

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**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.*

5. Lease Serial No.  
NMNM01165

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION		8. Well Name and No. DERRINGER FEDERAL SWD 1
2. Name of Operator MEWBOURNE OIL COMPANY Contact: JACKIE LATHAN E-Mail: jlathan@mewbourne.com		9. API Well No. 30-015-30828-00-X1
3a. Address HOBBS, NM 88241	3b. Phone No. (include area code) Ph: 575-393-5905	10. Field and Pool, or Exploratory WILDCAT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 18 T20S R29E SESW 0660FSL 1980FWL		11. County or Parish, and State EDDY COUNTY, NM

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

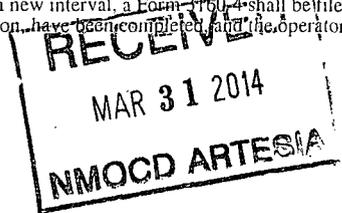
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter-Casing	<input type="checkbox"/> Fracture Treat	<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	
	<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 recomplete 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Please see attached completion procedure & completion operations well file to date.

Steps 1 - 21 are completed as of 03/21/14

Bond on file: NM1693 nationwide & NMB000919



*Accepted for record*  
4/8/14  
NMOCD

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

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

**Electronic Submission #239651 verified by the BLM Well Information System  
For MEWBOURNE OIL COMPANY, sent to the Carlsbad  
Committed to AFMSS for processing by CHRISTOPHER WALLS on 03/21/2014 (14CRW0191SE)**

Name (Printed/Typed) REID SHARPE	Title ENGINEER
Signature (Electronic Submission)	Date 03/21/2014

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>CHRISTOPHER WALLS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>03/24/2014</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.

COMPLETION PROCEDURE

Submitted By: R. Sharpe

Wellname: **Derringer Federal SWD**

Location: 660' FSL & 1980' FWL  
Sec 18 T20S R29E  
Eddy Co. NM

Date: 2/28/2014

Surface Csg	Surface Csg
Size: 20" 94# J55	Set: 375' cmt to surface
Intermediate 13 3/8" 54.5# H40	Intermediate 1245' cmt to surface
Csg Size: 9 3/8" 36# K55	Csg Set: 3229' cmt to surface
Production Csg	Production
Size: 7" 26# P110	Csg Set: 12600'
PBTD:	Packer Depth 12570'
Tbg Size: 2 7/8" L-80 6.5# tbg	Existing Perfs: N/A
DV Tool: 9000' & 12600'	New Perfs: N/A

Procedure:

- 1) MIRU WS
- 2) NU 5k BOP
- 3) RIH w/6 1/8" bit, bit sub, 4 - 4" drill collars, XO, & 2 7/8" tbg.
- 4) Tag DV tool @9000'± & test casing to 750#
- 5) MIRU reverse unit & swivel.
- 6) Drill DV tool & circ hole clean.
- 7) Continue RIH & tag DV tool @12600'± & test casing to 750#.
- 8) Drill DV tool & circ hole clean.
- 9) Continue RIH & tag float shoe @12660'± & test casing to 750#.
- 10) Drill float shoe & circ hole clean.
- 11) Continue RIH & tag PBTD
- 12) Circ hole clean w/500 bbls 2% KCl
- 13) MIRU acid truck
- 14) Spot 5000 gal 15% HCl.
- 15) Pull EOT above spotted acid.
- 16) Flush acid w/61 bbls 2% KCl. Record Injection rate and pressure, ISIP, 5 min, 10 min, & 15 min pressures
- 17) RDMO acid truck.
- 18) POOH w/2 7/8" tbg & bit.
- 19) RU WL. Log PBTD to surface w/CCL, GR, CNL, & CBL. RD WL.
- 20) RIH w/7" X 2 7/8" 1x Pkr, SN, & 2 7/8" tbg.
- 21) Set Pkr & 12575' w/10 pts compression.
- 22) RU swab. Perform swab test to prove zone does not contain commercial quantities of hydrocarbons.
- 23) Unset PKR & POOH w/2 7/8" tbg, SN, & PKR
- 24) RIH w/7" x 2 7/8" 1X Pkr w/carbide slips, T2 O/O Tool & 3 1/2" 9.3# L80 tbg (IPC w/Permian 1850) to 30' above EOC.

**COMPLETION PROCEDURE**

- 25) Displace csg w/392 bbls KCL & packer fluid.
- 26) Set Pkr.
- 27) ND BOP & NU slip type adapter flange & 2 7/8" stainless master valve.
- 28) Call BLM & OCD to inform them of MIT.
- 29) MIRU pump truck. Perform MIT w/NMOCD & BLM witnessing
- 30) Begin injecting.
- 31) If injection capability is not satisfactory notify BLM & OCD of intent to preform IPI or additional stimulation.

## Conditions of Approval

Mewbourne Oil Company  
Derringer Federal SWD 1  
API 3001530828, T20S-R29E, Sec 18  
February 24, 2014

1. Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record of the CBLs for the 9-5/8" and 7" casing strings. The CBL may be attached to a [pswartz@blm.gov](mailto:pswartz@blm.gov) email. The CFO BLM on call engineer may be reached at 575-706-2779.
2. The APD conditions of approval require the production cement to circulate to surface. That condition was not satisfied.
3. **The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with minimum 200 psig differential between the 7" and 9 5/8" casing pressures (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The production casing pressure may need to be reduced).**
4. Document the pressure test on a one hour full rotation calibrated recorder chart registering within 25 to 85 per cent of its full range.
5. Submit a subsequent Sundry Form 3160-5 relating the MIT activity with three copies to BLM. Include a copy of the recorded MIT pressure chart.
6. Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
7. A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
8. Gain of annular fluid pressure requires notification within 24 hours. Within 30 days install equipment that will maintain a production casing pressure of 0 psia. Notify the BLM's authorized officer ("Paul R. Swartz" <[pswartz@blm.gov](mailto:pswartz@blm.gov)>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
9. Submit a (Sundry Form 3160-5) subsequent report describing the Mechanical Integrity Test as per item 2. above.

### Well with a Packer - Operations

- 1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established.
- 2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). Verify all annular casing vent valves are open to the surface during this pressure test. An alternate method for a BLM approved

MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.

- 3) Document the pressure test on a one hour full rotation calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
- 4) Make arrangements 24 hours before the test for BLM to witness. **In Eddy County email Paul R. Swartz [pswartz@blm.gov](mailto:pswartz@blm.gov) or phone 575-200-7902, if there is no response, 575-361-2822. In Lea County phone 575-393-3612.** If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number
- 5) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
- 6) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry.
- 7) **Submit the original subsequent sundry with three copies to BLM Carlsbad. Report TOC for both stages on 7" casing on subsequent sundry.**
- 8) Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
  - a) Approved injection pressure compliance is required.
  - b) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
  - c) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
- 9) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
- 10) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
- 11) **Maintain the 9-5/8" X 7" and the casing/tubing annulus full of packer fluid at atmospheric pressure. Installation of equipment that will display continuous open to the air packer fluid level above the casing vent is required for this disposal well.**
- 12) **Notify the BLM's authorized officer ("Paul R. Swartz" <[pswartz@blm.gov](mailto:pswartz@blm.gov)>, cell phone 575-200-7902) within 30 after injection begins to arrange for approval of the annular monitoring system.**
- 13) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.

- 14) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
- 15) Gain of annular fluid pressure requires notification within 24 hours. Cease injection and maintain a production casing pressure of Opsia. Notify the BLM's authorized officer ("Paul R. Swartz" <[pswartz@blm.gov](mailto:pswartz@blm.gov)>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
- 16) Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of installed equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry

CRW 032414

Access information for **use of Form 3160-5** "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - [http://www.blm.gov/nm/st/en/prog/energy/oil\\_and\\_gas.html](http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html)

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.