

Sundry Print Report

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

Well Name: LOCO HILLS 2/1 B2GH Well Location: T18S / R30E / SEC 2 /

FED COM SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY /

NM

Well Number: 1H Type of Well: OIL WELL Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019

Well Status: Approved Application for Permit to Drill

Operator: MEWBOURNE OIL

COMPANY

Notice of Intent

Type of Submission: Notice of Intent

Type of Action APD Change

Date Sundry Submitted: 01/15/2021 Time Sundry Submitted: 01:41

Date proposed operation will begin: 01/29/2021

Procedure Description: Change SL to 1379' FNL & 2377' FEL, Sec 2 T18S R30E Change BHL to 1410' FNL & 100' FEL, Sec 1 T18S R30E Change production facility to SE edge of well pad approximately 100' X 400' & install 154' of lease road. See attached for plats. Please call Bradley Bishop with any questions. Bond on file: NM1693 nationwide & NMB000919

Application

Well Location: T18S / R30E / SEC 2 / **FED COM**

SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY /

Well Number: 1H Type of Well: OIL WELL Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019 Well Status: Approved Application for

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COMPANY

Zip: 88240

Section 1 - General

APD ID: 10400033080 Tie to previous NOS? Submission Date:

BLM Office: CARLSBAD User: Bradley Bishop Title: Regulatory

Federal/Indian APD: FED Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMLC0047633B Lease Acres:

Allotted? Surface access agreement in place? Reservation:

Agreement in place? N Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? YES

APD Operator: MEWBOURNE OIL COMPANY Permitting Agent? NO

Operator letter of designation: LocoHills2_1B2GHFedCom1H_operatorletterofdesignation_20180815112255.pdf

Operator Info

Operator Organization Name: MEWBOURNE OIL COMPANY

Operator Address: PO Box 5270

Operator PO Box:

Operator City: Hobbs State: NM

Operator Phone: (575)393-5905

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO Master Development Plan name:

Well in Master SUPO? NO Master SUPO name:

Well in Master Drilling Plan? NO Master Drilling Plan name:

Well Name: LOCO HILLS 2/1 B2GH FED COM Well Number: 1H Well API Number: 3001546019

Field/Pool or Exploratory? Field and Pool Field Name: SHUGART NORTH Pool Name: BONE SPRING

BONE SPRING

Is the proposed well in an area containing other mineral resources? NATURAL GAS,OIL

Is the proposed well in a Helium production area? N Use Existing Well Pad? NO New surface disturbance?

Type of Well Pad: MULTIPLE WELL Multiple Well Pad Name: LOCO Number: 2

> HILLS 2 FED COM Number of Legs: 1

Well Work Type: Drill Well Type: OIL WELL Describe Well Type:

Well Class: HORIZONTAL

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FED COM

Well Location: T18S / R30E / SEC 2 / SWNE / 32.77992 / -103.9417609

Well Number: 1H Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019 Well Status: Approved Application for

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County or Parish/State: EDDY /

COMPANY

NM

Is the proposed well in an area containing other mineral resources? NATURAL GAS,OIL

Well sub-Type: APPRAISAL

Describe sub-type:

Distance to town: 20 Miles Distance to nearest well: 330 FT Distance to lease line: 185 FT

Reservoir well spacing assigned acres Measurement: 320 Acres

Well plat: LocoHills2_1B2GHFedCom1H_wellplat_20180815112403.pdf

Well work start Date: 11/14/2018 Duration: 60 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 Vertical Datum: NAVD88

Survey number: 1 Reference Datum:

| Wellbore | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Meridian | Lease Type | Lease Number | Elevation | MD | TVD | Will this well produce from this lease? |
|--------------------|----------|--------------|----------|--------------|------|-------|---------|---------------------|----------------|----------------------|----------|-------------------|----------|------------|----------------------|---------------|-----------|----------|---|
| SHL Leg | 137 9 | FNL | 237 7 | FEL | 18S | 30E | 2 | Aliquot SWNE | 32.77992 | 103.9417 | EDD Y | NEW MEXI | MEXI | S | STATE | 362 5 | 27 | 27 | Υ |
| #1 | | | | | | | | | | 609 | | СО | СО | | | | | | |
| KOP Leg #1 | 208 5 | FSL | 262 8 | FEL | 18S | 30E | 2 | Aliquot SWNE | 32.77798 01 | - 103.9425 827 | EDD Y | NEW MEXI CO | — | S | STATE | - 377 7 | 741 7 | 740 2 | Υ |
| PPP Leg #1-1 | 208 5 | FNL | 253 8 | FEL | 18S | 30E | 2 | Aliquot SWNE | 32.77797 98 | - 103.9422 834 | EDD Y | NEW MEXI CO | — | S | STATE | - 405 8 | 771 9 | 768 3 | Υ |
| PPP Leg #1-2 | 208 5 | FNL | 0 | FW L | 18S | 30E | 1 | Aliquot SWN W | 32.77797 16 | - 103.9340 321 | EDD Y | NEW MEXI CO | | F | NMLC0 047633 B | - 427 0 | 103 18 | 789 5 | Y |

FED COM

Well Location: T18S / R30E / SEC 2 /

SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY /

Well Number: 1H Type of Well: OIL WELL Allottee or Tribe Name:

Lease Number: NMLC0047633B,

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Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019

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| Wellbore | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Meridian | Lease Type | Lease Number | Elevation | MD | TVD | Will this well produce from this lease? |
|-------------------|----------|--------------|---------|--------------|------|-------|---------|-------------------|----------------|----------------------|----------|-------------------|----------|------------|----------------------|---------------|-----------|----------|---|
| EXIT Leg #1 | 208 5 | FNL | 100 | FEL | 18S | 30E | 1 | Aliquot SENE | 32.77795 32 | - 103.9171 83 | EDD Y | NEW MEXI CO | | | NMLC0 047633 B | - 430 7 | 154 97 | 793 2 | Y |
| BHL Leg #1 | 141 0 | FNL | 100 | FEL | 18S | 30E | 1 | Aliquot SENE | 32.77980 81 | - 103.9171 811 | EDD Y | NEW MEXI CO | | | NMLC0 047633 B | - 430 7 | 154 97 | 793 2 | Y |

Drilling Plan

Section 1 - Geologic Formations

| Formation ID | Formation Name | Elevation | True Vertical Depth | Measured Depth | Lithologies | Mineral Resources | Producing Formation |
|--------------|-----------------|-----------|------------------------|-------------------|------------------------|-------------------|---------------------|
| 1385300 | UNKNOWN | 3623 | 27 | 27 | | NONE | N |
| 1385307 | RUSTLER | 3203 | 420 | 420 | ANHYDRITE, DOLOMITE | USEABLE WATER | N |
| 1385308 | TOP SALT | 3008 | 615 | 615 | SALT | NONE | N |
| 1385301 | BASE OF SALT | 2118 | 1505 | 1505 | SALT | NONE | N |
| 1385302 | YATES | 1938 | 1685 | 1685 | SANDSTONE | NATURAL GAS, OIL | N |
| 1385303 | SEVEN RIVERS | 1578 | 2045 | 2045 | DOLOMITE | NATURAL GAS, OIL | N |
| 1385304 | QUEEN | 983 | 2640 | 2640 | DOLOMITE, SANDSTONE | NATURAL GAS, OIL | N |
| 1385298 | GRAYBURG | 793 | 2830 | 2830 | | NATURAL GAS, OIL | N |
| 1385309 | SAN ANDRES | 118 | 3505 | 3505 | DOLOMITE | NATURAL GAS, OIL | N |
| 1385299 | BONE SPRING | -1252 | 4875 | 4875 | LIMESTONE, SHALE | NATURAL GAS, OIL | N |
| 1385305 | BONE SPRING 1ST | -3282 | 6905 | 6905 | SANDSTONE | NATURAL GAS, OIL | N |
| 1385306 | BONE SPRING 2ND | -3827 | 7450 | 7450 | SANDSTONE | NATURAL GAS, OIL | Y |

Section 2 - Blowout Prevention

FED COM

Well Location: T18S / R30E / SEC 2 / SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY

Well Number: 1H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019

Well Status: Approved Application for

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Pressure Rating (PSI): 3M

Rating Depth: 15497

Equipment: Annular, Pipe Ram, Blind Ram

Requesting Variance? YES

Variance request: A variance is requested for the use of a flexible choke line from the BOP to choke manifold. Anchors are not required by the manufacturer. A multibowl wellhead is being used. See attached schematic.

Testing Procedure: BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The system may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested. Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

Choke Diagram Attachment:

Loco_Hills_2_1_B2GH_Fed_Com_1H_3M_BOPE_Choke_Diagram_20180815155758.pdf

Loco_Hills_2_1_B2GH_Fed_Com_1H_Flex_Line_Specs_20180815155801.pdf

BOP Diagram Attachment:

Loco_Hills_2_1_B2GH_Fed_Com_1H_Multi_Bowl_WH_20180815155816.pdf

Loco_Hills_2_1_B2GH_Fed_Com_1H_3M_BOPE_Schematic_20180815155814.pdf

Section 3 - Casing

| Casing ID | String Type | Hole Size | Csg Size | Condition | Standard | Tapered String | Top Set MD | Bottom Set MD | Top Set TVD | Bottom Set TVD | Top Set MSL | Bottom Set MSL | Calculated casing length MD | Grade | Weight | Joint Type | Collapse SF | Burst SF | Joint SF Type | Joint SF | Body SF Type | ים |
|-----------|----------------|-----------|----------|-----------|----------|----------------|------------|---------------|-------------|----------------|-------------|----------------|--------------------------------|-----------|--------|------------|-------------|----------|---------------|-----------|--------------|---------|
| 1 | SURFACE | 17.5 | 13.375 | NEW | API | Ν | 0 | 500 | 0 | 500 | 3650 | | 500 | H-40 | 48 | ST&C | 3.37 | 7.56 | DRY | 13.4 2 | DRY | 22 4 |
| 2 | | 12.2 5 | 9.625 | NEW | API | Υ | 0 | 3775 | 0 | 3775 | 3650 | | 3775 | J-55 | 36 | LT&C | 1.13 | 1.96 | DRY | 3.3 | DRY | 4. |
| | PRODUCTI ON | 8.75 | 7.0 | NEW | API | N | 0 | 8164 | 0 | 7879 | 3650 | | 8164 | P- 110 | 26 | LT&C | 1.9 | 2.58 | DRY | 2.99 | DRY | 3. |
| 4 | | 6.12 5 | 4.5 | NEW | API | N | 7417 | 15497 | 7402 | 7932 | | | 8080 | P- 110 | 13.5 | LT&C | 2.59 | 3.01 | DRY | 3.1 | DRY | 3. |

Casing Attachments

Well Name: LOCO HILLS 2/1 B2GH Well Location: T18S / R30E / SEC 2 / County or Parish/State: EDDY /

FED COM SWNE / 32.77992 / -103.9417609 NI

Well Number: 1H Type of Well: OIL WELL Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019 Well Status: Approved Application for Operator: MEWBOURNE OIL

Permit to Drill COMPANY

Casing Attachments

Casing ID: 1 String Type: SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Loco_Hills_2_1_B2GH_Fed_Com_1H_Csg_Assumptions_20180815160154.pdf

Casing ID: 2 String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Loco_Hills_2_1_B2GH_Fed_Com_1H_TaperedCsg_20180815160422.pdf

Casing Design Assumptions and Worksheet(s):

Loco_Hills_2_1_B2GH_Fed_Com_1H_Csg_Assumptions_20180815160212.pdf

Casing ID: 3 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

 $Loco_Hills_2_1_B2GH_Fed_Com_1H_Csg_Assumptions_20180815160333.pdf$

FED COM

Well Location: T18S / R30E / SEC 2 / SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY /

 NM

Well Number: 1H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019

Well Status: Approved Application for Permit to Drill

Operator: MEWBOURNE OIL

COMPANY

Casing Attachments

Casing ID: 4

String Type:LINER

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

 $Loco_Hills_2_1_B2GH_Fed_Com_1H_Csg_Assumptions_20180815160341.pdf$

Section 4 - Cement

| String Type | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives |
|--------------|-----------|---------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|---|
| SURFACE | Lead | | 0 | 309 | 205 | 2.12 | 12.5 | 435 | 100 | Class C | Salt, Gel, Extender, LCM |
| SURFACE | Tail | | 309 | 500 | 200 | 1.34 | 14.8 | 268 | 100 | Class C | Retarder |
| INTERMEDIATE | Lead | | 0 | 3113 | 595 | 2.12 | 12.5 | 1261 | 25 | Class C | Salt, Gel, Extender, LCM |
| INTERMEDIATE | Tail | | 3113 | 3775 | 200 | 1.34 | 14.8 | 268 | 25 | Class C | Retarder |
| PRODUCTION | Lead | | 3575 | 5740 | 190 | 2.12 | 12.5 | 403 | 25 | Class C | Gel, Retarder, Defoamer, Extender |
| PRODUCTION | Tail | | 5740 | 8164 | 400 | 1.18 | 15.6 | 472 | 25 | Class H | Retarder, Fluid Loss, Defoamer |
| LINER | Lead | | 7417 | 1549 7 | 325 | 2.97 | 11.2 | 965 | 25 | Class C | Salt, Gel, Fluid Loss, Retarder, Dispersant, Defoamer, Anti-Settling Agent |

FED COM

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County or Parish/State: EDDY /

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Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC0047633B,

Unit or CA Name:

Unit or CA Number:

NMLC047633B

US Well Number: 3001546019

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Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

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

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

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

Describe the mud monitoring system utilized: Visual monitoring

Circulating Medium Table

| Top Depth | Bottom Depth | Mud Type | Min Weight (lbs/gal) | Max Weight (lbs/gal) | Density (lbs/cu ft) | Gel Strength (lbs/100 sqft) | Н | Viscosity (CP) | Salinity (ppm) | Filtration (cc) | Additional Characteristics |
|-----------|--------------|--------------------|----------------------|----------------------|---------------------|-----------------------------|---|----------------|----------------|-----------------|----------------------------|
| 0 | 500 | SPUD MUD | 8.6 | 8.8 | | | | | | | |
| 500 | 3775 | SALT SATURATED | 10 | 10 | | | | | | | |
| 3775 | 7402 | WATER-BASED MUD | 8.6 | 9.5 | | | | | | | |
| 7402 | 7932 | OIL-BASED MUD | 8.6 | 10 | | | | | | | |

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Will run GR/CNL from KOP (7417') to surface

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

CNL,DS,GR,MWD,MUDLOG

Coring operation description for the well:

None

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FED COM

Well Location: T18S / R30E / SEC 2 / SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY /

Type of Well: OIL WELL

Allottee or Tribe Name:

Well Number: 1H

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019

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Operator: MEWBOURNE OIL Permit to Drill

COMPANY

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4125

Anticipated Surface Pressure: 2390.08

Anticipated Bottom Hole Temperature(F): 140

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Loco_Hills_2_1_B2GH_Fed_Com_1H_H2S_Plan_20180816093117.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Loco_Hills_2_1_B2GH_Fed_Com_1H_Dir_Plot_20180816093452.pdf Loco_Hills_2_1_B2GH_Fed_Com_1H_Dir_Plan_20180816093452.pdf

Other proposed operations facets description:

Other proposed operations facets attachment:

Loco_Hills_2_1_B2GH_Fed_Com_1H_C_101_20180816093518.pdf Loco_Hills_2_1_B2GH_Fed_Com_1H_Drilling_Program_20180816093533.doc

Other Variance attachment:

SUPO

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

LocoHills2_1B2GHFedCom1H_existingroadmap_20180815113207.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

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FED COM

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Section 2 - New or Reconstructed Access Roads

Will new roads be needed? NO

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

LocoHills2_1B2GHFedCom1H_existingwellmap_20180815113303.pdf

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description: a. All permanent, lasting more than 6 months, above ground structures including but not limited to pumpjacks, storage tanks, pipeline risers, meter housing, etc. that are not subject to safety requirements will be painted a non-reflective paint color that blends in with the surrounding landscape. The paint color will be one of the colors from the BLM Standard Environmental Colors chart selected by the BLM authorized officer. b. All proposed production facilities that are located on the well pad will be strategically placed to allow for maximum interim reclamation, recontouring, and revegetation of the well location. c. Production from the proposed well will be located on the East edge of location. d. If any plans change regarding the production facility or other infrastructure (pipeline, electric line, etc.), we will submit a sundry notice or right of way (if applicable) prior to installation of construction. e. An electric line will be applied for through a sundry notice or BLM right of way at a later date.

Production Facilities map:

LocoHills2_1B2GHFedCom1H_productionfacilitymap_20180815113355.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Water source type: IRRIGATION

STIMULATION Water source use type:

SURFACE CASING

DUST CONTROL

INTERMEDIATE/PRODUCTION

CASING

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well Name: LOCO HILLS 2/1 B2GH

FED COM

Well Location: T18S / R30E / SEC 2 / SWNE / 32.77992 / -103.9417609

Well Status: Approved Application for

County or Parish/State: EDDY /

Operator: MEWBOURNE OIL

NM

Well Number: 1H

Type of Well: OIL WELL

Allottee or Tribe Name:

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NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019

Permit to Drill

COMPANY

STIMULATION

SURFACE CASING

DUST CONTROL

INTERMEDIATE/PRODUCTION

CASING

Source latitude: 32.71228

Source longitude: -103.902504

Source datum: NAD83

Water source permit type:

WATER WELL

Water source transport method:

TRUCKING

Source land ownership: PRIVATE

Source transportation land ownership: FEDERAL

Water source volume (barrels): 1940 Source volume (acre-feet): 0.2500526

Source volume (gal): 81480

Water source type: IRRIGATION

Water source use type: SURFACE CASING

STIMULATION

DUST CONTROL

CAMP USE

INTERMEDIATE/PRODUCTION

CASING

Source latitude: 32.464592

Source longitude: -103.53552

Source datum: NAD83

Water source permit type:

WATER WELL

Water source transport method:

TRUCKING

Source land ownership: FEDERAL

Source transportation land ownership: FEDERAL

Water source volume (barrels): 1940 Source volume (acre-feet): 0.2500526

Source volume (gal): 81480

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FED COM

Well Location: T18S / R30E / SEC 2 / SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY / of

Well Number: 1H

Type of Well: OIL WELL

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Water source and transportation map:

LocoHills2_1B2GHFedCom1H_watersourceandtransmap_20180815113425.pdf

Water source comments:

New water well? NO

New Water Well Info

Well latitude: Well Longitude: Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft):

Est thickness of aquifer:

Aquifer comments:

Aquifer documentation:

Well depth (ft): Well casing type:

Well casing outside diameter (in.): Well casing inside diameter (in.):

New water well casing? Used casing source:

Drilling method: Drill material: Grout material: Grout depth:

Casing length (ft.): Casing top depth (ft.): Well Production type: Completion Method:

Water well additional information:

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Using any construction materials: YES

Construction Materials description: Caliche - BOTH SOURCES SHOWN ON ONE MAP

Construction Materials source location attachment:

LocoHills2_1B2GHFedCom1H_calichesourceandtransmap_20180815113445.pdf

Section 7 - Methods for Handling Waste

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 containment attachment:

Waste disposal type: HAUL TO COMMERCIAL

Disposal location ownership: PRIVATE

FACILITY

Received by OCD: 1/28/2021 10:37:12 AM Well Name: LOCO HILLS 2/1 B2GH Well Location: T18S / R30E / SEC 2 /

FED COM SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY 13 of

NM

Well Number: 1H Type of Well: OIL WELL Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019 Well Status: Approved Application for Operator: MEWBOURNE OIL

Permit to Drill COMPANY

Disposal type description:

Disposal location description: Waste Management facility in Carlsbad.

Waste type: SEWAGE

Waste content description: Human waste & grey water

Amount of waste: 1500 gallons

Waste disposal frequency: Weekly

Safe containment description: 2,000 gallon plastic container

Safe containmant attachment:

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

FACILITY

Disposal type description:

Disposal location description: City of Carlsbad Water Treatment facility

Waste type: DRILLING

Waste content description: Drill cuttings

Amount of waste: 940 barrels

Waste disposal frequency : One Time Only

Safe containment description: Drill cuttings will be properly contained in steel tanks (20 yard roll off bins.)

Safe containmant attachment:

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

FACILITY

Disposal type description:

Disposal location description: NMOCD approved waste disposal locations are CRI or Lea Land, both facilities are located on

HWY 62/180, Sec. 27 T20S R32E.

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

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? NO

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FED COM

Well Location: T18S / R30E / SEC 2 / SWNE / 32.77992 / -103.9417609

Type of Well: OIL WELL

County or Parish/State: EDDY

Lease Number: NMLC0047633B,

NMLC047633B

Well Number: 1H

Unit or CA Name:

Unit or CA Number:

Allottee or Tribe Name:

US Well Number: 3001546019

Well Status: Approved Application for Permit to Drill

Operator: MEWBOURNE OIL

COMPANY

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

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

LocoHills2_1B2GHFedCom1H_wellsitelayout_20180815113556.pdf

Comments:

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance Multiple Well Pad Name: LOCO HILLS 2 FED COM

Multiple Well Pad Number: 2

Recontouring attachment:

Drainage/Erosion control construction: None Drainage/Erosion control reclamation: None

Well pad proposed disturbance (acres): 4.132

Well pad interim reclamation (acres):

1.314

Road proposed disturbance (acres): 0.53 Road interim reclamation (acres): 0

Powerline proposed disturbance (acres): Powerline interim reclamation (acres): 0

Pipeline proposed disturbance (acres): 0 Other proposed disturbance (acres): 0

Pipeline interim reclamation (acres): 0

Other interim reclamation (acres): 0

Total proposed disturbance: 4.662

Total interim reclamation: 1.314

Well pad long term disturbance (acres):

2.818

Road long term disturbance (acres): 0

Powerline long term disturbance (acres):

Pipeline long term disturbance (acres): 0

Other long term disturbance (acres): 0

Total long term disturbance: 2.818

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,

FED COM

Well Location: T18S / R30E / SEC 2 /

County or Parish/State: EDDY 15 of

SWNE / 32.77992 / -103.9417609

Well Number: 1H

Type of Well: OIL WELL Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019

Well Status: Approved Application for

Permit to Drill

Operator: MEWBOURNE OIL

COMPANY

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.

Topsoil redistribution: Topsoil will be evenly respread and aggressively revegetated over the entire disturbed area not needed for all-weather operations including cuts & fills. To seed the area, the proper BLM seed mixture, free of noxious weeds, will be

Soil treatment: NA

Existing Vegetation at the well pad: Various brush & grasses

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: Various brush & grasses

Existing Vegetation Community at the road attachment:

Existing Vegetation Community at the pipeline: NA

Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: NA

Existing Vegetation Community at other disturbances attachment:

Non native seed used? NO

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? NO

Seed harvest description:

Seed harvest description attachment:

Seed Management

Seed Table

Seed Summary

Total pounds/Acre:

Seed Type Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

Pounds/Acre

FED COM

Well Location: T18S / R30E / SEC 2 / SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY / of

Well Number: 1H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019

Well Status: Approved Application for

Permit to Drill

Operator: MEWBOURNE OIL

COMPANY

First Name:

Last Name:

Phone: (575)393-5905

Email: bbishop@mewbourne.com

Seedbed prep: Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites. Seed BMP: To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used.

Seed method: drilling or broadcasting seed over entire reclaimed area.

Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: NA

Weed treatment plan attachment:

Monitoring plan description: vii. All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, and that erosion and invasive/noxious weeds are controlled.

Monitoring plan attachment:

Success standards: regrowth within 1 full growing season of reclamation.

Pit closure description: NA

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: NEW ACCESS ROAD

Describe:

Surface Owner: STATE GOVERNMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office: ARTESIA NM

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

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County or Parish/State: EDDY / eived by OCD: 1/28/2021 10:37:12 AM Well Name: LOCO HILLS 2/1 B2GH Well Location: T18S / R30E / SEC 2 / FED COM SWNE / 32.77992 / -103.9417609 Well Number: 1H Type of Well: OIL WELL Allottee or Tribe Name: Lease Number: NMLC0047633B, Unit or CA Name: Unit or CA Number: NMLC047633B US Well Number: 3001546019 Operator: MEWBOURNE OIL Well Status: Approved Application for **COMPANY** Permit to Drill Disturbance type: EXISTING ACCESS ROAD Describe:

USFS Ranger District:

USFS Ranger District:

Surface Owner: STATE GOVERNMENT

Other surface owner description:

State Local Office: ARTESIA NM

BIA Local Office:

BOR Local Office:
COE Local Office:

DOD Local Office: NPS Local Office:

Military Local Office: USFWS Local Office:

Other Local Office:

USFS Forest/Grassland:

Disturbance type: WELL PAD

Other surface owner description:

State Local Office: ARTESIA NM

Surface Owner: STATE GOVERNMENT

USFS Region:

Describe:

BIA Local Office:

BOR Local Office: COE Local Office:

DOD Local Office: NPS Local Office:

Military Local Office:
USFWS Local Office:

Other Local Office:

USFS Forest/Grassland:

USFS Region:

FED COM

Well Location: T18S / R30E / SEC 2 / SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY /

Well Number: 1H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019

Well Status: Approved Application for Permit to Drill

Operator: MEWBOURNE OIL

COMPANY

Section 12 - Other Information

Right of Way needed? NO

Use APD as ROW?

ROW Type(s):

ROW Applications

SUPO Additional Information:

Use a previously conducted onsite? YES

Previous Onsite information: APR 13 2018 Met with BLM & RRC surveying & staked location @ location 2075' FNL & 2475' FEL, Sec 2, T18S, R30E, Eddy Co., NM. This location was unacceptable due to overhead electric line. Moved location to 2370' FNL & 2475' FEL, Sec 2, T18S R30E, Eddy Co., NM. This appears to be a drillable location. (Elevation @ 3625'). Topsoil will be stockpiled on South edge of well pad. Location is 400' x 450'. Existing lease road is on NE edge of well pad. GPS coordinates: 32.7771968, -103.9420821 (NAD 83)

Other SUPO Attachment

LocoHills2_1B2GHFedCom1H_interimreclamationdiagram_20180815124729.pdf LocoHills2_1B2GHFedCom1H_gascaptureplan_20180815124710.pdf

PWD

Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

FED COM

Well Location: T18S / R30E / SEC 2 / SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY

Well Number: 1H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019

Well Status: Approved Application for

Permit to Drill

Operator: MEWBOURNE OIL

COMPANY

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD disturbance (acres):

PWD surface owner:

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

FED COM

Well Number: 1H

Well Location: T18S / R30E / SEC 2 /

SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY /

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019

Well Status: Approved Application for Permit to Drill

Operator: MEWBOURNE OIL

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Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number:

Injection well name:

Assigned injection well API number?

Injection well API number:

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

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FED COM

Well Location: T18S / R30E / SEC 2 / SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY /

Well Number: 1H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019

Well Status: Approved Application for Permit to Drill

Operator: MEWBOURNE OIL

COMPANY

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres)

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Other PWD discharge volume (bbl/day):

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:

Operator Certification

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

NAME: Bradley Bishop

Signed on:

Title: Regulatory

Street Address: PO Box 5270

City: Hobbs State: NM Zip: 88260

Phone: (575)393-5905

Email address: bbishop@mewbourne.com

Field Representative

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FED COM

Well Location: T18S / R30E / SEC 2 / SWNE / 32.77992 / -103.9417609

County or Parish/State: EDDY 7

Well Number: 1H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC0047633B,

NMLC047633B

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001546019

Well Status: Approved Application for

Permit to Drill

Operator: MEWBOURNE OIL

COMPANY

Representative Name:

Street Address:

City:

State:

Phone:

Email address:

Oral Submission

Oral Notification Date:

Dec 15, 2020

Oral Notification Time:

12:00 AM

Contacted By:

Bradley Bishop

Contact's Email:

bbishop@mewbourne.com

BLM Point of Contact

BLM POC Name: CHRISTOPHER WALLS

BLM POC Phone: 5752342234

Disposition: Approved

Signature: Cody Layton

BLM POC Title: Petroleum Engineer

BLM POC Email Address: cwalls@blm.gov

Disposition Date: 01/27/2021

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

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

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 16013

CONDITIONS OF APPROVAL

| Operator: | | | OGRID: | | Action Type: |
|------------------|---------------|----------------|--------|-------|--------------|
| MEWBOURNE OIL CO | P.O. Box 5270 | Hobbs, NM88241 | 14744 | 16013 | C-103X |

| OCD Reviewer | Condition |
|--------------|-----------|
| ksimmons | None |