

Form 3160-3
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of work: ☒ DRILL ☐ REENTER		5. Lease Serial No. NMNM0359292
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☒ Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator MEWBOURNE OIL COMPANY [14744]		8. Lease Name and Well No. SALADO DRAW 10 W1NC FED COM [319753] 2H
3a. Address P O BOX 5270, HOBBS, NM 88241	3b. Phone No. (include area code) (575) 393-5905	9. API Well No. 30-025-50290
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESW / 235 FSL / 2325 FWL / LAT 32.0513818 / LONG -103.5612245 At proposed prod. zone NENW / 100 FNL / 2310 FWL / LAT 32.0649745 / LONG -103.561262		10. Field and Pool, or Exploratory RED HILLS - WOLFCAMP (GAS)/WOLFC 11. Sec., T. R. M. or Blk. and Survey or Area SEC 10/T26S/R33E/NMP
14. Distance in miles and direction from nearest town or post office* 30 miles		12. County or Parish LEA
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 320 feet		13. State
16. No of acres in lease		17. Spacing Unit dedicated to this well 160.0
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 50 feet		20. BLM/BIA Bond No. in file FED: NM1693
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3313 feet		22. Approximate date work will start* 05/05/2021
		23. Estimated duration 60 days
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

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

25. Signature (Electronic Submission)	Name (Printed/Typed) BRADLEY BISHOP / Ph: (575) 393-5905	Date 03/03/2021
Title Regulatory		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Cody Layton / Ph: (575) 234-5959	Date 06/03/2022
Title Assistant Field Manager Lands & Minerals		
Office Carlsbad Field Office		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NGMP Rec 06/06/2022

NSL

(Continued on page 2)



Approval Date: 06/03/2022

KZ
06/30/2022

REQUIRES NSL

*(Instructions on page 2)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-50290		² Pool Code 83600	³ Pool Name RED HILLS; WOLFCAMP GAS
⁴ Property Code 319753	⁵ Property Name SALADO DRAW 10 W1NC FED COM		⁶ Well Number 2H
⁷ OGRID NO. 14744	⁸ Operator Name MEWBOURNE OIL COMPANY		⁹ Elevation 3313'

¹⁰ Surface Location

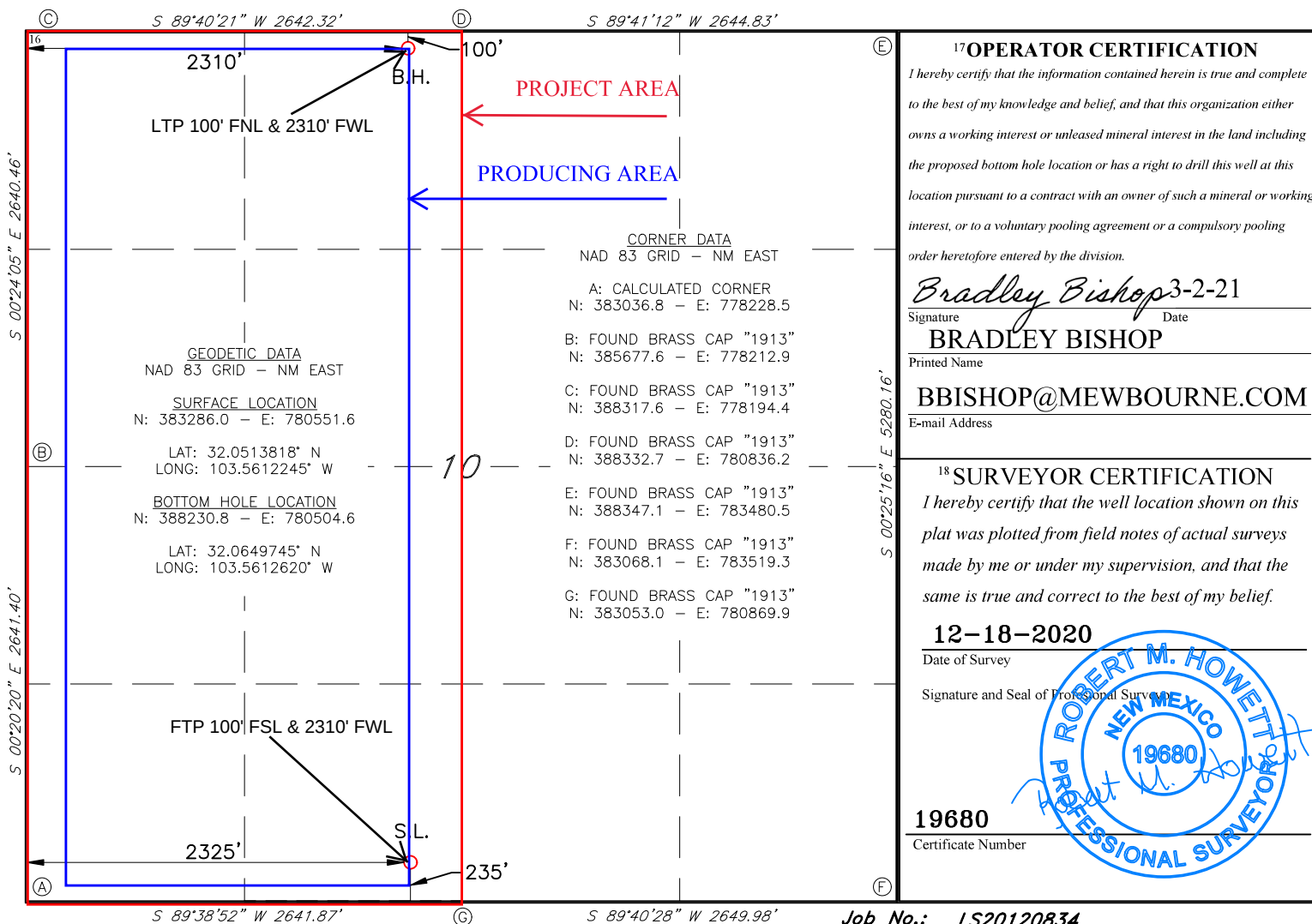
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
N	10	26S	33E		235	SOUTH	2325	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	10	26S	33E		100	NORTH	2310	WEST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. REQUIRES NSL
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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.



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State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

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

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description

Effective May 25, 2021

I. Operator: Mewbourne Oil Co. **OGRID:** 14744 **Date:** 5/2/22

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Salado Draw 10 W1NC Fed Com 2H		N 10 26S 33E	235' FSL x 2325' FWL	1500	3000	3000

IV. Central Delivery Point Name: Salado Draw 10 W1NC Fed Com #2H [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
Salado Draw 10 W1NC Fed Com #2H		7/2/22	8/2/22	9/2/22	9/17/22	9/17/22

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan**EFFECTIVE APRIL 1, 2022**

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications**Effective May 25, 2021**

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

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I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:	<i>Bradley Bishop</i>
Printed Name:	BRADLEY BISHOP
Title:	REGULATORY MANAGER
E-mail Address:	BBISHOP@MEWBOURNE.COM
Date:	5/2/22
Phone:	575-393-5905
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

Mewbourne Oil Company

Natural Gas Management Plan – Attachment

- VI. Separation equipment will be sized by construction engineering staff based on stated manufacturer daily throughput capacities and anticipated daily production rates to ensure adequate capacity. Closed vent system piping, compression needs, and VRUs will be sized utilizing ProMax modelling software to ensure adequate capacity for anticipated production volumes and conditions.
- VII. Mewbourne Oil Company (MOC) will take following actions to comply with the regulations listed in 19.15.27.8 :
- A. MOC will maximize the recovery of natural gas by minimizing the waste, as defined by 19.15.2 NMAC, of natural gas through venting and flaring. MOC will ensure that well(s) will be connected to a natural gas gathering system with sufficient capacity to transport natural gas. If there is no adequate takeaway for the gas, well(s) will be shut in until the natural gas gathering system is available.
 - B. All drilling operations will be equipped with a rig flare located at least 100 ft from the nearest surface hole. Rig flare will be utilized to combust any natural gas that is brought to surface during normal drilling operations. In the case of emergency venting or flaring the volumes will be estimated and reported appropriately.
 - C. During completion operations any natural gas brought to surface will be flared. Immediately following the finish of completion operations, all well flow will be directed to permanent separation equipment. Produced natural gas from separation equipment will be sent to sales. It is not anticipated that gas will not meet pipeline standards. However, if natural gas does not meet gathering pipeline quality specifications, MOC will flare the natural gas for 60 days or until the natural gas meets the pipeline quality specifications, whichever is sooner. MOC will ensure that the flare is sized properly and is equipped with automatic igniter or continuous pilot. The gas sample will analyzed twice per week and the gas will be routed into a gathering system as soon as pipeline specifications are met.
 - D. Natural gas will not be flared with the exceptions and provisions listed in the 19.15.27.8 D.(1) through (4). If there is no adequate takeaway for the separator gas, well(s) will be shut in until the natural gas gathering system is available with exception of emergency or malfunction situations. Venting and/or flaring volumes will be estimated and reported appropriately.
 - E. MOC will comply with the performance standards requirements and provisions listed in 19.15.27.8 E.(1) through (8). All equipment will be designed and sized to handle maximum anticipated pressures and throughputs in order to minimize the waste. Production storage tanks constructed after May 25, 2021 will be equipped with automatic gauging system. Flares constructed after May 25, 2021 will be equipped with automatic igniter or continuous pilot. Flares will be located at least 100' from the well and storage tanks unless otherwise approved by the division. MOC will conduct AVO inspections as described in 19.15.27.8 E (5) (a) with frequencies specified in 19.15.27.8 E (5) (b) and (c). All emergencies will be resolved as quickly and safely as feasible to minimize waste.
 - F. The volume of natural gas that is vented or flared as the result of malfunction or emergency during drilling and completions operations will be estimated. The volume of natural gas that is vented, flared or beneficially used during production operations, will be measured or estimated. MOC will install equipment to measure

the volume of natural gas flared from existing process piping or a flowline piped from equipment such as high pressure separators, heater treaters, or vapor recovery units associated with a well or facility associated with a well authorized by an APD issued after May 25, 2021 that has an average daily production greater than 60 Mcf/day. If metering is not practicable due to circumstances such as low flow rate or low pressure venting and flaring, MOC will estimate the volume of vented or flared natural gas. Measuring equipment will conform to industry standards and will not be designed or equipped with a manifold that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measurement equipment.

- VIII. For maintenance activities involving production equipment and compression, venting will be limited to the depressurization of the subject equipment to ensure safe working conditions. For maintenance of production and compression equipment the associated producing wells will be shut in to eliminate venting. For maintenance of VRUs all gas normally routed to the VRU will be routed to flare to eliminate venting.

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Signature:	<i>Bradley Bishop</i>
Printed Name:	BRADLEY BISHOP
Title:	REGULATORY MANAGER
E-mail Address:	BBISHOP@MEWBOURNE.COM
Date:	5/2/22
Phone:	575-393-5905
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

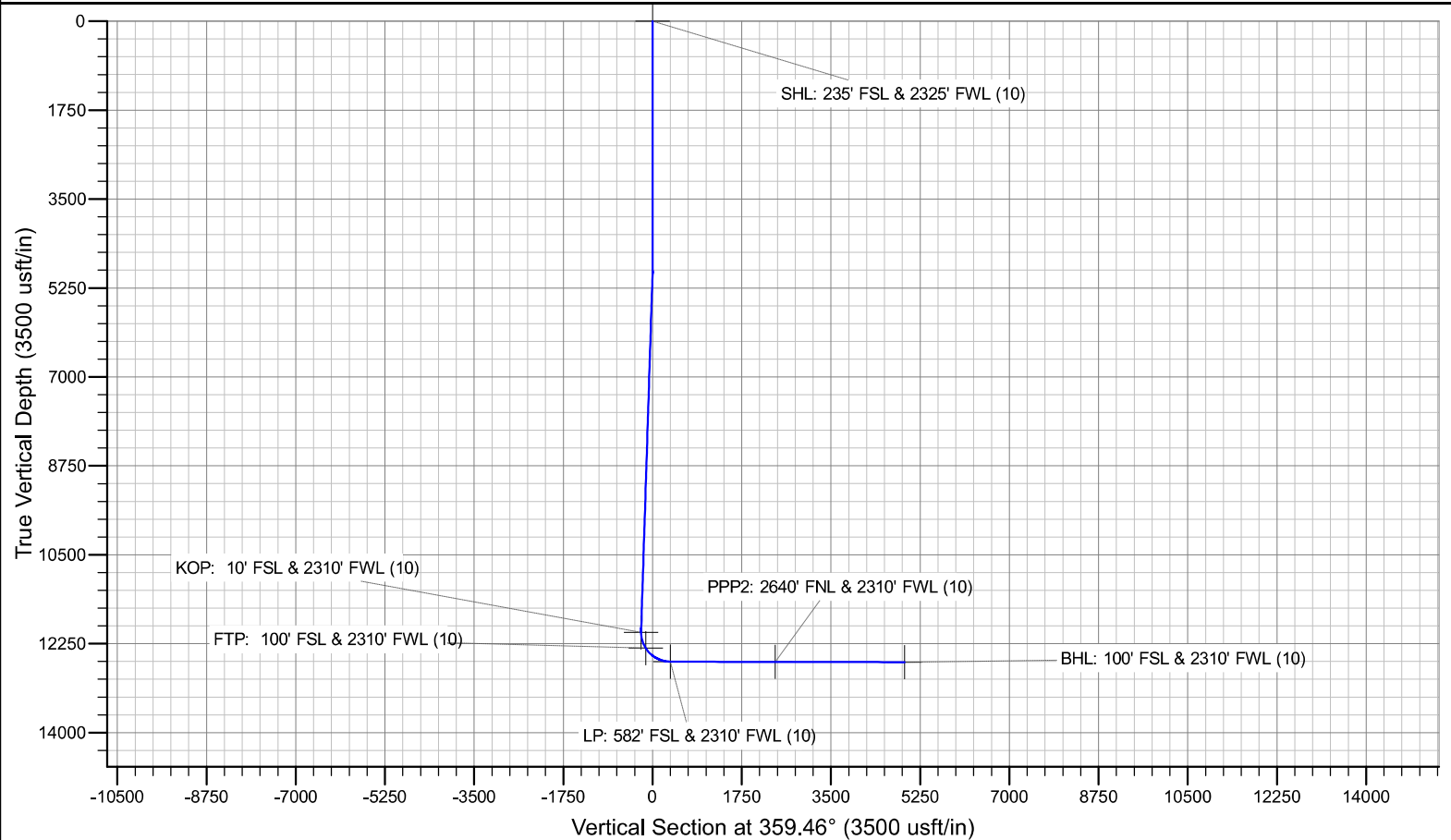
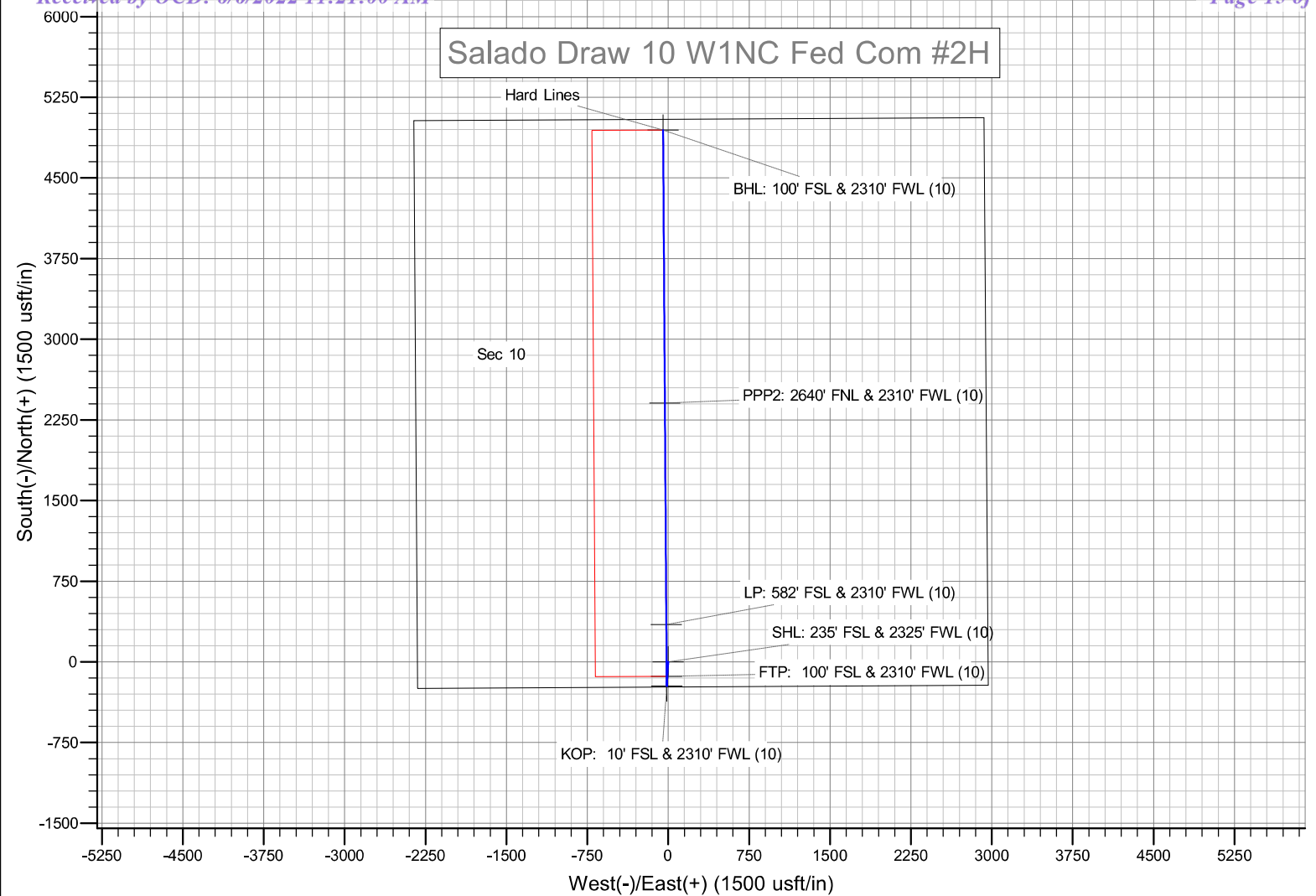
Mewbourne Oil Company

Natural Gas Management Plan – Attachment

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the volume of natural gas flared from existing process piping or a flowline piped from equipment such as high pressure separators, heater treaters, or vapor recovery units associated with a well or facility associated with a well authorized by an APD issued after May 25, 2021 that has an average daily production greater than 60 Mcf/day. If metering is not practicable due to circumstances such as low flow rate or low pressure venting and flaring, MOC will estimate the volume of vented or flared natural gas. Measuring equipment will conform to industry standards and will not be designed or equipped with a manifold that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measurement equipment.

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Mewbourne Oil Company

Lea County, New Mexico NAD 83

Salado Draw 10 W1NC Fed Com #2H

Sec 10, T26S, R33E

SHL: 235' FSL & 2325' FWL, Sec 10

BHL: 100' FNL & 2310' FWL, Sec 10

Plan: Design #1

Standard Planning Report

02 March, 2021

Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Salado Draw 10 W1NC Fed Com #2H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3341.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3341.0usft (Original Well Elev)
Site:	Salado Draw 10 W1NC Fed Com #2H	North Reference:	Grid
Well:	Sec 10, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 100' FNL & 2310' FWL, Sec 10		
Design:	Design #1		

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

Site	Salado Draw 10 W1NC Fed Com #2H			
Site Position:		Northing:	383,286.00 usft	Latitude: 32.0513817
From: Map		Easting:	780,552.00 usft	Longitude: -103.5612233
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "	Grid Convergence: 0.41 °

Well	Sec 10, T26S, R33E				
Well Position	+N/-S	0.0 usft	Northing:	383,286.00 usft	Latitude: 32.0513817
	+E/-W	0.0 usft	Easting:	780,552.00 usft	Longitude: -103.5612233
Position Uncertainty		0.0 usft	Wellhead Elevation:	3,341.0 usft	Ground Level: 3,313.0 usft

Wellbore	BHL: 100' FNL & 2310' FWL, Sec 10				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	12/31/2014	7.13	59.94	48,160

Design	Design #1			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	359.46

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	
4,895.0	0.00	0.00	4,895.0	0.0	0.0	0.00	0.00	0.00	0.00	
4,986.6	1.83	183.31	4,986.6	-1.5	-0.1	2.00	2.00	0.00	183.31	
11,944.0	1.83	183.31	11,940.4	-223.5	-12.9	0.00	0.00	0.00	0.00	
12,035.6	0.00	0.00	12,032.0	-225.0	-13.0	2.00	-2.00	0.00	180.00	KOP: 10' FSL & 2310'
12,934.4	89.88	359.62	12,605.0	346.7	-16.8	10.00	10.00	0.00	-0.38	
17,532.8	89.88	359.62	12,615.0	4,945.0	-47.0	0.00	0.00	0.00	0.00	BHL: 100' FSL & 2310'

Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Salado Draw 10 W1NC Fed Com #2H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3341.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3341.0usft (Original Well Elev)
Site:	Salado Draw 10 W1NC Fed Com #2H	North Reference:	Grid
Well:	Sec 10, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 100' FNL & 2310' FWL, Sec 10		
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
SHL: 235' FSL & 2325' FWL (10)									
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,895.0	0.00	0.00	4,895.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.10	183.31	4,900.0	0.0	0.0	0.0	2.00	2.00	0.00
4,986.6	1.83	183.31	4,986.6	-1.5	-0.1	-1.5	2.00	2.00	0.00
5,000.0	1.83	183.31	5,000.0	-1.9	-0.1	-1.9	0.00	0.00	0.00

Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Salado Draw 10 W1NC Fed Com #2H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3341.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3341.0usft (Original Well Elev)
Site:	Salado Draw 10 W1NC Fed Com #2H	North Reference:	Grid
Well:	Sec 10, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 100' FNL & 2310' FWL, Sec 10		
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)	
5,100.0	1.83	183.31	5,099.9	-5.1	-0.3	-5.1	0.00	0.00	0.00	
5,200.0	1.83	183.31	5,199.9	-8.3	-0.5	-8.3	0.00	0.00	0.00	
5,300.0	1.83	183.31	5,299.8	-11.5	-0.7	-11.5	0.00	0.00	0.00	
5,400.0	1.83	183.31	5,399.8	-14.7	-0.8	-14.6	0.00	0.00	0.00	
5,500.0	1.83	183.31	5,499.7	-17.8	-1.0	-17.8	0.00	0.00	0.00	
5,600.0	1.83	183.31	5,599.7	-21.0	-1.2	-21.0	0.00	0.00	0.00	
5,700.0	1.83	183.31	5,699.6	-24.2	-1.4	-24.2	0.00	0.00	0.00	
5,800.0	1.83	183.31	5,799.6	-27.4	-1.6	-27.4	0.00	0.00	0.00	
5,900.0	1.83	183.31	5,899.5	-30.6	-1.8	-30.6	0.00	0.00	0.00	
6,000.0	1.83	183.31	5,999.5	-33.8	-2.0	-33.8	0.00	0.00	0.00	
6,100.0	1.83	183.31	6,099.4	-37.0	-2.1	-37.0	0.00	0.00	0.00	
6,200.0	1.83	183.31	6,199.4	-40.2	-2.3	-40.2	0.00	0.00	0.00	
6,300.0	1.83	183.31	6,299.3	-43.4	-2.5	-43.4	0.00	0.00	0.00	
6,400.0	1.83	183.31	6,399.3	-46.6	-2.7	-46.5	0.00	0.00	0.00	
6,500.0	1.83	183.31	6,499.2	-49.8	-2.9	-49.7	0.00	0.00	0.00	
6,600.0	1.83	183.31	6,599.2	-53.0	-3.1	-52.9	0.00	0.00	0.00	
6,700.0	1.83	183.31	6,699.1	-56.2	-3.2	-56.1	0.00	0.00	0.00	
6,800.0	1.83	183.31	6,799.1	-59.3	-3.4	-59.3	0.00	0.00	0.00	
6,900.0	1.83	183.31	6,899.0	-62.5	-3.6	-62.5	0.00	0.00	0.00	
7,000.0	1.83	183.31	6,999.0	-65.7	-3.8	-65.7	0.00	0.00	0.00	
7,100.0	1.83	183.31	7,098.9	-68.9	-4.0	-68.9	0.00	0.00	0.00	
7,200.0	1.83	183.31	7,198.9	-72.1	-4.2	-72.1	0.00	0.00	0.00	
7,300.0	1.83	183.31	7,298.8	-75.3	-4.4	-75.3	0.00	0.00	0.00	
7,400.0	1.83	183.31	7,398.8	-78.5	-4.5	-78.4	0.00	0.00	0.00	
7,500.0	1.83	183.31	7,498.7	-81.7	-4.7	-81.6	0.00	0.00	0.00	
7,600.0	1.83	183.31	7,598.6	-84.9	-4.9	-84.8	0.00	0.00	0.00	
7,700.0	1.83	183.31	7,698.6	-88.1	-5.1	-88.0	0.00	0.00	0.00	
7,800.0	1.83	183.31	7,798.5	-91.3	-5.3	-91.2	0.00	0.00	0.00	
7,900.0	1.83	183.31	7,898.5	-94.5	-5.5	-94.4	0.00	0.00	0.00	
8,000.0	1.83	183.31	7,998.4	-97.6	-5.6	-97.6	0.00	0.00	0.00	
8,100.0	1.83	183.31	8,098.4	-100.8	-5.8	-100.8	0.00	0.00	0.00	
8,200.0	1.83	183.31	8,198.3	-104.0	-6.0	-104.0	0.00	0.00	0.00	
8,300.0	1.83	183.31	8,298.3	-107.2	-6.2	-107.2	0.00	0.00	0.00	
8,400.0	1.83	183.31	8,398.2	-110.4	-6.4	-110.4	0.00	0.00	0.00	
8,500.0	1.83	183.31	8,498.2	-113.6	-6.6	-113.5	0.00	0.00	0.00	
8,600.0	1.83	183.31	8,598.1	-116.8	-6.7	-116.7	0.00	0.00	0.00	
8,700.0	1.83	183.31	8,698.1	-120.0	-6.9	-119.9	0.00	0.00	0.00	
8,800.0	1.83	183.31	8,798.0	-123.2	-7.1	-123.1	0.00	0.00	0.00	
8,900.0	1.83	183.31	8,898.0	-126.4	-7.3	-126.3	0.00	0.00	0.00	
9,000.0	1.83	183.31	8,997.9	-129.6	-7.5	-129.5	0.00	0.00	0.00	
9,100.0	1.83	183.31	9,097.9	-132.8	-7.7	-132.7	0.00	0.00	0.00	
9,200.0	1.83	183.31	9,197.8	-136.0	-7.9	-135.9	0.00	0.00	0.00	
9,300.0	1.83	183.31	9,297.8	-139.1	-8.0	-139.1	0.00	0.00	0.00	
9,400.0	1.83	183.31	9,397.7	-142.3	-8.2	-142.3	0.00	0.00	0.00	
9,500.0	1.83	183.31	9,497.7	-145.5	-8.4	-145.4	0.00	0.00	0.00	
9,600.0	1.83	183.31	9,597.6	-148.7	-8.6	-148.6	0.00	0.00	0.00	
9,700.0	1.83	183.31	9,697.6	-151.9	-8.8	-151.8	0.00	0.00	0.00	
9,800.0	1.83	183.31	9,797.5	-155.1	-9.0	-155.0	0.00	0.00	0.00	
9,900.0	1.83	183.31	9,897.5	-158.3	-9.1	-158.2	0.00	0.00	0.00	
10,000.0	1.83	183.31	9,997.4	-161.5	-9.3	-161.4	0.00	0.00	0.00	
10,100.0	1.83	183.31	10,097.4	-164.7	-9.5	-164.6	0.00	0.00	0.00	
10,200.0	1.83	183.31	10,197.3	-167.9	-9.7	-167.8	0.00	0.00	0.00	
10,300.0	1.83	183.31	10,297.3	-171.1	-9.9	-171.0	0.00	0.00	0.00	
10,400.0	1.83	183.31	10,397.2	-174.3	-10.1	-174.2	0.00	0.00	0.00	

Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Salado Draw 10 W1NC Fed Com #2H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3341.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3341.0usft (Original Well Elev)
Site:	Salado Draw 10 W1NC Fed Com #2H	North Reference:	Grid
Well:	Sec 10, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 100' FNL & 2310' FWL, Sec 10		
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)
10,500.0	1.83	183.31	10,497.2	-177.4	-10.3	-177.3	0.00	0.00	0.00
10,600.0	1.83	183.31	10,597.1	-180.6	-10.4	-180.5	0.00	0.00	0.00
10,700.0	1.83	183.31	10,697.1	-183.8	-10.6	-183.7	0.00	0.00	0.00
10,800.0	1.83	183.31	10,797.0	-187.0	-10.8	-186.9	0.00	0.00	0.00
10,900.0	1.83	183.31	10,897.0	-190.2	-11.0	-190.1	0.00	0.00	0.00
11,000.0	1.83	183.31	10,996.9	-193.4	-11.2	-193.3	0.00	0.00	0.00
11,100.0	1.83	183.31	11,096.9	-196.6	-11.4	-196.5	0.00	0.00	0.00
11,200.0	1.83	183.31	11,196.8	-199.8	-11.5	-199.7	0.00	0.00	0.00
11,300.0	1.83	183.31	11,296.8	-203.0	-11.7	-202.9	0.00	0.00	0.00
11,400.0	1.83	183.31	11,396.7	-206.2	-11.9	-206.1	0.00	0.00	0.00
11,500.0	1.83	183.31	11,496.7	-209.4	-12.1	-209.2	0.00	0.00	0.00
11,600.0	1.83	183.31	11,596.6	-212.6	-12.3	-212.4	0.00	0.00	0.00
11,700.0	1.83	183.31	11,696.6	-215.8	-12.5	-215.6	0.00	0.00	0.00
11,800.0	1.83	183.31	11,796.5	-218.9	-12.6	-218.8	0.00	0.00	0.00
11,900.0	1.83	183.31	11,896.4	-222.1	-12.8	-222.0	0.00	0.00	0.00
11,944.0	1.83	183.31	11,940.4	-223.5	-12.9	-223.4	0.00	0.00	0.00
12,000.0	0.71	183.31	11,996.4	-224.8	-13.0	-224.6	2.00	-2.00	0.00
12,035.6	0.00	0.00	12,032.0	-225.0	-13.0	-224.9	2.00	-2.00	0.00
KOP: 10' FSL & 2310' FWL (10)									
12,100.0	6.44	359.62	12,096.3	-221.4	-13.0	-221.2	10.00	10.00	0.00
12,200.0	16.44	359.62	12,194.2	-201.6	-13.2	-201.4	10.00	10.00	0.00
12,300.0	26.44	359.62	12,287.1	-165.1	-13.4	-164.9	10.00	10.00	0.00
12,361.1	32.55	359.62	12,340.3	-135.0	-13.6	-134.9	10.00	10.00	0.00
FTP: 100' FSL & 2310' FWL (10)									
12,400.0	36.44	359.62	12,372.3	-113.0	-13.7	-112.8	10.00	10.00	0.00
12,500.0	46.44	359.62	12,447.2	-46.9	-14.2	-46.7	10.00	10.00	0.00
12,600.0	56.44	359.62	12,509.5	31.2	-14.7	31.3	10.00	10.00	0.00
12,700.0	66.44	359.62	12,557.2	118.9	-15.3	119.1	10.00	10.00	0.00
12,800.0	76.44	359.62	12,589.0	213.6	-15.9	213.7	10.00	10.00	0.00
12,900.0	86.43	359.62	12,603.9	312.4	-16.5	312.5	10.00	10.00	0.00
12,934.4	89.87	359.62	12,605.0	346.7	-16.8	346.8	10.00	10.00	0.00
LP: 582' FSL & 2310' FWL (10)									
13,000.0	89.88	359.62	12,605.1	412.3	-17.2	412.5	0.01	0.01	0.00
13,100.0	89.88	359.62	12,605.4	512.3	-17.8	512.5	0.00	0.00	0.00
13,200.0	89.88	359.62	12,605.6	612.3	-18.5	612.5	0.00	0.00	0.00
13,300.0	89.88	359.62	12,605.8	712.3	-19.2	712.5	0.00	0.00	0.00
13,400.0	89.88	359.62	12,606.0	812.3	-19.8	812.5	0.00	0.00	0.00
13,500.0	89.88	359.62	12,606.2	912.3	-20.5	912.5	0.00	0.00	0.00
13,600.0	89.88	359.62	12,606.4	1,012.3	-21.1	1,012.5	0.00	0.00	0.00
13,700.0	89.88	359.62	12,606.7	1,112.3	-21.8	1,112.5	0.00	0.00	0.00
13,800.0	89.88	359.62	12,606.9	1,212.3	-22.5	1,212.5	0.00	0.00	0.00
13,900.0	89.88	359.62	12,607.1	1,312.3	-23.1	1,312.5	0.00	0.00	0.00
14,000.0	89.88	359.62	12,607.3	1,412.3	-23.8	1,412.5	0.00	0.00	0.00
14,100.0	89.88	359.62	12,607.5	1,512.3	-24.4	1,512.5	0.00	0.00	0.00
14,200.0	89.88	359.62	12,607.8	1,612.3	-25.1	1,612.5	0.00	0.00	0.00
14,300.0	89.88	359.62	12,608.0	1,712.3	-25.7	1,712.5	0.00	0.00	0.00
14,400.0	89.88	359.62	12,608.2	1,812.3	-26.4	1,812.5	0.00	0.00	0.00
14,500.0	89.88	359.62	12,608.4	1,912.3	-27.1	1,912.5	0.00	0.00	0.00
14,600.0	89.88	359.62	12,608.6	2,012.3	-27.7	2,012.5	0.00	0.00	0.00
14,700.0	89.88	359.62	12,608.8	2,112.3	-28.4	2,112.5	0.00	0.00	0.00
14,800.0	89.88	359.62	12,609.1	2,212.3	-29.0	2,212.5	0.00	0.00	0.00
14,900.0	89.88	359.62	12,609.3	2,312.3	-29.7	2,312.5	0.00	0.00	0.00
14,993.7	89.88	359.62	12,609.5	2,406.0	-30.3	2,406.2	0.00	0.00	0.00

Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Salado Draw 10 W1NC Fed Com #2H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3341.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3341.0usft (Original Well Elev)
Site:	Salado Draw 10 W1NC Fed Com #2H	North Reference:	Grid
Well:	Sec 10, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 100' FNL & 2310' FWL, Sec 10		
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)
PPP2: 2640' FNL & 2310' FWL (10)									
15,000.0	89.88	359.62	12,609.5	2,412.3	-30.3	2,412.5	0.00	0.00	0.00
15,100.0	89.88	359.62	12,609.7	2,512.3	-31.0	2,512.5	0.00	0.00	0.00
15,200.0	89.88	359.62	12,609.9	2,612.3	-31.7	2,612.5	0.00	0.00	0.00
15,300.0	89.88	359.62	12,610.1	2,712.3	-32.3	2,712.5	0.00	0.00	0.00
15,400.0	89.88	359.62	12,610.4	2,812.3	-33.0	2,812.5	0.00	0.00	0.00
15,500.0	89.88	359.62	12,610.6	2,912.3	-33.6	2,912.5	0.00	0.00	0.00
15,600.0	89.88	359.62	12,610.8	3,012.3	-34.3	3,012.5	0.00	0.00	0.00
15,700.0	89.88	359.62	12,611.0	3,112.3	-34.9	3,112.5	0.00	0.00	0.00
15,800.0	89.88	359.62	12,611.2	3,212.3	-35.6	3,212.5	0.00	0.00	0.00
15,900.0	89.88	359.62	12,611.4	3,312.3	-36.3	3,312.5	0.00	0.00	0.00
16,000.0	89.88	359.62	12,611.7	3,412.3	-36.9	3,412.5	0.00	0.00	0.00
16,100.0	89.88	359.62	12,611.9	3,512.3	-37.6	3,512.5	0.00	0.00	0.00
16,200.0	89.88	359.62	12,612.1	3,612.3	-38.2	3,612.5	0.00	0.00	0.00
16,300.0	89.88	359.62	12,612.3	3,712.3	-38.9	3,712.5	0.00	0.00	0.00
16,400.0	89.88	359.62	12,612.5	3,812.2	-39.6	3,812.5	0.00	0.00	0.00
16,500.0	89.88	359.62	12,612.8	3,912.2	-40.2	3,912.5	0.00	0.00	0.00
16,600.0	89.88	359.62	12,613.0	4,012.2	-40.9	4,012.5	0.00	0.00	0.00
16,700.0	89.88	359.62	12,613.2	4,112.2	-41.5	4,112.5	0.00	0.00	0.00
16,800.0	89.88	359.62	12,613.4	4,212.2	-42.2	4,212.5	0.00	0.00	0.00
16,900.0	89.88	359.62	12,613.6	4,312.2	-42.8	4,312.4	0.00	0.00	0.00
17,000.0	89.88	359.62	12,613.8	4,412.2	-43.5	4,412.4	0.00	0.00	0.00
17,100.0	89.88	359.62	12,614.1	4,512.2	-44.2	4,512.4	0.00	0.00	0.00
17,200.0	89.88	359.62	12,614.3	4,612.2	-44.8	4,612.4	0.00	0.00	0.00
17,300.0	89.88	359.62	12,614.5	4,712.2	-45.5	4,712.4	0.00	0.00	0.00
17,400.0	89.88	359.62	12,614.7	4,812.2	-46.1	4,812.4	0.00	0.00	0.00
17,500.0	89.88	359.62	12,614.9	4,912.2	-46.8	4,912.4	0.00	0.00	0.00
17,532.8	89.88	359.62	12,615.0	4,945.0	-47.0	4,945.2	0.00	0.00	0.00
BHL: 100' FSL & 2310' FWL (10)									

Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Salado Draw 10 W1NC Fed Com #2H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3341.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3341.0usft (Original Well Elev)
Site:	Salado Draw 10 W1NC Fed Com #2H	North Reference:	Grid
Well:	Sec 10, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 100' FNL & 2310' FWL, Sec 10		
Design:	Design #1		

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: 235' FSL & 2325' F - plan hits target center - Point	0.00	0.00	0.0	0.0	0.0	383,286.00	780,552.00	32.0513817	-103.5612233
KOP: 10' FSL & 2310' F - plan hits target center - Point	0.00	0.00	12,032.0	-225.0	-13.0	383,061.00	780,539.00	32.0507635	-103.5612705
FTP: 100' FSL & 2310' F - plan hits target center - Point	0.00	0.00	12,340.3	-135.0	-13.6	383,151.00	780,538.41	32.0510109	-103.5612703
LP: 582' FSL & 2310' FV - plan hits target center - Point	0.00	0.00	12,605.0	346.7	-16.8	383,632.70	780,535.24	32.0523350	-103.5612694
PPP2: 2640' FNL & 2310' F - plan hits target center - Point	0.00	0.00	12,609.5	2,406.0	-30.3	385,692.00	780,521.69	32.0579957	-103.5612656
BHL: 100' FSL & 2310' F - plan hits target center - Point	0.00	0.00	12,615.0	4,945.0	-47.0	388,231.00	780,505.00	32.0649751	-103.5612609

Intent ☒ As Drilled ☐

API #		
Operator Name: Mewbourne Oil Co.	Property Name: Salado Draw 10 W1NC Fed Com	Well Number 2H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
N	10	26S	33E		10	S	2310	W	Lea
Latitude 32.0507635					Longitude -103.5612705				NAD 83

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
N	10	26S	33E		100	S	2310	W	Lea
Latitude 32.0510109					Longitude -103.5612703				NAD 83

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
C	10	26S	33E		100	N	2310	W	Lea
Latitude 32.0649745					Longitude -103.5612620				NAD 83

Is this well the defining well for the Horizontal Spacing Unit? ☐ NIs 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: Mewbourne Oil Company	Property Name: Salado Draw 10 W0NC Fed Com	Well Number 3H

KZ 06/29/2018

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Mewbourne Oil Company
LEASE NO.:	NMNM0359292
WELL NAME & NO.:	SALADO DRAW 10 W1NC FED COM 2H
SURFACE HOLE FOOTAGE:	235'/S & 2325'/W
BOTTOM HOLE FOOTAGE:	100'/N & 2310'/W
LOCATION:	Section 10, T.26 S., R.33 E., NMP
COUNTY:	Lea County, New Mexico

COA

H2S	☒ Yes	☐ No	
Potash	☒ None	☐ Secretary	☐ R-111-P
Cave/Karst Potential	☐ Low	☒ 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

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

B. CASING

Casing Design:

1. The **13-3/8** inch surface casing shall be set at approximately **1,100** feet (a minimum of **25 feet (Lea 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 **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The **9-5/8** inch intermediate casing shall be set at approximately **4,895** feet. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:
- Cement to surface. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash. Excess cement calculates to 19%, additional cement might be required.
- ❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
3. The minimum required fill of cement behind the **7** inch production casing is:

Option 1 (Single Stage):

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.
Excess cement calculates to 1%, 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 should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

4. The minimum required fill of cement behind the **4-1/2** inch production liner is:
 - Cement should tie-back **100 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.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M) psi**.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **10,000 (10M) psi**. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**

Option 2:

1. 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 **10,000 (10M) psi**. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 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)**Communitization Agreement**

- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

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.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
 3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.

4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.

- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. 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.

OTA05252022

Hydrogen Sulfide Drilling Operations Plan
Mewbourne Oil Company

1. General Requirements

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

2. Hydrogen Sulfide Training

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

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

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

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

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

3. Hydrogen Sulfide Safety Equipment and Systems

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

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

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

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

3. Hydrogen Sulfide Protection and Monitoring Equipment
Two portable hydrogen sulfide monitors positioned on location for optimum coverage and detection. The units shall have audible sirens to notify personnel when hydrogen sulfide levels exceed 20 PPM.
4. Visual Warning Systems
 - A. Wind direction indicators as indicated on the wellsite diagram.
 - B. Caution signs shall be posted on roads providing access to location. Signs shall be painted a high visibility color with lettering of sufficient size to be readable at reasonable distances from potentially contaminated areas.

4. **Mud Program**

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

5. **Metallurgy**

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

6. **Communications**

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

7. **Well Testing**

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

8. **Emergency Phone Numbers**

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

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

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

Operator Name: MEWBOURNE OIL COMPANY**Well Name:** SALADO DRAW 10 W1NC FED COM**Well Number:** 2H**Waste disposal type:** HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** PRIVATE**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:** 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 FACILITY **Disposal location ownership:** PRIVATE**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****Cuttings Area****Cuttings Area being used?** NO**Are you storing cuttings on location?** N**Description of cuttings location****Cuttings area length (ft.)** **Cuttings area width (ft.)****Cuttings area depth (ft.)** **Cuttings area volume (cu. yd.)****Is at least 50% of the cuttings area in cut?****WCuttings area liner****Cuttings area liner specifications and installation description**

Operator Name: MEWBOURNE OIL COMPANY**Well Name:** SALADO DRAW 10 W1NC FED COM**Well Number:** 2H**Section 8 - Ancillary****Are you requesting any Ancillary Facilities?:** N**Ancillary Facilities****Comments:****Section 9 - Well Site****Well Site Layout Diagram:**

SaladoDraw_10_W1NCFedCom2H_wellsitelayout_20210303111223.pdf

Comments:**Section 10 - Plans for Surface****Type of disturbance:** New Surface Disturbance**Multiple Well Pad Name:** Salado Draw 10 MD/NC Fed Com wells**Multiple Well Pad Number:** 3**Recontouring****Drainage/Erosion control construction:** None**Drainage/Erosion control reclamation:** None

Well pad proposed disturbance (acres): 4.22	Well pad interim reclamation (acres): 1.43	Well pad long term disturbance (acres): 2.79
Road proposed disturbance (acres): 0.04	Road interim reclamation (acres): 0	Road long term disturbance (acres): 0
Powerline proposed disturbance (acres): 0	Powerline interim reclamation (acres): 0	Powerline long term disturbance (acres): 0
Pipeline proposed disturbance (acres): 1.94	Pipeline interim reclamation (acres): 0	Pipeline long term disturbance (acres): 0
Other proposed disturbance (acres): 0	Other interim reclamation (acres): 0	Other long term disturbance (acres): 0
Total proposed disturbance: 6.199999999999999	Total interim reclamation: 1.43	Total long term disturbance: 2.79

Disturbance Comments: In areas to be heavily disturbed, the top 6 inches of soil material, will be stripped and stockpiled on the perimeter of the well location to keep topsoil viable, and to make redistribution of topsoil more efficient during interim reclamation. Stockpiled topsoil should include vegetative material. Topsoil will be clearly segregated and stored separately from subsoils. Contaminated soil will not be stockpiled, but properly treated and handled prior to topsoil salvaging.

Reconstruction method: The areas planned for interim reclamation will then be recontoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as possible. Where applicable, the fill material of the well pad will be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio, unless the adjacent native topography is steeper. Note: Constructed slopes may be much steeper during drilling, but will be recontoured to the above ratios during interim reclamation.

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

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

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

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

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

CONDITIONS

Action 113897

CONDITIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 113897
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
pkautz	Will require a administrative order for non-standard location prior to placing the well on production	6/30/2022
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104	6/30/2022
pkautz	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	6/30/2022
pkautz	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	6/30/2022
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing	6/30/2022