

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-101

August 1, 2011

Permit 277589

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241		2. OGRID Number 14744
		3. API Number 30-025-46801
4. Property Code 327014	5. Property Name HOLSTEIN 19 18 B3OB STATE COM	6. Well No. 001H

7. Surface Location

UL - Lot O	Section 19	Township 19S	Range 35E	Lot Idn O	Feet From 205	N/S Line S	Feet From 1330	E/W Line E	County Lea
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8. Proposed Bottom Hole Location

UL - Lot B	Section 18	Township 19S	Range 35E	Lot Idn B	Feet From 100	N/S Line N	Feet From 2000	E/W Line E	County Lea
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9. Pool Information

SCHARB;BONE SPRING	55610
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3794
16. Multiple N	17. Proposed Depth 21303	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 2/23/2020
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1885	1310	0
Int1	12.25	9.625	40	3500	700	0
Prod	8.75	7	26	11100	870	3300
Liner1	6.125	4.5	13.5	21303	430	10534

Casing/Cement Program: Additional Comments

MOC proposed to drill & test the Bone Springs formation. H2S rule 118 does not apply because MOC has researched the area & no high concentrations were found. Will have on location & working all H2S safety equipment before Yates formation for safety & insurance purposes. Will stimulate as needed for production.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1500	Schaffer
Double Ram	3000	3000	Schaffer
Annular	3000	1500	Schaffer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable.

OIL CONSERVATION DIVISION

Signature:

Printed Name: Electronically filed by Monty Whetstone	Approved By: Paul F Kautz
Title: Vice President Operations	Title: Geologist
Email Address: prodmgr@mewbourne.com	Approved Date: 1/29/2020 Expiration Date: 1/29/2022
Date: 1/23/2020 Phone: 903-561-2900	Conditions of Approval Attached

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-10
Revised August 1, 2010
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-		2 Pool Code 49680-55610		3 Pool Name SCHAEFER, BONE SPRING	
4 Property Code 327014		5 Property Name HOLSTEIN 19/18 B30B FEE			6 Well Number 1H
7 OGRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3794'

10 Surface Location

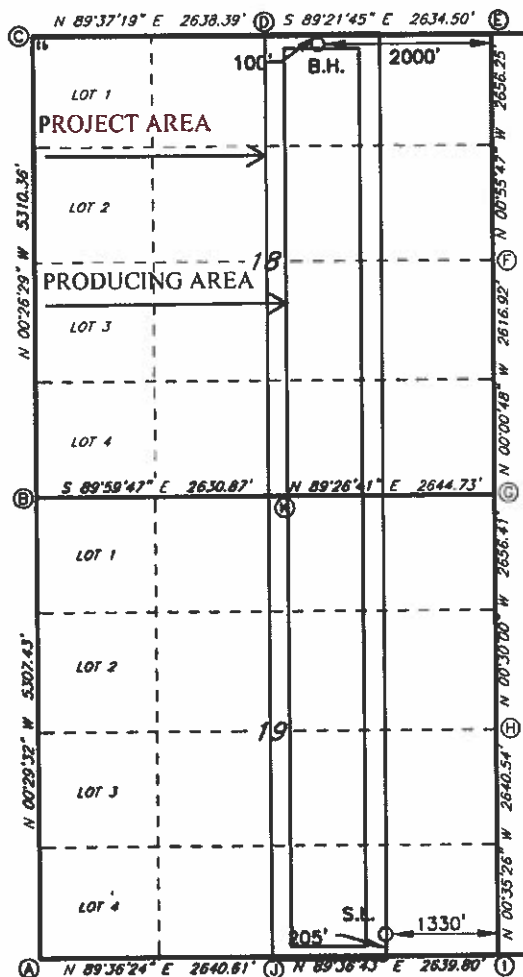
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	19	19S	35E		205	SOUTH	1330	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	18	19S	35E		100	NORTH	2000	EAST	LEA

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



GEODETIC DATA
NAD 83 GRID - NM EAST
SURFACE LOCATION (SL)
N: 597332.8 - E: 800208.0

BOTTOM HOLE
N: 607626.7 - E: 799447.9
LAT: 32.6392997° N
LONG: 103.4923803° W

CORNER DATA
NAD 83 GRID - NM EAST
A: FOUND 1/2" REBAR
N: 597100.9 - E: 796260.5
B: FOUND BRASS CAP "1912"
N: 602407.1 - E: 796215.0

C: FOUND NAIL
N: 607716.3 - E: 796174.1
D: FOUND 1/2" REBAR
N: 607733.7 - E: 798811.9
E: CALCULATED CORNER
N: 607704.4 - E: 801445.7
F: FOUND 1/2" REBAR
N: 605049.0 - E: 801488.8
G: FOUND LIMESTONE ROCK
N: 602432.6 - E: 801499.4

H: FOUND 8"x4"x4"
LIMESTONE ROCK
N: 599776.8 - E: 801512.6

I: FOUND 5/8" REBAR
N: 597136.9 - E: 801539.8

J: FOUND 1/2" REBAR
N: 597119.0 - E: 798900.6

K: FOUND 12"x6"x14"
LIMESTONE ROCK
N: 602406.9 - E: 798845.3

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling

under heretofore entered by the division
Signature Date
BRADLEY BISHOP 1-23-20

Printed Name
BBISHOP@MEWBOURNE.COM
E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

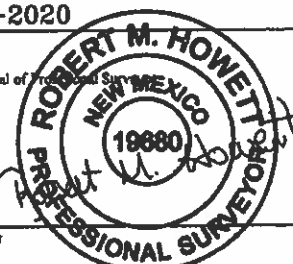
01-21-2020

Date of Survey

Signature and Seal of Professional Surveyor

19680

Certificate Number



RRC-Job No.: LS20010042

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GAS CAPTURE PLAN

Date: 1/29/2020

☒ Original

Operator & OGRID No.: [14744] MEWBOURNE OIL CO

☐ 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
HOLSTEIN 19 18 B3OB STATE COM #001H	30-025-46801	O-19-19S-35E	0205S 1330E	200	None	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 TARGA MIDSTREAM SERVICES LLC and will be connected to TARGA MIDSTREAM SERVICES LLC Low Pressure gathering system located in Lea County, New Mexico. It will require 3400' of pipeline to connect the facility to Low Pressure gathering system. MEWBOURNE OIL CO provides (periodically) to TARGA MIDSTREAM SERVICES LLC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, MEWBOURNE OIL CO and TARGA MIDSTREAM SERVICES LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at TARGA MIDSTREAM SERVICES LLC Processing Plant located in Sec. 28, Twn. 21S, Rng. 37E, Lea County, New Mexico. 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 TARGA MIDSTREAM SERVICES LLC system at that time. Based on current information, it is MEWBOURNE OIL CO'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

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Form APD Comments

Permit 277589

PERMIT COMMENTS

Operator Name and Address: MEWBOURNE OIL CO [14744] P.O. Box 5270 Hobbs, NM 88241		API Number: 30-025-46801
		Well: HOLSTEIN 19 18 B3OB STATE COM #001H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 277589

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MEWBOURNE OIL CO [14744] P.O. Box 5270 Hobbs, NM 88241	API Number: 30-025-46801
	Well: HOLSTEIN 19 18 B3OB STATE COM #001H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- 3) Liner - Cement must tie back into production casing
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	1)- The Operator is to notify NMOCB by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 45 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD. If an APD expires and if site construction has occurred, site remediation is required.
pkautz	Stage Tool 1) Must notify OCD Hobbs Office prior to running Stage Tool at 5753703186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.

Intent ☐ As Drilled ☐

API #		
Operator Name:	Property Name:	Well Number

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

Is this well the defining well for the Horizontal Spacing Unit? ☐Is this well an infill well? ☐

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