

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 and Natural Resources
Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505

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FEB 21 2020

Form C-101
Revised July 18, 2013

☐ AMENDED REPORT

EMNRD-OGD ARTESIA

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Mewbourne Oil Company PO Box 5270 Hobbs, NM 88241		² OGRID Number <small>14744</small> ³ API Number 30-015-46767
⁴ Property Code 327172	⁵ Property Name PECOS RIVER 11 SWD	⁶ Well No. 1

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
J	11	22S	27E	J	1590	S	2415	E	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name SWD/Devonian	Pool Code 96101
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Additional Well Information

¹¹ Work Type Drill	¹² Well Type SWD	¹³ Cable/Rotary	¹⁴ Lease Type FEE	¹⁵ Ground Level Elevation 3084'
¹⁶ Multiple	¹⁷ Proposed Depth 13850'	¹⁸ Formation Devonian	¹⁹ Contractor TBA	²⁰ Spud Date ASAP
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	26	20	94	550'	855	0
INTER 1	17.5	13.375	61	1900' - 2100'	0	0
INTER 1	17.5	13.375	54.5	0' - 1900'	1045	0
INTER 2	12.25	9.625	43.5	7600' - 9000'	0	0
INTER 2	12.25	9.625	40	0' - 7600'	1970	0
Liner	8.75	7	39	8800' - 12,850'	340	8800
Open Hole	6.5	-	-	12,850'-13,850'	-	-

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular & Double Ram	3000	1500	Schaffer

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) Printed name: Bradley Bishop Title: Regulatory Manager	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">OIL CONSERVATION DIVISION</th> </tr> <tr> <td style="width: 50%;">Approved By: <i>Raymond W. Bishop</i></td> <td style="width: 50%;">Title: <i>Geologist</i></td> </tr> <tr> <td colspan="2">Approved Date: <i>2-21-2020</i> Expiration Date: <i>2-21-2022</i></td> </tr> </table>	OIL CONSERVATION DIVISION		Approved By: <i>Raymond W. Bishop</i>	Title: <i>Geologist</i>	Approved Date: <i>2-21-2020</i> Expiration Date: <i>2-21-2022</i>	
OIL CONSERVATION DIVISION							
Approved By: <i>Raymond W. Bishop</i>	Title: <i>Geologist</i>						
Approved Date: <i>2-21-2020</i> Expiration Date: <i>2-21-2022</i>							

E-mail Address: bbishop@mewbourne.com		
Date: 02-10-2020	Phone: 575-393-5905	Conditions of Approval Attached

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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 30-015-46767		2 Pool Code 96101		3 Pool Name Devonian; SWD	
4 Property Code 327172		5 Property Name PECOS RIVER 11 SWD			6 Well Number 1
7 OGRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3084'

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
J	11	22S	27E		1590	SOUTH	2415	EAST	EDDY

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

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.

<p>© N 89°21'41" W 2623.22' D S 89°54'19" W 2639.91' E</p> <p>16</p> <p>GEODETTIC DATA NAD 83 GRID - NM EAST</p> <p>SURFACE LOCATION N: 510925.1 - E: 594978.1 LAT: 32.4044809° N LONG: 104.1595252° W</p> <p>CORNER DATA NAD 83 GRID - NM EAST</p> <p>A: CALCULATED CORNER N: 509355.7 - E: 592124.0</p> <p>B: FOUND 1/2" REBAR N: 511996.7 - E: 592113.3</p> <p>C: CALCULATED CORNER N: 514637.5 - E: 592113.5</p> <p>D: FOUND 1/2" REBAR N: 514608.3 - E: 594735.9</p> <p>E: FOUND 1/2" REBAR N: 514612.7 - E: 597375.2</p> <p>F: FOUND 1/2" REBAR N: 511973.2 - E: 597372.5</p> <p>G: FOUND COTTON SPINDLE N: 509333.7 - E: 597422.9</p> <p>H: FOUND 1/2" REBAR N: 509335.9 - E: 594770.7</p> <p>11</p> <p>S.L.</p> <p>2415'</p> <p>1590'</p> <p>N 00°00'12" E 2641.48'</p> <p>N 00°13'57" W 2641.63'</p> <p>N 89°34'20" W 2647.36'</p> <p>N 89°57'09" W 2652.87'</p>		<p>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.</p> <p><i>Bradley Bishop</i> 1-2-20 Signature Date Bradley Bishop Printed Name Bbishop@mewbourne.com E-mail Address</p> <p>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.</p> <p>3-1-19 Date of Survey Signature and Seal of Professional Surveyor 19680 Certificate Number</p> <p>ROBERT M. HOWETT NEW MEXICO 19680 PROFESSIONAL SURVEYOR</p>
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Job No.: LS19030249

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



Administrative Order SWD-2017
February 7, 2020

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, Mewbourne Oil Company ("the Operator") seeks an administrative order for its Pecos River 11 SWD No.1 ("the Proposed Well") with a location of 1590 feet from the South line and 2415 feet from the East line, Unit letter J of Section 11, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico, for the purpose of commercial disposal of produced water.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8(B) NMAC and satisfactory information has been provided that affected parties have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Division Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Division Rule 19.15.5.9 NMAC.

Application for Disposal in Devonian and Silurian Formations: Due to the potential for the projected injection volume of the proposed well to impact an area greater than the one-half mile radius applied in Division Form C-108 and Division rule, the applicant has provided the following supplementary information:

1. Notification following Division Rule 19.15.26.8(B) NMAC for a radius of one mile from the surface location of the proposed well;
2. An expanded Area of Review for wells penetrating the disposal interval for a radius of one mile from the surface location of the proposed well; and
3. A statement by a qualified person assessing the potential of induced-seismic events associated with the disposal activities for the predicted service life of the proposed well.

IT IS THEREFORE ORDERED THAT:

The applicant, Mewbourne Oil Company (OGRID 14744), is hereby authorized to utilize its Pecos River 11 SWD No.1 (API 30-015-Pending) with a location of 1590 feet from the South line and 2415 feet from the East line, Unit letter J of Section 11, Township 22 South, Range 27 East, NMPM, Eddy County, for disposal of oil field produced water (UIC Class II only) through open-hole completion into an interval consisting of the Devonian formation from approximately

12,850 feet to approximately 13,850 feet. Injection will occur through internally-coated, 7-inch or smaller tubing within the 9 $\frac{5}{8}$ -inch production casing and 5 $\frac{1}{2}$ inch or smaller tubing within the 7 $\frac{7}{8}$ -inch liner with a packer set within 100 feet of the top of the disposal interval. This permit does not allow disposal into:

1. The Woodford Shale and formations above the lower contact of the Woodford Shale;
2. Formations below the Silurian formations including the Montoya formation and the Ellenburger formation (lower Ordovician); and
3. Any lost circulation intervals directly on top and obviously connected to these formations.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information, to the Division's District geologist and Santa Fe Engineering Bureau, showing evidence agreeable that only the permitted formation is open for disposal including a summary of depths (picks) for contacts of the formations which the Division shall use to amend this order for a final description of the depth for the injection interval. If significant hydrocarbon shows occur while drilling, the operator shall notify the Division's District office and the operator shall be required to receive written permission prior to commencing disposal.

The operator shall set surface casing 25 feet below the top of the Rustler anhydrite in order to seal off protectable water.

The operator shall circulate to surface the cement for the 9 $\frac{5}{8}$ -inch production casing.

If cement does not circulate on any casing string, the operator shall run a cement bond log ("CBL") or other log to determine top of cement and shall notify the Artesia District with the top of cement on the emergency phone number prior to continuing with any further cement activity with the proposed well. If cement did not tie back into the next higher casing shoe, the operator shall perform remedial cement job to bring cement, at a minimum, 200 feet above the next higher casing shoe.

The operator shall run a CBL (or equivalent) for the 7 $\frac{7}{8}$ -inch liner to demonstrate the placement of cement and the cement bond with the tie-in with 9 $\frac{5}{8}$ -inch production casing string. The operator shall provide a copy of the CBL to the Division's District office prior to commencing disposal.

Prior to commencing disposal, the operator shall obtain a bottom-hole pressure measurement representative of the open-hole completion. This information shall be provided with the written notice of the date of commencement of disposal.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the completion and construction of the well as described in the application and, if necessary, as modified by the District Supervisor.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11(A) NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District II office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

If the disposal well fails a MIT or if there is evidence that the mechanical integrity of said well is impacting correlative rights, the public health, any underground sources of fresh water, or the environment, the Division Director shall require the well to be shut-in within 24 hours of discovery and the operator shall redirect all disposal waters to another facility. The operator shall take the necessary actions to address the impacts resulting from the mechanical integrity issues in accordance with Division Rule 19.15.26.10 NMAC, and the well shall be tested pursuant to Rule 19.15.26.11 NMAC prior to returning to injection.

The wellhead injection pressure on the well shall be limited to **no more than 2,770 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formations. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable step-rate test.

The operator shall notify the supervisor of the Division's District II office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District II office. The operator shall submit monthly reports of the disposal operations that includes number of days of operation, injection volume, and injection pressure on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection order after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate one (1) year after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



ADRIENNE SANDOVAL
Director

AS/bl

cc: Oil Conservation Division – Artesia District Office
Admin. Appl. No. pMAM1908546116

Attachment: C-108 well completion diagram

Mewbourne Oil Company

Well Name: Pecos River 11 SWD #1
Spud: 2019

Last Updated by A. Taylor: 3/5/2019

20" 94 & 106.5# J-55 BTC
Set @ 550'
Cmt w/ 1055 sx

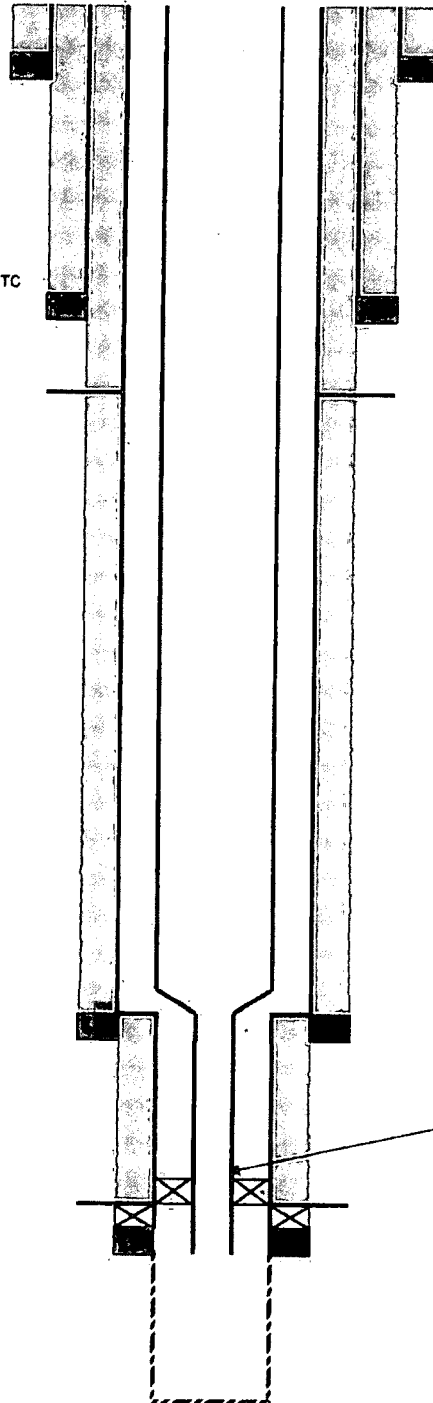
13 3/8" 54.5#, 61# & 68# J55 & HCL80 STC
Set @ 2100'
Cmt w/ 1045 sx

ECP/DV Tool @ 2150'
Cmt 2nd stg w/ 520 sx

9 5/8" 40# & 43.5 HCL80 LTC
Set @ 9000'
Cmt 1st stg w/ 1450 sx

7 5/8" 39# P-110 UFJ Liner
Set from 8800'-12,850'
Cmt w/ 285 sx

6 1/8" Open Hole
TD @ 13,850'



Injection String
7" P110 UFJ GB & 5 1/2" P110 UFJ GB
Nickel-Plated Pkr Set @ 12,770'

DV Tool @ 12,780'
External Csg Pkr Set @ 12,820'