

Form 3160-5
(June 2015)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. 1004-0137
Expires: January 31, 20185. Lease Serial No.
NMNM57261

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.

BUFFALO TRACE 1/36 H3PA FEDCOM 1H

2. Name of Operator

MEWBOURNE OIL COMPANY

Contact: JACKIE LATHAN

E-Mail: jlathan@mewbourne.com

9. API Well No.

30-015-46802-00-X1

3a. Address

P O BOX 5270
HOBBS, NM 88241

3b. Phone No. (include area code)

Ph: 575-393-5905
Fx: 575-393-5905

10. Field and Pool or Exploratory Area

WELCH-WOLFCAMP (GAS)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 12 T26S R29E NENE 575FNL 440FEL
32.062775 N Lat, 103.930069 W Lon

11. County or Parish, State

EDDY COUNTY, NM

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 checked="" 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 type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <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 recomple 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 recomple 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.

1) Change casing from 7" to 7 5/8" 39# P110 FJ & cement design as detailed in attached drilling program.

See attachments for drilling program.

Please contact Levi Jackson with any questions.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #506995 verified by the BLM Well Information System
For MEWBOURNE OIL COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 03/15/2020 (20PP1624SE)**

Name (Printed/Typed) LEVI JACKSON

Title ENGINEER

Signature (Electronic Submission)

Date 03/12/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By OLABODE AJIBOLA

Title PETROLEUM ENGINEER

Date 03/25/2020

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 Carlsbad

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Accepted 03/30/2020 - Kurt Simmons NMOCD

Revisions to Operator-Submitted EC Data for Sundry Notice #506995

| | Operator Submitted | BLM Revised (AFMSS) |
|--------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Sundry Type: | CSG-ALTER NOI | CSG-ALTER NOI |
| Lease: | NMNM23765 | NMNM57261 |
| Agreement: | | |
| Operator: | MEWBOURNE OIL COMPANY PO BOX 5270 HOBBS, NM 88241 Ph: 575-393-5905 | MEWBOURNE OIL COMPANY P O BOX 5270 HOBBS, NM 88241 Ph: 575.393.5905 |
| 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 Fx: 575-393-5905 |
| Tech Contact: | LEVI JACKSON ENGINEER E-Mail: ljackson@mewbourne.com Ph: 575-393-5905 | LEVI JACKSON ENGINEER E-Mail: ljackson@mewbourne.com Ph: 575-393-5905 |
| Location: State: County: | NM EDDY | NM EDDY |
| Field/Pool: | CORRAL CANYON SOUTH, BONE | WELCH-WOLFCAMP (GAS) |
| Well/Facility: | BUFFALO TRACE 1/36 H3PA FED CO 1H Sec 12 T26S R29E Mer NMP NENE 575FNL 440FEL | BUFFALO TRACE 1/36 H3PA FEDCOM 1H Sec 12 T26S R29E NENE 575FNL 440FEL 32.062775 N Lat, 103.930069 W Lon |

PECOS DISTRICT

DRILLING CONDITIONS OF APPROVAL

| | |
|------------------------------|--------------------------------------------|
| OPERATOR'S NAME: | MEWBOURNE OIL COMPANY |
| LEASE NO.: | NMNM057261 |
| WELL NAME & NO.: | BUFFALO TRACE 1-36 H3PA Fed Com #1H |
| SURFACE HOLE FOOTAGE: | 575'/N & 440'/E |
| BOTTOM HOLE FOOTAGE: | 100'/N & 330'/E |
| LOCATION: | Section 12, T.26 S., R.29 E., NMPM |
| COUNTY: | Eddy County, New Mexico |

COA

| | | | |
|----------------------|-----------------------------------------|--------------------------------------------|-------------------------------------|
| H2S | <input type="radio"/> Yes | <input checked="" type="radio"/> No | |
| Potash | <input checked="" type="radio"/> None | <input type="radio"/> Secretary | <input type="radio"/> R-111-P |
| Cave/Karst Potential | <input type="radio"/> Low | <input checked="" type="radio"/> Medium | <input type="radio"/> High |
| Variance | <input type="radio"/> None | <input checked="" type="radio"/> Flex Hose | <input type="radio"/> Other |
| Wellhead | <input type="radio"/> Conventional | <input checked="" type="radio"/> Multibowl | <input type="radio"/> Both |
| Other | <input type="checkbox"/> 4 String Area | <input type="checkbox"/> Capitan Reef | <input type="checkbox"/> WIPP |
| Other | <input type="checkbox"/> Fluid Filled | <input type="checkbox"/> Cement Squeeze | <input type="checkbox"/> Pilot Hole |
| Special Requirements | <input type="checkbox"/> Water Disposal | <input checked="" type="checkbox"/> COM | <input type="checkbox"/> Unit |

All Previous COAs Still Apply.

A. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **700** feet (a minimum of **70 feet (Eddy 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 **3200** 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 **7-5/8** inch production casing is:

Operator has proposed DV tool at depth of **4,376 feet**, but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.

Option 1 (Single Stage):

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

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.

- b. 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.
- c. 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.

B. 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. 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 **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.

C. 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.

OTA03252020