

OCD - HOBBS
10/05/2020
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FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

| | | |
|--|--|---|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. NMNM111242 |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name |
| 1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 7. If Unit or CA Agreement, Name and No. |
| 2. Name of Operator MEWBORNE OIL COMPANY [14744] | | 8. Lease Name and Well No. CASTLE BLACK 6/1 B2FE FED COM [329745] |
| 3a. Address PO Box 5270, Hobbs, NM 88240 | | 9. API Well No. 30-025-48029 |
| 3b. Phone No. (include area code) (575) 393-5905 | | 10. Field and Pool, or Exploratory [65350/58040] Young Bone Spring/BONE SPRING |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWNE / 1700 FNL / 2500 FEL / LAT 32.7792164 / LONG -103.805301 At proposed prod. zone SWNW / 2050 FNL / 100 FWL / LAT 32.77823 / LONG -103.8313034 | | 11. Sec., T. R. M. or Blk. and Survey or Area SEC 6/T18S/R32E/NMP |
| 14. Distance in miles and direction from nearest town or post office* 10 miles | | 12. County or Parish LEA |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 210 feet | | 13. State NM |
| 16. No of acres in lease 483.87 | | 17. Spacing Unit dedicated to this well 640.0 |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 330 feet | | 20. BLM/BIA Bond No. in file FED: NM1693 |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3831 feet | | 22. Approximate date work will start* 01/20/2020 |
| | | 23. Estimated duration 60 days |
| 24. Attachments | | |

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be requested by the BLM. |

| | | |
|--|--|---------------------------|
| 25. Signature (Electronic Submission) | Name (Printed/Typed) BRADLEY BISHOP / Ph: (575) 393-5905 | Date 01/23/2020 |
| Title Regulatory | | |
| Approved by (Signature) (Electronic Submission) | Name (Printed/Typed) Cody Layton / Ph: (575) 234-5959 | Date 09/09/2020 |
| Title Assistant Field Manager Lands & Minerals | | |
| Office Carlsbad Field Office | | |

Application approval 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.

Conditions of approval, if any, are attached.

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.

GCP Rec 10/05/2020
NEW C-102's Rec 11/23/2020

SL

(Continued on page 2)

APPROVED WITH CONDITIONS
Approval Date: 09/09/2020

KZ
11/23/2020

*(Instructions on page 2)

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM connects this information to a new evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

0. SHL: SWNE / 1700 FNL / 2500 FEL / TWSP: 18S / RANGE: 32E / SECTION: 6 / LAT: 32.7792164 / LONG: -103.805301 (TVD: 0 feet, MD: 0 feet)
PPP: SENW / 2050 FNL / 2640 FWL / TWSP: 18S / RANGE: 31E / SECTION: 1 / LAT: 32.7782368 / LONG: -103.8230417 (TVD: 8577 feet, MD: 14103 feet)
PPP: SENE / 2050 FNL / 0 FEL / TWSP: 18S / RANGE: 31E / SECTION: 1 / LAT: 32.7782439 / LONG: -103.8144488 (TVD: 8590 feet, MD: 11462 feet)
PPP: SENW / 2050 FNL / 2571 FWL / TWSP: 18S / RANGE: 32E / SECTION: 6 / LAT: 32.7782501 / LONG: -103.8060849 (TVD: 8603 feet, MD: 8891 feet)
BHL: SWNW / 2050 FNL / 100 FWL / TWSP: 18S / RANGE: 31E / SECTION: 1 / LAT: 32.77823 / LONG: -103.8313034 (TVD: 8564 feet, MD: 16642 feet)

BLM Point of Contact

Name: Pamella Hernandez

Title:

Phone: (575) 234-5954

Email: phernandez@blm.gov

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Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

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**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL**

| | |
|-----------------------|-----------------------------------|
| OPERATOR'S NAME: | Mewbourne Oil Company |
| WELL NAME & NO.: | Castle Black 6/1 B2FE Fed Com 1H |
| SURFACE HOLE FOOTAGE: | 1700'/N & 2500'/E |
| BOTTOM HOLE FOOTAGE: | 2050'/N & 100'/W |
| LOCATION: | Section 6, T.18 S., R.32 E., NMPM |
| COUNTY: | Lea County, New Mexico |

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

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- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
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 - Below Ground-level Abandoned Well Marker
 - Hydrology
- ☐ **Construction**
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 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
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 - Roads
- ☐ **Road Section Diagram**
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 - Well Structures & Facilities
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I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for

acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Below Ground-level Abandoned Well Marker to avoid raptor perching:

Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

Hydrology

The entire well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion.

Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank or 24 hour production, whichever is greater. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

A leak detection plan will be submitted to the BLM Carlsbad Field Office for approval prior to pipeline installation. The method could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to

be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

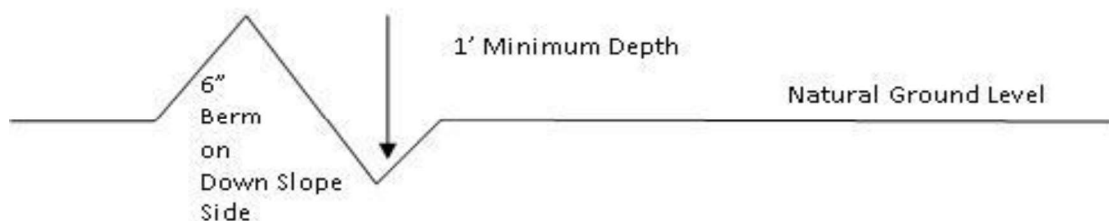
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

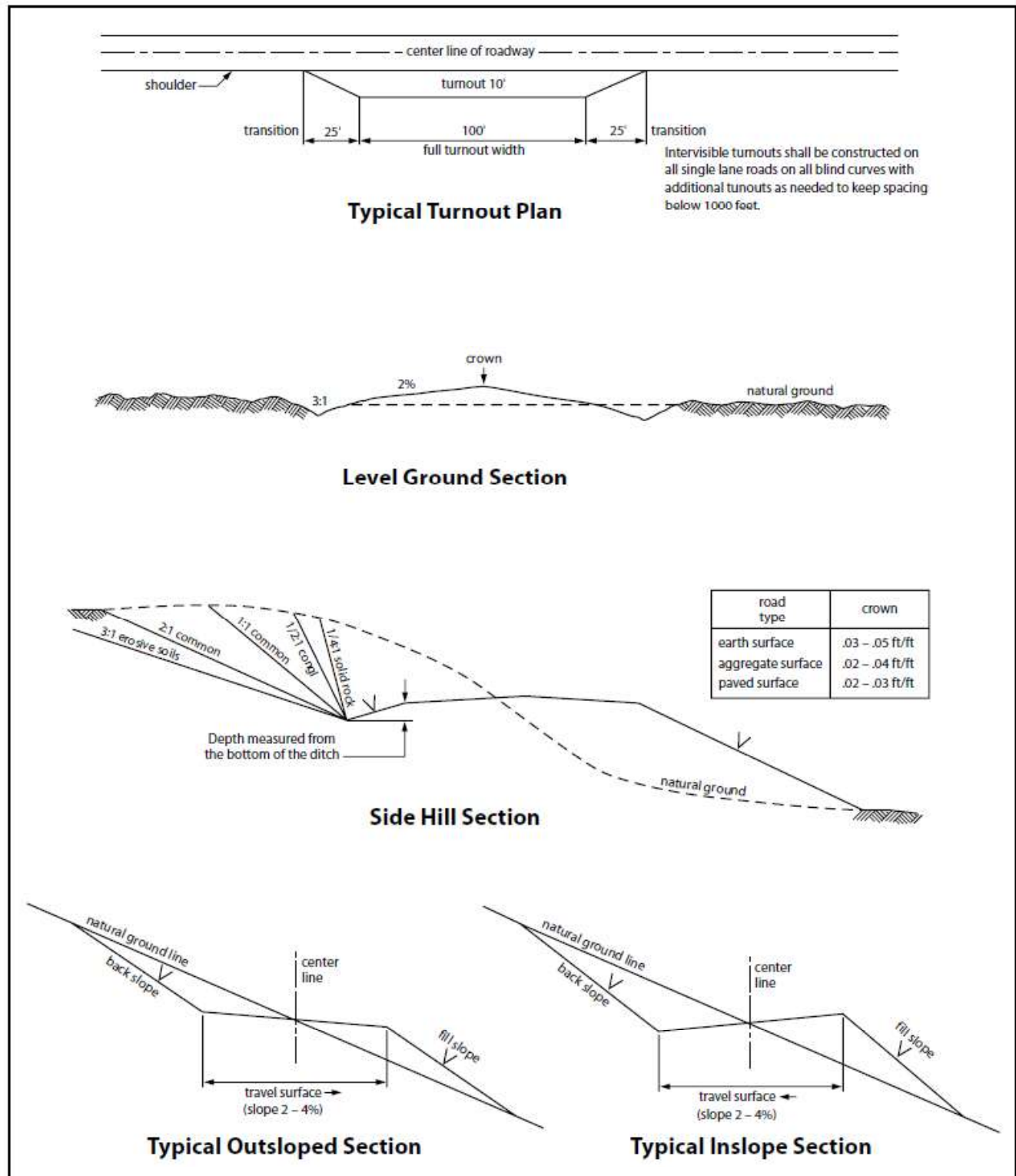


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production

equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

VRM Facility Requirement Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

IX. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Below Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture for LPC Sand/Shinnery Sites

Holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). Holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. Seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

| <u>Species</u> | <u>lb/acre</u> |
|---------------------|----------------|
| Plains Bristlegrass | 5lbs/A |
| Sand Bluestem | 5lbs/A |
| Little Bluestem | 3lbs/A |
| Big Bluestem | 6lbs/A |
| Plains Coreopsis | 2lbs/A |
| Sand Dropseed | 1lbs/A |

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

PECOS DISTRICT

DRILLING CONDITIONS OF APPROVAL

| | |
|------------------------------|------------------------------------|
| OPERATOR'S NAME: | Mewbourne Oil Company |
| LEASE NO.: | NMNM111242 |
| WELL NAME & NO.: | Castle Black 6-1 B2FE Fed Com #1H |
| SURFACE HOLE FOOTAGE: | 1700'/N & 2500'/E |
| BOTTOM HOLE FOOTAGE: | 2050'/N & 100'/W |
| LOCATION: | Section 06, T.18 S., R.32 E., NMPM |
| COUNTY: | Lea County, New Mexico |

COA

| | | | |
|----------------------|---|--|-------------------------------------|
| H2S | <input checked="" type="radio"/> Yes | <input type="radio"/> No | |
| Potash | <input checked="" type="radio"/> None | <input type="radio"/> Secretary | <input type="radio"/> R-111-P |
| Cave/Karst Potential | <input checked="" type="radio"/> Low | <input type="radio"/> Medium | <input type="radio"/> High |
| Cave/Karst Potential | <input type="radio"/> Critical | | |
| 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 |

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the Queen, Delaware, and Bone Spring formations. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

Casing Design:

1. The 13-3/8 inch surface casing shall be set at approximately **1075** feet (a minimum of **25 feet (Lea 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 **2400** 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. **Excess cement calculates to 21%, additional cement might be required.**
3. The minimum required fill of cement behind the **7** inch production casing is:
- 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.

C. 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.

D. 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.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☒ Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

☒ Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
393-3612

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.

3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - 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. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. 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.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
 - c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for

the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

OTA09012020

Operator Name: MEWBOURNE OIL COMPANY

Well Name: CASTLE BLACK 6/1 B2FE FED COM

Well Number: 1H

Is the proposed well in an area containing other mineral resources? POTASH

Is the proposed well in a Helium production area? N

Use Existing Well Pad? N

New surface disturbance?

Type of Well Pad: MULTIPLE WELL

Multiple Well Pad Name: Castle Number: 2

Black 6/1 B2FE/Winterfell 6/5

Well Class: HORIZONTAL

B2GH Fed Com wells

Number of Legs: 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: APPRAISAL

Describe sub-type:

Distance to town: 10 Miles

Distance to nearest well: 330 FT

Distance to lease line: 210 FT

Reservoir well spacing assigned acres Measurement: 640 Acres

Well plat: CastleBlack6_1B2FEFedCom1H_wellplat_20200120140807.pdf

Well work start Date: 01/20/2020

Duration: 60 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number:

Reference Datum: GROUND LEVEL

| Wellbore | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Meridian | Lease Type | Lease Number | Elevation | MD | TVD | Will this well produce from this lease? |
|------------|---------|--------------|---------|--------------|------|-------|---------|-------------------|------------|--------------|--------|-------------|-------------|------------|--------------|-----------|------|------|---|
| SHL Leg #1 | 1700 | FNL | 2500 | FEL | 18S | 32E | 6 | Aliquot SWNE | 32.7792164 | -103.805301 | LEA | NEW MEXI CO | NEW MEXI CO | F | NMNM 121481 | 3831 | 0 | 0 | N |
| KOP Leg #1 | 2050 | FNL | 2260 | FWL | 18S | 32E | 6 | Aliquot SWNE | 32.7782515 | -103.8045218 | LEA | NEW MEXI CO | NEW MEXI CO | F | NMNM 121481 | -4294 | 8138 | 8125 | N |

Operator Name: MEWBOURNE OIL COMPANY**Well Name:** CASTLE BLACK 6/1 B2FE FED COM**Well Number:** 1H

| Wellbore | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Meridian | Lease Type | Lease Number | Elevation | MD | TVD | Will this well produce from this lease? |
|--------------|---------|--------------|---------|--------------|------|-------|---------|-------------------|------------|---------------|--------|------------|------------|------------|--------------|-----------|-------|------|---|
| PPP Leg #1-1 | 2050 | FNL | 2571 | FWL | 18S | 32E | 6 | Aliquot SENW | 32.7782501 | - 103.8060849 | LEA | NEW MEXICO | NEW MEXICO | F | NMNM 111242 | - 4772 | 8891 | 8603 | Y |
| PPP Leg #1-2 | 2050 | FNL | 0 | FEL | 18S | 31E | 1 | Aliquot SENE | 32.7782439 | - 103.8144488 | LEA | NEW MEXICO | NEW MEXICO | F | NMNM 106718 | - 4759 | 11462 | 8590 | Y |
| PPP Leg #1-3 | 2050 | FNL | 2640 | FWL | 18S | 31E | 1 | Aliquot SENW | 32.7782368 | - 103.8230417 | EDD Y | NEW MEXICO | NEW MEXICO | F | NMNM 002538 | - 4746 | 14103 | 8577 | Y |
| EXIT Leg #1 | 2050 | FNL | 100 | FWL | 18S | 31E | 1 | Aliquot SWN W | 32.77823 | - 103.8313034 | EDD Y | NEW MEXICO | NEW MEXICO | F | NMNM 002538 | - 4733 | 16642 | 8564 | Y |
| BHL Leg #1 | 2050 | FNL | 100 | FWL | 18S | 31E | 1 | Aliquot SWN W | 32.77823 | - 103.8313034 | EDD Y | NEW MEXICO | NEW MEXICO | F | NMNM 002538 | - 4733 | 16642 | 8564 | Y |

APD ID: 10400053396

Submission Date: 01/23/2020

Highlighted data reflects the most recent changes

Operator Name: MEWBOURNE OIL COMPANY

Well Name: CASTLE BLACK 6/1 B2FE FED COM

Well Type: OIL WELL

Well Number: 1H

Well Work Type: Drill

Show Final Text

Section 1 - Geologic Formations

| Formation ID | Formation Name | Elevation | True Vertical Depth | Measured Depth | Lithologies | Mineral Resources | Producing Formation |
|--------------|-----------------|-----------|---------------------|----------------|-----------------------------|-------------------|---------------------|
| 638373 | UNKNOWN | 3831 | 28 | 28 | OTHER : Topsoil | NONE | N |
| 638374 | RUSTLER | 2846 | 985 | 985 | ANHYDRITE, DOLOMITE | USEABLE WATER | N |
| 638384 | TOP SALT | 2606 | 1225 | 1225 | SALT | NONE | N |
| 638385 | BASE OF SALT | 1556 | 2275 | 2275 | SALT | NONE | N |
| 638377 | YATES | 1371 | 2460 | 2460 | SANDSTONE | NATURAL GAS, OIL | N |
| 638386 | SEVEN RIVERS | 926 | 2905 | 2905 | DOLOMITE | NATURAL GAS, OIL | N |
| 638378 | QUEEN | 226 | 3605 | 3605 | DOLOMITE | NATURAL GAS, OIL | N |
| 638379 | GRAYBURG | -34 | 3865 | 3865 | DOLOMITE, SANDSTONE | NATURAL GAS, OIL | N |
| 641455 | LAMAR | -804 | 4635 | 4635 | LIMESTONE | NATURAL GAS, OIL | N |
| 638381 | BONE SPRING | -1799 | 5630 | 5630 | LIMESTONE, SANDSTONE, SHALE | NATURAL GAS, OIL | N |
| 638382 | BONE SPRING 1ST | -3689 | 7520 | 7520 | SANDSTONE | NATURAL GAS, OIL | N |
| 638383 | BONE SPRING 2ND | -4319 | 8150 | 8150 | SANDSTONE | NATURAL GAS, OIL | Y |

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M

Rating Depth: 16642

Equipment: Annular Pipe Rams Blind Rams Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

Requesting Variance? YES

Variance request: A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart. Anchors are not required by manufacturer. A variance is requested to use a multi-bowl wellhead.

Testing Procedure: BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the

Page 1 of 6

Operator Name: MEWBOURNE OIL COMPANY

Well Name: CASTLE BLACK 6/1 B2FE FED COM

Well Number: 1H

working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested. Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

Choke Diagram Attachment:

- Castle_Black_6_1_B2FE_Fed_Com_1H_Flex_Line_Specs_20200123093534.pdf
- Castle_Black_6_1_B2FE_Fed_Com_1H_5M_BOPE_Choke_Diagram_20200123093534.pdf
- Castle_Black_6_1_B2FE_Fed_Com_1H_Flex_Line_Specs_API_16C_20200123093535.pdf

BOP Diagram Attachment:

- Castle_Black_6_1_B2FE_Fed_Com_1H_Multi_Bowl_WH_20200123093552.pdf
- Castle_Black_6_1_B2FE_Fed_Com_1H_5M_BOPE_Schematic_20200123093552.pdf

Section 3 - Casing

| Casing ID | String Type | Hole Size | Csg Size | Condition | Standard | Tapered String | Top Set MD | Bottom Set MD | Top Set TVD | Bottom Set TVD | Top Set MSL | Bottom Set MSL | Calculated casing length MD | Grade | Weight | Joint Type | Collapse SF | Burst SF | Joint SF Type | Joint SF | Body SF Type | Body SF |
|-----------|--------------|-----------|----------|-----------|----------|----------------|------------|---------------|-------------|----------------|-------------|----------------|-----------------------------|-------|--------|------------|-------------|----------|---------------|----------|--------------|---------|
| 1 | SURFACE | 17.5 | 13.375 | NEW | API | N | 0 | 1035 | 0 | 1035 | 3831 | 2796 | 1035 | H-40 | 48 | ST&C | 1.63 | 3.65 | DRY | 6.48 | DRY | 10.89 |
| 2 | INTERMEDIATE | 12.25 | 9.625 | NEW | API | N | 0 | 2550 | 0 | 2550 | | 1281 | 2550 | J-55 | 36 | LT&C | 1.52 | 2.65 | DRY | 4.93 | DRY | 6.14 |
| 3 | PRODUCTION | 8.75 | 7.0 | NEW | API | N | 0 | 8700 | 0 | 8566 | | -4735 | 8700 | P-110 | 26 | LT&C | 1.47 | 2.35 | DRY | 3.06 | DRY | 3.68 |
| 4 | LINER | 6.125 | 4.5 | NEW | API | N | 8138 | 16642 | 8125 | 8603 | -4294 | -4772 | 8504 | P-110 | 13.5 | LT&C | 1.99 | 2.31 | DRY | 2.94 | DRY | 3.68 |

Casing Attachments

Operator Name: MEWBOURNE OIL COMPANY

Well Name: CASTLE BLACK 6/1 B2FE FED COM

Well Number: 1H

Casing Attachments

| | |
|---|---|
| Casing ID: 1 | String Type: SURFACE |
| Inspection Document: | |
| Spec Document: | |
| Tapered String Spec: | |
| Casing Design Assumptions and Worksheet(s): | Castle_Black_6_1_B2FE_Fed_Com_1H_Csg_assumptions_20200123093711.pdf |
| Casing ID: 2 | String Type: INTERMEDIATE |
| Inspection Document: | |
| Spec Document: | |
| Tapered String Spec: | |
| Casing Design Assumptions and Worksheet(s): | Castle_Black_6_1_B2FE_Fed_Com_1H_Csg_assumptions_20200123093918.pdf |
| Casing ID: 3 | String Type: PRODUCTION |
| Inspection Document: | |
| Spec Document: | |
| Tapered String Spec: | |
| Casing Design Assumptions and Worksheet(s): | Castle_Black_6_1_B2FE_Fed_Com_1H_Csg_assumptions_20200123093954.pdf |

Operator Name: MEWBOURNE OIL COMPANY

Well Name: CASTLE BLACK 6/1 B2FE FED COM

Well Number: 1H

Casing Attachments

Casing ID: 4String Type:LINER

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Castle_Black_6_1_B2FE_Fed_Com_1H_Csg_assumptions_20200123094101.pdf

Section 4 - Cement

| String Type | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives |
|--------------|-----------|------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|--|
| SURFACE | Lead | | 0 | 844 | 560 | 2.12 | 12.5 | 1187 | 100 | Class C | Salt, Gel, Extender, LCM |
| SURFACE | Tail | | 844 | 1035 | 200 | 1.34 | 14.8 | 268 | 100 | Class C | Retarder |
| INTERMEDIATE | Lead | | 0 | 1859 | 340 | 2.12 | 12.5 | 721 | 25 | Class C | Salt, Gel, Extender, LCM |
| INTERMEDIATE | Tail | | 1859 | 2550 | 200 | 1.34 | 14.8 | 268 | 25 | Class C | Retarder |
| PRODUCTION | Lead | | 2350 | 6188 | 340 | 2.12 | 12.5 | 721 | 25 | Class C | Salt, Gel, Extender, LCM, Defoamer |
| PRODUCTION | Tail | | 6188 | 8700 | 400 | 1.18 | 15.6 | 472 | 25 | Class H | Retarder, Fluid loss, defoamer |
| LINER | Lead | | 8138 | 16642 | 340 | 2.97 | 11.2 | 1010 | 25 | Class C | Salt, Gel, Fluid Loss, Retarder, Dispersant, Defoamer, Anti-settling Agent |

Operator Name: MEWBOURNE OIL COMPANY

Well Name: CASTLE BLACK 6/1 B2FE FED COM

Well Number: 1H

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Lost circulation material, sweeps, mud scavengers

Describe the mud monitoring system utilized: Pason/PVT/visual monitoring

Circulating Medium Table

| Top Depth | Bottom Depth | Mud Type | Min Weight (lbs/gal) | Max Weight (lbs/gal) | Density (lbs/cu ft) | Gel Strength (lbs/100 sqft) | PH | Viscosity (CP) | Salinity (ppm) | Filtration (cc) | Additional Characteristics |
|-----------|--------------|-----------------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
| 0 | 1035 | SPUD MUD | 8.6 | 8.8 | | | | | | | |
| 1035 | 2550 | SALT SATURATED | 10 | 10 | | | | | | | |
| 2550 | 8566 | WATER-BASED MUD | 8.6 | 9.5 | | | | | | | |
| 8566 | 8603 | OIL-BASED MUD | 9.5 | 12 | | | | | | | |

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Will run GR/CNL from KOP (8138') to surface (horizontal well vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.

List of open and cased hole logs run in the well:

COMPENSATED NEUTRON LOG,DIRECTIONAL SURVEY,GAMMA RAY LOG,MEASUREMENT WHILE DRILLING,MUD LOG/GEOLOGIC LITHOLOGY LOG,MUD LOG/GEOLOGICAL LITHOLOGY LOG,

Coring operation description for the well:

None

Operator Name: MEWBOURNE OIL COMPANY

Well Name: CASTLE BLACK 6/1 B2FE FED COM

Well Number: 1H

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4920

Anticipated Surface Pressure: 3027

Anticipated Bottom Hole Temperature(F): 150

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geohazards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Castle_Black_6_1_B2FE_Fed_Com_1H_H2S_Plan_20200123094556.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Castle_Black_6_1_B2FE_Fed_Com_1H_Dir_plot_20200123094612.pdf

Castle_Black_6_1_B2FE_Fed_Com_1H_Dir_plan_20200123094612.pdf

Other proposed operations facets description:

Other proposed operations facets attachment:

Castle_Black_6_1_B2FE_Fed_Com_1H_Add_Info_20200123094625.pdf

Other Variance attachment:



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PHONE: 361-887-9807
FAX: 361-887-0812
EMAIL: Tim.Cantu@gates.com
WEB: www.gates.com

10K CEMENTING ASSEMBLY PRESSURE TEST CERTIFICATE

| | | | |
|----------------------|--------------------------------|------------------|------------------------|
| Customer : | AUSTIN DISTRIBUTING | Test Date: | 4/30/2015 |
| Customer Ref. : | 4060578 | Hose Serial No.: | D-043015-7 |
| Invoice No. : | 500506 | Created By: | JUSTIN CROPPER |
| Product Description: | 10K3.548.0CK4.1/1610KFLGE/E LE | | |
| End Fitting 1 : | 4 1/16 10K FLG | End Fitting 2 : | 4 1/16 10K FLG |
| Gates Part No. : | 4773-6290 | Assembly Code : | L36554102914D-043015-7 |
| Working Pressure : | 10,000 PSI | Test Pressure : | 15,000 PSI |

Gates E & S North America, Inc. certifies that the following hose assembly has been tested to the Gates Oilfield Roughneck Agreement/Specification requirements and passed the 15 minute hydrostatic test per API Spec 7K/Q1, Fifth Edition, June 2010, Test pressure 9.6.7 and per Table 9 to 15,000 psi in accordance with this product number. Hose burst pressure 9.6.7.2 exceeds the minimum of 2.5 times the working pressure per Table 9.

Quality Manager :
Date :
Signature :

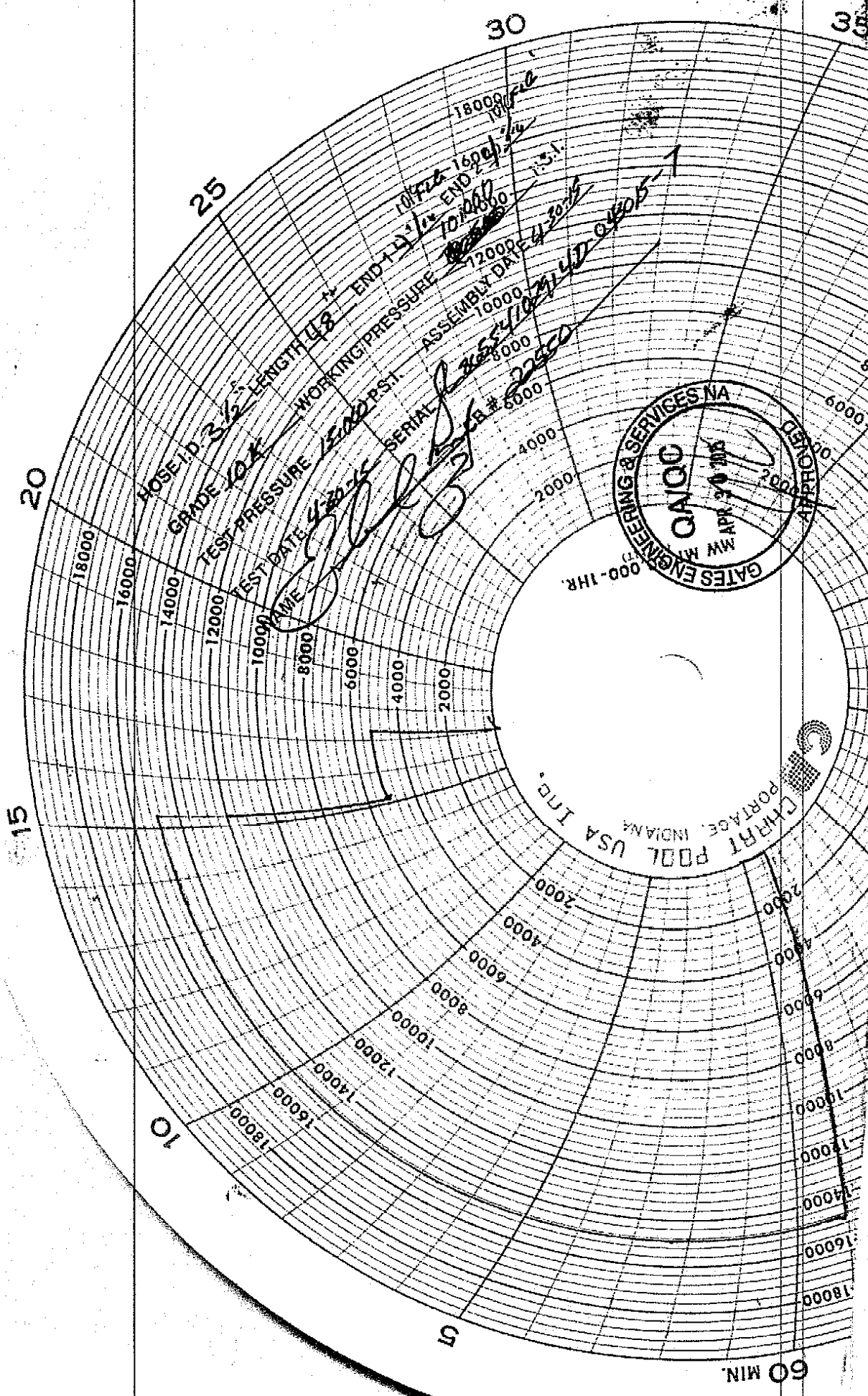
| |
|-----------------------|
| QUALITY |
| 4/30/2015 |
| <i>Justin Cropper</i> |

Production:
Date :
Signature :

| |
|-----------------------|
| PRODUCTION |
| 4/30/2015 |
| <i>Justin Cropper</i> |

Form-PTC - 01 Rev.02





ROSE ID 312
GRADE 10K
TEST PRESSURE 15000 PSI
TEST DATE 4-20-75
WORKING PRESSURE 10000 PSI
ASSEMBLY DATE 10-14-74
END 11-14-74
SERIAL 22550
R# 6000
4D 04005-1

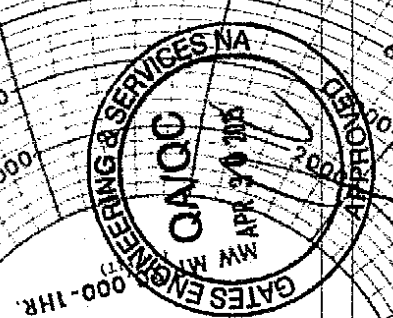


CHART POOL USA INC.
PORTAGE, INDIANA

60 MIN

**Mewbourne Oil Company,
Castle Black 6/1 B2FE Fed Com #1H
Sec 6, T18S, R32E
SL: 1700' FNL & 2500' FEL (Sec 6, T18S, R32E)
BHL: 2050' FNL & 100' FWL (Sec 1, T18S, R32E)**

Casing Program

| Hole Size | Casing Interval | | Csg. Size | Weight (lbs) | Grade | Conn. | SF Collapse | SF Burst | SF Jt Tension | SF Body Tension |
|---------------------------|-----------------|--------|-----------|--------------|-------|-------|-------------|----------|--------------------|--------------------|
| | From | To | | | | | | | | |
| 17.5" | 0' | 1035' | 13.375" | 48 | H40 | STC | 1.63 | 3.68 | 6.48 | 10.89 |
| 12.25" | 0' | 2550' | 9.625" | 36 | J55 | LTC | 1.52 | 2.65 | 4.93 | 6.14 |
| 8.75" | 0' | 8700' | 7" | 26 | P110 | LTC | 1.47 | 2.35 | 3.06 | 3.67 |
| 6.125" | 8138' | 16642' | 4.5" | 13.5 | P110 | LTC | 1.99 | 2.31 | 2.94 | 3.68 |
| BLM Minimum Safety Factor | | | | | | | 1.125 | 1 | 1.6 Dry 1.8 Wet | 1.6 Dry 1.8 Wet |

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

Must have table for contingency casing

| | Y or N |
|--|--------|
| Is casing new? If used, attach certification as required in Onshore Order #1 | Y |
| Is casing API approved? If no, attach casing specification sheet. | Y |
| Is premium or uncommon casing planned? If yes attach casing specification sheet. | N |
| Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria). | Y |
| Will the pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing? | Y |
| Is well located within Capitan Reef? | Y |
| If yes, does production casing cement tie back a minimum of 50' above the Reef? | |
| Is well within the designated 4 string boundary. | |
| Is well located in SOPA but not in R-111-P? | N |
| If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing? | |
| Is well located in R-111-P and SOPA? | N |
| If yes, are the first three strings cemented to surface? | |
| Is 2 nd string set 100' to 600' below the base of salt? | |
| Is well located in high Cave/Karst? | N |
| If yes, are there two strings cemented to surface? | |
| (For 2 string wells) If yes, is there a contingency casing if lost circulation occurs? | |
| Is well located in critical Cave/Karst? | N |
| If yes, are there three strings cemented to surface? | |

**Mewbourne Oil Company,
Castle Black 6/1 B2FE Fed Com #1H
Sec 6, T18S, R32E
SL: 1700' FNL & 2500' FEL (Sec 6, T18S, R32E)
BHL: 2050' FNL & 100' FWL (Sec 1, T18S, R32E)**

Casing Program

| Hole Size | Casing Interval | | Csg. Size | Weight (lbs) | Grade | Conn. | SF Collapse | SF Burst | SF Jt Tension | SF Body Tension |
|---------------------------|-----------------|--------|-----------|--------------|-------|-------|-------------|----------|--------------------|--------------------|
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**Mewbourne Oil Company,
Castle Black 6/1 B2FE Fed Com #1H
Sec 6, T18S, R32E
SL: 1700' FNL & 2500' FEL (Sec 6, T18S, R32E)
BHL: 2050' FNL & 100' FWL (Sec 1, T18S, R32E)**

Casing Program

| Hole Size | Casing Interval | | Csg. Size | Weight (lbs) | Grade | Conn. | SF Collapse | SF Burst | SF Jt Tension | SF Body Tension |
|---------------------------|-----------------|--------|-----------|--------------|-------|-------|-------------|----------|--------------------|--------------------|
| | From | To | | | | | | | | |
| 17.5" | 0' | 1035' | 13.375" | 48 | H40 | STC | 1.63 | 3.68 | 6.48 | 10.89 |
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All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

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Castle Black 6/1 B2FE Fed Com #1H
Sec 6, T18S, R32E
SL: 1700' FNL & 2500' FEL (Sec 6, T18S, R32E)
BHL: 2050' FNL & 100' FWL (Sec 1, T18S, R32E)**

Casing Program

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|---------------------------|-----------------|--------|-----------|--------------|-------|-------|-------------|----------|--------------------|--------------------|
| | From | To | | | | | | | | |
| 17.5" | 0' | 1035' | 13.375" | 48 | H40 | STC | 1.63 | 3.68 | 6.48 | 10.89 |
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| BLM Minimum Safety Factor | | | | | | | 1.125 | 1 | 1.6 Dry 1.8 Wet | 1.6 Dry 1.8 Wet |

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

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| Is well located within Capitan Reef? | Y |
| If yes, does production casing cement tie back a minimum of 50' above the Reef? | |
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| (For 2 string wells) If yes, is there a contingency casing if lost circulation occurs? | |
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Hydrogen Sulfide Drilling Operations Plan **Mewbourne Oil Company**

1. General Requirements

Rule 118 does not apply to this well because MOC has researched this area and no high concentrations of H₂S were found. MOC will have on location and working all H₂S safety equipment before the Delaware formation for purposes of safety and insurance requirements.

2. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will have received training from a qualified instructor in the following areas prior to entering the drilling pad area of the well:

1. The hazards and characteristics of hydrogen sulfide gas.
2. The proper use of personal protective equipment and life support systems.
3. The proper use of hydrogen sulfide detectors, alarms, warning systems, briefing areas, evacuation procedures.
4. The proper techniques for first aid and rescue operations.

Additionally, supervisory personnel will be trained in the following areas:

- 1 The effects of hydrogen sulfide on metal components. If high tensile tubular systems are utilized, supervisory personnel will be trained in their special maintenance requirements.
- 2 Corrective action and shut in procedures, blowout prevention, and well control procedures while drilling a well.
- 3 The contents of the Hydrogen Sulfide Drilling Operations Plan.

There will be an initial training session prior to encountering a known hydrogen sulfide source. The initial training session shall include a review of the site specific Hydrogen Sulfide Drilling Operations Plan.

3. Hydrogen Sulfide Safety Equipment and Systems

All hydrogen sulfide safety equipment and systems will be installed, tested, and operational prior to drilling below the 9 5/8" intermediate casing.

1. Well Control Equipment
 - A. Choke manifold with minimum of one adjustable choke/remote choke.
 - B. Blowout preventers equipped with blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
 - C. Auxiliary equipment including annular type blowout preventer.
2. Protective Equipment for Essential Personnel

Thirty minute self contained work unit located in the dog house and at briefing areas.

Additionally: If H₂S is encountered in concentrations less than 10 ppm, fans will be placed in work areas to prevent the accumulation of hazardous amounts of poisonous gas. If higher concentrations of H₂S are detected the well will be shut in and a rotating head, mud/gas separator, remote choke and flare line with igniter will be installed.

3. Hydrogen Sulfide Protection and Monitoring Equipment
Two portable hydrogen sulfide monitors positioned on location for optimum coverage and detection. The units shall have audible sirens to notify personnel when hydrogen sulfide levels exceed 20 PPM.
4. Visual Warning Systems
 - A. Wind direction indicators as indicated on the wellsite diagram.
 - B. Caution signs shall be posted on roads providing access to location. Signs shall be painted a high visibility color with lettering of sufficient size to be readable at reasonable distances from potentially contaminated areas.

4. Mud Program

The mud program has been designed to minimize the amount of hydrogen sulfide entrained in the mud system. Proper mud weight, safe drilling practices, and the use of hydrogen sulfide scavengers will minimize hazards while drilling the well.

5. Metallurgy

All tubular systems, wellheads, blowout preventers, drilling spools, kill lines, choke manifolds, and valves shall be suitable for service in a hydrogen sulfide environment when chemically treated.

6. Communications

State & County Officials phone numbers are posted on rig floor and supervisors trailer. Communications in company vehicles and toolpushers are either two way radios or cellular phones.

7. Well Testing

Drill stem testing is not an anticipated requirement for evaluation of this well. If a drill stem test is required, it will be conducted with a minimum number of personnel in the immediate vicinity. The test will be conducted during daylight hours only.

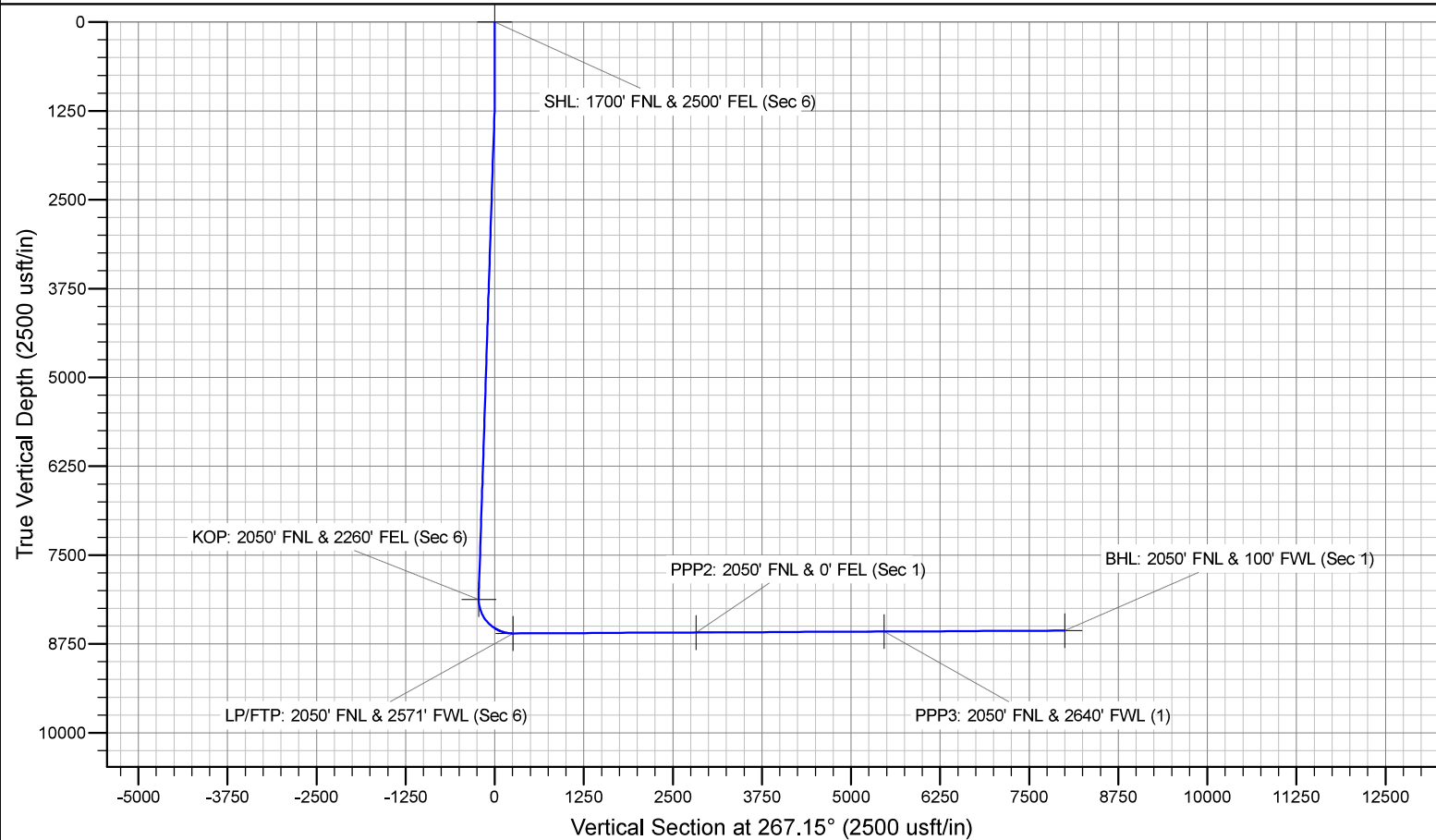
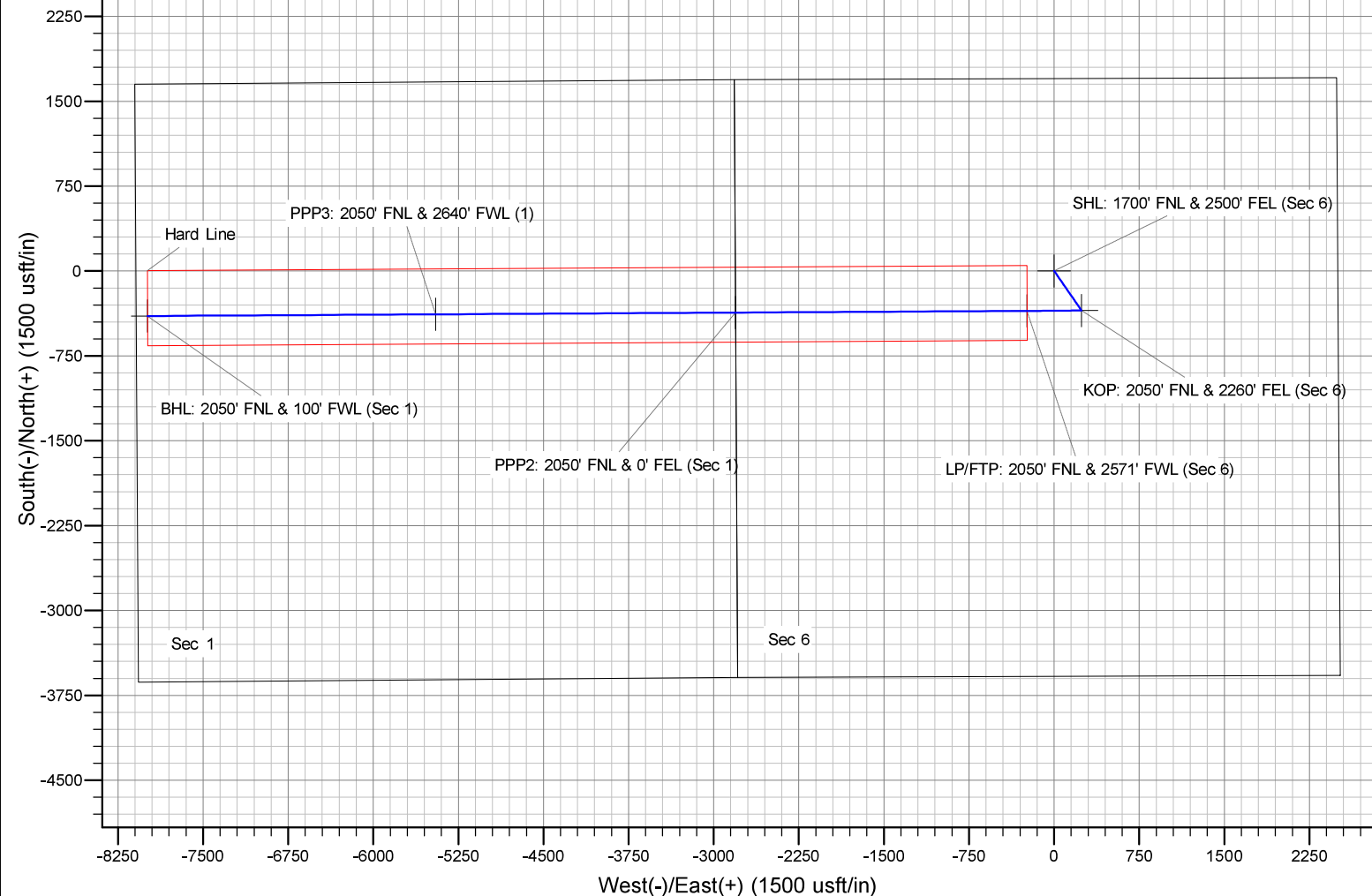
8. Emergency Phone Numbers

| | |
|---|----------------------------|
| Eddy County Sheriff's Office | 911 or 575-887-7551 |
| Ambulance Service | 911 or 575-885-2111 |
| Carlsbad Fire Dept | 911 or 575-885-2111 |
| Loco Hills Volunteer Fire Dept. | 911 or 575-677-3266 |
| Closest Medical Facility - Columbia Medical Center of Carlsbad | 575-492-5000 |

| | | |
|------------------------------|------------------------------|---------------------|
| Mewbourne Oil Company | Hobbs District Office | 575-393-5905 |
| | Fax | 575-397-6252 |
| | 2nd Fax | 575-393-7259 |

| | | |
|--------------------------------|-----------------------|---------------------|
| District Manager | Robin Terrell | 575-390-4816 |
| Drilling Superintendent | Frosty Lathan | 575-390-4103 |
| | Bradley Bishop | 575-390-6838 |
| Drilling Foreman | Wesley Noseff | 575-441-0729 |

Castle Black 6/1 B2FE Fed Com #1H



Mewbourne Oil Company

Lea County, New Mexico NAD 83

Castle Black 6/1 B2FE Fed Com #1H

Sec 6, T18S, R32E

SHL: 1700' FNL & 2500' FEL, Sec 6

BHL: 2050' FNL & 100' FWL, Sec 1

Plan: Design #1

Standard Planning Report

07 November, 2019

Planning Report

| | | | |
|------------------|-----------------------------------|-------------------------------------|--|
| Database: | Hobbs | Local Co-ordinate Reference: | Site Castle Black 6/1 B2FE Fed Com #1H |
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3859.0usft (Original Well Elev) |
| Project: | Lea County, New Mexico NAD 83 | MD Reference: | WELL @ 3859.0usft (Original Well Elev) |
| Site: | Castle Black 6/1 B2FE Fed Com #1H | North Reference: | Grid |
| Well: | Sec 6, T18S, R32E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 2050' FNL & 100' FWL, Sec 1 | | |
| Design: | Design #1 | | |

| | | | |
|--------------------|-------------------------------|----------------------|----------------|
| Project | Lea County, New Mexico NAD 83 | | |
| Map System: | US State Plane 1983 | System Datum: | Mean Sea Level |
| Geo Datum: | North American Datum 1983 | | |
| Map Zone: | New Mexico Eastern Zone | | |

| | | | | |
|------------------------------|-----------------------------------|---------------------|-----------------|---------------------------------|
| Site | Castle Black 6/1 B2FE Fed Com #1H | | | |
| Site Position: | | Northing: | 647,616.00 usft | Latitude: 32.7792165 |
| From: | Map | Easting: | 703,623.00 usft | Longitude: -103.8053002 |
| Position Uncertainty: | 0.0 usft | Slot Radius: | 13-3/16 " | Grid Convergence: 0.29 ° |

| | | | | |
|-----------------------------|-------------------|----------|----------------------------|-----------------|
| Well | Sec 6, T18S, R32E | | | |
| Well Position | +N/-S | 0.0 usft | Northing: | 647,616.00 usft |
| | +E/-W | 0.0 usft | Easting: | 703,623.00 usft |
| Position Uncertainty | | 0.0 usft | Wellhead Elevation: | 3,859.0 usft |
| | | | Ground Level: | 3,831.0 usft |

| | | | | | |
|------------------|----------------------------------|--------------------|------------------------|----------------------|----------------------------|
| Wellbore | BHL: 2050' FNL & 100' FWL, Sec 1 | | | | |
| Magnetics | Model Name | Sample Date | Declination (°) | Dip Angle (°) | Field Strength (nT) |
| | IGRF2010 | 11/7/2019 | 6.69 | 60.44 | 48,081 |

| | | | | |
|--------------------------|--------------------------------|---------------------|----------------------|----------------------|
| Design | Design #1 | | | |
| Audit Notes: | | | | |
| Version: | Phase: | PROTOTYPE | Tie On Depth: | 0.0 |
| Vertical Section: | Depth From (TVD) (usft) | +N/-S (usft) | +E/-W (usft) | Direction (°) |
| | 0.0 | 0.0 | 0.0 | 267.15 |

| | | | | | | | | | | |
|------------------------------|------------------------|--------------------|------------------------------|---------------------|---------------------|--------------------------------|-------------------------------|------------------------------|----------------|---------------|
| Plan Sections | | | | | | | | | | |
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | TFO (°) | Target |
| 0.0 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | |

Planning Report

| | | | |
|------------------|-----------------------------------|-------------------------------------|--|
| Database: | Hobbs | Local Co-ordinate Reference: | Site Castle Black 6/1 B2FE Fed Com #1H |
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3859.0usft (Original Well Elev) |
| Project: | Lea County, New Mexico NAD 83 | MD Reference: | WELL @ 3859.0usft (Original Well Elev) |
| Site: | Castle Black 6/1 B2FE Fed Com #1H | North Reference: | Grid |
| Well: | Sec 6, T18S, R32E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 2050' FNL & 100' FWL, Sec 1 | | |
| Design: | Design #1 | | |

| Planned Survey | | | | | | | | | |
|------------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 0.0 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| SHL: 1700' FNL & 2500' FEL (Sec 6) | | | | | | | | | |
| 100.0 | 0.00 | 0.00 | 100.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 200.0 | 0.00 | 0.00 | 200.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 300.0 | 0.00 | 0.00 | 300.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 400.0 | 0.00 | 0.00 | 400.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 500.0 | 0.00 | 0.00 | 500.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 600.0 | 0.00 | 0.00 | 600.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 700.0 | 0.00 | 0.00 | 700.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 800.0 | 0.00 | 0.00 | 800.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 900.0 | 0.00 | 0.00 | 900.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 1,000.0 | 0.00 | 0.00 | 1,000.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 1,035.0 | 0.00 | 0.00 | 1,035.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 1,100.0 | 0.98 | 145.45 | 1,100.0 | -0.5 | 0.3 | -0.3 | 1.50 | 1.50 | 0.00 |
| 1,200.0 | 2.48 | 145.45 | 1,199.9 | -2.9 | 2.0 | -1.9 | 1.50 | 1.50 | 0.00 |
| 1,271.5 | 3.55 | 145.45 | 1,271.4 | -6.0 | 4.2 | -3.8 | 1.50 | 1.50 | 0.00 |
| 1,300.0 | 3.55 | 145.45 | 1,299.8 | -7.5 | 5.2 | -4.8 | 0.00 | 0.00 | 0.00 |
| 1,400.0 | 3.55 | 145.45 | 1,399.6 | -12.6 | 8.7 | -8.0 | 0.00 | 0.00 | 0.00 |
| 1,500.0 | 3.55 | 145.45 | 1,499.4 | -17.7 | 12.2 | -11.3 | 0.00 | 0.00 | 0.00 |
| 1,600.0 | 3.55 | 145.45 | 1,599.2 | -22.8 | 15.7 | -14.5 | 0.00 | 0.00 | 0.00 |
| 1,700.0 | 3.55 | 145.45 | 1,699.0 | -27.9 | 19.2 | -17.8 | 0.00 | 0.00 | 0.00 |
| 1,800.0 | 3.55 | 145.45 | 1,798.8 | -33.0 | 22.7 | -21.0 | 0.00 | 0.00 | 0.00 |
| 1,900.0 | 3.55 | 145.45 | 1,898.6 | -38.1 | 26.2 | -24.3 | 0.00 | 0.00 | 0.00 |
| 2,000.0 | 3.55 | 145.45 | 1,998.5 | -43.2 | 29.7 | -27.5 | 0.00 | 0.00 | 0.00 |
| 2,100.0 | 3.55 | 145.45 | 2,098.3 | -48.3 | 33.2 | -30.8 | 0.00 | 0.00 | 0.00 |
| 2,200.0 | 3.55 | 145.45 | 2,198.1 | -53.4 | 36.7 | -34.0 | 0.00 | 0.00 | 0.00 |
| 2,300.0 | 3.55 | 145.45 | 2,297.9 | -58.5 | 40.2 | -37.3 | 0.00 | 0.00 | 0.00 |
| 2,400.0 | 3.55 | 145.45 | 2,397.7 | -63.5 | 43.8 | -40.5 | 0.00 | 0.00 | 0.00 |
| 2,500.0 | 3.55 | 145.45 | 2,497.5 | -68.6 | 47.3 | -43.8 | 0.00 | 0.00 | 0.00 |
| 2,600.0 | 3.55 | 145.45 | 2,597.3 | -73.7 | 50.8 | -47.0 | 0.00 | 0.00 | 0.00 |
| 2,700.0 | 3.55 | 145.45 | 2,697.1 | -78.8 | 54.3 | -50.3 | 0.00 | 0.00 | 0.00 |
| 2,800.0 | 3.55 | 145.45 | 2,796.9 | -83.9 | 57.8 | -53.6 | 0.00 | 0.00 | 0.00 |
| 2,900.0 | 3.55 | 145.45 | 2,896.7 | -89.0 | 61.3 | -56.8 | 0.00 | 0.00 | 0.00 |
| 3,000.0 | 3.55 | 145.45 | 2,996.5 | -94.1 | 64.8 | -60.1 | 0.00 | 0.00 | 0.00 |
| 3,100.0 | 3.55 | 145.45 | 3,096.3 | -99.2 | 68.3 | -63.3 | 0.00 | 0.00 | 0.00 |
| 3,200.0 | 3.55 | 145.45 | 3,196.2 | -104.3 | 71.8 | -66.6 | 0.00 | 0.00 | 0.00 |
| 3,300.0 | 3.55 | 145.45 | 3,296.0 | -109.4 | 75.3 | -69.8 | 0.00 | 0.00 | 0.00 |
| 3,400.0 | 3.55 | 145.45 | 3,395.8 | -114.5 | 78.9 | -73.1 | 0.00 | 0.00 | 0.00 |
| 3,500.0 | 3.55 | 145.45 | 3,495.6 | -119.6 | 82.4 | -76.3 | 0.00 | 0.00 | 0.00 |
| 3,600.0 | 3.55 | 145.45 | 3,595.4 | -124.7 | 85.9 | -79.6 | 0.00 | 0.00 | 0.00 |
| 3,700.0 | 3.55 | 145.45 | 3,695.2 | -129.8 | 89.4 | -82.8 | 0.00 | 0.00 | 0.00 |
| 3,800.0 | 3.55 | 145.45 | 3,795.0 | -134.9 | 92.9 | -86.1 | 0.00 | 0.00 | 0.00 |
| 3,900.0 | 3.55 | 145.45 | 3,894.8 | -140.0 | 96.4 | -89.3 | 0.00 | 0.00 | 0.00 |
| 4,000.0 | 3.55 | 145.45 | 3,994.6 | -145.1 | 99.9 | -92.6 | 0.00 | 0.00 | 0.00 |
| 4,100.0 | 3.55 | 145.45 | 4,094.4 | -150.2 | 103.4 | -95.8 | 0.00 | 0.00 | 0.00 |
| 4,200.0 | 3.55 | 145.45 | 4,194.2 | -155.3 | 106.9 | -99.1 | 0.00 | 0.00 | 0.00 |
| 4,300.0 | 3.55 | 145.45 | 4,294.0 | -160.4 | 110.4 | -102.3 | 0.00 | 0.00 | 0.00 |
| 4,400.0 | 3.55 | 145.45 | 4,393.9 | -165.5 | 114.0 | -105.6 | 0.00 | 0.00 | 0.00 |
| 4,500.0 | 3.55 | 145.45 | 4,493.7 | -170.6 | 117.5 | -108.8 | 0.00 | 0.00 | 0.00 |
| 4,600.0 | 3.55 | 145.45 | 4,593.5 | -175.7 | 121.0 | -112.1 | 0.00 | 0.00 | 0.00 |
| 4,700.0 | 3.55 | 145.45 | 4,693.3 | -180.8 | 124.5 | -115.3 | 0.00 | 0.00 | 0.00 |
| 4,800.0 | 3.55 | 145.45 | 4,793.1 | -185.9 | 128.0 | -118.6 | 0.00 | 0.00 | 0.00 |
| 4,900.0 | 3.55 | 145.45 | 4,892.9 | -191.0 | 131.5 | -121.8 | 0.00 | 0.00 | 0.00 |
| 5,000.0 | 3.55 | 145.45 | 4,992.7 | -196.1 | 135.0 | -125.1 | 0.00 | 0.00 | 0.00 |

Planning Report

| | | | |
|------------------|-----------------------------------|-------------------------------------|--|
| Database: | Hobbs | Local Co-ordinate Reference: | Site Castle Black 6/1 B2FE Fed Com #1H |
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3859.0usft (Original Well Elev) |
| Project: | Lea County, New Mexico NAD 83 | MD Reference: | WELL @ 3859.0usft (Original Well Elev) |
| Site: | Castle Black 6/1 B2FE Fed Com #1H | North Reference: | Grid |
| Well: | Sec 6, T18S, R32E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 2050' FNL & 100' FWL, Sec 1 | | |
| Design: | Design #1 | | |

| Planned Survey | | | | | | | | | |
|---------------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 5,100.0 | 3.55 | 145.45 | 5,092.5 | -201.2 | 138.5 | -128.3 | 0.00 | 0.00 | 0.00 |
| 5,200.0 | 3.55 | 145.45 | 5,192.3 | -206.3 | 142.0 | -131.6 | 0.00 | 0.00 | 0.00 |
| 5,300.0 | 3.55 | 145.45 | 5,292.1 | -211.4 | 145.5 | -134.8 | 0.00 | 0.00 | 0.00 |
| 5,400.0 | 3.55 | 145.45 | 5,391.9 | -216.5 | 149.1 | -138.1 | 0.00 | 0.00 | 0.00 |
| 5,500.0 | 3.55 | 145.45 | 5,491.7 | -221.6 | 152.6 | -141.3 | 0.00 | 0.00 | 0.00 |
| 5,600.0 | 3.55 | 145.45 | 5,591.6 | -226.7 | 156.1 | -144.6 | 0.00 | 0.00 | 0.00 |
| 5,700.0 | 3.55 | 145.45 | 5,691.4 | -231.8 | 159.6 | -147.9 | 0.00 | 0.00 | 0.00 |
| 5,800.0 | 3.55 | 145.45 | 5,791.2 | -236.9 | 163.1 | -151.1 | 0.00 | 0.00 | 0.00 |
| 5,900.0 | 3.55 | 145.45 | 5,891.0 | -242.0 | 166.6 | -154.4 | 0.00 | 0.00 | 0.00 |
| 6,000.0 | 3.55 | 145.45 | 5,990.8 | -247.0 | 170.1 | -157.6 | 0.00 | 0.00 | 0.00 |
| 6,100.0 | 3.55 | 145.45 | 6,090.6 | -252.1 | 173.6 | -160.9 | 0.00 | 0.00 | 0.00 |
| 6,200.0 | 3.55 | 145.45 | 6,190.4 | -257.2 | 177.1 | -164.1 | 0.00 | 0.00 | 0.00 |
| 6,300.0 | 3.55 | 145.45 | 6,290.2 | -262.3 | 180.6 | -167.4 | 0.00 | 0.00 | 0.00 |
| 6,400.0 | 3.55 | 145.45 | 6,390.0 | -267.4 | 184.1 | -170.6 | 0.00 | 0.00 | 0.00 |
| 6,500.0 | 3.55 | 145.45 | 6,489.8 | -272.5 | 187.7 | -173.9 | 0.00 | 0.00 | 0.00 |
| 6,600.0 | 3.55 | 145.45 | 6,589.6 | -277.6 | 191.2 | -177.1 | 0.00 | 0.00 | 0.00 |
| 6,700.0 | 3.55 | 145.45 | 6,689.4 | -282.7 | 194.7 | -180.4 | 0.00 | 0.00 | 0.00 |
| 6,800.0 | 3.55 | 145.45 | 6,789.3 | -287.8 | 198.2 | -183.6 | 0.00 | 0.00 | 0.00 |
| 6,900.0 | 3.55 | 145.45 | 6,889.1 | -292.9 | 201.7 | -186.9 | 0.00 | 0.00 | 0.00 |
| 7,000.0 | 3.55 | 145.45 | 6,988.9 | -298.0 | 205.2 | -190.1 | 0.00 | 0.00 | 0.00 |
| 7,100.0 | 3.55 | 145.45 | 7,088.7 | -303.1 | 208.7 | -193.4 | 0.00 | 0.00 | 0.00 |
| 7,200.0 | 3.55 | 145.45 | 7,188.5 | -308.2 | 212.2 | -196.6 | 0.00 | 0.00 | 0.00 |
| 7,300.0 | 3.55 | 145.45 | 7,288.3 | -313.3 | 215.7 | -199.9 | 0.00 | 0.00 | 0.00 |
| 7,400.0 | 3.55 | 145.45 | 7,388.1 | -318.4 | 219.2 | -203.1 | 0.00 | 0.00 | 0.00 |
| 7,500.0 | 3.55 | 145.45 | 7,487.9 | -323.5 | 222.8 | -206.4 | 0.00 | 0.00 | 0.00 |
| 7,600.0 | 3.55 | 145.45 | 7,587.7 | -328.6 | 226.3 | -209.6 | 0.00 | 0.00 | 0.00 |
| 7,700.0 | 3.55 | 145.45 | 7,687.5 | -333.7 | 229.8 | -212.9 | 0.00 | 0.00 | 0.00 |
| 7,800.0 | 3.55 | 145.45 | 7,787.3 | -338.8 | 233.3 | -216.1 | 0.00 | 0.00 | 0.00 |
| 7,900.0 | 3.55 | 145.45 | 7,887.1 | -343.9 | 236.8 | -219.4 | 0.00 | 0.00 | 0.00 |
| 7,901.5 | 3.55 | 145.45 | 7,888.6 | -344.0 | 236.8 | -219.4 | 0.00 | 0.00 | 0.00 |
| 8,000.0 | 2.07 | 145.45 | 7,987.0 | -347.9 | 239.6 | -222.0 | 1.50 | -1.50 | 0.00 |
| 8,100.0 | 0.57 | 145.45 | 8,087.0 | -349.8 | 240.9 | -223.2 | 1.50 | -1.50 | 0.00 |
| 8,138.0 | 0.00 | 0.00 | 8,125.0 | -350.0 | 241.0 | -223.3 | 1.50 | -1.50 | 0.00 |
| KOP: 2050' FNL & 2260' FEL (Sec 6) | | | | | | | | | |
| 8,200.0 | 7.43 | 269.67 | 8,186.8 | -350.0 | 237.0 | -219.3 | 11.99 | 11.99 | 0.00 |
| 8,300.0 | 19.42 | 269.67 | 8,283.9 | -350.2 | 213.8 | -196.1 | 11.99 | 11.99 | 0.00 |
| 8,400.0 | 31.40 | 269.67 | 8,374.1 | -350.4 | 171.0 | -153.3 | 11.99 | 11.99 | 0.00 |
| 8,500.0 | 43.39 | 269.67 | 8,453.4 | -350.8 | 110.4 | -92.8 | 11.99 | 11.99 | 0.00 |
| 8,600.0 | 55.38 | 269.67 | 8,518.4 | -351.2 | 34.6 | -17.1 | 11.99 | 11.99 | 0.00 |
| 8,700.0 | 67.36 | 269.67 | 8,566.2 | -351.7 | -53.0 | 70.4 | 11.99 | 11.99 | 0.00 |
| 8,800.0 | 79.35 | 269.67 | 8,594.8 | -352.3 | -148.6 | 166.0 | 11.99 | 11.99 | 0.00 |
| 8,891.3 | 90.29 | 269.67 | 8,603.0 | -352.8 | -239.4 | 256.7 | 11.99 | 11.99 | 0.00 |
| LP/FTP: 2050' FNL & 2571' FWL (Sec 6) | | | | | | | | | |
| 8,900.0 | 90.29 | 269.67 | 8,603.0 | -352.9 | -248.1 | 265.4 | 0.00 | 0.00 | 0.00 |
| 9,000.0 | 90.29 | 269.67 | 8,602.5 | -353.4 | -348.1 | 365.3 | 0.00 | 0.00 | 0.00 |
| 9,100.0 | 90.29 | 269.67 | 8,601.9 | -354.0 | -448.1 | 465.2 | 0.00 | 0.00 | 0.00 |
| 9,200.0 | 90.29 | 269.67 | 8,601.4 | -354.6 | -548.1 | 565.1 | 0.00 | 0.00 | 0.00 |
| 9,300.0 | 90.29 | 269.67 | 8,600.9 | -355.2 | -648.1 | 665.0 | 0.00 | 0.00 | 0.00 |
| 9,400.0 | 90.29 | 269.67 | 8,600.4 | -355.8 | -748.1 | 764.9 | 0.00 | 0.00 | 0.00 |
| 9,500.0 | 90.29 | 269.67 | 8,599.9 | -356.4 | -848.1 | 864.8 | 0.00 | 0.00 | 0.00 |
| 9,600.0 | 90.29 | 269.67 | 8,599.4 | -356.9 | -948.1 | 964.7 | 0.00 | 0.00 | 0.00 |
| 9,700.0 | 90.29 | 269.67 | 8,598.9 | -357.5 | -1,048.1 | 1,064.6 | 0.00 | 0.00 | 0.00 |
| 9,800.0 | 90.29 | 269.67 | 8,598.4 | -358.1 | -1,148.1 | 1,164.5 | 0.00 | 0.00 | 0.00 |
| 9,900.0 | 90.29 | 269.67 | 8,597.9 | -358.7 | -1,248.1 | 1,264.4 | 0.00 | 0.00 | 0.00 |

Planning Report

| | | | |
|------------------|-----------------------------------|-------------------------------------|--|
| Database: | Hobbs | Local Co-ordinate Reference: | Site Castle Black 6/1 B2FE Fed Com #1H |
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3859.0usft (Original Well Elev) |
| Project: | Lea County, New Mexico NAD 83 | MD Reference: | WELL @ 3859.0usft (Original Well Elev) |
| Site: | Castle Black 6/1 B2FE Fed Com #1H | North Reference: | Grid |
| Well: | Sec 6, T18S, R32E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 2050' FNL & 100' FWL, Sec 1 | | |
| Design: | Design #1 | | |

| Planned Survey | | | | | | | | | |
|----------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 10,000.0 | 90.29 | 269.67 | 8,597.4 | -359.3 | -1,348.1 | 1,364.3 | 0.00 | 0.00 | 0.00 |
| 10,100.0 | 90.29 | 269.67 | 8,596.9 | -359.9 | -1,448.1 | 1,464.2 | 0.00 | 0.00 | 0.00 |
| 10,200.0 | 90.29 | 269.67 | 8,596.4 | -360.4 | -1,548.1 | 1,564.1 | 0.00 | 0.00 | 0.00 |
| 10,300.0 | 90.29 | 269.67 | 8,595.9 | -361.0 | -1,648.1 | 1,664.0 | 0.00 | 0.00 | 0.00 |
| 10,400.0 | 90.29 | 269.67 | 8,595.4 | -361.6 | -1,748.1 | 1,763.9 | 0.00 | 0.00 | 0.00 |
| 10,500.0 | 90.29 | 269.67 | 8,594.9 | -362.2 | -1,848.1 | 1,863.8 | 0.00 | 0.00 | 0.00 |
| 10,600.0 | 90.29 | 269.67 | 8,594.4 | -362.8 | -1,948.1 | 1,963.7 | 0.00 | 0.00 | 0.00 |
| 10,700.0 | 90.29 | 269.67 | 8,593.9 | -363.3 | -2,048.1 | 2,063.6 | 0.00 | 0.00 | 0.00 |
| 10,800.0 | 90.29 | 269.67 | 8,593.4 | -363.9 | -2,148.1 | 2,163.5 | 0.00 | 0.00 | 0.00 |
| 10,900.0 | 90.29 | 269.67 | 8,592.9 | -364.5 | -2,248.1 | 2,263.4 | 0.00 | 0.00 | 0.00 |
| 11,000.0 | 90.29 | 269.67 | 8,592.4 | -365.1 | -2,348.1 | 2,363.3 | 0.00 | 0.00 | 0.00 |
| 11,100.0 | 90.29 | 269.67 | 8,591.9 | -365.7 | -2,448.1 | 2,463.2 | 0.00 | 0.00 | 0.00 |
| 11,200.0 | 90.29 | 269.67 | 8,591.4 | -366.3 | -2,548.1 | 2,563.1 | 0.00 | 0.00 | 0.00 |
| 11,300.0 | 90.29 | 269.67 | 8,590.9 | -366.8 | -2,648.1 | 2,663.0 | 0.00 | 0.00 | 0.00 |
| 11,400.0 | 90.29 | 269.67 | 8,590.4 | -367.4 | -2,748.1 | 2,762.9 | 0.00 | 0.00 | 0.00 |
| 11,461.9 | 90.29 | 269.67 | 8,590.1 | -367.8 | -2,810.0 | 2,824.8 | 0.00 | 0.00 | 0.00 |
| PPP2: 2050' FNL & 0' FEL (Sec 1) | | | | | | | | | |
| 11,500.0 | 90.29 | 269.67 | 8,589.9 | -368.0 | -2,848.1 | 2,862.8 | 0.00 | 0.00 | 0.00 |
| 11,600.0 | 90.29 | 269.67 | 8,589.4 | -368.6 | -2,948.1 | 2,962.7 | 0.00 | 0.00 | 0.00 |
| 11,700.0 | 90.29 | 269.67 | 8,588.9 | -369.2 | -3,048.1 | 3,062.6 | 0.00 | 0.00 | 0.00 |
| 11,800.0 | 90.29 | 269.67 | 8,588.4 | -369.8 | -3,148.1 | 3,162.5 | 0.00 | 0.00 | 0.00 |
| 11,900.0 | 90.29 | 269.67 | 8,587.9 | -370.3 | -3,248.0 | 3,262.5 | 0.00 | 0.00 | 0.00 |
| 12,000.0 | 90.29 | 269.67 | 8,587.4 | -370.9 | -3,348.0 | 3,362.4 | 0.00 | 0.00 | 0.00 |
| 12,100.0 | 90.29 | 269.67 | 8,586.9 | -371.5 | -3,448.0 | 3,462.3 | 0.00 | 0.00 | 0.00 |
| 12,200.0 | 90.29 | 269.67 | 8,586.4 | -372.1 | -3,548.0 | 3,562.2 | 0.00 | 0.00 | 0.00 |
| 12,300.0 | 90.29 | 269.67 | 8,585.8 | -372.7 | -3,648.0 | 3,662.1 | 0.00 | 0.00 | 0.00 |
| 12,400.0 | 90.29 | 269.67 | 8,585.3 | -373.3 | -3,748.0 | 3,762.0 | 0.00 | 0.00 | 0.00 |
| 12,500.0 | 90.29 | 269.67 | 8,584.8 | -373.8 | -3,848.0 | 3,861.9 | 0.00 | 0.00 | 0.00 |
| 12,600.0 | 90.29 | 269.67 | 8,584.3 | -374.4 | -3,948.0 | 3,961.8 | 0.00 | 0.00 | 0.00 |
| 12,700.0 | 90.29 | 269.67 | 8,583.8 | -375.0 | -4,048.0 | 4,061.7 | 0.00 | 0.00 | 0.00 |
| 12,800.0 | 90.29 | 269.67 | 8,583.3 | -375.6 | -4,148.0 | 4,161.6 | 0.00 | 0.00 | 0.00 |
| 12,900.0 | 90.29 | 269.67 | 8,582.8 | -376.2 | -4,248.0 | 4,261.5 | 0.00 | 0.00 | 0.00 |
| 13,000.0 | 90.29 | 269.67 | 8,582.3 | -376.8 | -4,348.0 | 4,361.4 | 0.00 | 0.00 | 0.00 |
| 13,100.0 | 90.29 | 269.67 | 8,581.8 | -377.3 | -4,448.0 | 4,461.3 | 0.00 | 0.00 | 0.00 |
| 13,200.0 | 90.29 | 269.67 | 8,581.3 | -377.9 | -4,548.0 | 4,561.2 | 0.00 | 0.00 | 0.00 |
| 13,300.0 | 90.29 | 269.67 | 8,580.8 | -378.5 | -4,648.0 | 4,661.1 | 0.00 | 0.00 | 0.00 |
| 13,400.0 | 90.29 | 269.67 | 8,580.3 | -379.1 | -4,748.0 | 4,761.0 | 0.00 | 0.00 | 0.00 |
| 13,500.0 | 90.29 | 269.67 | 8,579.8 | -379.7 | -4,848.0 | 4,860.9 | 0.00 | 0.00 | 0.00 |
| 13,600.0 | 90.29 | 269.67 | 8,579.3 | -380.3 | -4,948.0 | 4,960.8 | 0.00 | 0.00 | 0.00 |
| 13,700.0 | 90.29 | 269.67 | 8,578.8 | -380.8 | -5,048.0 | 5,060.7 | 0.00 | 0.00 | 0.00 |
| 13,800.0 | 90.29 | 269.67 | 8,578.3 | -381.4 | -5,148.0 | 5,160.6 | 0.00 | 0.00 | 0.00 |
| 13,900.0 | 90.29 | 269.67 | 8,577.8 | -382.0 | -5,248.0 | 5,260.5 | 0.00 | 0.00 | 0.00 |
| 14,000.0 | 90.29 | 269.67 | 8,577.3 | -382.6 | -5,348.0 | 5,360.4 | 0.00 | 0.00 | 0.00 |
| 14,100.0 | 90.29 | 269.67 | 8,576.8 | -383.2 | -5,448.0 | 5,460.3 | 0.00 | 0.00 | 0.00 |
| 14,103.0 | 90.29 | 269.67 | 8,576.8 | -383.2 | -5,451.0 | 5,463.3 | 0.00 | 0.00 | 0.00 |
| PPP3: 2050' FNL & 2640' FWL (1) | | | | | | | | | |
| 14,200.0 | 90.29 | 269.67 | 8,576.3 | -383.8 | -5,548.0 | 5,560.2 | 0.00 | 0.00 | 0.00 |
| 14,300.0 | 90.29 | 269.67 | 8,575.8 | -384.3 | -5,648.0 | 5,660.1 | 0.00 | 0.00 | 0.00 |
| 14,400.0 | 90.29 | 269.67 | 8,575.3 | -384.9 | -5,748.0 | 5,760.0 | 0.00 | 0.00 | 0.00 |
| 14,500.0 | 90.29 | 269.67 | 8,574.8 | -385.5 | -5,848.0 | 5,859.9 | 0.00 | 0.00 | 0.00 |
| 14,600.0 | 90.29 | 269.67 | 8,574.3 | -386.1 | -5,948.0 | 5,959.8 | 0.00 | 0.00 | 0.00 |
| 14,700.0 | 90.29 | 269.67 | 8,573.8 | -386.7 | -6,048.0 | 6,059.7 | 0.00 | 0.00 | 0.00 |
| 14,800.0 | 90.29 | 269.67 | 8,573.3 | -387.3 | -6,148.0 | 6,159.6 | 0.00 | 0.00 | 0.00 |

Planning Report

| | | | |
|------------------|-----------------------------------|-------------------------------------|--|
| Database: | Hobbs | Local Co-ordinate Reference: | Site Castle Black 6/1 B2FE Fed Com #1H |
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3859.0usft (Original Well Elev) |
| Project: | Lea County, New Mexico NAD 83 | MD Reference: | WELL @ 3859.0usft (Original Well Elev) |
| Site: | Castle Black 6/1 B2FE Fed Com #1H | North Reference: | Grid |
| Well: | Sec 6, T18S, R32E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 2050' FNL & 100' FWL, Sec 1 | | |
| Design: | Design #1 | | |

| Planned Survey | | | | | | | | | | |
|-----------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|--|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | |
| 14,900.0 | 90.29 | 269.67 | 8,572.8 | -387.8 | -6,248.0 | 6,259.5 | 0.00 | 0.00 | 0.00 | |
| 15,000.0 | 90.29 | 269.67 | 8,572.3 | -388.4 | -6,348.0 | 6,359.4 | 0.00 | 0.00 | 0.00 | |
| 15,100.0 | 90.29 | 269.67 | 8,571.8 | -389.0 | -6,448.0 | 6,459.3 | 0.00 | 0.00 | 0.00 | |
| 15,200.0 | 90.29 | 269.67 | 8,571.3 | -389.6 | -6,547.9 | 6,559.2 | 0.00 | 0.00 | 0.00 | |
| 15,300.0 | 90.29 | 269.67 | 8,570.8 | -390.2 | -6,647.9 | 6,659.1 | 0.00 | 0.00 | 0.00 | |
| 15,400.0 | 90.29 | 269.67 | 8,570.2 | -390.8 | -6,747.9 | 6,759.0 | 0.00 | 0.00 | 0.00 | |
| 15,500.0 | 90.29 | 269.67 | 8,569.7 | -391.3 | -6,847.9 | 6,858.9 | 0.00 | 0.00 | 0.00 | |
| 15,600.0 | 90.29 | 269.67 | 8,569.2 | -391.9 | -6,947.9 | 6,958.8 | 0.00 | 0.00 | 0.00 | |
| 15,700.0 | 90.29 | 269.67 | 8,568.7 | -392.5 | -7,047.9 | 7,058.7 | 0.00 | 0.00 | 0.00 | |
| 15,800.0 | 90.29 | 269.67 | 8,568.2 | -393.1 | -7,147.9 | 7,158.6 | 0.00 | 0.00 | 0.00 | |
| 15,900.0 | 90.29 | 269.67 | 8,567.7 | -393.7 | -7,247.9 | 7,258.5 | 0.00 | 0.00 | 0.00 | |
| 16,000.0 | 90.29 | 269.67 | 8,567.2 | -394.3 | -7,347.9 | 7,358.4 | 0.00 | 0.00 | 0.00 | |
| 16,100.0 | 90.29 | 269.67 | 8,566.7 | -394.8 | -7,447.9 | 7,458.3 | 0.00 | 0.00 | 0.00 | |
| 16,200.0 | 90.29 | 269.67 | 8,566.2 | -395.4 | -7,547.9 | 7,558.2 | 0.00 | 0.00 | 0.00 | |
| 16,300.0 | 90.29 | 269.67 | 8,565.7 | -396.0 | -7,647.9 | 7,658.1 | 0.00 | 0.00 | 0.00 | |
| 16,400.0 | 90.29 | 269.67 | 8,565.2 | -396.6 | -7,747.9 | 7,758.1 | 0.00 | 0.00 | 0.00 | |
| 16,500.0 | 90.29 | 269.67 | 8,564.7 | -397.2 | -7,847.9 | 7,858.0 | 0.00 | 0.00 | 0.00 | |
| 16,600.0 | 90.29 | 269.67 | 8,564.2 | -397.8 | -7,947.9 | 7,957.9 | 0.00 | 0.00 | 0.00 | |
| 16,642.1 | 90.29 | 269.67 | 8,564.0 | -398.0 | -7,990.0 | 7,999.9 | 0.00 | 0.00 | 0.00 | |
| BHL: 2050' FNL & 100' FWL (Sec 1) | | | | | | | | | | |

| Design Targets | | | | | | | | | | |
|---|---------------|--------------|------------|--------------|--------------|-----------------|----------------|------------|--------------|--|
| Target Name - hit/miss target - Shape | Dip Angle (°) | Dip Dir. (°) | TVD (usft) | +N/-S (usft) | +E/-W (usft) | Northing (usft) | Easting (usft) | Latitude | Longitude | |
| SHL: 1700' FNL & 2500' - plan hits target center - Point | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 647,616.00 | 703,623.00 | 32.7792165 | -103.8053002 | |
| KOP: 2050' FNL & 2260' - plan hits target center - Point | 0.00 | 0.00 | 8,125.0 | -350.0 | 241.0 | 647,266.00 | 703,864.00 | 32.7782512 | -103.8045218 | |
| BHL: 2050' FNL & 100' F - plan hits target center - Point | 0.00 | 0.00 | 8,564.0 | -398.0 | -7,990.0 | 647,218.00 | 695,633.00 | 32.7782295 | -103.8313028 | |
| PPP3: 2050' FNL & 2640' - plan hits target center - Point | 0.00 | 0.00 | 8,576.8 | -383.2 | -5,451.0 | 647,232.81 | 698,172.00 | 32.7782368 | -103.8230417 | |
| PPP2: 2050' FNL & 0' FE - plan hits target center - Point | 0.00 | 0.00 | 8,590.1 | -367.8 | -2,810.0 | 647,248.21 | 700,813.00 | 32.7782439 | -103.8144488 | |
| LP/FTP: 2050' FNL & 25 - plan hits target center - Point | 0.00 | 0.00 | 8,603.0 | -352.8 | -239.4 | 647,263.20 | 703,383.60 | 32.7782501 | -103.8060849 | |

Intent ☒ As Drilled ☐

API #

| | | |
|-------------------------------------|---|-------------------|
| Operator Name: Mewbourne Oil Co. | Property Name: Castle Black 6/1 B2FE Fed Com | Well Number 1H |
|-------------------------------------|---|-------------------|

Kick Off Point (KOP)

| | | | | | | | | | |
|------------------------|--------------|-----------------|--------------|-----|---------------------------|---------------|--------------|---------------|---------------|
| UL G | Section 6 | Township 18S | Range 32E | Lot | Feet 2050 | From N/S N | Feet 2260 | From E/W E | County Lea |
| Latitude 32.7782512 | | | | | Longitude -103.8045218 | | | NAD 83 | |

First Take Point (FTP)

| | | | | | | | | | |
|------------------------|--------------|-----------------|--------------|-----|---------------------------|---------------|--------------|---------------|---------------|
| UL F | Section 6 | Township 18S | Range 32E | Lot | Feet 2050 | From N/S N | Feet 2571 | From E/W W | County Lea |
| Latitude 32.7782501 | | | | | Longitude -103.8060849 | | | NAD 83 | |

Last Take Point (LTP)

| | | | | | | | | | |
|------------------------|--------------|-----------------|--------------|-----|---------------------------|---------------|-------------|---------------|---------------|
| UL E | Section 1 | Township 18S | Range 31E | Lot | Feet 2050 | From N/S N | Feet 100 | From E/W W | County Lea |
| Latitude 32.7782295 | | | | | Longitude -103.8313028 | | | NAD 83 | |

Is this well the defining well for the Horizontal Spacing Unit? ☐ Y

Is this well an infill well? ☐ N

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

| | | |
|----------------|----------------|-------------|
| Operator Name: | Property Name: | Well Number |
|----------------|----------------|-------------|

KZ 06/29/2018

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Original
to Appropriate
District Office

OCD - HOBBS
10/05/2020
RECEIVED

GAS CAPTURE PLAN

Date: 1-20-20

☒ Original

Operator & OGRID No.: Mewbourne Oil Company - 14744

☐ Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

| Well Name | API | Well Location (ULSTR) | Footages | Expected MCF/D | Flared or Vented | Comments |
|--|-----|-----------------------|--------------------|----------------|------------------|-------------------|
| Castle Black 6/1 B2FE Fed Com #1H 30-025-48029 | | G- 6-18S-32E | 700 FNL & 2500 FEL | 0 | NA | ONLINE AFTER FRAC |
| | | | | | | |

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Western and will be connected to Western low/high pressure gathering system located in EDDY County, New Mexico. It will require 3,400 ' of pipeline to connect the facility to low/high pressure gathering system. Mewbourne Oil Company provides (periodically) to Western a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Mewbourne Oil Company and Western have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Western Processing Plant located in Sec. 36, Blk. 58 T1S, Culberson County, Texas. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Western system at that time. Based on current information, it is Operator's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines