
	Tapered String	z	z	z	z
	Standard	API	API	API	API
	noitibnoO	NEW	NEW	NEW	NEW
	əziS gə⊃	17.5 13.375	9.625	7.0	4.5
	əzi2 əloH	17.5	12.2 5	8.75	6.12 5
	əqγT grint∂	SURFACE	INTERMED 12.2 9.625 IATE 5	PRODUCTI 8.75 ON	LINER
	Casing ID	-	7	e	4

Casing Attachments

Page 2 of 6

Well Name: FNR FEDERAL UNIT Well Number: 7H	
Casing Attachments	
Casing ID: 1 String Type: SURFACE Inspection Document:	
Spec Document:	
Tapered String Spec:	
Casing Design Assumptions and Worksheet(s): FNR_Fed_Unit_7H_Csg_Assumptions_20200430155108.doc	
Casing ID: 2 String Type:INTERMEDIATE Inspection Document:	
Spec Document:	
Tapered String Spec:	
Casing Design Assumptions and Worksheet(s): FNR_Fed_Unit_7H_Csg_Assumptions_20200430155143.doc	
Casing ID: 3 String Type: PRODUCTION	
Inspection Document:	
Spec Document:	
Tapered String Spec:	
Casing Design Assumptions and Worksheet(s):	
FNR_Fed_Unit_7H_Csg_Assumptions_20200430155318.doc	

.

Page 3 of 6

Well Number: 7H

Casing Attachments

Casing ID: 4 String Type:LINER Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

FNR_Fed_Unit_7H_Csg_Assumptions_20200430160027.doc

	səvitibbA	Salt, Gel, Extender, LCM	Retarder	Salt, Gel, Extender, LCM	Retarder	Gel, Retarder, Defoamer, Extender	Retarder	Gel, Retarder, Defoamer, Extender	Retarder, Fluid Loss, Defoamer	Salt, Gel, Fluid Loss, Retarder, Dispersant, Defoamer, Anti-Settling Agent
	Cement type	Class C	Class C	Class C	Class C	Class C	Class C	Class C	Class H	Class C
	€xcess%	100	100	25	25	25	25	25	25	25
	Cri Ft	159	268	1145	268	180	134	530	472	1634
	Density	12.5	14.8	12.5	14.8	12.5	14.8	12.5	15.6	11.2
	Yield	2.12	1.34	2.12	1.34	2.12	1.34	2.12	1.18	2.97
	Quantity(sx)	75	200	540	200	85	100	250	400	550
	Bottom MD	112	300	2844	3510	3925	4605	7404	9897	2287 9
	DM qoT	0	112	0	2844	3010	3925	4605	7404	9147
- Cement	Stage Tool Stage Tool		đ			4605		4605		
	lisT\bs9J	Lead	Tail	Lead	Tail	Lead	Tail	Lead	Tai	Lead
Section 4	əq γT gnin t≳	SURFACE	SURFACE	INTERMEDIATE	INTERMEDIATE	PRODUCTION	PRODUCTION	PRODUCTION	PRODUCTION	LINER

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Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Lost circulation material Sweeps Mud scavengers in surface hole

Describe the mud monitoring system utilized: PVT/Visual Monitoring

	Additional Characteristics				
	Filtration (cc)				
	(mqq) (tinils				
	Viscosity (CP)				
	На				
	(fips 001/sdl) (fiperiod Steed				
	Density (Ibs/cu ft)		S.		
able	(leg\sdl) thelaW xeM	8.8	10	9.6	10
Im T	(Isolval) troieW niM	8.6	10	8.6	8.6
Circulating Medium Table	9qV⊺ buM	SPUD MUD	SALT SATURATED	WATER-BASED MUD	OIL-BASED MUD
Circ	Bottom Depth	300	3510	9528	9543
	Top Depth	0	300	3510	9528

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures: Will run GR/CNL from KOP (9147') to surface

List of open and cased hole logs run in the well:

COMPENSATED NEUTRON LOG, DIRECTIONAL SURVEY, GAMMA RAY LOG, MEASUREMENT WHILE DRILLING, MUD LOG/GEOLOGIC LITHOLOGY LOG, Coring operation description for the well:

None

Page 5 of 6

			Ire : 2863												
	DURNE OIL COMPANY AL UNIT Well Number: 7H	- Pressure	Pressure: 4963 Anticipated Surface Pressure: 2863	Anticipated Bottom Hole Temperature(F): Too Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO	rzards description:	azards attachment:	Hydrogen Sulfide drilling operations plan required? YES	operations plan: 7H H2S Plan 20200430163220.ndf	Other Information	Proposed horizontal/directional/multi-lateral plan submission:	Fed_Unit_7H_Dir_Plot_20200430163324.pdf Fed_Unit_7H_Dir_Plan_20200430163324.pdf 1 operations facets description:	is facets attachment:	_7H_Add_Info_20200430163334.pdf		
Released to Imaging: 4/26	Operator Name: MEWBOURNE OIL COMPANY Well Name: FNR FEDERAL UNIT	Section 7	Anticipated Bottom Hole F	Anticipated Bottom Hole Anticipated abnormal pre-	Describe: Contingency Plans geoharzards description:	Contingency Plans geoha	Hydrogen Sulfide drilling	Hydrogen sulfide drilling FNR Fed Unit 7		Proposed horizontal/direc	FNR_Fed_Unit_7H_Dir_Plot_20200430 FNR_Fed_Unit_7H_Dir_Plan_2020043 Other proposed operations facets description:	Other proposed operations facets attachment:	FNR_Fed_Unit_	Other Variance attachmer	

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Casing Program

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Hole	Casing Int	terval	Csg.	Weight	Weight Grade Conn.	Conn.	SF	SF	SF Jt	SF Body
Size	From	To	Size	(lbs)			Collapse		Tension	Tension
17.5"	0,	300'	13.375	6" 48	H40	STC	5.61	12.60	22.36	37.57
12.25"	0	3510'	9.625"	40	J55	LTC	1.41	2.16		4.49
8.75"	0	9897'	"	26	P110	LTC	1.62	2.16		3.23
6.125"	9147'	22,879'	4.5"	13.5	P110	LTC	2.15	2.50	1.82	2.28
	BLM Minimu	imum Safety Factor	Factor	1.125		.6 Dry	1.6 Dry			
						.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	Υ
Is casing API approved? If no, attach casing specification sheet.	γ
Is premium or uncommon casing planned? If yes attach casing specification sheet.	Ν
Does the above casing design meet or exceed BLM's minimum standards? If not provide	Υ
justification (loading assumptions, casing design criteria).	
Will the pipe be kept at a minimum 1/3 fluid filled to avoid approaching the	γ
collapse pressure rating of the casing?	
Is well located within Capitan Reef?	z
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?	Υ
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back	Y
500' into previous casing?	
Is well located in R-111-P and SOPA?	Z
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?	Υ
If yes, are there two strings cemented to surface?	Υ
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	Z
If yes, are there three strings cemented to surface?	

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Drilling Plan

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Mewbourne Oil Company, FNR Fed Unit #7H	Sec 17, T23S, R30E	SL: 2544' FSL & 1570' FEL, Sec 17	BHL: 100' FNL & 400' FEL, Sec 5	
Mewbourne (SL: 2544	BHL: 1(

Casing Program

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Hole	Casing Int	g Interval	Csg.	-	Grade	Conn.	SF	SF	SF Jt	SF Body
Size	From	To	Size	(Ibs)			Collapse	Burst	Tension	Tension
17.5"	0"	300'	13.375"	\vdash	H40	STC	5.61	12.60	22.36	37.57
12.25"	0,	3510'	9.625"	40	J55	LTC	1.41	2.16	3.70	4.49
8.75"	0	9897'	-L-	26	P110	LTC	1.62		2.69	
6.125"	9147'	22,879'	4.5"	13.5	P110	LTC	2.15	2.50	1.82	2.28
	BLM Minimu	mum Safety Factor 1.125	actor	1.125	1		-			
						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

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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	Υ
justification (loading assumptions, casing design criteria).	
Will the pipe be kept at a minimum 1/3 fluid filled to avoid approaching the	Y
collapse pressure rating of the casing?	
Is well located within Capitan Reef?	z
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?	Y
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back	Y
500' into previous casing?	
Is well located in R-111-P and SOPA?	z
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?	Z
	P T
If yes, are there three strings cemented to surface?	

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Drilling Plan

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Casing Program

Hole	Casing Int	r Interval	Csg.	Weight	Grad	e Conn.	-	SF	SF Jt	SF Body
Size	From	To	Size	Size (Ibs)			Collapse	Burst	Tension	Tension
17.5"	0	300'	13.375"	48	H40	STC		12.60	22.36	37.57
12.25"	0	3510'	9.625"	40	J55	LTC	1.41	2.16	3.70	4.49
8.75"	0'	9897'	7"	26	P110	LTC	1.62	2.16	2.69	3.23
6.125"	9147'	22,879	4.5"	13.5	P110	LTC	2.15	2.50	1.82	2.28
	BLM Minimun	mum Safety Factor 1.125	actor 1	.125	1	1.6 Dry	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	Υ
Is casing API approved? If no, attach casing specification sheet.	γ
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	Y
justification (loading assumptions, casing design criteria).	
Will the pipe be kept at a minimum 1/3 fluid filled to avoid approaching the	Υ
collapse pressure rating of the casing?	
Is well located within Capitan Reef?	Z
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?	Υ
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back	Y
500' into previous casing?	
Is well located in R-111-P and SOPA?	Z
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?	Δ
If yes, are there two strings cemented to surface?	Å
(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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2

Casing Program

Hole	Casing	Casing Interval	Csg.			Grade Conn.	SF	SF	SF Jt	SF Body
Size	From	To	Size	_	*	1.12	Collapse	Burst	Tension	
17.5"	0	300'	13.375"	48	H40	STC	5.61	12.60	22.36	37.57
12.25"	0	3510'	9.625"	40	J55	LTC	1.41	2.16	3.70	
8.75"	0'	9897'	7"	26	P110	LTC	1.62	2.16	2.69	3.23
6.125" 9147'	9147	22,879'	4.5"	13.5	P110	LTC	2.15	2.50	1.82	2.28
	BLM Minimur	imum Safety Factor 1.125	actor 1	.125		1.6 Dry	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	Υ
Is casing API approved? If no, attach casing specification sheet.	γ
Is premium or uncommon casing planned? If yes attach casing specification sheet.	Z
Does the above casing design meet or exceed BLM's minimum standards? If not provide	Y
justification (loading assumptions, casing design criteria).	
Will the pipe be kept at a minimum 1/3 fluid filled to avoid approaching the	Υ
collapse pressure rating of the casing?	
Is well located within Capitan Reef?	Z
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?	Υ
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back	Υ
500' into previous casing?	
Is well located in R-111-P and SOPA?	Z
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?	Υ
If yes, are there two strings cemented to surface?	Υ
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	z
If yes, are there three strings cemented to surface?	

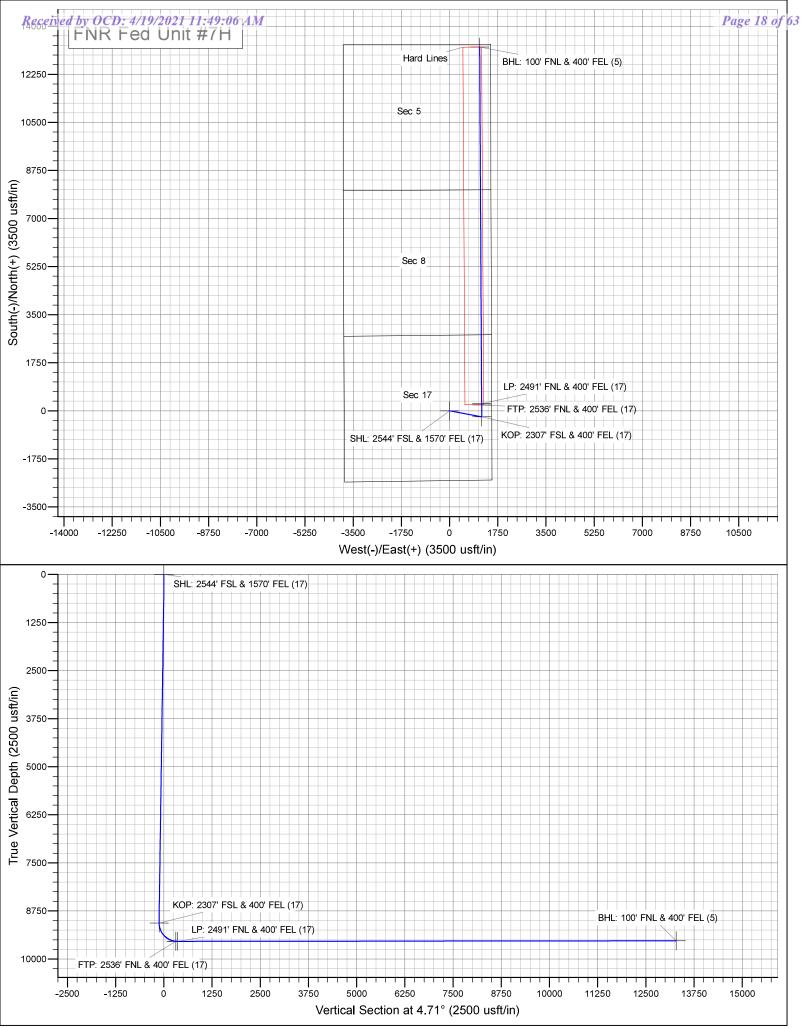
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Drilling Plan

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2



Mewbourne Oil Company

Eddy County, New Mexico NAD 83 FNR Fed Unit #7H Sec 17, T23S, R30E SHL: 2544' FSL & 1570' FEL, Sec 17 BHL: 100' FNL & 400' FEL, Sec 5

Plan: Design #1

Standard Planning Report

28 April, 2020

Database: Company: Project: Site: Well: Well: Wellbore: Design:	Eddy FNR F Sec 1	ourne Oil Com County, New M Fed Unit #7H 7, T23S, R30E 100' FNL & 400	exico NAD 83		TVD Refer MD Refer North Ref	ence:		Site FNR Fed Ui WELL @ 3243.0 WELL @ 3243.0 Grid Minimum Curvat	usft (Original usft (Original	,	
Project	Eddy C	County, New Me	exico NAD 83								
Map System: Geo Datum: Map Zone:	North An	e Plane 1983 nerican Datum xico Eastern Zo			System Dat	tum:	Gr	ound Level			
Site	FNR F	ed Unit #7H									
Site Position: From: Position Uncert	Map ainty:		Northi Eastin Dusft Slot R	g:		,890.00 usft ,241.00 usft 13-3/16 "	Latitude: Longitude: Grid Converg	ence:		32.3048018 -103.8999318 0.23 °	
Well	Sec 17,	T23S, R30E									
Well Position	+N/-S +E/-W			orthing: sting:		474,890.00 675,241.00		itude: igitude:		32.3048018 -103.8999318	
Position Uncert	ainty	0	.0 usft We	ellhead Elevati	on:	3,243.0	usft Gro	ound Level:		3,215.0 usft	
Wellbore	BHL: 1	100' FNL & 400	FEL, Sec 5								
Magnetics	Mc	odel Name	Sampl	e Date	Declina (°)	ition	Dip A (°	-		Strength nT)	
		GRF2010	1	2/31/2014		7.31		60.12		48,251	
Design	Design	#1									
Audit Notes:				_							
Version:			Phase		ROTOTYPE	Tie	On Depth:		0.0		
Vertical Section	:	Depth From (TVD) (usft)		/D)	+N/-S (usft)	+E/-W C (usft)			irection (°)		
			0.0		0.0	0	.0	4	.71		
Plan Sections											
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target	
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00		
	0.00	0.00	300.0	0.0	0.0	0.00	0.00	0.00	0.00		
300.0		100 69	335.8	-0.5	2.4	22.00	22.00	0.00	100.68		
335.9	7.90	100.68	0 074 7	045.0	4 400 0						
335.9 8,751.7	7.90	100.68	8,671.7	-215.0	1,139.3 1 166 0	0.00	0.00	0.00	0.00	KOD 2307 ESI 8 400	
335.9			8,671.7 9,065.5 9,543.0	-215.0 -220.0 258.0	1,139.3 1,166.0 1,163.3	0.00 2.00 12.00	0.00 -2.00 12.00	0.00 0.00 0.00		KOP: 2307' FSL & 40	

Database:	Hobbs	Local Co-ordinate Reference:	Site FNR Fed Unit #7H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3243.0usft (Original Well Elev)
Project:	Eddy County, New Mexico NAD 83	MD Reference:	WELL @ 3243.0usft (Original Well Elev)
Site:	FNR Fed Unit #7H	North Reference:	Grid
Well:	Sec 17, T23S, R30E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 100' FNL & 400' FEL, Sec 5		
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)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
	SL & 1570' FEL								
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
335.9	7.90	100.68	335.8	-0.5	2.4	-0.3	22.00	22.00	0.00
400.0	7.90	100.68	399.3	-2.1	11.1	-1.2	0.00	0.00	0.00
500.0	7.90	100.68	498.3	-4.6	24.6	-2.6	0.00	0.00	0.00
600.0	7.90	100.68	597.4	-7.2	38.1	-4.0	0.00	0.00	0.00
700.0	7.90	100.68	696.4	-9.7	51.6	-5.5	0.00	0.00	0.00
800.0	7.90	100.68	795.5	-12.3	65.1	-6.9	0.00	0.00	0.00
900.0	7.90	100.68	894.5	-14.8	78.6	-8.3	0.00	0.00	0.00
1,000.0	7.90	100.68	993.6	-17.4	92.1	-9.8	0.00	0.00	0.00
1,100.0	7.90	100.68	1,092.6	-17.4	105.6	-9.8	0.00	0.00	0.00
1,100.0	7.90	100.68	1,092.6	-19.9	105.6	-11.2	0.00	0.00	0.00
1,200.0	7.90	100.68	1,191.7	-22.5 -25.0	132.7	-12.6	0.00	0.00	0.00
1,300.0	7.90	100.00	1,290.7		132.1	-14.1			
1,400.0	7.90	100.68	1,389.8	-27.6	146.2	-15.5	0.00	0.00	0.00
1,500.0	7.90	100.68	1,488.8	-30.1	159.7	-16.9	0.00	0.00	0.00
1,600.0	7.90	100.68	1,587.9	-32.7	173.2	-18.3	0.00	0.00	0.00
1,700.0	7.90	100.68	1,686.9	-35.2	186.7	-19.8	0.00	0.00	0.00
1,800.0	7.90	100.68	1,786.0	-37.8	200.2	-21.2	0.00	0.00	0.00
1,900.0	7.90	100.68	1,885.0	-40.3	213.7	-22.6	0.00	0.00	0.00
2,000.0	7.90	100.68	1,005.0	-40.3 -42.9	213.7 227.2	-22.6 -24.1	0.00	0.00	0.00
2,000.0	7.90	100.68	2,083.1	-42.9 -45.4	227.2	-24.1	0.00	0.00	0.00
2,100.0	7.90	100.68	2,083.1	-45.4 -48.0	240.7	-25.5	0.00	0.00	0.00
2,200.0	7.90	100.68	2,182.2	-48.0	267.7	-28.4	0.00	0.00	0.00
2,300.0	7.90	100.00	2,201.2	-50.5	201.1	-20.4	0.00	0.00	
2,400.0	7.90	100.68	2,380.3	-53.1	281.3	-29.8	0.00	0.00	0.00
2,500.0	7.90	100.68	2,479.3	-55.6	294.8	-31.2	0.00	0.00	0.00
2,600.0	7.90	100.68	2,578.4	-58.2	308.3	-32.6	0.00	0.00	0.00
2,700.0	7.90	100.68	2,677.4	-60.7	321.8	-34.1	0.00	0.00	0.00
2,800.0	7.90	100.68	2,776.5	-63.3	335.3	-35.5	0.00	0.00	0.00
2,900.0	7.90	100.68	2,875.5	-65.8	348.8	-36.9	0.00	0.00	0.00
2,900.0	7.90	100.68	2,974.6	-68.4	362.3	-38.4	0.00	0.00	0.00
3,100.0	7.90	100.68	3,073.6	-70.9	375.8	-39.8	0.00	0.00	0.00
3,200.0	7.90	100.68	3,172.7	-73.5	389.3	-41.2	0.00	0.00	0.00
3,300.0	7.90	100.68	3,172.7	-76.0	402.8	-41.2	0.00	0.00	0.00
3,400.0	7.90	100.68	3,370.8	-78.6	416.3	-44.1	0.00	0.00	0.00
3,500.0	7.90	100.68	3,469.8	-81.1	429.8	-45.5	0.00	0.00	0.00
3,600.0	7.90	100.68	3,568.9	-83.7	443.4	-47.0	0.00	0.00	0.00
3,700.0	7.90	100.68	3,667.9	-86.2	456.9	-48.4	0.00	0.00	0.00
3,800.0	7.90	100.68	3,767.0	-88.7	470.4	-49.8	0.00	0.00	0.00
3,900.0	7.90	100.68	3,866.0	-91.3	483.9	-51.2	0.00	0.00	0.00
4,000.0	7.90	100.68	3,965.1	-93.8	403.5	-52.7	0.00	0.00	0.00
4,100.0	7.90	100.68	4,064.2	-96.4	510.9	-54.1	0.00	0.00	0.00
4,200.0	7.90	100.68	4,163.2	-98.9	524.4	-55.5	0.00	0.00	0.00
4,300.0	7.90	100.68	4,262.3	-101.5	537.9	-57.0	0.00	0.00	0.00
4,400.0	7.90	100.68	4,361.3	-104.0	551.4	-58.4	0.00	0.00	0.00
4,500.0	7.90	100.68	4,460.4	-106.6	564.9	-59.8	0.00	0.00	0.00
4,600.0	7.90	100.68	4,559.4	-109.1	578.4	-61.3	0.00	0.00	0.00
4,700.0	7.90	100.68	4,658.5	-111.7	591.9	-62.7	0.00	0.00	0.00
4,800.0	7.90	100.68	4,757.5	-114.2	605.5	-64.1	0.00	0.00	0.00
4,900.0	7.90	100.68	4,856.6	-116.8	619.0	-65.6	0.00	0.00	0.00
4,900.0 5,000.0	7.90	100.68	4,858.8	-119.3	632.5	-67.0	0.00	0.00	0.00
5,000.0	7.90	100.68	4,955.8 5,054.7	-119.3	646.0	-68.4	0.00	0.00	0.00

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COMPASS 5000.1 Build 72

Database:	Hobbs	Local Co-ordinate Reference:	Site FNR Fed Unit #7H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3243.0usft (Original Well Elev)
Project:	Eddy County, New Mexico NAD 83	MD Reference:	WELL @ 3243.0usft (Original Well Elev)
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Wellbore:	BHL: 100' FNL & 400' FEL, Sec 5		
Design:	Design #1		

Planned Survey

5,200.0 5,300.0 5,400.0 5,500.0 5,600.0 5,700.0 5,800.0 5,900.0 6,000.0 6,100.0	7.90 7.90 7.90 7.90 7.90 7.90 7.90 7.90	100.68 100.68 100.68 100.68 100.68 100.68 100.68	5,153.7 5,252.8 5,351.8 5,450.9 5,549.9 5,649.0	-124.4 -127.0 -129.5 -132.1 -134.6	659.5 673.0 686.5 700.0	-69.8 -71.3 -72.7	0.00 0.00	0.00 0.00	0.00 0.00
5,300.0 5,400.0 5,500.0 5,600.0 5,700.0 5,800.0 5,900.0 6,000.0	7.90 7.90 7.90 7.90 7.90 7.90 7.90 7.90	100.68 100.68 100.68 100.68 100.68 100.68	5,252.8 5,351.8 5,450.9 5,549.9 5,649.0	-127.0 -129.5 -132.1 -134.6	673.0 686.5	-71.3	0.00		
5,400.0 5,500.0 5,600.0 5,700.0 5,800.0 5,900.0 6,000.0	7.90 7.90 7.90 7.90 7.90 7.90 7.90	100.68 100.68 100.68 100.68 100.68	5,351.8 5,450.9 5,549.9 5,649.0	-129.5 -132.1 -134.6	686.5				
5,500.0 5,600.0 5,700.0 5,800.0 5,900.0 6,000.0	7.90 7.90 7.90 7.90 7.90 7.90 7.90	100.68 100.68 100.68 100.68	5,450.9 5,549.9 5,649.0	-132.1 -134.6		_70 7			
5,600.0 5,700.0 5,800.0 5,900.0 6,000.0	7.90 7.90 7.90 7.90 7.90 7.90	100.68 100.68 100.68	5,549.9 5,649.0	-134.6	700.0		0.00	0.00	0.00
5,700.0 5,800.0 5,900.0 6,000.0	7.90 7.90 7.90 7.90	100.68 100.68	5,649.0		100.0	-74.1	0.00	0.00	0.00
5,800.0 5,900.0 6,000.0	7.90 7.90 7.90	100.68	,	4	713.5	-75.6	0.00	0.00	0.00
5,900.0 6,000.0	7.90 7.90 7.90		5 749.0	-137.2	727.0	-77.0	0.00	0.00	0.00
5,900.0 6,000.0	7.90 7.90		5,748.0	-139.7	740.5	-78.4	0.00	0.00	0.00
6,000.0	7.90								
,		100.68	5,847.1	-142.3	754.0	-79.9	0.00	0.00	0.00
6 100 0		100.68	5,946.1	-144.8	767.6	-81.3	0.00	0.00	0.00
,	7.90	100.68	6,045.2	-147.4	781.1	-82.7	0.00	0.00	0.00
6,200.0	7.90	100.68	6,144.2	-149.9	794.6	-84.2	0.00	0.00	0.00
6,300.0	7.90	100.68	6,243.3	-152.5	808.1	-85.6	0.00	0.00	0.00
6,400.0	7.90	100.68	6,342.3	-155.0	821.6	-87.0	0.00	0.00	0.00
6,500.0	7.90	100.68	6,441.4	-157.6	835.1	-88.4	0.00	0.00	0.00
6,600.0	7.90	100.68	6,540.4	-160.1	848.6	-89.9	0.00	0.00	0.00
6,700.0	7.90	100.68	6,639.5	-162.7	862.1	-00.0	0.00	0.00	0.00
6,800.0	7.90	100.68	6,738.5	-165.2	875.6	-91.3	0.00	0.00	0.00
6,900.0	7.90	100.68	6,837.6	-167.8	889.1	-94.2	0.00	0.00	0.00
7,000.0	7.90	100.68	6,936.6	-170.3	902.6	-95.6	0.00	0.00	0.00
7,100.0	7.90	100.68	7,035.7	-172.9	916.2	-97.0	0.00	0.00	0.00
7,200.0	7.90	100.68	7,134.7	-175.4	929.7	-98.5	0.00	0.00	0.00
7,300.0	7.90	100.68	7,233.8	-178.0	943.2	-99.9	0.00	0.00	0.00
7,400.0	7.90	100.68	7,332.8	-180.5	956.7	-101.3	0.00	0.00	0.00
7,500.0	7.90	100.68	7,431.9	-183.1	970.2	-102.8	0.00	0.00	0.00
	7.90	100.68		-185.6	983.7		0.00		0.00
7,600.0			7,530.9			-104.2		0.00	
7,700.0	7.90	100.68	7,630.0	-188.2	997.2	-105.6	0.00	0.00	0.00
7,800.0	7.90	100.68	7,729.0	-190.7	1,010.7	-107.0	0.00	0.00	0.00
7,900.0	7.90	100.68	7,828.1	-193.2	1,024.2	-108.5	0.00	0.00	0.00
8,000.0	7.90	100.68	7,927.1	-195.8	1,037.7	-109.9	0.00	0.00	0.00
8,100.0	7.90	100.68	8,026.2	-198.3	1,051.2	-111.3	0.00	0.00	0.00
8,200.0	7.90	100.68	8,125.2	-200.9	1,064.7	-112.8	0.00	0.00	0.00
8,300.0	7.90	100.68	8,224.3	-203.4	1,078.3	-114.2	0.00	0.00	0.00
0,400,0	7.00	400.00	0.000.0	000.0	1 001 0	445.0	0.00	0.00	0.00
8,400.0	7.90	100.68	8,323.3	-206.0	1,091.8	-115.6	0.00	0.00	0.00
8,500.0	7.90	100.68	8,422.4	-208.5	1,105.3	-117.1	0.00	0.00	0.00
8,600.0	7.90	100.68	8,521.4	-211.1	1,118.8	-118.5	0.00	0.00	0.00
8,700.0	7.90	100.68	8,620.5	-213.6	1,132.3	-119.9	0.00	0.00	0.00
8,751.7	7.90	100.68	8,671.7	-215.0	1,139.3	-120.7	0.00	0.00	0.00
8,800.0	6.94	100.68	8,719.6	-216.1	1,145.4	-121.3	2.00	-2.00	0.00
8,900.0	4.94	100.68	8,819.0	-218.0	1,155.6	-122.4	2.00	-2.00	0.00
9,000.0	2.94	100.68	8,918.8	-219.3	1,162.3	-123.1	2.00	-2.00	0.00
9,100.0	0.94	100.68	9,018.7	-219.9	1,165.6	-123.5	2.00	-2.00	0.00
9,146.8	0.00	0.00	9,065.5	-220.0	1,166.0	-123.5	2.00	-2.00	0.00
	SL & 400' FEL (1		-,		.,		2.00	2.00	5.00
			0.440.5	6 / 7 0	4 100 5	100 5	10.05	10.05	
9,200.0	6.38	359.68	9,118.6	-217.0	1,166.0	-120.5	12.00	12.00	0.00
9,300.0	18.38	359.68	9,216.1	-195.6	1,165.9	-99.2	12.00	12.00	0.00
9,400.0	30.38	359.68	9,307.0	-154.4	1,165.6	-58.2	12.00	12.00	0.00
9,500.0	42.38	359.68	9,387.4	-95.2	1,165.3	0.8	12.00	12.00	0.00
9,600.0	54.38	359.68	9,453.7	-20.6	1,164.9	75.2	12.00	12.00	0.00
9,700.0	66.38	359.68	9,503.0	66.2	1,164.4	161.6	12.00	12.00	0.00
9,800.0	78.38	359.68	9,533.2	161.3	1,163.9	256.4	12.00	12.00	0.00
9,852.3	84.66	359.68	9,540.9	213.0	1,163.6	307.9	12.00	12.00	0.00
	NL & 400' FEL (1		.,		.,				
9,897.3	90.07	359.68	9,543.0	258.0	1,163.3	352.7	12.00	12.00	0.00

4/28/2020 5:28:46PM

COMPASS 5000.1 Build 72

Database:	Hobbs	Local Co-ordinate Reference:	Site FNR Fed Unit #7H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3243.0usft (Original Well Elev)
Project:	Eddy County, New Mexico NAD 83	MD Reference:	WELL @ 3243.0usft (Original Well Elev)
Site:	FNR Fed Unit #7H	North Reference:	Grid
Well:	Sec 17, T23S, R30E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 100' FNL & 400' FEL, Sec 5		
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)
LP: 2491'	FNL & 400' FEL (1)	7)							
9,900.0	90.07	359.68	9,543.0	260.7	1,163.3	355.3	0.02	0.02	0.00
10,000.0	90.07	359.68	9,542.9	360.7	1,162.8	454.9	0.00	0.00	0.00
10,100.0		359.68	9,542.8	460.7	1,162.2	554.5	0.00	0.00	0.00
10,200.0		359.68	9,542.7	560.7	1,161.6	654.2	0.00	0.00	0.00
10,300.0		359.68	9,542.5	660.7	1,161.1	753.8	0.00	0.00	0.00
10,400.0		359.68	9,542.4	760.6	1,160.5	853.4	0.00	0.00	0.00
10,500.0		359.68	9,542.3	860.6	1,160.0	953.0	0.00	0.00	0.00
10,600.0		359.68	9,542.2	960.6	1,159.4	1,052.6	0.00	0.00	0.00
10,700.0		359.68	9,542.1	1,060.6	1,158.9	1,152.2	0.00	0.00	0.00
10,800.0		359.68	9,542.0	1,160.6	1,158.3	1,251.9	0.00	0.00	0.00
10,900.0	90.07	359.68	9,541.8	1,260.6	1,157.7	1,351.5	0.00	0.00	0.00
11,000.0	90.07	359.68	9,541.7	1,360.6	1,157.2	1,451.1	0.00	0.00	0.00
11,100.0	90.07	359.68	9,541.6	1,460.6	1,156.6	1,550.7	0.00	0.00	0.00
11,200.0		359.68	9,541.5	1,560.6	1,156.1	1,650.3	0.00	0.00	0.00
11,300.0		359.68	9,541.4	1,660.6	1,155.5	1,749.9	0.00	0.00	0.00
11,400.0		359.68	9,541.3	1,760.6	1,155.0	1,849.5	0.00	0.00	0.00
11,500.0		359.68	9,541.1	1,860.6	1,154.4	1,949.2	0.00	0.00	0.00
11,600.0		359.68	9,541.0	1,960.6	1,153.8	2,048.8	0.00	0.00	0.00
11,700.0		359.68	9,540.9	2,060.6	1,153.3	2,148.4	0.00	0.00	0.00
11,800.0		359.68	9,540.8	2,160.6	1,152.7	2,248.0	0.00	0.00	0.00
11,900.0	90.07	359.68	9,540.7	2,260.6	1,152.2	2,347.6	0.00	0.00	0.00
12,000.0	90.07	359.68	9,540.6	2.360.6	1,151.6	2,447.2	0.00	0.00	0.00
12,100.0		359.68	9,540.5	2,460.6	1,151.1	2,546.8	0.00	0.00	0.00
12,200.0		359.68	9,540.3	2,560.6	1,150.5	2,646.5	0.00	0.00	0.00
12,300.0		359.68	9,540.2	2,660.6	1,149.9	2,746.1	0.00	0.00	0.00
12,400.0		359.68	9,540.1	2,760.6	1,149.4	2,845.7	0.00	0.00	0.00
12,405.4	4 90.07	359.68	9,540.1	2,766.0	1,149.4	2,851.1	0.00	0.00	0.00
	SL & 400' FEL (8)	559.00	9,540.1	2,700.0	1,145.4	2,001.1	0.00	0.00	0.00
		250.69	0 540 0	2 960 6	1 1 1 0 0	2 045 2	0.00	0.00	0.00
12,500.0		359.68	9,540.0	2,860.6	1,148.8	2,945.3	0.00 0.00		0.00
12,600.0		359.68	9,539.9	2,960.6	1,148.3	3,044.9		0.00	0.00
12,700.0		359.68	9,539.8	3,060.6	1,147.7	3,144.5	0.00	0.00	0.00
12,800.0	90.07	359.68	9,539.6	3,160.6	1,147.2	3,244.1	0.00	0.00	0.00
12,900.0	90.07	359.68	9,539.5	3,260.6	1,146.6	3,343.8	0.00	0.00	0.00
13,000.0	90.07	359.68	9,539.4	3,360.6	1,146.0	3,443.4	0.00	0.00	0.00
13,100.0	90.07	359.68	9,539.3	3,460.6	1,145.5	3,543.0	0.00	0.00	0.00
13,200.0	90.07	359.68	9,539.2	3,560.6	1,144.9	3,642.6	0.00	0.00	0.00
13,300.0	90.07	359.68	9,539.1	3,660.6	1,144.4	3,742.2	0.00	0.00	0.00
13,400.0	90.07	359.68	9,539.0	3,760.6	1,143.8	3,841.8	0.00	0.00	0.00
13,500.0		359.68	9,538.8	3,860.6	1,143.3	3,941.5	0.00	0.00	0.00
13,600.0		359.68	9,538.7	3,960.6	1,143.3	4,041.1	0.00	0.00	0.00
13,700.0		359.68	9,538.6	4,060.6	1,142.1	4,041.1	0.00	0.00	0.00
13,800.0		359.68	9,538.5	4,160.6	1,141.6	4,240.3	0.00	0.00	0.00
,									
13,900.0		359.68	9,538.4	4,260.6	1,141.0	4,339.9	0.00	0.00	0.00
14,000.0		359.68	9,538.3	4,360.6	1,140.5	4,439.5	0.00	0.00	0.00
14,100.0		359.68	9,538.1	4,460.6	1,139.9	4,539.1	0.00	0.00	0.00
14,200.0		359.68	9,538.0	4,560.6	1,139.4	4,638.8	0.00	0.00	0.00
14,300.0	90.07	359.68	9,537.9	4,660.6	1,138.8	4,738.4	0.00	0.00	0.00
14,400.0	90.07	359.68	9,537.8	4,760.6	1,138.2	4,838.0	0.00	0.00	0.00
14,500.0		359.68	9,537.7	4,860.6	1,137.7	4,937.6	0.00	0.00	0.00
14,600.0		359.68	9,537.6	4,960.6	1,137.1	5,037.2	0.00	0.00	0.00
14,700.0		359.68	9,537.5	5,060.6	1,136.6	5,136.8	0.00	0.00	0.00
14,800.0		359.68	9,537.3	5,160.6	1,136.0	5,236.4	0.00	0.00	0.00
		000.00	0,001.0	0,100.0	1,100.0	5,200.4	0.00	0.00	0.00

4/28/2020 5:28:46PM

Databas	e: Hobbs	Local Co-ordinate Reference:	Site FNR Fed Unit #7H
Compan	y: Mewbourne Oil Company	TVD Reference:	WELL @ 3243.0usft (Original Well Elev)
Project:	Eddy County, New Mexico NAD 83	MD Reference:	WELL @ 3243.0usft (Original Well Elev)
Site:	FNR Fed Unit #7H	North Reference:	Grid
Well:	Sec 17, T23S, R30E	Survey Calculation Method:	Minimum Curvature
Wellbore	: BHL: 100' FNL & 400' FEL, Sec 5		
Design:	Design #1		

Planned Survey

Measured Depth Inc (usft)	lination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
14,900.0	90.07	359.68	9,537.2	5,260.6	1,135.5	5,336.1	0.00	0.00	0.00
15,000.0	90.07	359.68	9,537.1	5,360.6	1,134.9	5,435.7	0.00	0.00	0.00
15,100.0	90.07	359.68	9,537.0	5,460.6	1,134.3	5,535.3	0.00	0.00	0.00
15,200.0	90.07	359.68	9,536.9	5,560.6	1,133.8	5,634.9	0.00	0.00	0.00
						,		0.00	0.00
15,300.0	90.07	359.68	9,536.8	5,660.6	1,133.2	5,734.5	0.00		
15,400.0	90.07	359.68	9,536.6	5,760.6	1,132.7	5,834.1	0.00	0.00	0.00
15,500.0	90.07	359.68	9,536.5	5,860.6	1,132.1	5,933.7	0.00	0.00	0.00
15,600.0	90.07	359.68	9,536.4	5,960.6	1,131.6	6,033.4	0.00	0.00	0.00
15,700.0	90.07	359.68	9,536.3	6,060.6	1,131.0	6,133.0	0.00	0.00	0.00
15,800.0	90.07	359.68	9,536.2	6,160.6	1,130.4	6,232.6	0.00	0.00	0.00
15,900.0	90.07	359.68	9,536.1	6,260.6	1,129.9	6,332.2	0.00	0.00	0.00
16,000.0	90.07	359.68	9,535.9	6,360.6	1,129.3	6,431.8	0.00	0.00	0.00
16,100.0	90.07	359.68	9,535.8	6,460.6	1,128.8	6,531.4	0.00	0.00	0.00
16,200.0	90.07	359.68	9,535.7	6,560.6	1,128.2	6,631.1	0.00	0.00	0.00
16,300.0	90.07	359.68	9,535.6	6,660.6	1,127.7	6,730.7	0.00	0.00	0.00
16,400.0	90.07	359.68	9,535.5	6,760.6	1,127.1	6,830.3	0.00	0.00	0.00
16,500.0	90.07	359.68	9,535.4	6,860.6	1,126.5	6,929.9	0.00	0.00	0.00
16,600.0	90.07	359.68	9,535.3	6,960.5	1,126.0	7,029.5	0.00	0.00	0.00
16,700.0	90.07 90.07	359.68	9,535.1	7,060.5	1,125.4	7,029.5	0.00	0.00	0.00
16,800.0	90.07	359.68	9,535.0	7,160.5	1,123.4	7,123.1	0.00	0.00	0.00
16,900.0	90.07	359.68	9,534.9	7,260.5	1,124.3	7,328.4	0.00	0.00	0.00
17,000.0	90.07	359.68	9,534.9	7,260.5	1,124.3	7,328.4	0.00	0.00	0.00
		359.68			1,123.8	7,428.0	0.00	0.00	0.00
17,100.0	90.07		9,534.7	7,460.5					
17,200.0	90.07	359.68	9,534.6	7,560.5	1,122.6	7,627.2	0.00	0.00	0.00
17,300.0	90.07	359.68	9,534.4	7,660.5	1,122.1	7,726.8	0.00	0.00	0.00
17,400.0	90.07	359.68	9,534.3	7,760.5	1,121.5	7,826.4	0.00	0.00	0.00
17,500.0	90.07	359.68	9,534.2	7,860.5	1,121.0	7,926.0	0.00	0.00	0.00
17,600.0	90.07	359.68	9,534.1	7,960.5	1,120.4	8,025.7	0.00	0.00	0.00
17,700.0	90.07	359.68	9,534.0	8,060.5	1,119.9	8,125.3	0.00	0.00	0.00
17,800.0	90.07	359.68	9,533.9	8,160.5	1,119.3	8,224.9	0.00	0.00	0.00
17,900.0	90.07	359.68	9,533.8	8,260.5	1,118.7	8,324.5	0.00	0.00	0.00
18,000.0	90.07	359.68	9,533.6	8,360.5	1,118.2	8,424.1	0.00	0.00	0.00
18,100.0	90.07	359.68	9,533.5	8,460.5	1,117.6	8,523.7	0.00	0.00	0.00
18,200.0	90.07	359.68	9,533.4	8,560.5	1,117.1	8,623.3	0.00	0.00	0.00
18,300.0	90.07	359.68	9,533.3	8,660.5	1,116.5	8,723.0	0.00	0.00	0.00
18,400.0	90.07	359.68	9,533.2	8,760.5	1,116.0	8,822.6	0.00	0.00	0.00
18,500.0	90.07	359.68	9,533.1	8,860.5	1,115.4	8,922.2	0.00	0.00	0.00
18,600.0	90.07	359.68	9,532.9	8,960.5	1,114.8	9,021.8	0.00	0.00	0.00
18,700.0	90.07	359.68	9,532.8	9,060.5	1,114.3	9,121.4	0.00	0.00	0.00
18,800.0	90.07	359.68	9,532.7	9,160.5	1,113.7	9,221.0	0.00	0.00	0.00
18,900.0	90.07	359.68	9,532.6	9,260.5	1,113.2	9,320.7	0.00	0.00	0.00
19,000.0	90.07	359.68	9,532.5	9,360.5	1,112.6	9,420.3	0.00	0.00	0.00
19,100.0	90.07	359.68	9,532.4	9,460.5	1,112.0	9,519.9	0.00	0.00	0.00
19,200.0	90.07	359.68	9,532.3	9,560.5	1,111.5	9,619.5	0.00	0.00	0.00
19,300.0	90.07	359.68	9,532.1	9,660.5	1,110.9	9,719.1	0.00	0.00	0.00
19,400.0	90.07	359.68	9,532.0	9,760.5	1,110.4	9,818.7	0.00	0.00	0.00
19,500.0	90.07	359.68	9,531.9	9,860.5	1,109.8	9,918.3	0.00	0.00	0.00
19,600.0	90.07	359.68	9,531.8	9,960.5	1,109.3	10,018.0	0.00	0.00	0.00
19,700.0	90.07	359.68	9,531.7	10,060.5	1,109.5	10,010.0	0.00	0.00	0.00
19,800.0	90.07	359.68	9,531.6	10,160.5	1,108.2	10,117.0	0.00	0.00	0.00
				,					
19,900.0	90.07	359.68	9,531.4	10,260.5	1,107.6	10,316.8	0.00	0.00	0.00
20,000.0	90.07	359.68	9,531.3	10,360.5	1,107.0	10,416.4	0.00	0.00	0.00
20,100.0	90.07	359.68	9,531.2	10,460.5	1,106.5	10,516.0	0.00	0.00	0.00
20,200.0	90.07	359.68	9,531.1	10,560.5	1,105.9	10,615.6	0.00	0.00	0.00

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COMPASS 5000.1 Build 72

Database:	Hobbs	Local Co-ordinate Reference:	Site FNR Fed Unit #7H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3243.0usft (Original Well Elev)
Project:	Eddy County, New Mexico NAD 83	MD Reference:	WELL @ 3243.0usft (Original Well Elev)
Site:	FNR Fed Unit #7H	North Reference:	Grid
Well:	Sec 17, T23S, R30E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 100' FNL & 400' FEL, Sec 5		
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)
20,300.0	90.07	359.68	9,531.0	10,660.5	1,105.4	10,715.3	0.00	0.00	0.00
20,400.0	90.07	359.68	9,530.9	10,760.5	1,104.8	10,814.9	0.00	0.00	0.00
20,500.0	90.07	359.68	9,530.7	10,860.5	1,104.3	10,914.5	0.00	0.00	0.00
20,600.0	90.07	359.68	9,530.6	10,960.5	1,103.7	11,014.1	0.00	0.00	0.00
20,700.0	90.07	359.68	9,530.5	11,060.5	1,103.1	11,113.7	0.00	0.00	0.00
20,800.0	90.07	359.68	9,530.4	11,160.5	1,102.6	11,213.3	0.00	0.00	0.00
20,900.0	90.07	359.68	9,530.3	11,260.5	1,102.0	11,312.9	0.00	0.00	0.00
21,000.0	90.07	359.68	9,530.2	11,360.5	1,101.5	11,412.6	0.00	0.00	0.00
21,100.0	90.07	359.68	9,530.1	11,460.5	1,100.9	11,512.2	0.00	0.00	0.00
21,200.0	90.07	359.68	9,529.9	11,560.5	1,100.4	11,611.8	0.00	0.00	0.00
21,300.0	90.07	359.68	9,529.8	11,660.5	1,099.8	11,711.4	0.00	0.00	0.00
21,400.0	90.07	359.68	9,529.7	11,760.5	1,099.2	11,811.0	0.00	0.00	0.00
21,500.0	90.07	359.68	9,529.6	11,860.5	1,098.7	11,910.6	0.00	0.00	0.00
21,600.0	90.07	359.68	9,529.5	11,960.5	1,098.1	12,010.2	0.00	0.00	0.00
21,700.0	90.07	359.68	9,529.4	12,060.5	1,097.6	12,109.9	0.00	0.00	0.00
21,800.0	90.07	359.68	9,529.2	12,160.5	1,097.0	12,209.5	0.00	0.00	0.00
21,900.0	90.07	359.68	9,529.1	12,260.5	1,096.5	12,309.1	0.00	0.00	0.00
22,000.0	90.07	359.68	9,529.0	12,360.5	1,095.9	12,408.7	0.00	0.00	0.00
22,100.0	90.07	359.68	9,528.9	12,460.5	1,095.3	12,508.3	0.00	0.00	0.00
22,200.0	90.07	359.68	9,528.8	12,560.5	1,094.8	12,607.9	0.00	0.00	0.00
22,300.0	90.07	359.68	9,528.7	12,660.5	1,094.2	12,707.6	0.00	0.00	0.00
22,400.0	90.07	359.68	9,528.6	12,760.5	1,093.7	12,807.2	0.00	0.00	0.00
22,500.0	90.07	359.68	9,528.4	12,860.5	1,093.1	12,906.8	0.00	0.00	0.00
22,600.0	90.07	359.68	9,528.3	12,960.5	1,092.6	13,006.4	0.00	0.00	0.00
22,700.0	90.07	359.68	9,528.2	13,060.4	1,092.0	13,106.0	0.00	0.00	0.00
22,800.0	90.07	359.68	9,528.1	13,160.4	1,091.4	13,205.6	0.00	0.00	0.00
22,878.6	90.07	359.68	9,528.0	13,239.0	1,091.0	13,283.9	0.00	0.00	0.00
BHI - 100' EN	NL & 400' FEL (5	۱							

Database: Company: Project: Site: Well: Wellbore: Design:	Hobbs Mewbourne C Eddy County, FNR Fed Unit Sec 17, T23S BHL: 100' FN Design #1	New Mexico t #7H 5, R30E			TVD Refere MD Referen North Refer	ice:	WELL @ 3 WELL @ 3 Grid	Site FNR Fed Unit #7H WELL @ 3243.0usft (Original Well Elev) WELL @ 3243.0usft (Original Well Elev) Grid Minimum Curvature		
Design Targets Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
SHL: 2544' FSL & 1570' - plan hits target cer - Point		0.00	0.0	0.0	0.0	474,890.00	675,241.00	32.3048018	-103.8999318	
KOP: 2307' FSL & 400' - plan hits target cer - Point		0.00	9,065.5	-220.0	1,166.0	474,670.00	676,407.00	32.3041840	-103.8961609	
BHL: 100' FNL & 400' Fl - plan hits target cer - Point		0.00	9,528.0	13,239.0	1,091.0	488,129.00	676,332.00	32.3411807	-103.8962259	
PPP2: 0' FSL & 400' FE - plan hits target cer - Point		0.00	9,540.1	2,766.0	1,149.4	477,656.00	676,390.36	32.3123921	-103.8961753	
FTP: 2536' FNL & 400' F - plan hits target cer - Point		0.00	9,540.9	213 <u>.</u> 0	1,163.6	475,103.00	676,404.58	32.3053743	-103.8961629	
LP: 2491' FNL & 400' FE - plan hits target cer - Point		0.00	9,543.0	258.0	1,163.3	475,148.00	676,404.30	32.3054980	-103.8961633	

Intent	Х	As Drilled
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API #		
Operator Name:	Property Name:	Well Number
Mewbourne Oil Co.	FNR Fed Unit	7H

Kick Off Point (KOP)

Latitude Longitude NAD	UL I	Section 17	Township 23S	Range 30E	Lot	Feet 2307	From N/S S	Feet 400	From E/W E	County Eddy
32.3041840 -103.8961609 83	Latitude 32.3041840				•	\$1600	NAD 83			

First Take Point (FTP)

UL H	Section 17	Township 23S	Range 30E	Lot	Feet 2536	From N/S N	Feet 400	From E/W E	County Eddy
Latitude				Longitude	61629	NAD			
32.3053743				-103.896		83			

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
A	5	23S	30E		100	N	400	E	Eddy
Latitude 32.3411810				Longitud -103.	^{le} 8962253	5		NAD 83	

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

Y		

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number
Mewbourne Oil Co.	FNR Fed Unit	8H

KZ 06/29/2018

PECOS DISTRICT SURFACE USE CONDITIONS OF APPROVAL

MEWBOURNE OIL COMPANY LEASE NO.: NMNM114355

FNR FEDERAL UNIT 7H

Surface Hole Location: 2544' FSL & 1570' FEL, Section 17, T. 23 S., R. 30 E. Bottom Hole Location: 100' FNL & 400' FEL, Section 5, T. 23 S, R 30 E.

FNR FEDERAL UNIT 8H

Surface Hole Location: 2565' FSL & 1591' FEL, Section 17, T. 23 S., R. 30 E. Bottom Hole Location: 100' FNL & 1310' FEL, Section 5, T. 23 S, R 30 E.

FNR FEDERAL UNIT 9H

Surface Hole Location: 2587' FSL & 1612' FEL, Section 17, T. 23 S., R. 30 E. Bottom Hole Location: 100' FNL & 2200' FEL, Section 5, T. 23 S, R 30 E.

FNR FEDERAL UNIT 10H

Surface Hole Location: 2608' FSL & 1634' FEL, Section 17, T. 23 S., R. 30 E. Bottom Hole Location: 100' FNL & 220' FEL, Section 5, T. 23 S, R 30 E.

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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.

General Provisions
Permit Expiration
Archaeology, Paleontology, and Historical Sites
Noxious Weeds
🛛 Special Requirements
Cave/Karst
Watershed
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Closed Loop System
Federal Mineral Material Pits
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Roads
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Well Structures & Facilities
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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.)

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• Following a rain event, all fluids will vacuumed off of the pad and hauled offsite 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 $\frac{1}{2}$ 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, situating values 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 values, 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.

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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 $1\frac{1}{2}$ 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

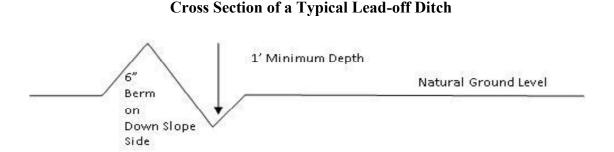
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

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

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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 foot road with 4% road slope: $\underline{400'}_{4\%} + 100' = 200'$ 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.

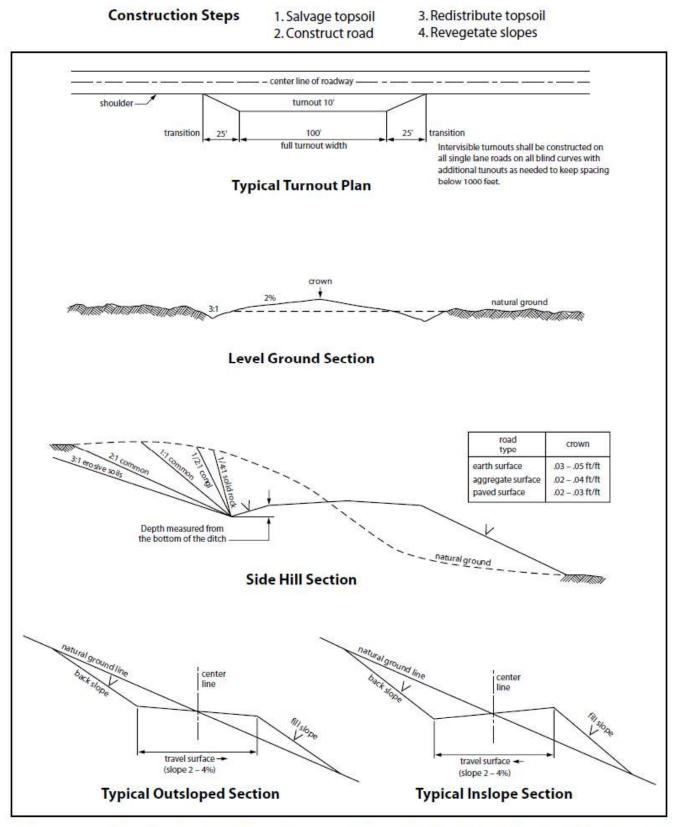
Fence Requirement

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.

Approval Date: 04/16/2021





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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 exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. <u>Use a maximum netting mesh size of 1 ½ inches.</u>

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

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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 <u>no</u> 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:

Species	l <u>b/acre</u>
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

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

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	MEWBOURNE OIL COMPANY
LEASE NO.:	NMNM114355
WELL NAME & NO.:	FNR FEDERAL UNIT 7H
SURFACE HOLE FOOTAGE:	2544'/S & 1570'/E
BOTTOM HOLE FOOTAGE	100'/N & 400'/E
LOCATION:	Section 17, T.23 S., R.30 E., NMP
COUNTY:	EDDY County, New Mexico

COA

H2S	© Yes	No	
Potash	© None	© Secretary	• R-111-P
Cave/Karst Potential	C Low	^O Medium	High
Cave/Karst Potential	Critical		
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	Water Disposal	COM	🗹 Unit

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

Casing Design:

- 1. The **13-3/8** inch surface casing shall be set at approximately **400** feet (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after

completing the cement job.

- b. Wait on cement (WOC) time for a primary cement job will be a minimum of <u>24 hours in the Potash Area</u> or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing which shall be set at approximately **3510** feet is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
 - In <u>High Cave/Karst Areas</u> if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
 - In <u>Secretary Potash Areas</u> if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
 - In <u>R111 Potash Areas</u> if cement does not circulate to surface on the first two salt protection 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:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate, contact the appropriate BLM office.
- Excess cement calculates to -34%, additional cement might be required.

Option 2:

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.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
 - Excess cement calculates to -56% additional cement might be required.
- 4. The minimum required fill of cement behind the 4-1/2 inch production liner is:
 - Cement should tie-back **100 feet** into the previous casing. Operator shall provide method of verification.

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. 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.

D. SPECIAL REQUIREMENT (S)

<u>Unit Wells</u>

The well sign for a unit well shall include the unit number in addition to the surface and bottom hole lease numbers. This also applies to participating area numbers. If a participating area has not been established, the operator can use the general unit designation, but will replace the unit number with the participating area number when the sign is replaced.

Commercial Well Determination

A commercial well determination shall be submitted after production has been established for at least six months. (This is not necessary for secondary recovery unit wells)

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)

🔀 Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

- 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.

Page 4 of 8

- 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.
- <u>Wait on cement (WOC) for Potash Areas:</u> 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 <u>24 hours</u>. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. <u>Wait on cement (WOC) for Water Basin:</u> 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 <u>8 hours</u>. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity 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.

Page 6 of 8

- 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, 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 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.

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.

OTA02012021

Approval Date: 04/16/2021

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 know 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. <u>Well Control Equipment</u>
 - 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. <u>Protective Equipment for Essential Personnel</u>

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. <u>Hydrogen Sulfide Protection and Monitoring Equipment</u>

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. <u>Visual Warning Systems</u>

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 Office911 or 575-887-7551Ambulance Service911 or 575-885-2111Carlsbad Fire Dept911 or 575-885-2111Loco Hills Volunteer Fire Dept.911 or 575-677-3266Closest Medical Facility - Columbia Medical Center of Carlsbad575-492-5000

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

Well Name: FNR FEDERAL UNIT

Well Number: 7H

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE FACILITY Disposal type description:

Disposal location description: NMOCD approved waste disposal locations are CRI or Lea Land, both facilities are located on HWY 62/180, Sec. 27 T20S R32E.

Waste type: SEWAGE

Waste content description: Human waste & grey water

Amount of waste: 1500 gallons

Waste disposal frequency : Weekly

Safe containment description: 2,000 gallon plastic container

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE

FACILITY Disposal type description:

Disposal location description: City of Carlsbad Water Treatment facility

Waste type: GARBAGE

Waste content description: Garbage & trash

Amount of waste: 1500 pounds

Waste disposal frequency : One Time Only

Safe containment description: Enclosed trash trailer

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE FACILITY Disposal type description:

Disposal location description: Waste Management facility in Carlsbad.

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit? NO

Reserve pit length (ft.) Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR FEDERAL UNIT

Cuttings area width (ft.)

Cuttings area volume (cu. yd.)

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? N

Description of cuttings location

Cuttings area length (ft.)

Cuttings area depth (ft.)

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: N Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

FNRFederalUnit7H_wellsitelayout_20200402102804.pdf

Comments:

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance

Multiple Well Pad Name: FNR FEDERAL UNIT 7H, 8H, 9H, 10H Multiple Well Pad Number: 4

Recontouring attachment:

Drainage/Erosion control construction: None

Drainage/Erosion control reclamation: None

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Drilling Plan Data Report

05/12/2020

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

APD ID: 10400055837

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR FEDERAL UNIT

Well Type: OIL WELL

Submission Date: 05/12/2020

Well Number: 7H Well Work Type: Drill Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Geologic Formations

Formation			True Vertical	Measured			Producing
ID	Formation Name	Elevation	Depth	Depth	Lithologies	Mineral Resources	Formation
705924	UNKNOWN	3243	28	28	OTHER : Topsoil	NONE	N
705936	TOP SALT	2883	360	360	SALT	NONE	N
705925	BOTTOM SALT	-117	3360	3360	SALT	NONE	N
705932	LAMAR	-342	3585	3585	LIMESTONE	NATURAL GAS, OIL	N
705928	BELL CANYON	-377	3620	3620	SANDSTONE	NATURAL GAS, OIL	N
705929	CHERRY CANYON	-1137	4380	4380	SANDSTONE	NATURAL GAS, OIL	N
705930	MANZANITA	-1362	4605	4605	LIMESTONE	NATURAL GAS, OIL	N
705937	BRUSHY CANYON	-3917	7160	7160	ANHYDRITE, SANDSTONE	NATURAL GAS, OIL	N
705923	BONE SPRING	-4257	7500	7500	LIMESTONE, SHALE	NATURAL GAS, OIL	N
705926	BONE SPRING 1ST	-5157	8400	8400	SANDSTONE	NATURAL GAS, OIL	N
705927	BONE SPRING 2ND	-5777	9020	9020	SANDSTONE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M

Rating Depth: 22897

Equipment: Annular, Pipe Rams, Blind Rams

Requesting Variance? YES

Variance request: Request variance for the use of a flexible choke line from the BOP to Choke Manifold. Anchors not required by manufacturer. A multi-bowl wellhead will be used. See attached schematic.

Testing Procedure: 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

Page 1 of 6

Page 54 of 63



Drilling Plan Data Report

05/12/2020

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

APD ID: 10400055837

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR FEDERAL UNIT

Well Type: OIL WELL

Submission Date: 05/12/2020

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705930	MANZANITA	-1362	4605	4605	LIMESTONE	NATURAL GAS, OIL	N
705937	BRUSHY CANYON	-3917	7160	7160	ANHYDRITE, SANDSTONE	NATURAL GAS, OIL	N
705923	BONE SPRING	-4257	7500	7500	LIMESTONE, SHALE	NATURAL GAS, OIL	N
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Equipment: Annular, Pipe Rams, Blind Rams

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Page 1 of 6

Operator Name: MEWBOURNE OIL COMPANY Well Name: FNR FEDERAL UNIT

Well Number: 7H

cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

Choke Diagram Attachment:

FNR_Fed_Unit_7H_Flex_Line_Specs_20200430152820.pdf

FNR_Fed_Unit_7H_5M_BOPE_Choke_Diagram_20200430152820.pdf

FNR_Fed_Unit_7H_Flex_Line_Specs_API_16C_20200430152820.pdf

BOP Diagram Attachment:

FNR_Fed_Unit_7H_Multi_Bowl_WH_20200430152833.pdf

FNR_Fed_Unit_7H_5M_BOPE_Schematic_20200430152833.pdf

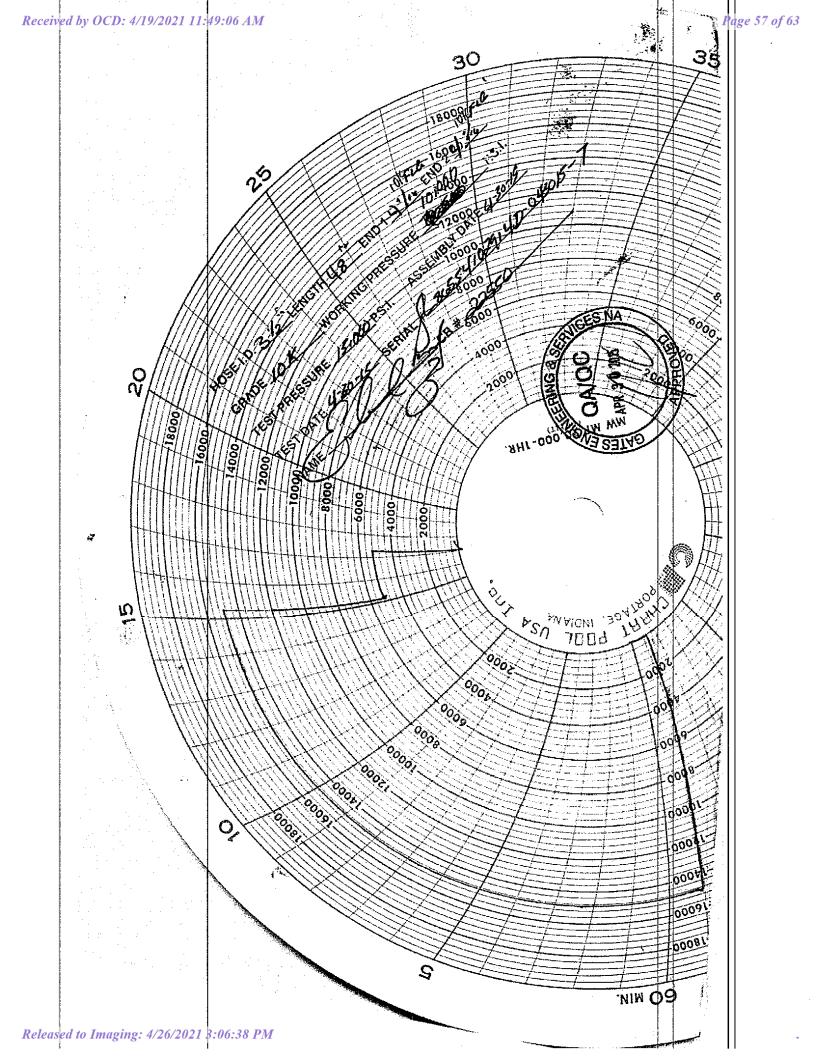
Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	300	0	300	3215	2915	300	H-40	48	ST&C	5.61	12.6	DRY	22.3 6	DRY	37.5 7
2		12.2 5	9.625	NEW	API	N	0	3510	0	3510	3220	-295	3510	J-55	40	LT&C	1.41	2.16	DRY	3.7	DRY	4.49
3	PRODUCTI ON	8.75	7.0	NEW	API	N	0	9897	0	9543	3220	-6328	9897	HCP -110		LT&C	1.62	2.16	DRY	2.69	DRY	3.23
4	LINER	6.12 5	4.5	NEW	API	N	9147	22879	9066	9528	-5851	-6313	13732	P- 110	13.5	LT&C	2.15	2.5	DRY	1.82	DRY	2.28

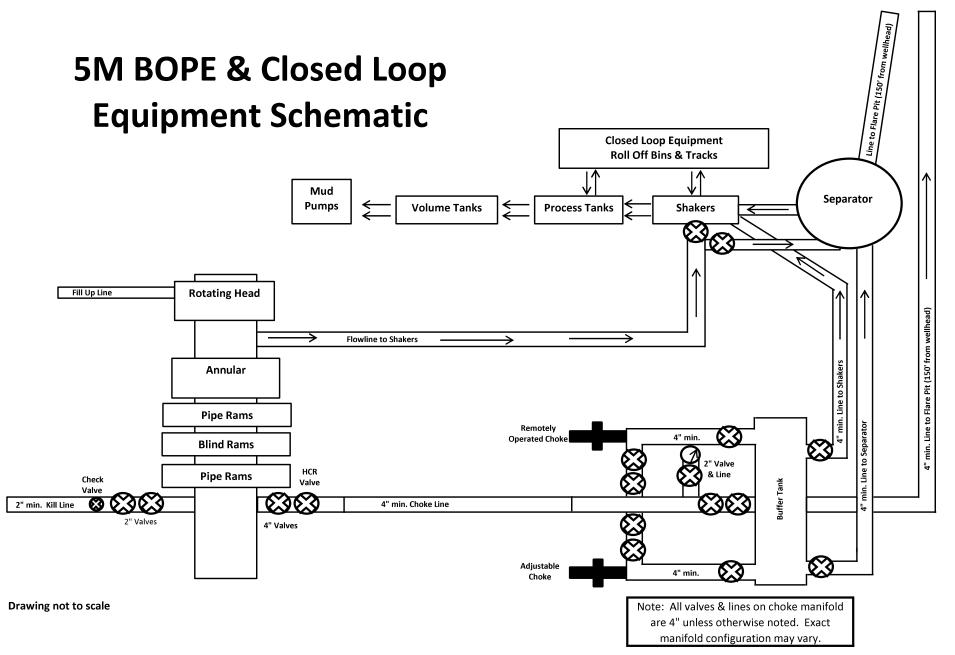
Casing Attachments

Page 2 of 6

	I, TEXAS 78405		PHONE: 361-887-9807 FAX: 361-887-0812 EMAIL: <i>Tim.Cantu@gates.com</i> WEB: www.gates.com	2
10K C	CEMENTING ASSEMB	SLY PRESSURE T	TEST CERTIFICATE	
			4/30/2015	
Customer : Customer Ref. :	AUSTIN DISTRIBUTING 4060578	Test Date: Hose Serial No.:	D-043015-7	
Invoice No. :	500506	Created By:	JUSTIN CROPPER	
Product Description:		10K3.548.0CK4.1/1610KFLG	5E/E LE	
End Fitting 1 :	4 1/16 10K FLG	End Fitting 2 :	4 1/16 10K FLG	
Gates Part No. :	4773-6290	Assembly Code :	L36554102914D-043015-7	
Working Pressure :	10,000 PSI	Test Pressure :	15,000 PSI	
Gates E & S the Gates Oi	North America, Inc. certifi ilfield Roughneck Agreement/	es that the following h /Specification requirem	nose assembly has been tested to ments and passed the 15 minute	
the Gates Oi hydrostatic tes	ilfield Roughneck Agreement/ st per API Spec 7K/Q1, Fifth I	/Specification requirem Edition, June 2010, Te duct number. Hose but	nents and passed the 15 minute est pressure 9.6.7 and per Table 9 rst pressure 9.6.7.2 exceeds the	
the Gates Oi hydrostatic tes	ilfield Roughneck Agreement/ st per API Spec 7K/Q1, Fifth I si in accordance with this proc	/Specification requirem Edition, June 2010, Te duct number. Hose but	nents and passed the 15 minute est pressure 9.6.7 and per Table 9 rst pressure 9.6.7.2 exceeds the	
the Gates Oi hydrostatic tes	ilfield Roughneck Agreement/ st per API Spec 7K/Q1, Fifth I si in accordance with this proc	/Specification requirem Edition, June 2010, Te duct number. Hose but	nents and passed the 15 minute est pressure 9.6.7 and per Table 9 rst pressure 9.6.7.2 exceeds the	
the Gates Oi hydrostatic tes to 15,000 ps	ilfield Roughneck Agreement/ st per API Spec 7K/Q1, Fifth I ii n accordance with this proc minimum of 2.5 times	/Specification requirem Edition, June 2010, Te duct number. Hose bur the working pressure Produciton: Date :	nents and passed the 15 minute est pressure 9.6.7 and per Table 9 rst pressure 9.6.7.2 exceeds the per Table 9.	
the Gates Oi hydrostatic tes to 15,000 ps Quality Manager :	ilfield Roughneck Agreement/ st per API Spec 7K/Q1, Fifth I si in accordance with this proc minimum of 2.5 times	/Specification requirem Edition, June 2010, Te duct number. Hose but the working pressure Produciton:	PRODUCTION	
the Gates Oi hydrostatic tes to 15,000 ps Quality Manager : Date :	ilfield Roughneck Agreement/ st per API Spec 7K/Q1, Fifth I si in accordance with this proc minimum of 2.5 times	/Specification requirem Edition, June 2010, Te duct number. Hose bur the working pressure Produciton: Date :	PRODUCTION	
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GATES ENGINEERING & SERVICES NORTH AMERICA 7603 Prairie Oak Dr. Houston, TX 77086 PHONE: (281) 602 - 4119 FAX: EMAIL: Troy.Schmidt@gates.com WEB: www.gates.com

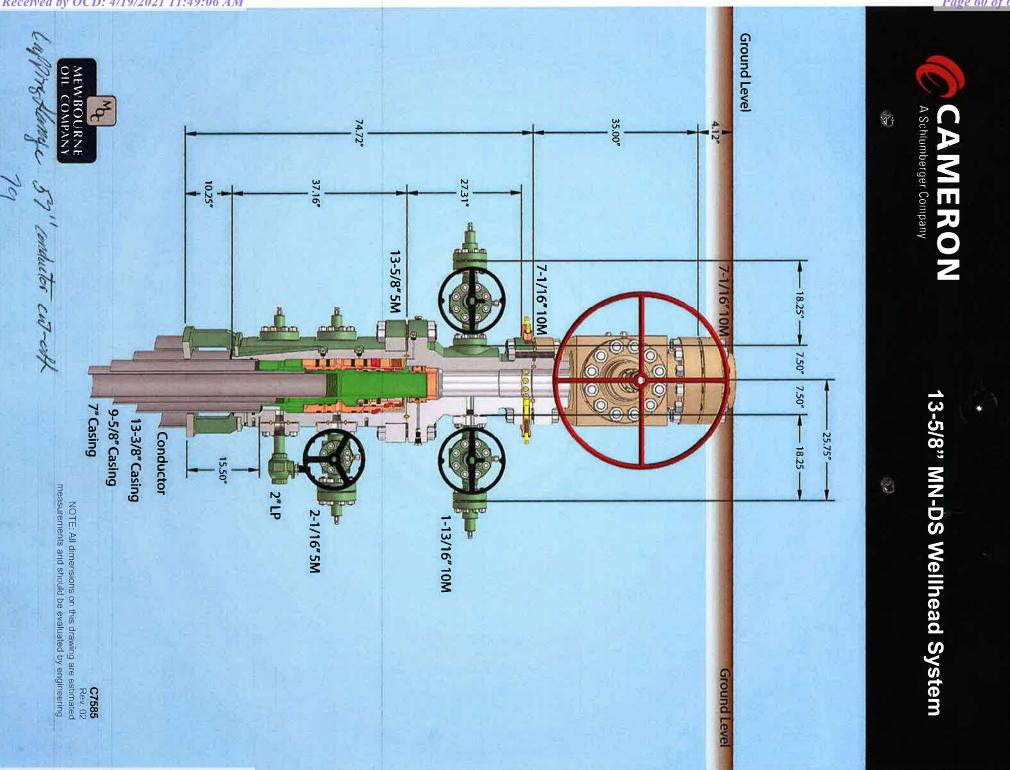
10K CHOKE & KILL ASSEMBLY PRESSURE TEST CERTIFICATE

Customer:	A-7 AUSTIN INC DBA AUSTIN HOSE	Test Date:	8/20/2018
Customer Ref.:	4101901	Hose Serial No.:	H-082018-10
Invoice No.:	511956	Created By:	Moosa Naqvi
Product Description:	10KF.	3.035.0CK41/1610KFLGFXDxFLT	L/E
End Fitting 1:	4 1/16 in. Fixed Flange	End Fitting 2:	4 1/16 in. Float Flange

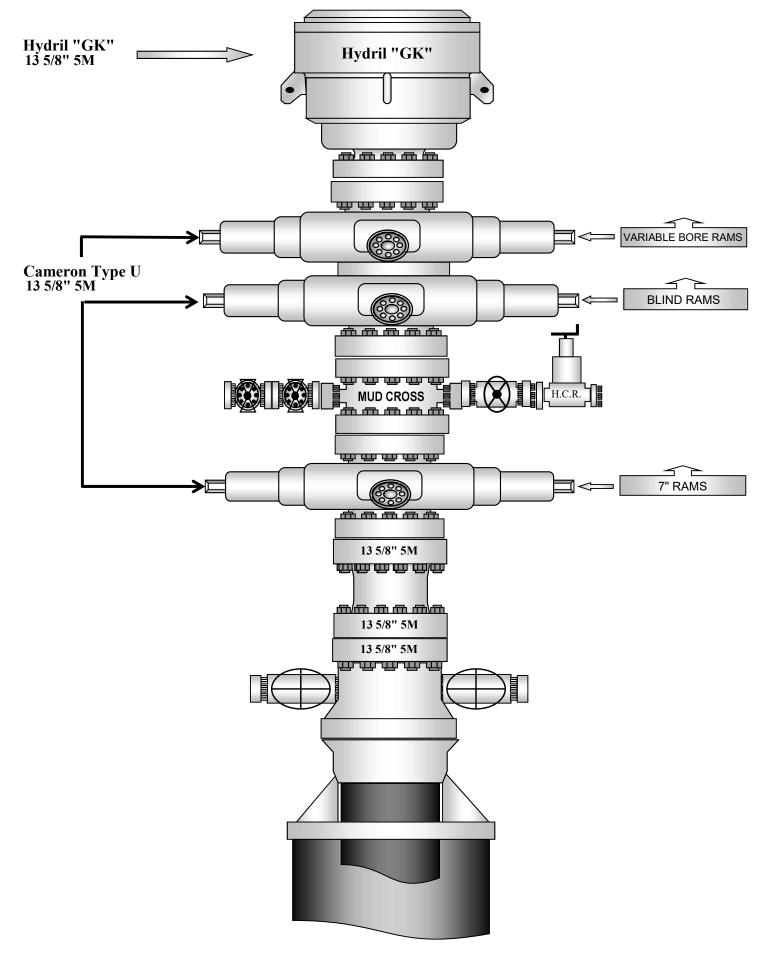
Gates Engineering & Services North America certifies that the following hose assembly has successfully passed all pressure testing requirements set forth in Gates specifications: GTS-04-052 (for 5K assemblies) or GTS-04-053 (10K assemblies), which include reference to Specification API 16C (2nd Edition); sections 7.5.4, 7.5.9, and 10.8.7. A test graph will accompany this test certificate to illustrate conformity to test requirements.

Quality:	QUALITY	Production:	
Date :	8/20/201	B _ Date :	8/20/2018
Signature :	1	Signature :	The f
	Moster	In	Form PTC - 01 Rev.0 2





Released to Imaging: 4/26/2021 3:06:38 PM



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

District II

District IV

COMMENTS

Action 24590

District I 1625 N. French Dr., Hobbs, NM 88240 **State of New Mexico** Phone:(575) 393-6161 Fax:(575) 393-0720 **Energy, Minerals and Natural Resources** 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 **Oil Conservation Division** District III 1000 Rio Brazos Rd., Aztec, NM 87410 1220 S. St Francis Dr. Phone:(505) 334-6178 Fax:(505) 334-6170

Santa Fe, NM 87505

	COMMENTS										
Operator:			OGRID:	Action Number:	Action Type:						
MEWBOURNE OIL CO	P.O. Box 5270	Hobbs, NM88241	14744	24590	FORM 3160-3						
Created By	Comment			Comment Date							
kpickford	KP GEO Review 4/21/2021			04/21/2021							

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District IV

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Action 24590

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

CONDITIONS OF APPROVAL

Operator:				OGRID:		Action Number:	Action Type:
	MEWBOURNE OIL CO	P.O. Box 5270	Hobbs, NM88241	1.	4744	24590	FORM 3160-3
OCD	Condition						
Reviewer							
kpickford	Surface casing must be set 25' below top of Rustler Anhydrite or salt in order to seal off protectable water						
kpickford	Notify OCD 24 hours prior to casing & cement						
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104						
kpickford	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string						
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing						
kpickford	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system						