

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

State of New Mexico
Energy, Minerals and Natural Resources

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

MAR 02 2009

Form C-103
May 27, 2004

WELL API NO. 30-015-36277
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. VB-1053
7. Lease Name or Unit Agreement Name Penlon Ranch 24 State
8. Well Number 2
9. OGRID Number 14744
10. Pool name or Wildcat Burton Flat: Morrow 73280

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 E : 1650 feet from the N line and 660 feet from the W line
Section 24 Township 20S Range 27E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3365' 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.

02/12/09...MI & spud 12 1/4" hole. Ran 523' 13 3/8" 48# H40 ST&C csg. Cemented with 250 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. Plug down @ 9:00 am 02/13/09. Circ 42 sks cmt to pit. WOC 18 hrs. At 9:15 am on 02/14/09, tested 13 3/8" BOPE & casing to 1250# for 30 minutes, held OK. Drilled out with 12 1/4" bit.

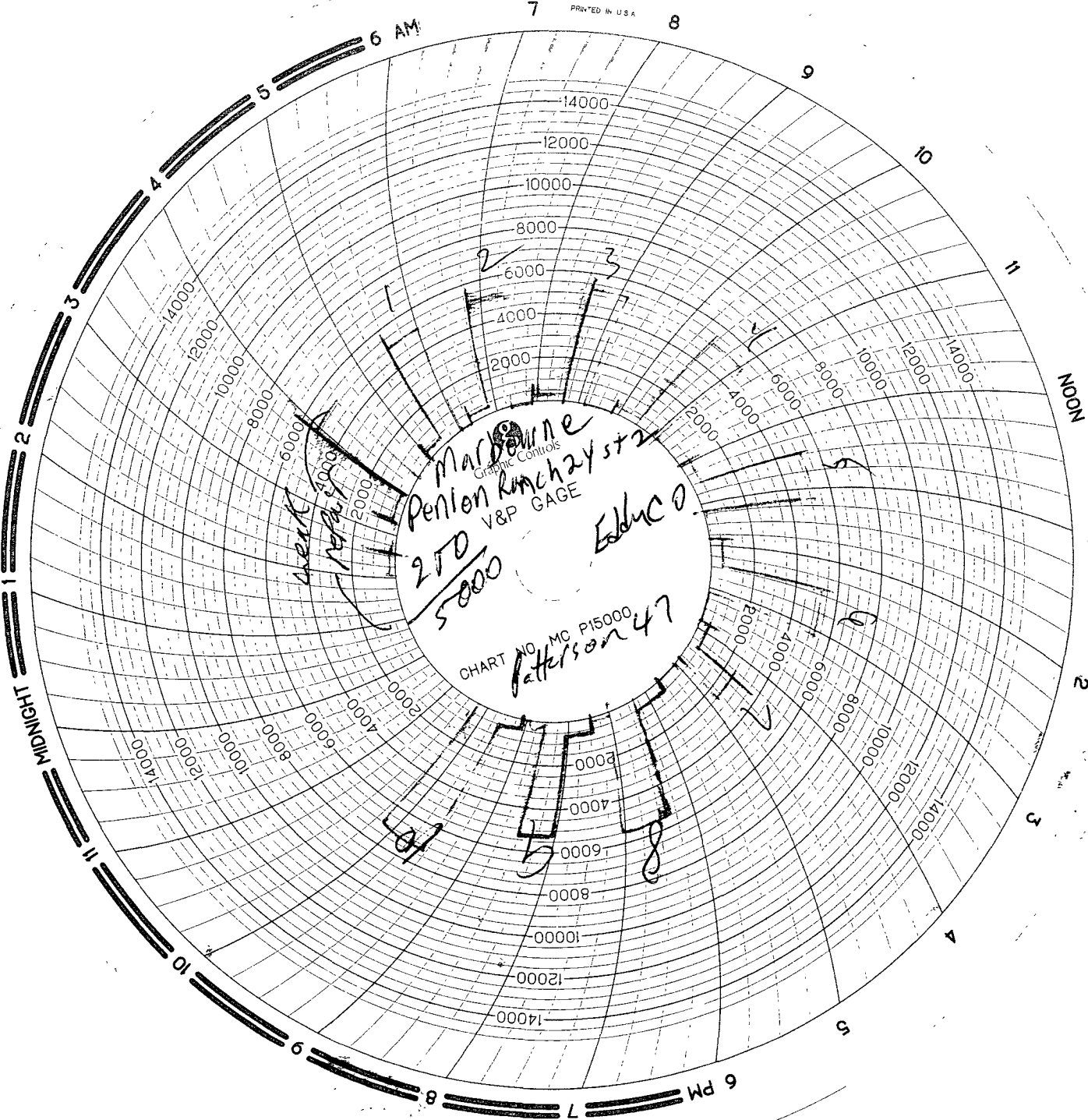
02/19/09..TD'ed 12 1/4" hole @ 2710'. Ran 2710' 9 3/8" 40# N80/J55 LT&C Csg. Cemented w/180 sks Thixad Class H with additives. Mixed @ 14.6/g w/1.52 yd. Followed w/500 sks BJ Lite Class C (50:50:10). Tail w/400 sks Class C with 1% CaCl2. Mixed @ 14.8 #/g w/ 1.33 yd. Plug down @ 3:15 pm 02/19/09. Circ 115 sks to pit. WOC 18 hrs. 02/20/09 tested BOPE to 5000# and annular to 2500#. At 3:00 pm 02/20/09, tested csg to 1500# for 30 mins, held OK. Test formation @ casing shoe to 12.5# 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 Jackie Lathan TITLE Hobbs Regulatory DATE 02/26/09

Type or print name Jackie Lathan E-mail address: Telephone No. 575-393-5905
For State Use Only

APPROVED BY: [Signature] TITLE District II Geologist DATE 3/2/09
Conditions of Approval (if any):



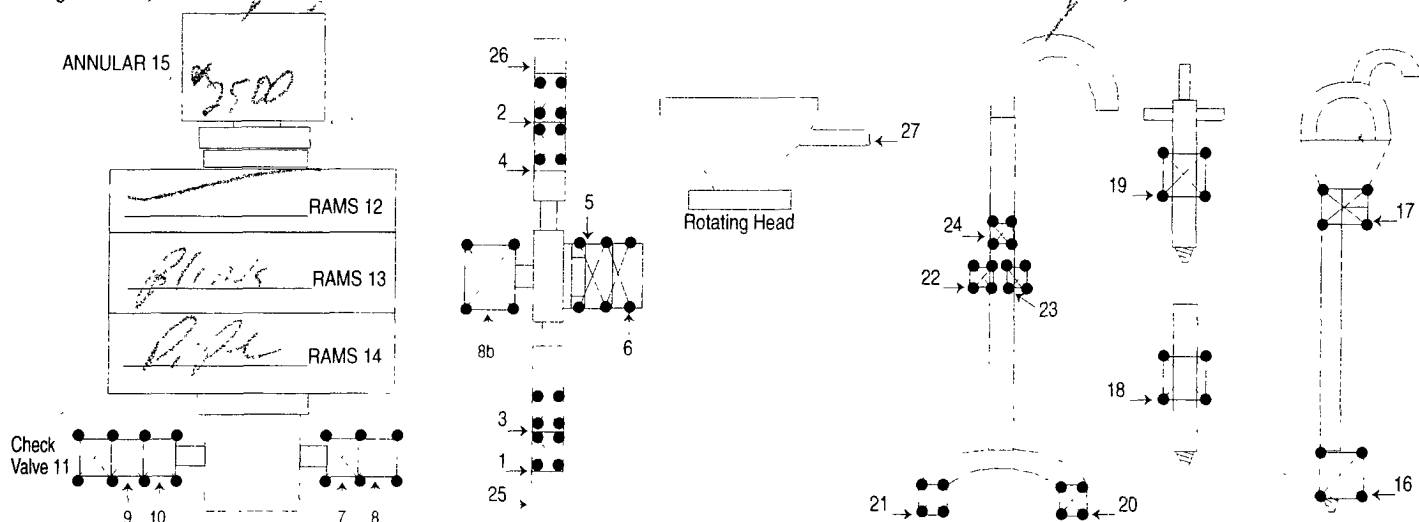


WELDING • BOP TESTING
NIPPLE UP SERVICE • BOP LIFTS • TANDEM
MUD AND GAS SEPARATORS
Lovington, NM • 575-396-4540

INVOICE

44-38861-1012 B 09856

Company Marbourne Oil Company Date 2-20-09 Start Time 12:00 ☒ am ☐ pm
Lease Penion Ranch 24 State # 2 County Eddy State NM
Company Man Buba Smith
Wellhead Vendor _____ Tester Robert Whitney
Drig. Contractor Pa Herson Uti Rig # 47
Tool Pusher George Borman
Plug Type 1/2" C-82 Plug Size 11" Drill Pipe Size 4 1/2 TH
Casing Valve Opened Yes Check Valve Open Yes

[illegible]

8.0 HR@ 1075

HR@

Mileage 140.0 @ 120 = 168.00

MASTER PRINTERS 575 396 3661

with a 100.00

SUB TOTAL 1343.00

TAX 72.19

TOTAL 11915.19

MAN WELDING SERVICES, INC

Company Marlbourne Oil Co Date 2-20-09
Lease Penlon Ranch 2451st County Eddy
Drilling Contractor Potterson H I 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** 1.29 **. 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}