Form 3160-5 (August 2007) UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010		
					5. Lease Serial No. NMNM9016		
					5. If Indian, Allottee of	or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on reverse side.					7. If Unit or CA/Agreement, Name and/or No.		
1. Type of Well Soli Well Gas Well Oth	ler .	<u>*</u>			8. Well Name and No. COCHISE 19 FE		
2. Name of Operator MEWBOURNE OIL COMPAN	AN 9. API Well No. 30-025-39878-00-X1		 D0-X1				
3a. Address	Y E-Mail: jlathan@m		(include area code	e)	10. Field and Pool, or		
HOBBS, NM 88240	Ph: 575-393-5905			SHUGART			
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish, and State		
Sec 19 T18S R32E SWSW 40				LEA COUNTY, NM			
12. CHECK APPE	ROPRIATE BOX(ES) TO) INDICATE	NATURE OF	NOTICE, REI	PORT, OR OTHE	R DATA	
TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent	n Acidize	□ Dee	pen	Productio	n (Start/Resume)	Water Shut-Off	
-	A Alter Casing		ture Treat	□ Reclamati		U Well Integrity	
□ Subsequent Report	Casing Repair			Recomplete		Other	
□ Final Abandonment Notice	Change Plans	- ت					
<u>.</u>	Convert to Injection	n Plug Back Water ent details, including estimated starting date of any		□ Water Dis			
testing has been completed. Final At determined that the site is ready for f Mewbourne Oil Company has 08/12/12. We would like to ex If you have any questions, ple	inal inspection.) an approved APD for the ttend the APD for an addi	above captional 2 years	oned well that w		have been completed	, and the operator has	
			BS OCD				
Bond on file: NM1693, Nation	wide	SE	11 2013		-1-		
					FORZEMONT		
			RECEIVED	ENDING	<u>3/11/201</u>	<u> </u>	
Engineering review	1 8/9/12- de	ofted ,	rea des 11	lag COH	, and		
14. Thereby certify that the foregoing is	Electronic Submission #	143967 verifie	by the BLM We	ell Information s	System		
For MEWBOURNE OIL COMPAN Committed to AFMSS for processing by BEVERLY WE				the Hobbs D on 07/26/2013	2 (12BMW0171SE)		
Name (Printed/Typed) JACKIE LATHAN			Title AUTHO		ESENTATIVE	······	
Signature (Electronic Submission)			Date 07/26/2012				
	THIS SPACE FO	OR FEDERA	L OR STATE	OFFICE USI			
	20			EPS	1/1s	Date 9-4-13	
Approved By	Approval of this potice does	not warrant or	Title 🖌		-pa/	Dale /- C/J	
Conditions of approval if any, are attached. Approval of this notice 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.			Office		FIELD OFFICE		
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s					to any department o	r agency of the United	
** BLM REV	ISED ** BLM REVISED	D ** BLM RE	VISED ** BL		BLM REVISE	P3*	

:,

HOBBS OCD

SEP 1 1 2013

PECOS DISTRICT CONDITIONS OF APPROVAL

RECEIVED

OPERATOR'S NAME:	Mewbourne Oil Co				
LEASE NO.:	NM9016				
WELL NAME & NO.:	1H Cochise 19 Fed Com				
SURFACE HOLE FOOTAGE:	400' FSL & 330' FWL				
BOTTOM HOLE FOOTAGE	400' FSL & 330' FEL				
LOCATION:	Section 19, T. 18 S., R 32 E., NMPM				
COUNTY:	Lea County, New Mexico				

The Pecos District Conditions of Approval (COA) that were approved with the APD on 08/12/2010 apply to this APD extension. The following conditions apply to the APD extension as well.

Special Requirements

Communitization agreement

Drilling

H2S – Onshore Order 6 requirements Logging requirements Waste Material and Fluids

I. SPECIAL REQUIREMENT(S)

Communitization Agreement : A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

II. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

Lea County

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

- 1. A Hydrogen Sulfide (H2S) Drilling Plan should be activated 500 feet prior to drilling into the Yates formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.
- 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. If the drilling rig is removed without approval an Incident of Non-Compliance will be written and will be a "Major" violation.
- 3. 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 is located, this does not include the dog house or stairway area.

4. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) will 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.

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. 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.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible water/brine flows in the Salado and Artesia Groups.

- The 9-5/8 inch surface casing shall be set at approximately 1,000 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.
 Freshwater mud to be used to setting depth.
 - 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 is to include the lead cement slurry.

- 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 7 inch production casing is:

Cement to surface. If cement does not circulate see B.1.a, c-d above. May require additional cement as the excess calculates 15%.

3. The minimum required fill of cement behind the 4-1/2 inch production liner is:

Cement is not required; operator is using the Packer-Plus completion system.

4. 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.

C. 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. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
- 3. 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. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.
- c. The results of the test shall be reported to the appropriate BLM office.
- d. 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.
- e. 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.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. 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.

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