

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.**SUBMIT IN TRIPLICATE - Other instructions on page 2**

| | | |
|--|--|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Well Name and No. W SHUGART 19 FED 1 |
| 2. Name of Operator MARATHON OIL PERMIAN LLC | | 9. API Well No. 30-015-30149-00-S1 |
| 3a. Address 5555 SAN FELIPE ST HOUSTON, TX 77056 | | 10. Field and Pool or Exploratory Area SHUGART |
| 3b. Phone No. (include area code) Ph: 575-393-5905 | | 11. County or Parish, State EDDY COUNTY, NM |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T18S R31E SESW 660FSL 1980FWL | | |

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Successor of Operator |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

06/05/2020 Mewbourne Oil Company took over operations from Marathon Oil Permian, LLC on the above captioned well.

As new operator Mewbourne Oil Company accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the lease or portion of lease described.

Bond on file: NM1693 nationwide & NMB000919
Bond on file: 22015694 nationwide & 022041703 Statewide

OCD Accepted for Record 6/15/2020 - JAG

| | |
|---|---------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #518611 verified by the BLM Well Information System For MARATHON OIL PERMIAN LLC, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 06/11/2020 (20PP3144SE) | |
| Name (Printed/Typed) JACKIE LATHAN | Title AUTHORIZED REPRESENTATIVE |
| Signature (Electronic Submission) | Date 06/11/2020 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---------------------------------|------------------------|
| Approved By <u>JENNIFER SANCHEZ</u> | Title <u>PETROLEUM ENGINEER</u> | Date <u>06/15/2020</u> |
| 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 <u>Carlsbad</u> |

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.

Revisions to Operator-Submitted EC Data for Sundry Notice #518611

| | Operator Submitted | BLM Revised (AFMSS) |
|----------------|---|---|
| Sundry Type: | SUCCESS NOI | SUCCESS NOI |
| Lease: | NMNM93772 | NMNM93772 |
| Agreement: | | |
| Operator: | MEWBOURNE OIL COMPANY PO BOX 5270 HOBBS, NM 88241 Ph: 575-393-5905 | MARATHON OIL PERMIAN LLC 5555 SAN FELIPE ST HOUSTON, TX 77056 Ph: 713.629 6600 |
| Admin Contact: | JACKIE LATHAN AUTHORIZED REPRESENTATIVE E-Mail: jlathan@mewbourne.com Ph: 575-393-5905 | JACKIE LATHAN AUTHORIZED REPRESENTATIVE E-Mail: jlathan@mewbourne.com Ph: 575-393-5905 |
| Tech Contact: | JACKIE LATHAN AUTHORIZED REPRESENTATIVE E-Mail: jlathan@mewbourne.com Ph: 575-393-5905 | JACKIE LATHAN AUTHORIZED REPRESENTATIVE E-Mail: jlathan@mewbourne.com Ph: 575-393-5905 |
| Location: | | |
| State: | NM | NM |
| County: | EDDY | EDDY |
| Field/Pool: | SHUGART; BONE SPRING N | SHUGART |
| Well/Facility: | SHUGART WEST 19 FEDERAL 1 Sec 19 T18S R31E Mer NMP SESW 660FSL 1980FWL | W SHUGART 19 FED 1 Sec 19 T18S R31E SESW 660FSL 1980FWL |

Change of Operator Conditions of Approval

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method.
3. Submit updated facility diagrams.
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.
11. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.

JAM