

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. G. Rd., Artesia, NM 88210
District III
1000 R. Rd., Aztec, NM 87410
District IV
1220 S. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-34164
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. OG-5851-1
7. Lease Name or Unit Agreement Name Horseshoe 33 State
8. Well Number 1
9. OGRID Number 14744
10. Pool name or Wildcat Horseshoe Bend Morrow 78680

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Mewbourne Oil Company

3. Address of Operator
PO Box 5270 Hobbs, NM 88240

4. Well Location

Unit Letter L : 1650 feet from the S line and 660 feet from the W line
Section 33 Township 23S Range 25E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3769' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

03/20/07 MI & spud 17 1/2" hole. Ran 400' 13 3/8" 48# H90 ST&C csg. Cemented with 200 sks BJ Lite Class C (35:65:6) with additives. Mixed @ 12.5 #/g w/ 1.98 yd. Tail with 200 sks Class C with 2% CaCl2. Mixed @ 14.8 #/g w/ 1.34 yd. Circ 65 sks cmt. WOC 18 hrs. At 11:45 pm on 03/22/07, tested 13 3/8" casing to 1250# for 30 minutes, held OK. Drilled out with 12 1/4" bit.

03/27/07 Lost complete returns at 901'. Put air on hole. Aerated fluid with sporadic returns to 2537'. Ran 2537' 9 3/8" 40# N80/HCK55 LT&C Csg. Cemented with 180 sks Thixad H with additives. Mixed @ 14.6 /g w/ 1.52 yd. Followed with 500 sks BJ Lite Class "C" (35:65:6) with additives. Mixed @ 12.5 /g w/ 1.98 yd. Tail with 400 sks Class C with 2% CaCl2. Mixed @ 14.8 #/g w/ 1.34 yd. Did not circ cmt. Ran Temp Survey. TOC @ 900'. Ran 1" pipe. Tag at 863'.

Cmt 1st plug w/25 sks Class C w/4% CaCl2 (mixed @ 14.8 ppg, yield 1.34 cuft/sk). WOC. Tag @ 793'.

Cmt 2nd plug w/25 sks Class "C" w/4% CaCl2. WOC. Tagged @ 692'.

Cmt 3rd plug w/50 sks Class "C" w/3% CaCl2. WOC. Tagged @ 534'.

Cmt 4th plug w/50 sks Class "C" w/3% CaCl2. WOC. Tagged @ 409'.

Cmt 5th plug w/125 sks Class "C" neat. WOC. Circ 9 sks to pit. Tested BOPE to 5000# & annular to 2500#. At 3:45 pm on 03/28/07, tested casing to 1500# for 30 minutes, held OK. Test csg shoe to 12.5 PPG MWE. Charts and schematic attached. Drilled out with 8 3/4" bit.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

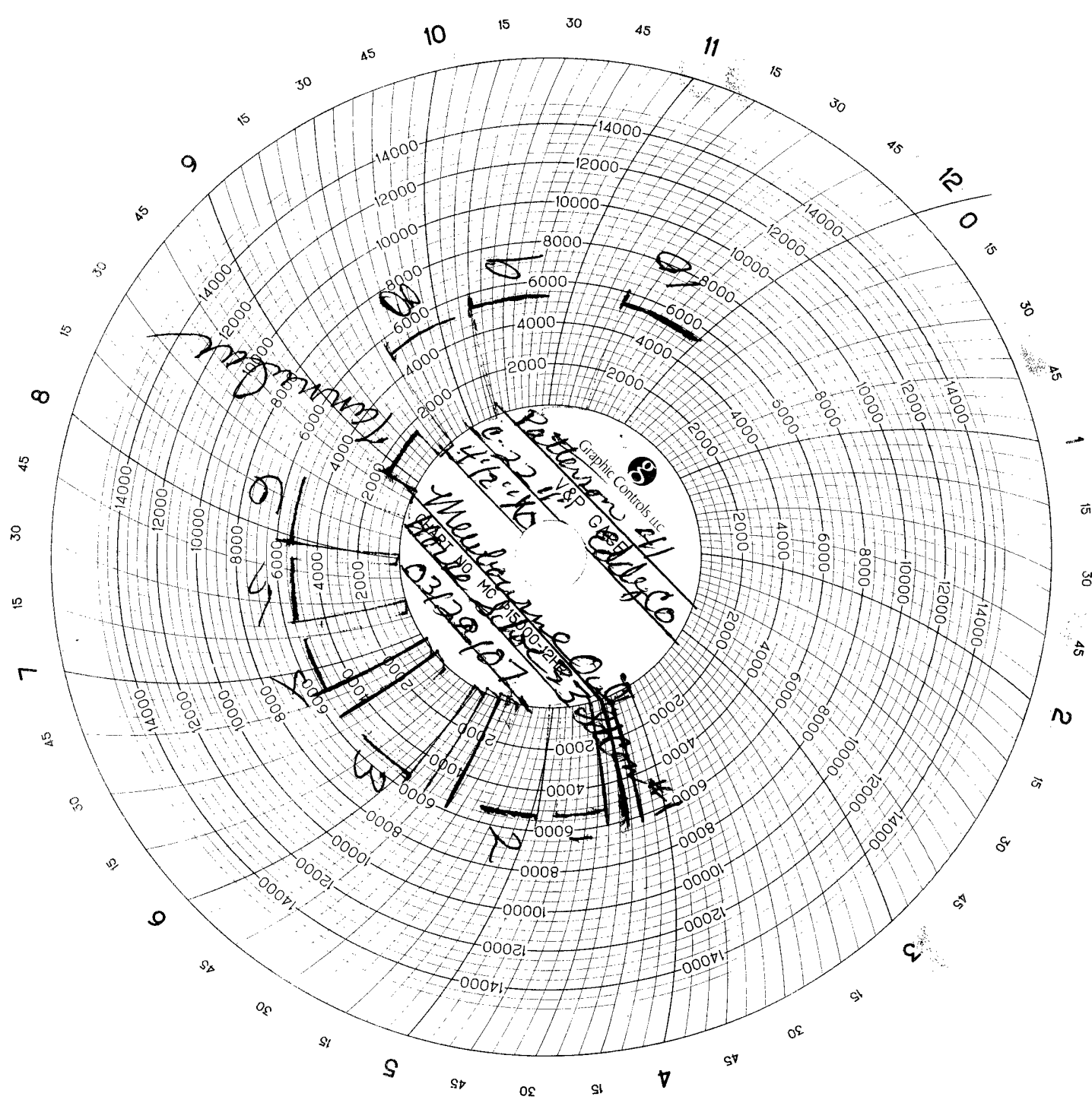
SIGNATURE Kristi Green TITLE Hobbs Regulatory DATE 04/02/07

Type or print name Kristi Green E-mail address: kgreen@mewbourne.com Telephone No. 505-393-5905

For State Use Only

APPROVED BY: Jim W. Green DATE 4/6/07

Conditions of Approval (if any): District II Supervisor



Month-Year
APR - 4 2007
OCD - ARTSIA, NM

MAN WELDING SERVICES, INC.

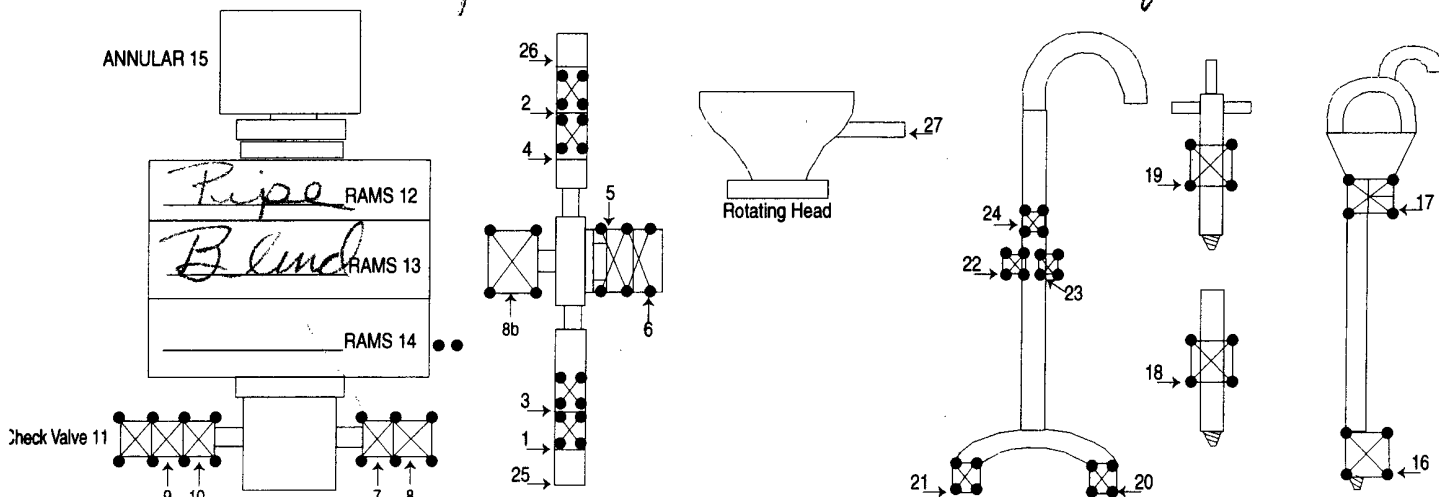
P.O. Box 1541 • Lovington, N.M. 88260
BUS: 505 396-4540 • FAX: 505 396-0044



INVOICE

B 6710

Company Newbourne Oil Date 03/28/07 Start Time 9:00 ☐ am ☐ pm
Lease Horse Shoe 33 State Com #1 County Eddy State N.M.
Company Man Paul Noseff
Wellhead Vendor _____ Tester Robert W. Williams
Drig. Contractor Patterson U.T.I. Rig # 41
Tool Pusher David Berryman
Plug Type C-22 Plug Size 11" Drill Pipe Size 4 1/2" X.O.
Casing Valve Opened yes Check Valve Open yes



TEST #	ITEMS TESTED	TEST LENGTH	LOW PSI	HIGH PSI	REMARKS
1.	3, 25, 26, 10, 9	10 min	X	5000	Leak: Head range
2.	13, 1, 2, 5, 10	"	X	5000	slip stops tightened
3.	13, 3, 4, 5, 11	"	X	5000	held
4.	12, 8b, 11	"	X	5000	
5.	12, 8, 11	"	X	5000	
6.	12, 7, 11	"	X	5000	
7.	15, 7, 11 Annular	"	X	1500	
8.	18	"	X	5000	
9.	17	"	X	5000	
10.	19	"	X	5000	
					Unless otherwise stated everything I tested held while I was on location.

8 HR @ \$1000.00
4 HR @ \$1000.00 hr = \$4000.00
Mileage 20 mi @ \$11.00 mi = \$220.00
Methanol 625 - \$100.00

SUB TOTAL \$1701.00
TAX 91.43
TOTAL \$1792.43

MAN WELDING SERVICES, INC

Company Newbourne Oil Date 03/28/07
Lease 11020 Hole 33810m #1 County Eddy
Drilling Contractor Bitterton Plug & Drill Pipe Size 11" 4 1/2" X 0

Accumulator Function Test - OO&GO#2

To Check - USABLE FLUID IN THE NITROGEN BOTTLES (III.A.2.c.i. or ii or iii)

- Make sure all rams and annular are open and if applicable HCR is closed.
- Ensure accumulator is pumped up to working pressure! (Shut off all pumps)
 1. Open HCR Valve. (If applicable)
 2. Close annular.
 3. Close **all** pipe rams.
 4. Open one set of the pipe rams to simulate closing the blind ram.
 5. For 3 ram stacks, open the annular to achieve the 50+ % safety factor. (5M and greater systems).
 6. Record remaining pressure 1400 psi. Test Fails if pressure is lower than required.
 - a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system}
 7. If annular is closed, open it at this time and close HCR.

To Check - PRECHARGE ON BOTTLES OR SPHERICAL (III.A.2.d.)

- Start with manifold pressure at, or above, maximum acceptable pre-charge pressure:
 - a. {800 psi for a 1500 psi system} b. {1100 psi for 2000 and 3000 psi system}
 1. Open bleed line to the tank, slowly. (gauge needle will drop at the lowest bottle pressure)
 2. Close bleed line. Barely bump electric pump and see what pressure the needle jumps up to.
 3. Record pressure drop 1100 psi. Test fails if pressure drops below minimum.
- Minimum: a. {700 psi for a 1500 psi system} b. {900 psi for a 2000 & 3000 psi system}

To Check - THE CAPACITY OF THE ACCUMULATOR PUMPS (III.A.2.f.)

- Isolate the accumulator bottles or spherical from the pumps & manifold.
- Open the bleed off valve to the tank, {manifold psi should go to 0 psi} close bleed valve.
 1. Open the HCR valve, {if applicable}
 2. Close annular
 3. With **pumps** only, time how long it takes to regain the required manifold pressure.
 4. Record elapsed time 1:37. Test fails if it takes over 2 minutes.
 - a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system}