

Form 3160-3
(June 2015)

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 type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. |
| 1b. Type of Well: <input 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 type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 7. If Unit or CA Agreement, Name and No. |
| 2. Name of Operator | | 8. Lease Name and Well No. |
| 3a. Address | | 9. API Well No. 30-025-53218 |
| 3b. Phone No. (include area code) | | 10. Field and Pool, or Exploratory |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface At proposed prod. zone | | 11. Sec., T. R. M. or Blk. and Survey or Area |
| 14. Distance in miles and direction from nearest town or post office* | | 12. County or Parish |
| | | 13. State |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) | 16. No of acres in lease | 17. Spacing Unit dedicated to this well |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. | 19. Proposed Depth | 20. BLM/BIA Bond No. in file |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) | 22. Approximate date work will start* | 23. Estimated duration |
| 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 | Name (Printed/Typed) | Date |
| Title | | |
| Approved by (Signature) | Name (Printed/Typed) | Date |
| Title | 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.



(Continued on page 2)

*(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: NWSE / 2590 FSL / 2430 FEL / TWSP: 19S / RANGE: 33E / SECTION: 21 / LAT: 32.6456169 / LONG: -103.6674258 (TVD: 0 feet, MD: 0 feet)
PPP: SWSW / 0 FSL / 450 FWL / TWSP: 19S / RANGE: 33E / SECTION: 16 / LAT: 32.6530246 / LONG: -103.6752036 (TVD: 9994 feet, MD: 13294 feet)
PPP: NWNW / 1319 FNL / 450 FWL / TWSP: 19S / RANGE: 33E / SECTION: 21 / LAT: 32.6493965 / LONG: -103.6752158 (TVD: 10013 feet, MD: 11974 feet)
PPP: SWNW / 2539 FNL / 450 FWL / TWSP: 19S / RANGE: 33E / SECTION: 21 / LAT: 32.6460459 / LONG: -103.675227 (TVD: 10030 feet, MD: 10775 feet)
BHL: NWNW / 100 FNL / 450 FWL / TWSP: 19S / RANGE: 33E / SECTION: 16 / LAT: 32.6672685 / LONG: -103.6751556 (TVD: 9920 feet, MD: 18477 feet)

BLM Point of Contact

Name: PAMELLA HERNANDEZ
Title: LIE
Phone: (575) 234-5954
Email: PHERNANDEZ@BLM.GOV

CONFIDENTIAL

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.

CONFIDENTIAL

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|------------------------------------------------|--|------------------------------------------------------------------|--|-----------------------------------------------------|----------------------------------------|
| ¹ API Number 30-025-53218 | | ² Pool Code 59475 | | ³ Pool Name TONTO; BONE SPRING | |
| ⁴ Property Code 336091 | | ⁵ Property Name BUSHWOOD 21/16 B2ED FED COM | | | ⁶ Well Number 1H |
| ⁷ OGRID NO. 14744 | | ⁸ Operator Name MEWBOURNE OIL COMPANY | | | ⁹ Elevation 3622' |

¹⁰ Surface Location

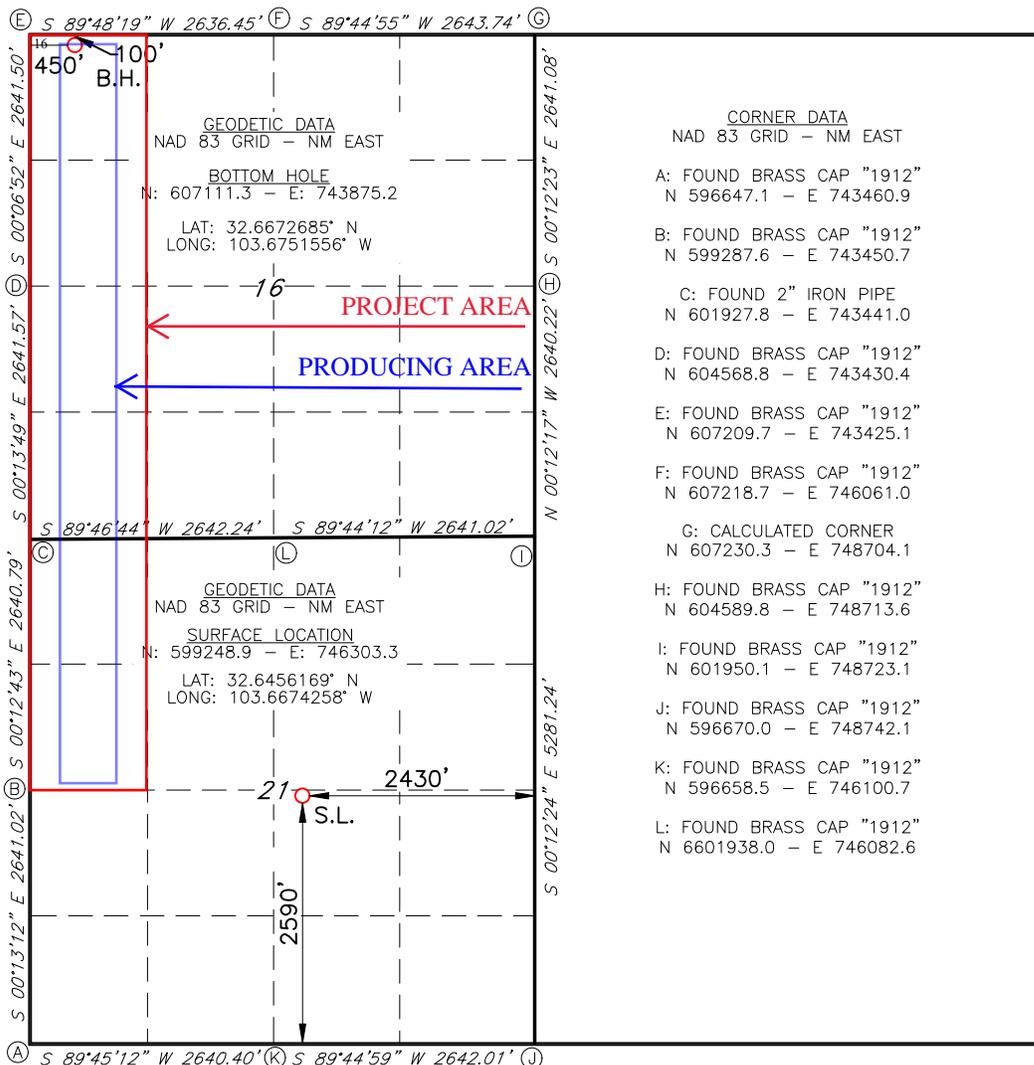
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/West line | County |
|---------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|------------|
| J | 21 | 19S | 33E | | 2590 | SOUTH | 2430 | 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 |
|---------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|------------|
| D | 16 | 19S | 33E | | 100 | NORTH | 450 | WEST | LEA |

| | | | |
|---------------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 240 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|---------------------------------------------|-------------------------------|----------------------------------|-------------------------|

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.

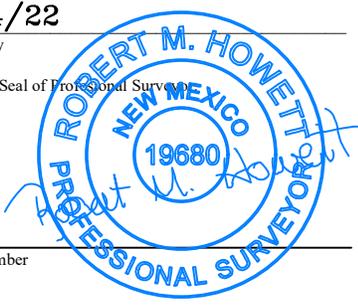


¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to 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 order heretofore entered by the division.

Bradley C Bishop 4/25/22
Signature Date
BRADLEY BISHOP
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.

03/24/22
Date of Survey
Signature and Seal of Professional Surveyor
19680
Certificate Number



Job No.: LS22030179

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description
Effective May 25, 2021

I. Operator: Mewbourne Oil Co. **OGRID:** 14744 **Date:** 4/2/22

II. Type: Original Amendment due to 19.15.27.9.D(6)(a) NMAC 19.15.27.9.D(6)(b) NMAC Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name | API | ULSTR | Footages | Anticipated Oil BBL/D | Anticipated Gas MCF/D | Anticipated Produced Water BBL/D |
|---------------------------------|-----|--------------|-----------------------|-----------------------|-----------------------|----------------------------------|
| Bushwood 21/16 B2ED Fed Com #1H | | J 21 19S 33E | 2590' FSL x 2430' FEL | 1500 | 1000 | 3000 |
| | | | | | | |

IV. Central Delivery Point Name: Bushwood 21/16 B2ED Fed Com #1H [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name | API | Spud Date | TD Reached Date | Completion Commencement Date | Initial Flow Back Date | First Production Date |
|---------------------------------|-----|-----------|-----------------|------------------------------|------------------------|-----------------------|
| Bushwood 21/16 B2ED Fed Com #1H | | 10/1/24 | 11/1/24 | 12/1/24 | 12/16/24 | 12/16/24 |
| | | | | | | |

VI. Separation Equipment: Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: Attach a complete description of Operator’s best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan
EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

| Well | API | Anticipated Average Natural Gas Rate MCF/D | Anticipated Volume of Natural Gas for the First Year MCF |
|------|-----|--------------------------------------------|----------------------------------------------------------|
| | | | |
| | | | |

X. Natural Gas Gathering System (NGGS):

| Operator | System | ULSTR of Tie-in | Anticipated Gathering Start Date | Available Maximum Daily Capacity of System Segment Tie-in |
|----------|--------|-----------------|----------------------------------|-----------------------------------------------------------|
| | | | | |
| | | | | |

XI. Map. Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system will will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator does does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

Attach Operator’s plan to manage production in response to the increased line pressure.

XIV. Confidentiality: Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

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I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

| | |
|--------------------------------------------------------------------------------------------------|-----------------------|
| Signature: | <i>Bradley Bishop</i> |
| Printed Name: | BRADLEY BISHOP |
| Title: | REGULATORY MANAGER |
| E-mail Address: | BBISHOP@MEWBOURNE.COM |
| Date: | 7/12/24 |
| Phone: | 575-393-5905 |
| OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form) | |
| Approved By: | |
| Title: | |
| Approval Date: | |
| Conditions of Approval: | |

Mewbourne Oil Company

Natural Gas Management Plan – Attachment

- VI. Separation equipment will be sized by construction engineering staff based on stated manufacturer daily throughput capacities and anticipated daily production rates to ensure adequate capacity. Closed vent system piping, compression needs, and VRUs will be sized utilizing ProMax modelling software to ensure adequate capacity for anticipated production volumes and conditions.
- VII. Mewbourne Oil Company (MOC) will take following actions to comply with the regulations listed in 19.15.27.8 :
- A. MOC will maximize the recovery of natural gas by minimizing the waste, as defined by 19.15.2 NMAC, of natural gas through venting and flaring. MOC will ensure that well(s) will be connected to a natural gas gathering system with sufficient capacity to transport natural gas. If there is no adequate takeaway for the gas, well(s) will be shut in until the natural gas gathering system is available.
 - B. All drilling operations will be equipped with a rig flare located at least 100 ft from the nearest surface hole. Rig flare will be utilized to combust any natural gas that is brought to surface during normal drilling operations. In the case of emergency venting or flaring the volumes will be estimated and reported appropriately.
 - C. During completion operations any natural gas brought to surface will be flared. Immediately following the finish of completion operations, all well flow will be directed to permanent separation equipment. Produced natural gas from separation equipment will be sent to sales. It is not anticipated that gas will not meet pipeline standards. However, if natural gas does not meet gathering pipeline quality specifications, MOC will flare the natural gas for 60 days or until the natural gas meets the pipeline quality specifications, whichever is sooner. MOC will ensure that the flare is sized properly and is equipped with automatic igniter or continuous pilot. The gas sample will analyzed twice per week and the gas will be routed into a gathering system as soon as pipeline specifications are met.
 - D. Natural gas will not be flared with the exceptions and provisions listed in the 19.15.27.8 D.(1) through (4). If there is no adequate takeaway for the separator gas, well(s) will be shut in until the natural gas gathering system is available with exception of emergency or malfunction situations. Venting and/or flaring volumes will be estimated and reported appropriately.
 - E. MOC will comply with the performance standards requirements and provisions listed in 19.15.27.8 E.(1) through (8). All equipment will be designed and sized to handle maximum anticipated pressures and throughputs in order to minimize the waste. Production storage tanks constructed after May 25, 2021 will be equipped with automatic gauging system. Flares constructed after May 25, 2021 will be equipped with automatic igniter or continuous pilot. Flares will be located at least 100' from the well and storage tanks unless otherwise approved by the division. MOC will conduct AVO inspections as described in 19.15.27.8 E (5) (a) with frequencies specified in 19.15.27.8 E (5) (b) and (c). All emergencies will be resolved as quickly and safely as feasible to minimize waste.
 - F. The volume of natural gas that is vented or flared as the result of malfunction or emergency during drilling and completions operations will be estimated. The volume of natural gas that is vented, flared or beneficially used during production operations, will be measured or estimated. MOC will install equipment to measure

the volume of natural gas flared from existing process piping or a flowline piped from equipment such as high pressure separators, heater treaters, or vapor recovery units associated with a well or facility associated with a well authorized by an APD issued after May 25, 2021 that has an average daily production greater than 60 Mcf/day. If metering is not practicable due to circumstances such as low flow rate or low pressure venting and flaring, MOC will estimate the volume of vented or flared natural gas. Measuring equipment will conform to industry standards and will not be designed or equipped with a manifold that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measurement equipment.

- VIII. For maintenance activities involving production equipment and compression, venting will be limited to the depressurization of the subject equipment to ensure safe working conditions. For maintenance of production and compression equipment the associated producing wells will be shut in to eliminate venting. For maintenance of VRUs all gas normally routed to the VRU will be routed to flare to eliminate venting.

Operator Name: MEWBOURNE OIL COMPANY

Well Name: BUSHWOOD 21/16 B2ED FED COM

Well Number: 1H

Casing Attachments

Casing ID: 7 **String** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Bushwood_21_16_B2ED_Fed_Com_1H_Csg_Assumptions_1_20221110154103.pdf

Casing ID: 8 **String** PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Bushwood_21_16_B2ED_Fed_Com_1H_Csg_Assumptions_1_20221110153320.pdf

Casing ID: 9 **String** LINER

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Bushwood_21_16_B2ED_Fed_Com_1H_Csg_Assumptions_1_20221110152934.pdf

Section 4 - Cement

Operator Name: MEWBOURNE OIL COMPANY

Well Name: BUSHWOOD 21/16 B2ED FED COM

Well Number: 1H

| String Type | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives |
|--------------|-----------|------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|-----------|
| INTERMEDIATE | Lead | | 0 | 0 | 0 | 0 | 0 | 0 | | Class | 0 |

| | | | | | | | | | | | |
|--------------|------|------|------|-----------|------|------|------|------|-----|---------|----------------------------------------------------------------------------|
| SURFACE | Lead | | 0 | 1311 | 1870 | 2.12 | 12.5 | 3964 | 100 | Class C | Salt, Gel, Extender, LCM |
| SURFACE | Tail | | 1311 | 1400 | 200 | 1.34 | 14.8 | 268 | 100 | Class C | Retarder |
| INTERMEDIATE | Lead | | 0 | 3042 | 1490 | 2.12 | 12.5 | 3159 | 50 | Class C | Salt, Gel, Extender, LCM |
| INTERMEDIATE | Tail | | 3042 | 3300 | 200 | 1.34 | 14.8 | 268 | 50 | Class C | Retarder |
| INTERMEDIATE | Lead | 3455 | 0 | 3105 | 560 | 2.12 | 12.5 | 1187 | 25 | Class C | Salt, Gel, Extender, LCM |
| INTERMEDIATE | Tail | | 3105 | 3455 | 100 | 1.34 | 14.8 | 134 | 25 | Class C | Retarder |
| INTERMEDIATE | Lead | 3455 | 3455 | 4694 | 230 | 2.12 | 12.5 | 484 | 25 | Class C | Salt, Gel, Extender, LCM |
| INTERMEDIATE | Tail | | 4694 | 5375 | 200 | 1.34 | 14.8 | 268 | 25 | Class C | Retarder |
| PRODUCTION | Lead | | 3430 | 7407 | 370 | 2.12 | 12.5 | 784 | 40 | Class C | Gel, Retarder, Defoamer, Extender |
| PRODUCTION | Tail | | 7407 | 9800 | 400 | 1.18 | 15.6 | 472 | 25 | Class H | Retarder, Fluid Loss, Defoamer |
| LINER | Lead | | 9600 | 1847 7 | 570 | 1.85 | 13.5 | 1055 | 25 | Class H | Salt, Gel, Fluid Loss, Retarder, Dispersant, Defoamer, Anti-Settling Agent |

Operator Name: MEWBOURNE OIL COMPANY

Well Name: BUSHWOOD 21/16 B2ED 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 in surface hole

Describe the mud monitoring system utilized: 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 |
|-----------|--------------|--------------------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
| 9800 | 1847 7 | OIL-BASED MUD | 8.8 | 10 | | | | | | | |
| 0 | 1400 | SPUD MUD | 8.6 | 8.8 | | | | | | | |
| 5375 | 9800 | WATER-BASED MUD | 8.6 | 9.7 | | | | | | | |
| 1400 | 3300 | SALT SATURATED | 10 | 10 | | | | | | | |
| 3300 | 5375 | WATER-BASED MUD | 8.6 | 8.8 | | | | | | | |

Operator Name: MEWBOURNE OIL COMPANY

Well Name: BUSHWOOD 21/16 B2ED FED COM

Well Number: 1H

Section 6 - Test, Logging, Coring

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

Will run GR/CNL in the offset Bushwood 21/16 B2GB Fed Com #1H

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

DIRECTIONAL SURVEY, MEASUREMENT WHILE DRILLING, MUD LOG/GEOLOGIC LITHOLOGY LOG,

Coring operation description for the well:

None

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 5216

Anticipated Surface Pressure: 3009

Anticipated Bottom Hole Temperature(F): 188

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

Describe:

Contingency Plans geohazards description:

Contingency Plans geohazards

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations

Bushwood_21_16_B2ED_Fed_Com_1H_H2S_Plan_20221110155824.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Bushwood_21_16_B2ED_Fed_Com_1H_MOC_Dir_Plan_20221110155849.pdf

Bushwood_21_16_B2ED_Fed_Com_1H_MOC_Dir_Plot_20221110155849.pdf

Other proposed operations facets description:

Other proposed operations facets attachment:

Bushwood_21_16_B2ED_Fed_Com_1H_Add_Info_20221110155856.pdf

Other Variance attachment:

CONFIDENTIAL



GATES ENGINEERING & SERVICES NORTH AMERICA
7603 Prairie Oak Dr.
Houston, TX 77086

PHONE: (281) 602 - 4119
FAX:
EMAIL: Troy.Schmidt@gates.com
WEB: www.gates.com

10K CHOKE & KILL ASSEMBLY PRESSURE TEST CERTIFICATE

| | | | |
|----------------------|-------------------------------------|------------------|-------------------------|
| Customer: | A-7 AUSTIN INC DBA AUSTIN HOSE | Test Date: | 8/20/2018 |
| Customer Ref.: | 4101901 | Hose Serial No.: | H-082018-10 |
| Invoice No.: | 511956 | Created By: | Moosa Naqvi |
| Product Description: | 10KF3.035.0CK41/1610KFLGFXDxFLT L/E | | |
| End Fitting 1: | 4 1/16 in. Fixed Flange | End Fitting 2: | 4 1/16 in. Float Flange |
| Gates Part No.: | 68503010-9721632 | Assembly Code: | L40695052218H-082018-10 |
| Working Pressure: | 10,000 psi. | Test Pressure: | 15,000 psi. |

Gates Engineering & Services North America certifies that the following hose assembly has successfully passed all pressure testing requirements set forth in Gates specifications: GTS-04-052 (for 5K assemblies) or GTS-04-053 (10K assemblies), which include reference to Specification API 16C (2nd Edition); sections 7.5.4, 7.5.9, and 10.8.7. A test graph will accompany this test certificate to illustrate conformity to test requirements.

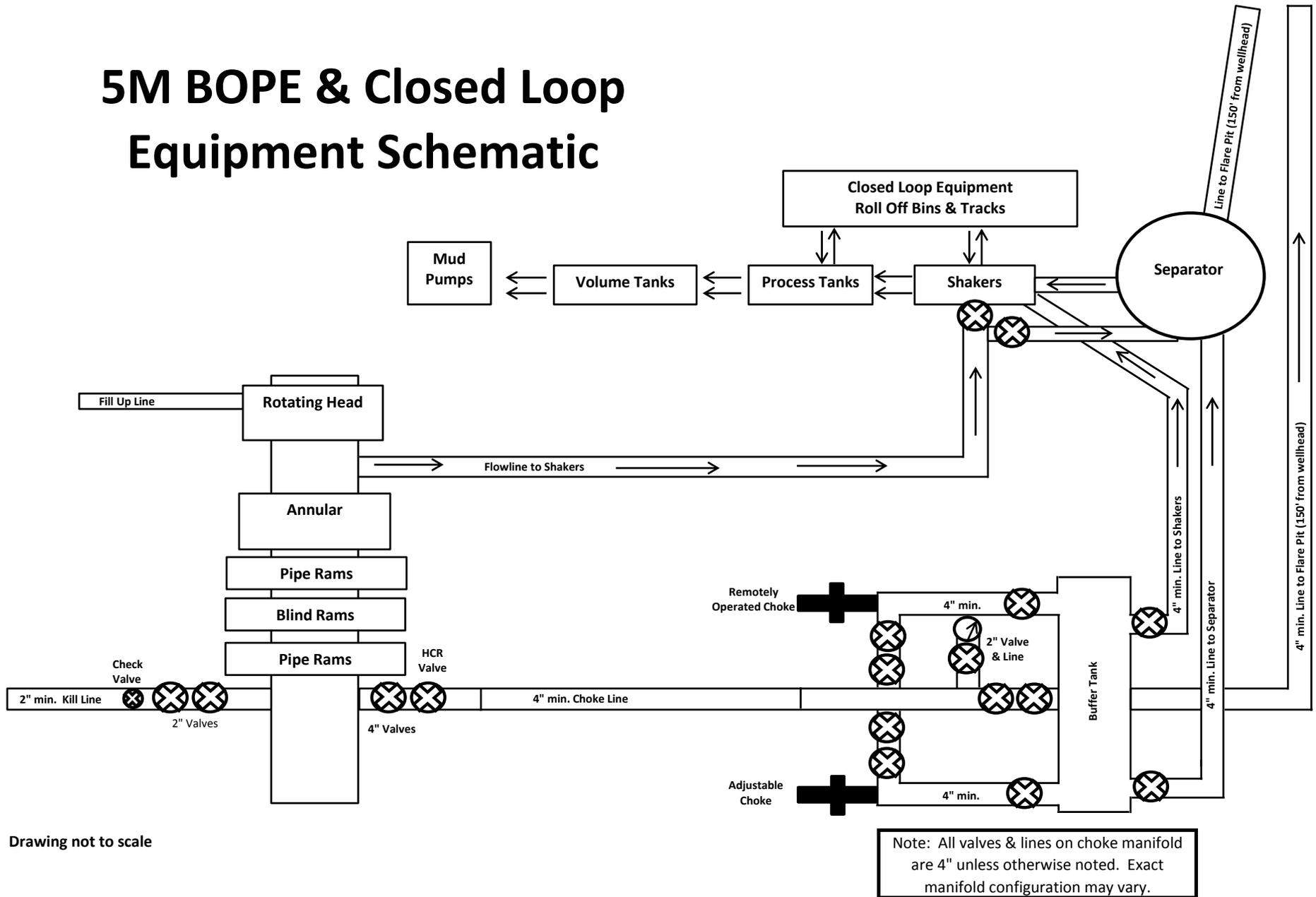
| | |
|-------------|--------------------|
| Quality: | QUALITY |
| Date : | 8/20/2018 |
| Signature : | <i>Moosa Naqvi</i> |

| | |
|-------------|--------------------|
| Production: | PRODUCTION |
| Date : | 8/20/2018 |
| Signature : | <i>[Signature]</i> |

Form PTC - 01 Rev.0 2



5M BOPE & Closed Loop Equipment Schematic



Drawing not to scale



GATES E & S NORTH AMERICA, INC.
134 44TH STREET
CORPUS CHRISTI, TEXAS 78405

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

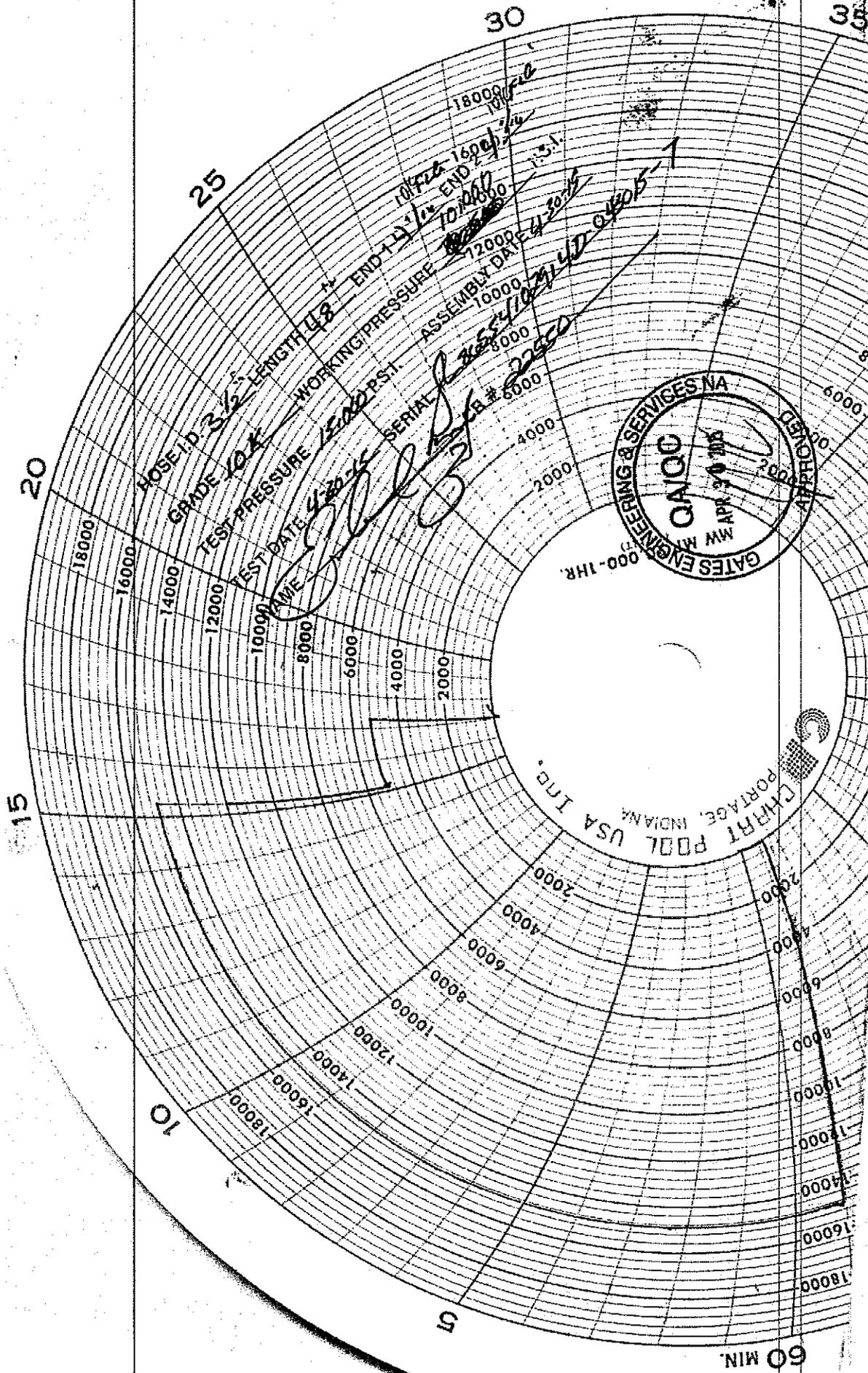
| | | | |
|--------------------|----------------|-----------------|------------------------|
| End Fitting 1 : | 4 1/16 10K FLG | End Fitting 2 : | 4 1/16 10K FLG |
| Gates Part No. : | 4773-6290 | Assembly Code : | L36554102914D-043015-7 |
| Working Pressure : | 10,000 PSI | Test Pressure : | 15,000 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 : | QUALITY | Production: | PRODUCTION |
| Date : | 4/30/2015 | Date : | 4/30/2015 |
| Signature : | <i>Justin Cropper</i> | Signature : | <i>[Signature]</i> |

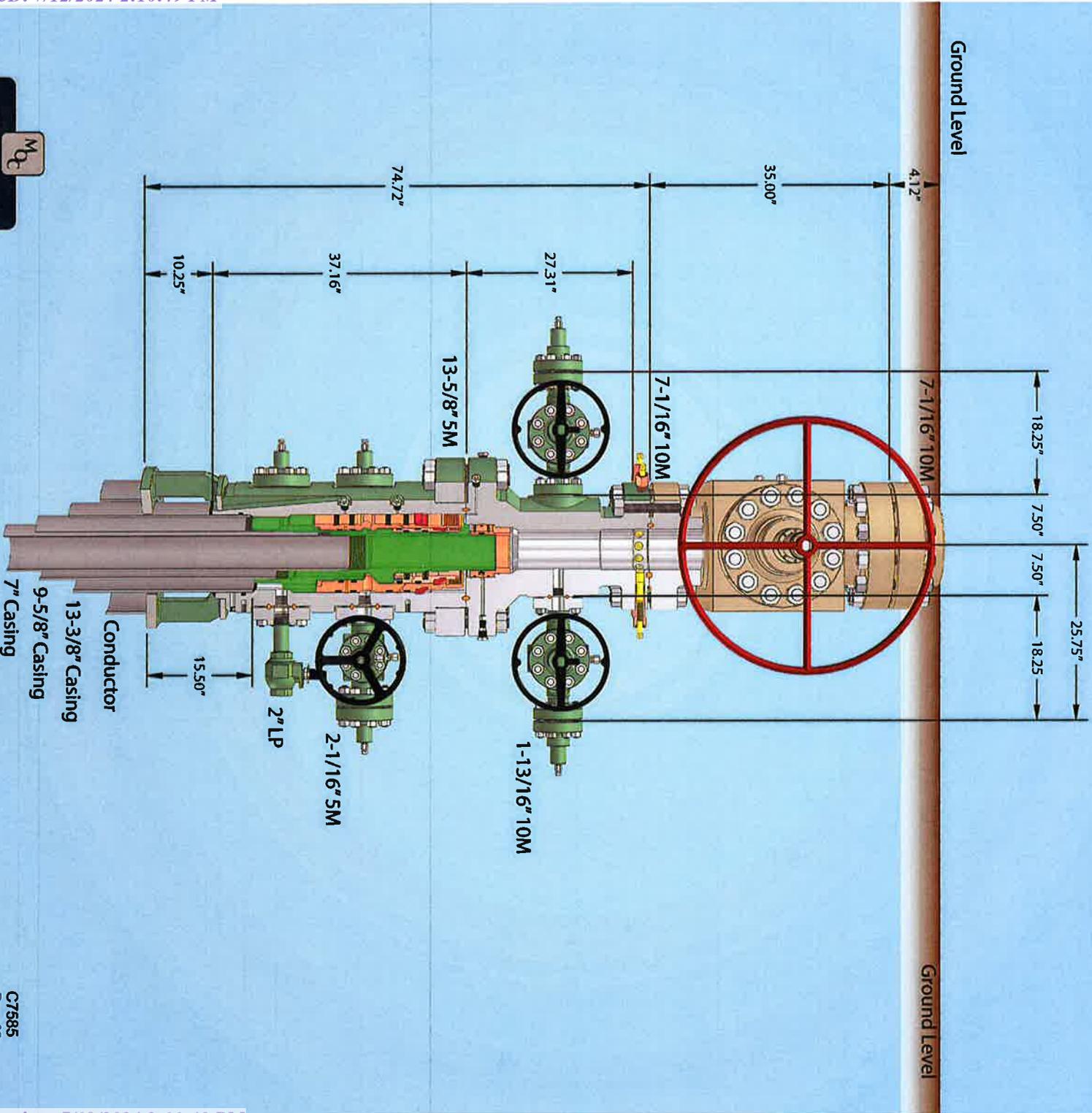
Form PTC - 01 Rev.02







13-5/8" MN-DS Wellhead System



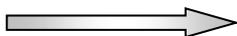
MOC
MEMBOURNE
OIL COMPANY

Equipment 57' conductor cut-off 79

NOTE: All dimensions on this drawing are estimated measurements and should be evaluated by engineering.

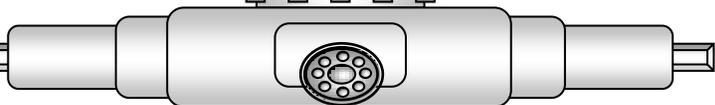
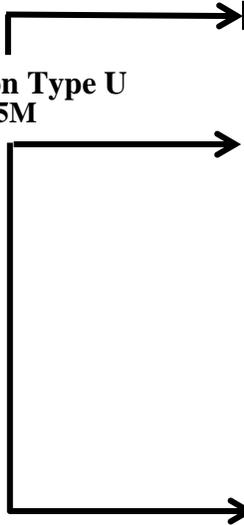
C7585
Rev. 02

Hydril "GK"
13 5/8" 5M

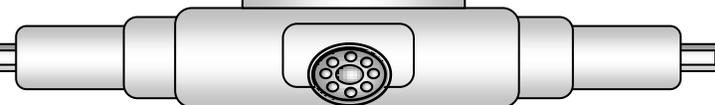


Hydril "GK"

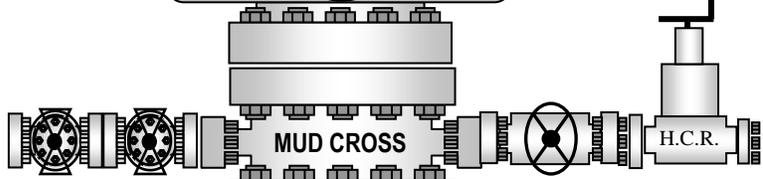
Cameron Type U
13 5/8" 5M



VARIABLE BORE RAMS

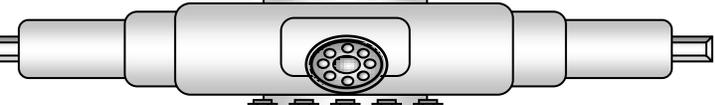


BLIND RAMS



MUD CROSS

H.C.R.

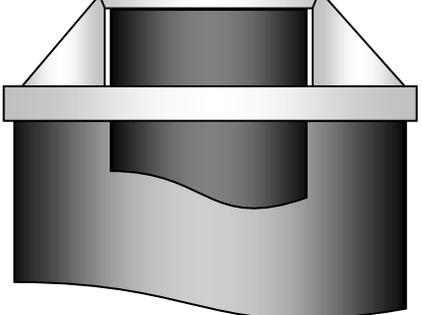
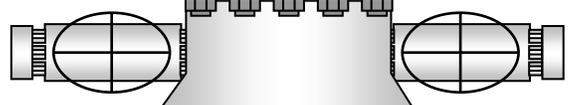


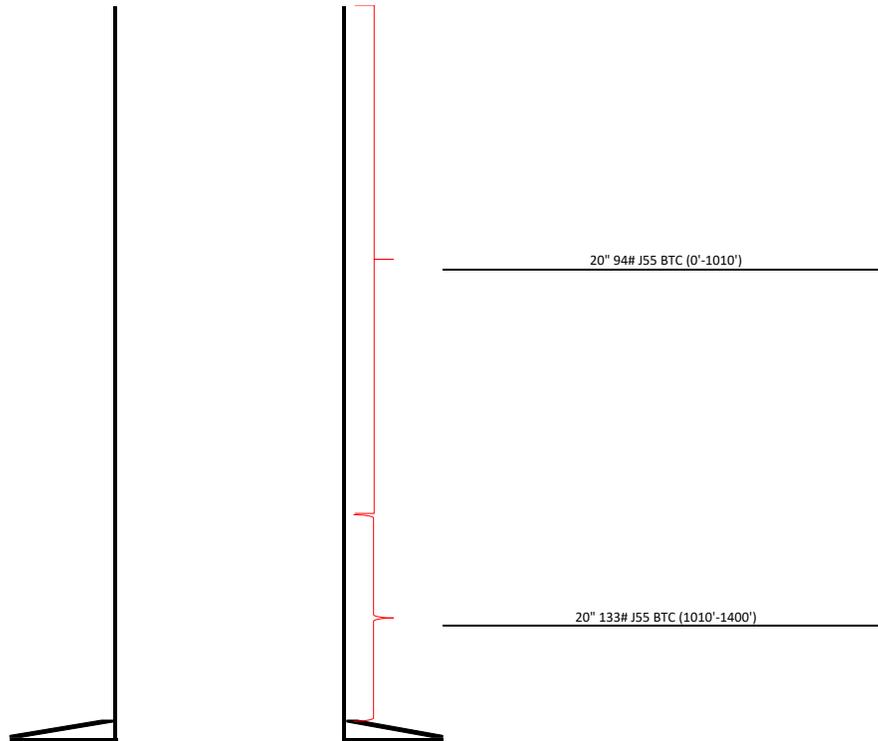
7" RAMS

13 5/8" 5M

13 5/8" 5M

13 5/8" 5M





Casing Program

| Hole Size | From | To | Csg. Size | Weight | Grade | Conn. | SF | SF Burst | SF Jt | SF Body Tension |
|-----------|-------|-------|-----------|--------|-------|-------|----------|----------|---------|-----------------|
| | | | | (lbs) | | | Collapse | | Tension | |
| 26.0 | 0' | 1010' | 20.0 | 94.0 | J55 | BTC | 1.13 | 4.56 | 9.55 | 10.08 |
| 26.0 | 1010' | 1400' | 20.0 | 133.0 | J55 | BTC | 2.34 | 4.78 | 38.80 | 40.98 |

Mewbourne Oil Company, Bushwood 21/16 B2ED Fed Com #1H
Sec 21, T19S, R33E
SHL: 2590' FSL & 2430' FEL (Sec 21)
BHL: 100' FNL & 450' FWL (Sec 16)

Casing Program

| Hole Size | From | To | Csg. Size | Weight | Grade | Conn. | SF | SF Burst | SF Jt | SF Body |
|----------------------------------|-------|--------|-----------|--------|-------|-------|--------------|------------|----------------|----------------|
| | | | | (lbs) | | | Collapse | | Tension | Tension |
| 26.00 | 0' | 1010' | 20.000 | 94.0 | J55 | BTC | 1.13 | 4.56 | 9.55 | 10.08 |
| 26.00 | 1010' | 1400' | 20.000 | 133.0 | J55 | BTC | 2.34 | 4.78 | 38.80 | 40.98 |
| 17.50 | 0' | 1932' | 13.375 | 54.5 | J55 | STC | 1.13 | 2.72 | 2.66 | 4.41 |
| 17.50 | 1932' | 2632' | 13.375 | 61.0 | J55 | STC | 1.13 | 2.26 | 6.75 | 10.91 |
| 17.50 | 2632' | 3300' | 13.375 | 68.0 | J55 | STC | 1.14 | 2.01 | 15.82 | 23.55 |
| 12.250 | 0' | 3924' | 9.625 | 36.0 | J55 | LTC | 1.13 | 1.96 | 2.27 | 2.83 |
| 12.250 | 3924' | 4992' | 9.625 | 40.0 | J55 | LTC | 1.13 | 1.73 | 8.96 | 10.85 |
| 12.250 | 4992' | 5375' | 9.625 | 40.0 | N80 | LTC | 1.26 | 2.34 | 48.14 | 59.83 |
| 8.75 | 0' | 9800' | 7.000 | 26.0 | P110 | LTC | 1.31 | 2.10 | 2.72 | 3.26 |
| 6.13 | 9600' | 18477' | 4.500 | 13.5 | P110 | LTC | 2.05 | 2.38 | 2.82 | 3.52 |
| BLM Minimum Safety Factor | | | | | | | 1.125 | 1.0 | 1.6 Dry | 1.6 Dry |
| | | | | | | | | | 1.8 Wet | 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? | | Y | |
| Is well within the designated 4 string boundary. | | N | |
| Is well located in SOPA but not in R-111-P? | | Y | |
| If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing? | | Y | |
| 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 an open annulus used to satisfy R-111-Q? If yes, see cement design. | | | |
| Is an engineered weak point used to satisfy R-111-Q? | | | |
| If yes, at what depth is the weak point planned? | | - | |
| 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? | | | |
| Formation | Est. Top | Formation | Est. Top |
| Rustler | 1325' | Lamar | 5450' |
| Salt Top | 1645' | Bell Canyon | |
| Salt Base | 3000' | Cherry Canyon | |
| Yates | 3220' | Manzanita Marker | |
| Seven Rivers | | Basal Brushy Canyon | |
| Queen | | Bone Spring | 7940' |
| Capitan | 3480' | 1st Bone Spring Sand | 9070' |
| Grayburg | | 2nd Bone Spring Sand | 9625' |
| San Andres | | 3rd Bone Spring Sand | |
| Glorieta | | Abo | |
| Yeso | | Wolfcamp | |

Mewbourne Oil Company

Eddy County, New Mexico NAD 83

Bushwood 21/16 B2ED Fed Com #1H

Sec. 21, T19S, R33E

SHL: 2590' FSL & 2430' FEL, Sec. 21

BHL: 100' FNL & 450' FWL, Sec. 16

Plan: Design #1

Standard Planning Report

26 April, 2022

Planning Report

| | | | |
|------------------|-----------------------------------|-------------------------------------|----------------------------------------|
| Database: | Hobbs | Local Co-ordinate Reference: | Site Bushwood 21/16 B2ED Fed Com #1H |
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3650.0usft (Original Well Elev) |
| Project: | Eddy County, New Mexico NAD 83 | MD Reference: | WELL @ 3650.0usft (Original Well Elev) |
| Site: | Bushwood 21/16 B2ED Fed Com #1H | North Reference: | Grid |
| Well: | Sec. 21, T19S, R33E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 100' FNL & 450' FWL, Sec. 16 | | |
| Design: | Design #1 | | |

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

| | | | | | |
|------------------------------|---------------------------------|---------------------|-----------------|-------------------|--------------|
| Site | Bushwood 21/16 B2ED Fed Com #1H | | | | |
| Site Position: | | Northing: | 599,248.90 usft | Latitude: | 32.6456169 |
| From: | Map | Easting: | 746,303.30 usft | Longitude: | -103.6674258 |
| Position Uncertainty: | 0.0 usft | Slot Radius: | 13-3/16 " | | |

| | | | | | | |
|-----------------------------|---------------------|----------|----------------------------|-----------------|----------------------|--------------|
| Well | Sec. 21, T19S, R33E | | | | | |
| Well Position | +N/-S | 0.0 usft | Northing: | 599,248.90 usft | Latitude: | 32.6456169 |
| | +E/-W | 0.0 usft | Easting: | 746,303.30 usft | Longitude: | -103.6674258 |
| Position Uncertainty | | 0.0 usft | Wellhead Elevation: | 3,650.0 usft | Ground Level: | 3,622.0 usft |
| Grid Convergence: | 0.36 ° | | | | | |

| | | | | | |
|------------------|-----------------------------------|--------------------|------------------------|----------------------|----------------------------|
| Wellbore | BHL: 100' FNL & 450' FWL, Sec. 16 | | | | |
| Magnetics | Model Name | Sample Date | Declination (°) | Dip Angle (°) | Field Strength (nT) |
| | IGRF2010 | 12/31/2014 | 7.22 | 60.47 | 48,477.73018021 |

| | | | | |
|--------------------------|--------------------------------|---------------------|----------------------|----------------------|
| 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 | 342.84 |

| | | | | |
|---------------------------------|------------------------|--------------------------|----------------------------------|----------------|
| Plan Survey Tool Program | Date | 4/26/2022 | | |
| Depth From (usft) | Depth To (usft) | Survey (Wellbore) | Tool Name | Remarks |
| 1 | 0.0 | 0.0 | Design #1 (BHL: 100' FNL & 450') | |

| | | | | | | | | | | |
|------------------------------|------------------------|--------------------|------------------------------|---------------------|---------------------|--------------------------------|-------------------------------|------------------------------|----------------|---------------|
| 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 Bushwood 21/16 B2ED Fed Com #1H |
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3650.0usft (Original Well Elev) |
| Project: | Eddy County, New Mexico NAD 83 | MD Reference: | WELL @ 3650.0usft (Original Well Elev) |
| Site: | Bushwood 21/16 B2ED Fed Com #1H | North Reference: | Grid |
| Well: | Sec. 21, T19S, R33E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 100' FNL & 450' FWL, Sec. 16 | | |
| 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: 2590' FSL & 2430' FEL (21) | | | | | | | | | | |
| 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 | |
| 1,100.0 | 0.00 | 0.00 | 1,100.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | |
| 1,200.0 | 0.00 | 0.00 | 1,200.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | |
| 1,300.0 | 0.00 | 0.00 | 1,300.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | |
| 1,400.0 | 0.00 | 0.00 | 1,400.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | |
| 1,500.0 | 0.00 | 0.00 | 1,500.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | |
| 1,550.0 | 0.00 | 0.00 | 1,550.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | |
| 1,600.0 | 1.00 | 259.80 | 1,600.0 | -0.1 | -0.4 | 0.1 | 2.00 | 2.00 | 0.00 | |
| 1,700.0 | 3.00 | 259.80 | 1,699.9 | -0.7 | -3.9 | 0.5 | 2.00 | 2.00 | 0.00 | |
| 1,800.0 | 5.00 | 259.80 | 1,799.7 | -1.9 | -10.7 | 1.3 | 2.00 | 2.00 | 0.00 | |
| 1,900.0 | 7.00 | 259.80 | 1,899.1 | -3.8 | -21.0 | 2.6 | 2.00 | 2.00 | 0.00 | |
| 2,000.0 | 9.00 | 259.80 | 1,998.2 | -6.2 | -34.7 | 4.3 | 2.00 | 2.00 | 0.00 | |
| 2,100.0 | 11.00 | 259.80 | 2,096.6 | -9.3 | -51.8 | 6.4 | 2.00 | 2.00 | 0.00 | |
| 2,200.0 | 13.00 | 259.80 | 2,194.4 | -13.0 | -72.3 | 8.9 | 2.00 | 2.00 | 0.00 | |
| 2,300.0 | 15.00 | 259.80 | 2,291.5 | -17.3 | -96.1 | 11.8 | 2.00 | 2.00 | 0.00 | |
| 2,400.0 | 17.00 | 259.80 | 2,387.6 | -22.2 | -123.2 | 15.2 | 2.00 | 2.00 | 0.00 | |
| 2,500.0 | 19.00 | 259.80 | 2,482.7 | -27.6 | -153.6 | 18.9 | 2.00 | 2.00 | 0.00 | |
| 2,519.7 | 19.39 | 259.80 | 2,501.3 | -28.8 | -160.0 | 19.7 | 2.00 | 2.00 | 0.00 | |
| 2,600.0 | 19.39 | 259.80 | 2,577.0 | -33.5 | -186.2 | 22.9 | 0.00 | 0.00 | 0.00 | |
| 2,700.0 | 19.39 | 259.80 | 2,671.4 | -39.4 | -218.9 | 27.0 | 0.00 | 0.00 | 0.00 | |
| 2,800.0 | 19.39 | 259.80 | 2,765.7 | -45.3 | -251.6 | 31.0 | 0.00 | 0.00 | 0.00 | |
| 2,900.0 | 19.39 | 259.80 | 2,860.0 | -51.2 | -284.3 | 35.0 | 0.00 | 0.00 | 0.00 | |
| 3,000.0 | 19.39 | 259.80 | 2,954.3 | -57.0 | -317.0 | 39.0 | 0.00 | 0.00 | 0.00 | |
| 3,100.0 | 19.39 | 259.80 | 3,048.7 | -62.9 | -349.6 | 43.1 | 0.00 | 0.00 | 0.00 | |
| 3,200.0 | 19.39 | 259.80 | 3,143.0 | -68.8 | -382.3 | 47.1 | 0.00 | 0.00 | 0.00 | |
| 3,300.0 | 19.39 | 259.80 | 3,237.3 | -74.7 | -415.0 | 51.1 | 0.00 | 0.00 | 0.00 | |
| 3,400.0 | 19.39 | 259.80 | 3,331.6 | -80.6 | -447.7 | 55.1 | 0.00 | 0.00 | 0.00 | |
| 3,500.0 | 19.39 | 259.80 | 3,426.0 | -86.4 | -480.4 | 59.2 | 0.00 | 0.00 | 0.00 | |
| 3,600.0 | 19.39 | 259.80 | 3,520.3 | -92.3 | -513.0 | 63.2 | 0.00 | 0.00 | 0.00 | |
| 3,700.0 | 19.39 | 259.80 | 3,614.6 | -98.2 | -545.7 | 67.2 | 0.00 | 0.00 | 0.00 | |
| 3,800.0 | 19.39 | 259.80 | 3,708.9 | -104.1 | -578.4 | 71.2 | 0.00 | 0.00 | 0.00 | |
| 3,900.0 | 19.39 | 259.80 | 3,803.3 | -110.0 | -611.1 | 75.3 | 0.00 | 0.00 | 0.00 | |
| 4,000.0 | 19.39 | 259.80 | 3,897.6 | -115.8 | -643.8 | 79.3 | 0.00 | 0.00 | 0.00 | |
| 4,100.0 | 19.39 | 259.80 | 3,991.9 | -121.7 | -676.4 | 83.3 | 0.00 | 0.00 | 0.00 | |
| 4,200.0 | 19.39 | 259.80 | 4,086.2 | -127.6 | -709.1 | 87.3 | 0.00 | 0.00 | 0.00 | |
| 4,300.0 | 19.39 | 259.80 | 4,180.6 | -133.5 | -741.8 | 91.4 | 0.00 | 0.00 | 0.00 | |
| 4,400.0 | 19.39 | 259.80 | 4,274.9 | -139.4 | -774.5 | 95.4 | 0.00 | 0.00 | 0.00 | |
| 4,500.0 | 19.39 | 259.80 | 4,369.2 | -145.2 | -807.2 | 99.4 | 0.00 | 0.00 | 0.00 | |
| 4,600.0 | 19.39 | 259.80 | 4,463.6 | -151.1 | -839.8 | 103.4 | 0.00 | 0.00 | 0.00 | |
| 4,700.0 | 19.39 | 259.80 | 4,557.9 | -157.0 | -872.5 | 107.5 | 0.00 | 0.00 | 0.00 | |
| 4,800.0 | 19.39 | 259.80 | 4,652.2 | -162.9 | -905.2 | 111.5 | 0.00 | 0.00 | 0.00 | |
| 4,900.0 | 19.39 | 259.80 | 4,746.5 | -168.8 | -937.9 | 115.5 | 0.00 | 0.00 | 0.00 | |
| 5,000.0 | 19.39 | 259.80 | 4,840.9 | -174.6 | -970.6 | 119.5 | 0.00 | 0.00 | 0.00 | |

Planning Report

| | | | |
|------------------|-----------------------------------|-------------------------------------|----------------------------------------|
| Database: | Hobbs | Local Co-ordinate Reference: | Site Bushwood 21/16 B2ED Fed Com #1H |
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3650.0usft (Original Well Elev) |
| Project: | Eddy County, New Mexico NAD 83 | MD Reference: | WELL @ 3650.0usft (Original Well Elev) |
| Site: | Bushwood 21/16 B2ED Fed Com #1H | North Reference: | Grid |
| Well: | Sec. 21, T19S, R33E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 100' FNL & 450' FWL, Sec. 16 | | |
| 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 | 19.39 | 259.80 | 4,935.2 | -180.5 | -1,003.2 | 123.5 | 0.00 | 0.00 | 0.00 | |
| 5,200.0 | 19.39 | 259.80 | 5,029.5 | -186.4 | -1,035.9 | 127.6 | 0.00 | 0.00 | 0.00 | |
| 5,300.0 | 19.39 | 259.80 | 5,123.8 | -192.3 | -1,068.6 | 131.6 | 0.00 | 0.00 | 0.00 | |
| 5,400.0 | 19.39 | 259.80 | 5,218.2 | -198.2 | -1,101.3 | 135.6 | 0.00 | 0.00 | 0.00 | |
| 5,500.0 | 19.39 | 259.80 | 5,312.5 | -204.0 | -1,134.0 | 139.6 | 0.00 | 0.00 | 0.00 | |
| 5,600.0 | 19.39 | 259.80 | 5,406.8 | -209.9 | -1,166.7 | 143.7 | 0.00 | 0.00 | 0.00 | |
| 5,700.0 | 19.39 | 259.80 | 5,501.1 | -215.8 | -1,199.3 | 147.7 | 0.00 | 0.00 | 0.00 | |
| 5,800.0 | 19.39 | 259.80 | 5,595.5 | -221.7 | -1,232.0 | 151.7 | 0.00 | 0.00 | 0.00 | |
| 5,900.0 | 19.39 | 259.80 | 5,689.8 | -227.6 | -1,264.7 | 155.7 | 0.00 | 0.00 | 0.00 | |
| 6,000.0 | 19.39 | 259.80 | 5,784.1 | -233.4 | -1,297.4 | 159.8 | 0.00 | 0.00 | 0.00 | |
| 6,100.0 | 19.39 | 259.80 | 5,878.4 | -239.3 | -1,330.1 | 163.8 | 0.00 | 0.00 | 0.00 | |
| 6,200.0 | 19.39 | 259.80 | 5,972.8 | -245.2 | -1,362.7 | 167.8 | 0.00 | 0.00 | 0.00 | |
| 6,300.0 | 19.39 | 259.80 | 6,067.1 | -251.1 | -1,395.4 | 171.8 | 0.00 | 0.00 | 0.00 | |
| 6,400.0 | 19.39 | 259.80 | 6,161.4 | -257.0 | -1,428.1 | 175.9 | 0.00 | 0.00 | 0.00 | |
| 6,500.0 | 19.39 | 259.80 | 6,255.7 | -262.8 | -1,460.8 | 179.9 | 0.00 | 0.00 | 0.00 | |
| 6,600.0 | 19.39 | 259.80 | 6,350.1 | -268.7 | -1,493.5 | 183.9 | 0.00 | 0.00 | 0.00 | |
| 6,700.0 | 19.39 | 259.80 | 6,444.4 | -274.6 | -1,526.1 | 187.9 | 0.00 | 0.00 | 0.00 | |
| 6,800.0 | 19.39 | 259.80 | 6,538.7 | -280.5 | -1,558.8 | 192.0 | 0.00 | 0.00 | 0.00 | |
| 6,900.0 | 19.39 | 259.80 | 6,633.0 | -286.4 | -1,591.5 | 196.0 | 0.00 | 0.00 | 0.00 | |
| 7,000.0 | 19.39 | 259.80 | 6,727.4 | -292.2 | -1,624.2 | 200.0 | 0.00 | 0.00 | 0.00 | |
| 7,100.0 | 19.39 | 259.80 | 6,821.7 | -298.1 | -1,656.9 | 204.0 | 0.00 | 0.00 | 0.00 | |
| 7,200.0 | 19.39 | 259.80 | 6,916.0 | -304.0 | -1,689.5 | 208.1 | 0.00 | 0.00 | 0.00 | |
| 7,300.0 | 19.39 | 259.80 | 7,010.4 | -309.9 | -1,722.2 | 212.1 | 0.00 | 0.00 | 0.00 | |
| 7,400.0 | 19.39 | 259.80 | 7,104.7 | -315.8 | -1,754.9 | 216.1 | 0.00 | 0.00 | 0.00 | |
| 7,500.0 | 19.39 | 259.80 | 7,199.0 | -321.7 | -1,787.6 | 220.1 | 0.00 | 0.00 | 0.00 | |
| 7,600.0 | 19.39 | 259.80 | 7,293.3 | -327.5 | -1,820.3 | 224.2 | 0.00 | 0.00 | 0.00 | |
| 7,700.0 | 19.39 | 259.80 | 7,387.7 | -333.4 | -1,852.9 | 228.2 | 0.00 | 0.00 | 0.00 | |
| 7,800.0 | 19.39 | 259.80 | 7,482.0 | -339.3 | -1,885.6 | 232.2 | 0.00 | 0.00 | 0.00 | |
| 7,900.0 | 19.39 | 259.80 | 7,576.3 | -345.2 | -1,918.3 | 236.2 | 0.00 | 0.00 | 0.00 | |
| 8,000.0 | 19.39 | 259.80 | 7,670.6 | -351.1 | -1,951.0 | 240.3 | 0.00 | 0.00 | 0.00 | |
| 8,100.0 | 19.39 | 259.80 | 7,765.0 | -356.9 | -1,983.7 | 244.3 | 0.00 | 0.00 | 0.00 | |
| 8,200.0 | 19.39 | 259.80 | 7,859.3 | -362.8 | -2,016.3 | 248.3 | 0.00 | 0.00 | 0.00 | |
| 8,300.0 | 19.39 | 259.80 | 7,953.6 | -368.7 | -2,049.0 | 252.3 | 0.00 | 0.00 | 0.00 | |
| 8,400.0 | 19.39 | 259.80 | 8,047.9 | -374.6 | -2,081.7 | 256.4 | 0.00 | 0.00 | 0.00 | |
| 8,500.0 | 19.39 | 259.80 | 8,142.3 | -380.5 | -2,114.4 | 260.4 | 0.00 | 0.00 | 0.00 | |
| 8,600.0 | 19.39 | 259.80 | 8,236.6 | -386.3 | -2,147.1 | 264.4 | 0.00 | 0.00 | 0.00 | |
| 8,700.0 | 19.39 | 259.80 | 8,330.9 | -392.2 | -2,179.8 | 268.4 | 0.00 | 0.00 | 0.00 | |
| 8,800.0 | 19.39 | 259.80 | 8,425.2 | -398.1 | -2,212.4 | 272.5 | 0.00 | 0.00 | 0.00 | |
| 8,885.3 | 19.39 | 259.80 | 8,505.7 | -403.1 | -2,240.3 | 275.9 | 0.00 | 0.00 | 0.00 | |
| 8,900.0 | 19.10 | 259.80 | 8,519.6 | -404.0 | -2,245.1 | 276.5 | 2.00 | -2.00 | 0.00 | |
| 9,000.0 | 17.10 | 259.80 | 8,614.6 | -409.5 | -2,275.7 | 280.2 | 2.00 | -2.00 | 0.00 | |
| 9,100.0 | 15.10 | 259.80 | 8,710.7 | -414.4 | -2,302.9 | 283.6 | 2.00 | -2.00 | 0.00 | |
| 9,200.0 | 13.10 | 259.80 | 8,807.7 | -418.7 | -2,326.9 | 286.6 | 2.00 | -2.00 | 0.00 | |
| 9,300.0 | 11.10 | 259.80 | 8,905.5 | -422.4 | -2,347.6 | 289.1 | 2.00 | -2.00 | 0.00 | |
| 9,400.0 | 9.10 | 259.80 | 9,003.9 | -425.5 | -2,364.8 | 291.2 | 2.00 | -2.00 | 0.00 | |
| 9,500.0 | 7.10 | 259.80 | 9,102.9 | -428.0 | -2,378.7 | 292.9 | 2.00 | -2.00 | 0.00 | |
| 9,600.0 | 5.10 | 259.80 | 9,202.3 | -429.9 | -2,389.1 | 294.2 | 2.00 | -2.00 | 0.00 | |
| 9,700.0 | 3.10 | 259.80 | 9,302.1 | -431.2 | -2,396.2 | 295.1 | 2.00 | -2.00 | 0.00 | |
| 9,800.0 | 1.10 | 259.80 | 9,402.0 | -431.8 | -2,399.8 | 295.5 | 2.00 | -2.00 | 0.00 | |
| 9,855.0 | 0.00 | 0.00 | 9,457.0 | -431.9 | -2,400.3 | 295.6 | 2.00 | -2.00 | 0.00 | |
| KOP: 2168' FSL & 450' FWL (21) | | | | | | | | | | |
| 9,900.0 | 4.50 | 359.81 | 9,501.9 | -430.1 | -2,400.3 | 297.3 | 10.00 | 10.00 | 0.00 | |
| 9,950.0 | 9.50 | 359.81 | 9,551.6 | -424.0 | -2,400.3 | 303.1 | 10.00 | 10.00 | 0.00 | |

Planning Report

| | | | |
|------------------|-----------------------------------|-------------------------------------|----------------------------------------|
| Database: | Hobbs | Local Co-ordinate Reference: | Site Bushwood 21/16 B2ED Fed Com #1H |
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3650.0usft (Original Well Elev) |
| Project: | Eddy County, New Mexico NAD 83 | MD Reference: | WELL @ 3650.0usft (Original Well Elev) |
| Site: | Bushwood 21/16 B2ED Fed Com #1H | North Reference: | Grid |
| Well: | Sec. 21, T19S, R33E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 100' FNL & 450' FWL, Sec. 16 | | |
| 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 | 14.50 | 359.81 | 9,600.4 | -413.7 | -2,400.4 | 313.0 | 10.00 | 10.00 | 0.00 |
| 10,050.0 | 19.50 | 359.81 | 9,648.2 | -399.0 | -2,400.4 | 327.0 | 10.00 | 10.00 | 0.00 |
| 10,100.0 | 24.49 | 359.81 | 9,694.6 | -380.3 | -2,400.5 | 344.9 | 10.00 | 10.00 | 0.00 |
| 10,150.0 | 29.49 | 359.81 | 9,739.1 | -357.6 | -2,400.5 | 366.6 | 10.00 | 10.00 | 0.00 |
| 10,200.0 | 34.49 | 359.81 | 9,781.5 | -331.2 | -2,400.6 | 392.0 | 10.00 | 10.00 | 0.00 |
| 10,250.0 | 39.49 | 359.81 | 9,821.4 | -301.1 | -2,400.7 | 420.7 | 10.00 | 10.00 | 0.00 |
| 10,300.0 | 44.49 | 359.81 | 9,858.6 | -267.6 | -2,400.9 | 452.7 | 10.00 | 10.00 | 0.00 |
| 10,350.0 | 49.49 | 359.81 | 9,892.7 | -231.1 | -2,401.0 | 487.7 | 10.00 | 10.00 | 0.00 |
| 10,400.0 | 54.49 | 359.81 | 9,923.5 | -191.7 | -2,401.1 | 525.3 | 10.00 | 10.00 | 0.00 |
| 10,450.0 | 59.49 | 359.81 | 9,950.7 | -149.8 | -2,401.2 | 565.4 | 10.00 | 10.00 | 0.00 |
| 10,500.0 | 64.49 | 359.81 | 9,974.2 | -105.7 | -2,401.4 | 607.6 | 10.00 | 10.00 | 0.00 |
| 10,550.0 | 69.49 | 359.81 | 9,993.7 | -59.7 | -2,401.5 | 651.6 | 10.00 | 10.00 | 0.00 |
| 10,600.0 | 74.49 | 359.81 | 10,009.2 | -12.1 | -2,401.7 | 697.1 | 10.00 | 10.00 | 0.00 |
| 10,650.0 | 79.49 | 359.81 | 10,020.4 | 36.6 | -2,401.9 | 743.7 | 10.00 | 10.00 | 0.00 |
| 10,700.0 | 84.48 | 359.81 | 10,027.4 | 86.1 | -2,402.0 | 791.0 | 10.00 | 10.00 | 0.00 |
| 10,750.0 | 89.48 | 359.81 | 10,030.0 | 136.0 | -2,402.2 | 838.8 | 10.00 | 10.00 | 0.00 |
| 10,755.1 | 89.99 | 359.81 | 10,030.1 | 141.1 | -2,402.2 | 843.6 | 10.00 | 10.00 | 0.00 |
| FTP/LP: 2539' FNL & 450' FWL (21) | | | | | | | | | |
| 10,763.3 | 90.82 | 359.81 | 10,030.0 | 149.3 | -2,402.2 | 851.5 | 10.00 | 10.00 | 0.00 |
| 10,800.0 | 90.82 | 359.81 | 10,029.5 | 186.0 | -2,402.4 | 886.6 | 0.00 | 0.00 | 0.00 |
| 10,900.0 | 90.82 | 359.81 | 10,028.1 | 286.0 | -2,402.7 | 982.2 | 0.00 | 0.00 | 0.00 |
| 11,000.0 | 90.82 | 359.81 | 10,026.6 | 386.0 | -2,403.0 | 1,077.9 | 0.00 | 0.00 | 0.00 |
| 11,100.0 | 90.82 | 359.81 | 10,025.2 | 486.0 | -2,403.4 | 1,173.5 | 0.00 | 0.00 | 0.00 |
| 11,200.0 | 90.82 | 359.81 | 10,023.8 | 585.9 | -2,403.7 | 1,269.1 | 0.00 | 0.00 | 0.00 |
| 11,300.0 | 90.82 | 359.81 | 10,022.3 | 685.9 | -2,404.0 | 1,364.8 | 0.00 | 0.00 | 0.00 |
| 11,400.0 | 90.82 | 359.81 | 10,020.9 | 785.9 | -2,404.4 | 1,460.4 | 0.00 | 0.00 | 0.00 |
| 11,500.0 | 90.82 | 359.81 | 10,019.5 | 885.9 | -2,404.7 | 1,556.0 | 0.00 | 0.00 | 0.00 |
| 11,600.0 | 90.82 | 359.81 | 10,018.1 | 985.9 | -2,405.1 | 1,651.7 | 0.00 | 0.00 | 0.00 |
| 11,700.0 | 90.82 | 359.81 | 10,016.6 | 1,085.9 | -2,405.4 | 1,747.3 | 0.00 | 0.00 | 0.00 |
| 11,800.0 | 90.82 | 359.81 | 10,015.2 | 1,185.9 | -2,405.7 | 1,842.9 | 0.00 | 0.00 | 0.00 |
| 11,900.0 | 90.82 | 359.81 | 10,013.8 | 1,285.9 | -2,406.1 | 1,938.6 | 0.00 | 0.00 | 0.00 |
| 11,974.2 | 90.82 | 359.81 | 10,012.7 | 1,360.1 | -2,406.3 | 2,009.6 | 0.00 | 0.00 | 0.00 |
| PPP2: 1319' FNL & 450' FWL (21) | | | | | | | | | |
| 12,000.0 | 90.82 | 359.81 | 10,012.4 | 1,385.9 | -2,406.4 | 2,034.2 | 0.00 | 0.00 | 0.00 |
| 12,100.0 | 90.82 | 359.81 | 10,010.9 | 1,485.8 | -2,406.7 | 2,129.8 | 0.00 | 0.00 | 0.00 |
| 12,200.0 | 90.82 | 359.81 | 10,009.5 | 1,585.8 | -2,407.1 | 2,225.5 | 0.00 | 0.00 | 0.00 |
| 12,300.0 | 90.82 | 359.81 | 10,008.1 | 1,685.8 | -2,407.4 | 2,321.1 | 0.00 | 0.00 | 0.00 |
| 12,400.0 | 90.82 | 359.81 | 10,006.7 | 1,785.8 | -2,407.7 | 2,416.8 | 0.00 | 0.00 | 0.00 |
| 12,500.0 | 90.82 | 359.81 | 10,005.2 | 1,885.8 | -2,408.1 | 2,512.4 | 0.00 | 0.00 | 0.00 |
| 12,600.0 | 90.82 | 359.81 | 10,003.8 | 1,985.8 | -2,408.4 | 2,608.0 | 0.00 | 0.00 | 0.00 |
| 12,700.0 | 90.82 | 359.81 | 10,002.4 | 2,085.8 | -2,408.7 | 2,703.7 | 0.00 | 0.00 | 0.00 |
| 12,800.0 | 90.82 | 359.81 | 10,001.0 | 2,185.8 | -2,409.1 | 2,799.3 | 0.00 | 0.00 | 0.00 |
| 12,900.0 | 90.82 | 359.81 | 9,999.5 | 2,285.8 | -2,409.4 | 2,894.9 | 0.00 | 0.00 | 0.00 |
| 13,000.0 | 90.82 | 359.81 | 9,998.1 | 2,385.7 | -2,409.7 | 2,990.6 | 0.00 | 0.00 | 0.00 |
| 13,100.0 | 90.82 | 359.81 | 9,996.7 | 2,485.7 | -2,410.1 | 3,086.2 | 0.00 | 0.00 | 0.00 |
| 13,200.0 | 90.82 | 359.81 | 9,995.3 | 2,585.7 | -2,410.4 | 3,181.8 | 0.00 | 0.00 | 0.00 |
| 13,294.4 | 90.82 | 359.81 | 9,993.9 | 2,680.1 | -2,410.7 | 3,272.1 | 0.00 | 0.00 | 0.00 |
| PPP3: 0' FSL & 450' FWL (16) | | | | | | | | | |
| 13,300.0 | 90.82 | 359.81 | 9,993.8 | 2,685.7 | -2,410.7 | 3,277.5 | 0.00 | 0.00 | 0.00 |
| 13,400.0 | 90.82 | 359.81 | 9,992.4 | 2,785.7 | -2,411.1 | 3,373.1 | 0.00 | 0.00 | 0.00 |
| 13,500.0 | 90.82 | 359.81 | 9,991.0 | 2,885.7 | -2,411.4 | 3,468.8 | 0.00 | 0.00 | 0.00 |
| 13,600.0 | 90.82 | 359.81 | 9,989.5 | 2,985.7 | -2,411.8 | 3,564.4 | 0.00 | 0.00 | 0.00 |
| 13,700.0 | 90.82 | 359.81 | 9,988.1 | 3,085.7 | -2,412.1 | 3,660.0 | 0.00 | 0.00 | 0.00 |

Planning Report

| | | | |
|------------------|-----------------------------------|-------------------------------------|----------------------------------------|
| Database: | Hobbs | Local Co-ordinate Reference: | Site Bushwood 21/16 B2ED Fed Com #1H |
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3650.0usft (Original Well Elev) |
| Project: | Eddy County, New Mexico NAD 83 | MD Reference: | WELL @ 3650.0usft (Original Well Elev) |
| Site: | Bushwood 21/16 B2ED Fed Com #1H | North Reference: | Grid |
| Well: | Sec. 21, T19S, R33E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 100' FNL & 450' FWL, Sec. 16 | | |
| Design: | Design #1 | | |

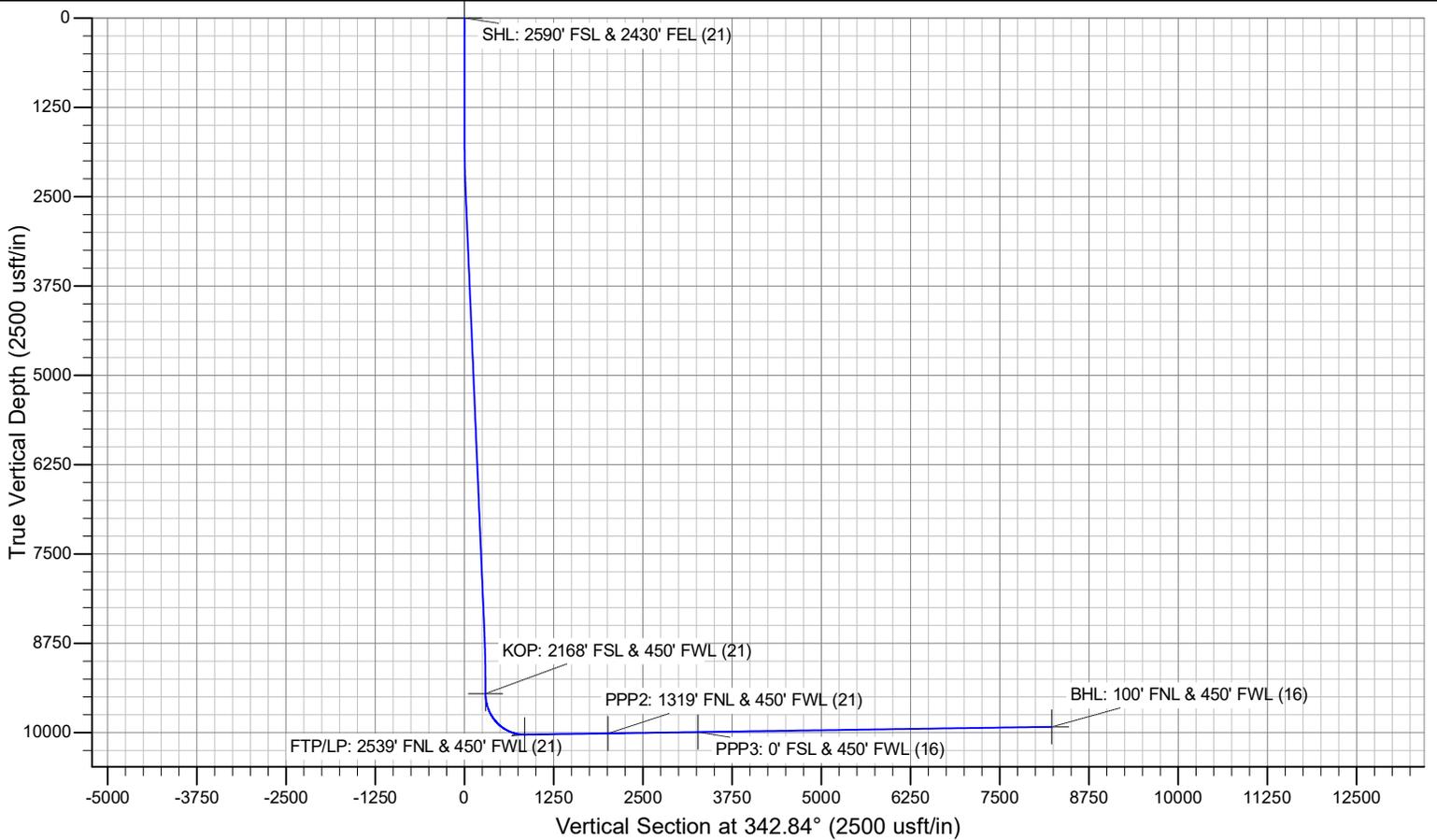
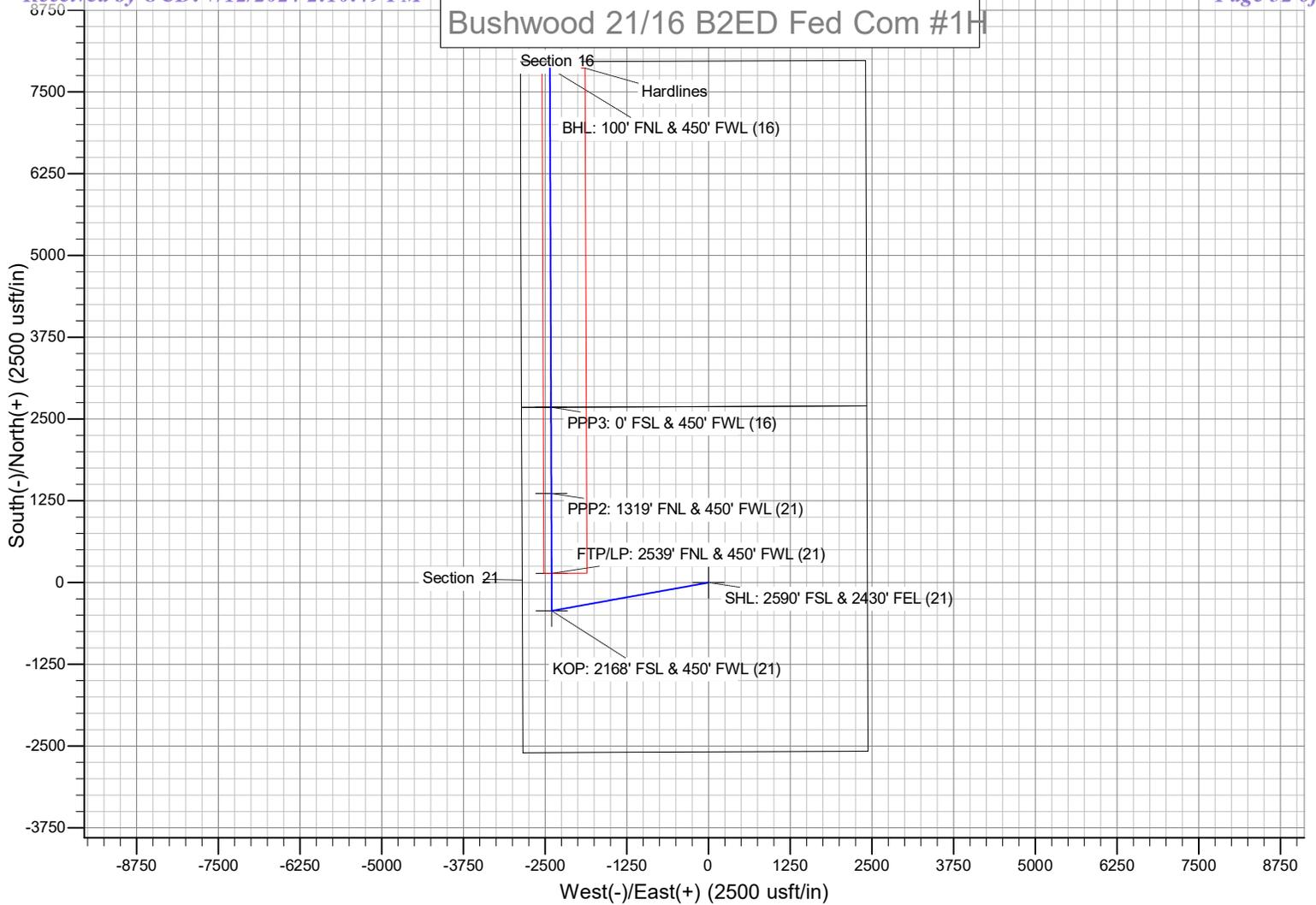
| Planned Survey | | | | | | | | | | |
|------------------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|--|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | |
| 13,800.0 | 90.82 | 359.81 | 9,986.7 | 3,185.7 | -2,412.4 | 3,755.7 | 0.00 | 0.00 | 0.00 | |
| 13,900.0 | 90.82 | 359.81 | 9,985.3 | 3,285.7 | -2,412.8 | 3,851.3 | 0.00 | 0.00 | 0.00 | |
| 14,000.0 | 90.82 | 359.81 | 9,983.8 | 3,385.6 | -2,413.1 | 3,946.9 | 0.00 | 0.00 | 0.00 | |
| 14,100.0 | 90.82 | 359.81 | 9,982.4 | 3,485.6 | -2,413.4 | 4,042.6 | 0.00 | 0.00 | 0.00 | |
| 14,200.0 | 90.82 | 359.81 | 9,981.0 | 3,585.6 | -2,413.8 | 4,138.2 | 0.00 | 0.00 | 0.00 | |
| 14,300.0 | 90.82 | 359.81 | 9,979.6 | 3,685.6 | -2,414.1 | 4,233.8 | 0.00 | 0.00 | 0.00 | |
| 14,400.0 | 90.82 | 359.81 | 9,978.1 | 3,785.6 | -2,414.4 | 4,329.5 | 0.00 | 0.00 | 0.00 | |
| 14,500.0 | 90.82 | 359.81 | 9,976.7 | 3,885.6 | -2,414.8 | 4,425.1 | 0.00 | 0.00 | 0.00 | |
| 14,600.0 | 90.82 | 359.81 | 9,975.3 | 3,985.6 | -2,415.1 | 4,520.8 | 0.00 | 0.00 | 0.00 | |
| 14,700.0 | 90.82 | 359.81 | 9,973.9 | 4,085.6 | -2,415.4 | 4,616.4 | 0.00 | 0.00 | 0.00 | |
| 14,800.0 | 90.82 | 359.81 | 9,972.4 | 4,185.6 | -2,415.8 | 4,712.0 | 0.00 | 0.00 | 0.00 | |
| 14,900.0 | 90.82 | 359.81 | 9,971.0 | 4,285.5 | -2,416.1 | 4,807.7 | 0.00 | 0.00 | 0.00 | |
| 15,000.0 | 90.82 | 359.81 | 9,969.6 | 4,385.5 | -2,416.4 | 4,903.3 | 0.00 | 0.00 | 0.00 | |
| 15,100.0 | 90.82 | 359.81 | 9,968.2 | 4,485.5 | -2,416.8 | 4,998.9 | 0.00 | 0.00 | 0.00 | |
| 15,200.0 | 90.82 | 359.81 | 9,966.7 | 4,585.5 | -2,417.1 | 5,094.6 | 0.00 | 0.00 | 0.00 | |
| 15,300.0 | 90.82 | 359.81 | 9,965.3 | 4,685.5 | -2,417.5 | 5,190.2 | 0.00 | 0.00 | 0.00 | |
| 15,400.0 | 90.82 | 359.81 | 9,963.9 | 4,785.5 | -2,417.8 | 5,285.8 | 0.00 | 0.00 | 0.00 | |
| 15,500.0 | 90.82 | 359.81 | 9,962.5 | 4,885.5 | -2,418.1 | 5,381.5 | 0.00 | 0.00 | 0.00 | |
| 15,600.0 | 90.82 | 359.81 | 9,961.0 | 4,985.5 | -2,418.5 | 5,477.1 | 0.00 | 0.00 | 0.00 | |
| 15,700.0 | 90.82 | 359.81 | 9,959.6 | 5,085.5 | -2,418.8 | 5,572.7 | 0.00 | 0.00 | 0.00 | |
| 15,800.0 | 90.82 | 359.81 | 9,958.2 | 5,185.4 | -2,419.1 | 5,668.4 | 0.00 | 0.00 | 0.00 | |
| 15,900.0 | 90.82 | 359.81 | 9,956.8 | 5,285.4 | -2,419.5 | 5,764.0 | 0.00 | 0.00 | 0.00 | |
| 16,000.0 | 90.82 | 359.81 | 9,955.3 | 5,385.4 | -2,419.8 | 5,859.7 | 0.00 | 0.00 | 0.00 | |
| 16,100.0 | 90.82 | 359.81 | 9,953.9 | 5,485.4 | -2,420.1 | 5,955.3 | 0.00 | 0.00 | 0.00 | |
| 16,200.0 | 90.82 | 359.81 | 9,952.5 | 5,585.4 | -2,420.5 | 6,050.9 | 0.00 | 0.00 | 0.00 | |
| 16,300.0 | 90.82 | 359.81 | 9,951.0 | 5,685.4 | -2,420.8 | 6,146.6 | 0.00 | 0.00 | 0.00 | |
| 16,400.0 | 90.82 | 359.81 | 9,949.6 | 5,785.4 | -2,421.1 | 6,242.2 | 0.00 | 0.00 | 0.00 | |
| 16,500.0 | 90.82 | 359.81 | 9,948.2 | 5,885.4 | -2,421.5 | 6,337.8 | 0.00 | 0.00 | 0.00 | |
| 16,600.0 | 90.82 | 359.81 | 9,946.8 | 5,985.4 | -2,421.8 | 6,433.5 | 0.00 | 0.00 | 0.00 | |
| 16,700.0 | 90.82 | 359.81 | 9,945.3 | 6,085.4 | -2,422.1 | 6,529.1 | 0.00 | 0.00 | 0.00 | |
| 16,800.0 | 90.82 | 359.81 | 9,943.9 | 6,185.3 | -2,422.5 | 6,624.7 | 0.00 | 0.00 | 0.00 | |
| 16,900.0 | 90.82 | 359.81 | 9,942.5 | 6,285.3 | -2,422.8 | 6,720.4 | 0.00 | 0.00 | 0.00 | |
| 17,000.0 | 90.82 | 359.81 | 9,941.1 | 6,385.3 | -2,423.1 | 6,816.0 | 0.00 | 0.00 | 0.00 | |
| 17,100.0 | 90.82 | 359.81 | 9,939.6 | 6,485.3 | -2,423.5 | 6,911.7 | 0.00 | 0.00 | 0.00 | |
| 17,200.0 | 90.82 | 359.81 | 9,938.2 | 6,585.3 | -2,423.8 | 7,007.3 | 0.00 | 0.00 | 0.00 | |
| 17,300.0 | 90.82 | 359.81 | 9,936.8 | 6,685.3 | -2,424.2 | 7,102.9 | 0.00 | 0.00 | 0.00 | |
| 17,400.0 | 90.82 | 359.81 | 9,935.4 | 6,785.3 | -2,424.5 | 7,198.6 | 0.00 | 0.00 | 0.00 | |
| 17,500.0 | 90.82 | 359.81 | 9,933.9 | 6,885.3 | -2,424.8 | 7,294.2 | 0.00 | 0.00 | 0.00 | |
| 17,600.0 | 90.82 | 359.81 | 9,932.5 | 6,985.3 | -2,425.2 | 7,389.8 | 0.00 | 0.00 | 0.00 | |
| 17,700.0 | 90.82 | 359.81 | 9,931.1 | 7,085.2 | -2,425.5 | 7,485.5 | 0.00 | 0.00 | 0.00 | |
| 17,800.0 | 90.82 | 359.81 | 9,929.7 | 7,185.2 | -2,425.8 | 7,581.1 | 0.00 | 0.00 | 0.00 | |
| 17,900.0 | 90.82 | 359.81 | 9,928.2 | 7,285.2 | -2,426.2 | 7,676.7 | 0.00 | 0.00 | 0.00 | |
| 18,000.0 | 90.82 | 359.81 | 9,926.8 | 7,385.2 | -2,426.5 | 7,772.4 | 0.00 | 0.00 | 0.00 | |
| 18,100.0 | 90.82 | 359.81 | 9,925.4 | 7,485.2 | -2,426.8 | 7,868.0 | 0.00 | 0.00 | 0.00 | |
| 18,200.0 | 90.82 | 359.81 | 9,924.0 | 7,585.2 | -2,427.2 | 7,963.6 | 0.00 | 0.00 | 0.00 | |
| 18,300.0 | 90.82 | 359.81 | 9,922.5 | 7,685.2 | -2,427.5 | 8,059.3 | 0.00 | 0.00 | 0.00 | |
| 18,400.0 | 90.82 | 359.81 | 9,921.1 | 7,785.2 | -2,427.8 | 8,154.9 | 0.00 | 0.00 | 0.00 | |
| 18,477.2 | 90.82 | 359.81 | 9,920.0 | 7,862.4 | -2,428.1 | 8,228.8 | 0.00 | 0.00 | 0.00 | |
| BHL: 100' FNL & 450' FWL (16) | | | | | | | | | | |

Planning Report

| | | | |
|------------------|-----------------------------------|-------------------------------------|----------------------------------------|
| Database: | Hobbs | Local Co-ordinate Reference: | Site Bushwood 21/16 B2ED Fed Com #1H |
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3650.0usft (Original Well Elev) |
| Project: | Eddy County, New Mexico NAD 83 | MD Reference: | WELL @ 3650.0usft (Original Well Elev) |
| Site: | Bushwood 21/16 B2ED Fed Com #1H | North Reference: | Grid |
| Well: | Sec. 21, T19S, R33E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 100' FNL & 450' FWL, Sec. 16 | | |
| Design: | Design #1 | | |

| Design Targets | | | | | | | | | | |
|-----------------------------------------------------------------|-----------|----------|----------|---------|----------|------------|------------|------------|--------------|--|
| Target Name | Dip Angle | Dip Dir. | TVD | +N/-S | +E/-W | Northing | Easting | Latitude | Longitude | |
| - hit/miss target | (°) | (°) | (usft) | (usft) | (usft) | (usft) | (usft) | | | |
| - Shape | | | | | | | | | | |
| SHL: 2590' FSL & 2430' - plan hits target center - Point | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 599,248.90 | 746,303.30 | 32.6456169 | -103.6674258 | |
| KOP: 2168' FSL & 450' f - plan hits target center - Point | 0.00 | 0.00 | 9,457.0 | -431.9 | -2,400.3 | 598,817.00 | 743,903.00 | 32.6444710 | -103.6752323 | |
| BHL: 100' FNL & 450' FV - plan hits target center - Point | 0.00 | 0.00 | 9,920.0 | 7,862.4 | -2,428.1 | 607,111.30 | 743,875.20 | 32.6672686 | -103.6751556 | |
| PPP3: 0' FSL & 450' FW - plan hits target center - Point | 0.00 | 0.00 | 9,993.9 | 2,680.1 | -2,410.7 | 601,929.00 | 743,892.57 | 32.6530246 | -103.6752036 | |
| PPP2: 1319' FNL & 450' - plan hits target center - Point | 0.00 | 0.00 | 10,012.7 | 1,360.1 | -2,406.3 | 600,609.00 | 743,896.99 | 32.6493965 | -103.6752158 | |
| FTP/LP: 2539' FNL & 45 - plan hits target center - Point | 0.00 | 0.00 | 10,030.1 | 141.1 | -2,402.2 | 599,390.00 | 743,901.08 | 32.6460459 | -103.6752270 | |

Bushwood 21/16 B2ED Fed Com #1H



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

**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL
MEWBOURNE**

Lease Number: NMNM53992Z

BUSHWOOD 21/16 B2ED FED COM 1H

Surface Hole Location: 2590' FSL & 2430' FEL, Section 21, T. 19 S., R. 33 E.

Bottom Hole Location: 100' FNL & 450' FWL, Section 16, T. 19 S, R 33 E.

BUSHWOOD 21/16 B2FC FED COM 1H

Surface Hole Location: 2590' FSL & 2400' FEL, Section 21, T. 19 S., R. 33 E.

Bottom Hole Location: 100' FNL & 1880' FWL, Section 16, T. 19 S, R 33 E.

BUSHWOOD 21/16 B2GB FED COM 1H

Surface Hole Location: 2412' FSL & 1625' FEL, Section 21, T. 19 S., R. 33 E.

Bottom Hole Location: 100' FNL & 2080' FEL, Section 16, T. 19 S, R 33 E.

BUSHWOOD 21/16 B2HA FED COM 1H

Surface Hole Location: 2412' FSL & 1605' FEL, Section 21, T. 19 S., R. 33 E.

Bottom Hole Location: 100' FNL & 660' FEL, Section 16, T. 19 S, R 33 E.

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1. GENERAL PROVISIONS

The failure of the operator to comply with these requirements may result in the assessment of liquidated damages or penalties pursuant to 43 CFR 3163.1 or 3163.2. A copy of these conditions of approval shall be present on the location during construction, drilling and reclamation activity. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

1.1. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural resource (historic or prehistoric site or object) discovered by the operator, or any person working on the operator's behalf, on the public or federal land shall be immediately reported to the Authorized Officer. The operator shall suspend all operations in the immediate area (within 100ft) of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer, in conjunction with a BLM Cultural Resource Specialist, to determine appropriate actions to prevent the loss of significant scientific values. The operator shall be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the operator.

Traditional Cultural Properties (TCPs) are protected by NHPA as codified in 36 CFR 800 for possessing traditional, religious, and cultural significance tied to a certain group of individuals. Though there are currently no designated TCPs within the project area or within a mile of the project area, but it is possible for a TCP to be designated after the approval of this project. **If a TCP is designated in the project area after the project's approval, the BLM Authorized Officer will notify the operator of the following conditions and the duration for which these conditions are required.**

1. Temporary halting of all construction, drilling, and production activities to lower noise.
2. Temporary shut-off of all artificial lights at night.

The operator is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA), specifically NAGPRA Subpart B regarding discoveries, to protect human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered during project work. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and a BLM-CFO Authorized Officer will be notified immediately. The BLM will then be required to be notified, in writing, within 24 hours of the discovery. The written notification should include the geographic location by county and state, the contents of the discovery, and the steps taken to protect said discovery. You must also include any potential threats to the discovery and a conformation that all activity within 100ft of the discovery has ceased and work will not resume until written certification is issued. All work on the entire project must halt for a minimum of 3 days and work cannot resume until an Authorized Officer grants permission to do so.

Any paleontological resource discovered by the operator, or any person working on the operator's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. The operator will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the operator.

1.2. RANGELAND RESOURCES

1.2.1. Cattleguards

Where a permanent cattleguard is approved, an appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s). Any existing cattleguard(s) on the access road 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 cattleguard(s) that are in place

and are utilized during lease operations. A gate shall be constructed on one side of the cattleguard and fastened securely to H-braces.

1.2.2. Fence Requirement

Where entry granted across a fence line, the fence must be braced and tied off on both sides of the passageway prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

1.3. NOXIOUS WEEDS

If noxious weeds were NOT found during onsite:

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, New Mexico Department of Agriculture, and BLM requirements and policies.

1.3.1 African Rue (*Peganum harmala*)

Spraying: The spraying of African Rue must be completed by a licensed or certified applicator. In order to attempt to kill or remove African Rue the proper mix of chemical is needed. The mix consists of 2% Arsenal (Imazapyr) and 2% Roundup (Glyphosate) along with a nonionic surfactant. Any other chemicals or combinations shall be approved by the BLM Noxious Weeds Coordinator prior to treatment. African Rue shall be sprayed in connection to any dirt working activities or disturbances to the site being sprayed. Spraying of African Rue shall be done on immature plants at initial growth through flowering and mature plants between budding and flowering stages. Spraying shall not be conducted after flowering when plant is fruiting. This will ensure optimal intake of chemical and decrease chances of developing herbicide resistance. After spraying, the operator or necessary parties must contact the Carlsbad Field Office to inspect the effectiveness of the application treatment to the plant species. No ground disturbing activities can take place until the inspection by the authorized officer is complete. The operator may contact the Environmental Protection Department or the BLM Noxious Weed Coordinator at (575) 234-5972 or BLM_NM_CFO_NoxiousWeeds@blm.gov.

Management Practices: In addition to spraying for African Rue, good management practices should be followed. All equipment should be washed off using a power washer in a designated containment area. The containment area shall be bermed to allow for containment of the seed to prevent it from entering any open areas of the nearby landscape. The containment area shall be excavated near or adjacent to the well pad at a depth of three feet and just large enough to get equipment inside it to be washed off. This will allow all seeds to be in a centrally located area that can be treated at a later date if the need arises.

1.4. LIGHT POLLUTION

1.4.1. Downfacing

All permanent lighting will be pointed straight down at the ground in order to prevent light spill beyond the edge of approved surface disturbance.

1.4.2. Shielding

All permanent lighting will use full cutoff luminaires, which are fully shielded (i.e., not emitting direct or indirect light above an imaginary horizontal plane passing through the lowest part of the light source).

1.4.3. Lighting Color

Lighting shall be 3,500 Kelvin or less (Warm White) except during drilling, completion, and workover operations. No bluish-white lighting shall be used in permanent outdoor lighting.

2. SPECIAL REQUIREMENTS

2.1. WATERSHED

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). 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 integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad 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. Stockpiling of topsoil is required. The topsoil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

2.1.1. Tank Battery

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. Secondary containment holding capacity must be large enough to contain 1 ½ times the content of the largest tank or 24-hour production, whichever is greater (displaced volume from all tanks within the berms MUST be subtracted from total volume of containment in calculating holding capacity). 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.

2.1.2. Electric Line(s)

Any water erosion that may occur due to the construction of overhead electric line and during the life of the power line will be quickly corrected and proper measures will be taken to prevent future erosion. A power pole must not be placed in drainages, playas, wetlands, riparian areas, or floodplains and must span across the features at a distance away that does not promote further erosion.

2.1.3. Pad Construction

- The pad will be constructed and leveled by adding the necessary fill and caliche. No blasting will be used for any construction or leveling activities.
- The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.
- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g., caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.

- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised (i.e. an access road crossing the berm cannot be lower than the berm height).
- Following a rain event, all fluids will be vacuumed off of the pad and hauled off-site and disposed at a proper disposal facility.

2.1.4. Road Construction

- Turnout ditches and drainage leadoffs will not be constructed in such a manner as to alter the natural flow of water into or out of cave or karst features.
- Special restoration stipulations or realignment may be required if subsurface features are discovered during construction.

2.1.5. Powerline Construction

- Smaller powerlines will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems.

2.1.6. Production Mitigation

- Tank battery locations and facilities will be bermed and lined with a 20-mil thick permanent liner that has a 4 oz. felt backing, or equivalent, to prevent tears or punctures. Secondary containment holding capacity must be large enough to contain 1 ½ times the content of the largest tank or 24-hour production, whichever is greater (displaced volume from all tanks within the berms MUST be subtracted from total volume of containment in calculating holding capacity).
- Implementation of a leak detection system to provide an early alert to operators when a leak has occurred.
- Automatic shut off, check valves, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

2.1.7. Residual and Cumulative Mitigation

The operator will perform annual pressure monitoring on all casing annuli. If the test results indicate a casing failure has occurred, contact a BLM Engineer immediately, and take remedial action to correct the problem.

2.1.8. Plugging and Abandonment Mitigation

Upon well abandonment in high cave karst areas, additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

2.3 WILDLIFE

2.3.1 Lesser Prairie Chicken

2.3.1.1 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, geophysical exploration other than 3-D operations, and 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 ft. from the source of the noise.

2.3.1.2 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.

2.3.1.3 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 BLM_NM_CFO_Construction_Reclamation@blm.gov.

2.3.3 Dunes Sagebrush Lizard

- Pre-construction contact with a BLM wildlife biologist is required within 5 days before any ground disturbing activities associated with the project occurs.
- Successful completion of the BLM Trench Stipulation Workshop is required for a non-agency person to be approved as a monitor.
- Any trench left open for (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, an agency approved monitor shall walk the entire length of the open trench and remove all trapped vertebrates. The bottom surface of the trench will be disturbed a minimum of 2 inches in order to arouse any buried vertebrates. All vertebrates will be released alive at least 100 yards from the trench.
- For trenches left open for eight (8) hours or more the following requirements apply:
 - Earthen escape ramps and/or structures (built at no more than a 30-degree slope and spaced no more than 500 feet apart) shall be placed in the trench. Metal structures will not be authorized. Options will be discussed in detail at the required Trench Stipulation Workshop.
 - One approved monitor shall be required to survey up to three miles of trench between the hours of 11 AM-2 PM. A daily report (consolidate if there is more than one monitor) on the vertebrates found and removed from the trench shall be provided to the BLM (email/fax is acceptable) the following morning.
 - Prior to backfilling of the trench all structures used as escape ramps will be removed and the bottom surface of the trench will be disturbed a minimum of 2 inches in order to arouse any buried vertebrates. All vertebrates will be released alive a minimum of 100 yards from the trench.
- This stipulation shall apply to the entire length of the project in the DSL habitat polygon regardless of land ownership or CCA/CCAA enrollment status.
- A project closeout will be required within three business days of the completion of the project.

2.4 SPECIAL STATUS PLANT SPECIES

3. CONSTRUCTION REQUIREMENTS

3.1 CONSTRUCTION NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at BLM_NM_CFO_Construction_Reclamation@blm.gov 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 COAs on the well site and they shall be made available upon request by the Authorized Officer.

3.2 TOPSOIL

The operator shall strip the topsoil (the A horizon) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. No more than the top 6 inches of topsoil shall be removed. 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 (the B horizon and below) 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.

3.3 CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No reserve pits will be used for drill cuttings. The operator shall properly dispose of drilling contents at an authorized disposal site.

3.4 FEDERAL MINERAL 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.

3.5 WELL PAD & SURFACING

Any surfacing material used to surface the well pad will be removed at the time of interim and final reclamation.

3.6 EXCLOSURE FENCING (CELLARS & PITS)

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

The operator will also install and maintain mesh netting for all open well cellars to prevent access to smaller wildlife before and after drilling operations until the well cellar is free of fluids and the operator. Use a maximum netting mesh size of 1 ½ inches. The netting must not have holes or gaps.

3.7 ON LEASE ACCESS ROAD

3.7.1 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.

3.7.2 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 will 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.

3.7.3 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.

3.7.4 Ditching

Ditching shall be required on both sides of the road.

3.7.5 Turnouts

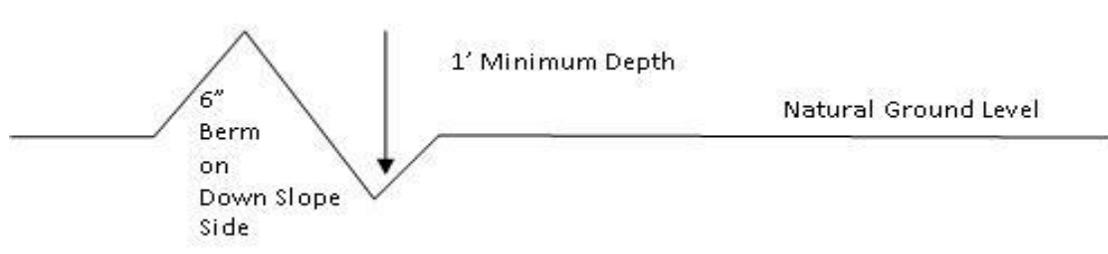
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

3.7.6 Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, leadoff 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:

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

3.7.7 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

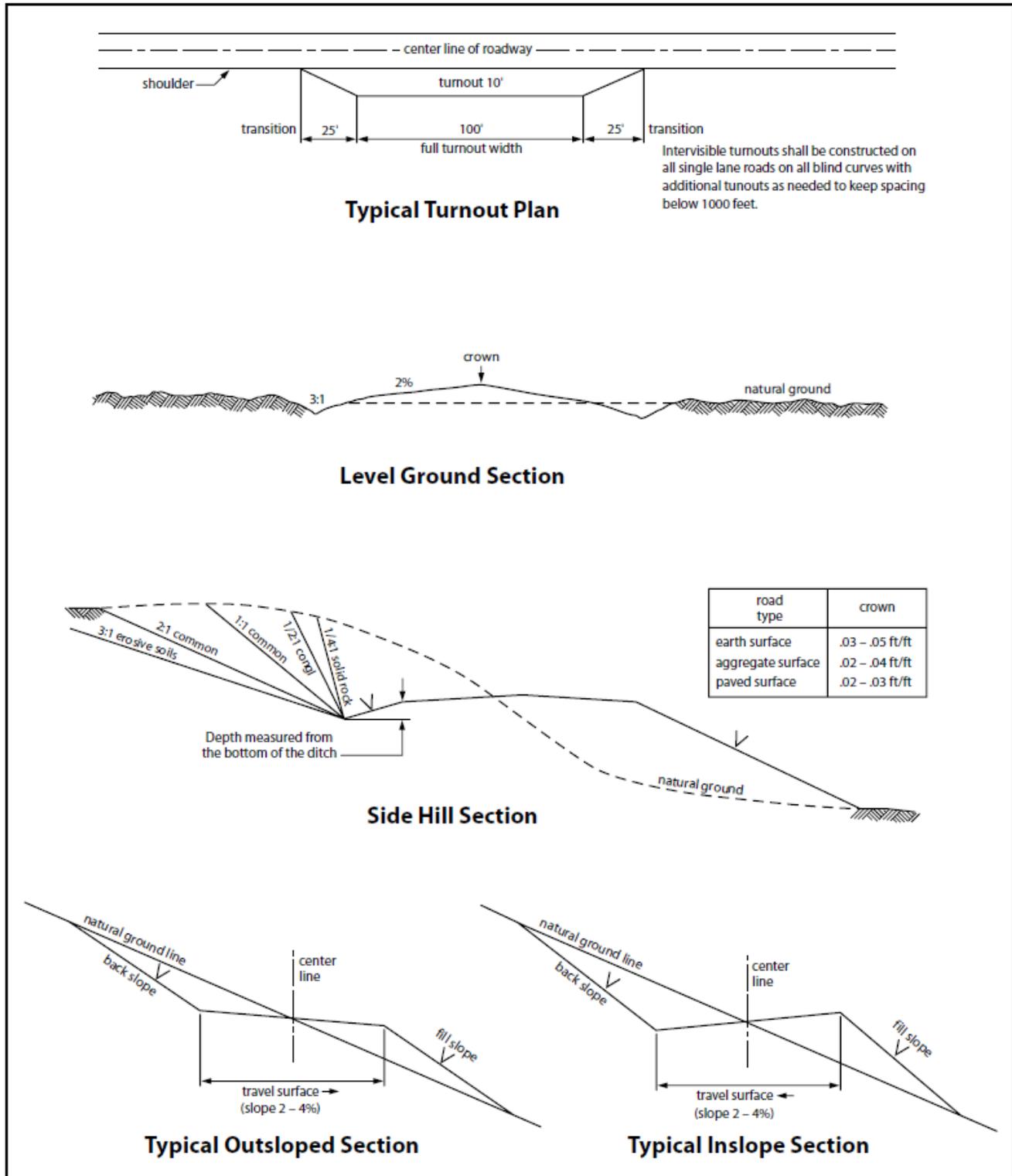


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

4.1 OVERHEAD ELECTRIC LINES

A copy of the APD and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Operator agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The operator shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this APD.
2. The operator shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the operator shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the powerline corridor or on facilities authorized under this powerline corridor. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The operator agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Powerline corridor (unless the release or threatened release is wholly unrelated to the operator's activity on the powerline corridor), or resulting from the activity of the Operator on the powerline corridor. This agreement applies without regard to whether a release is caused by the operator, its agent, or unrelated third parties.
4. There will be no clearing or blading of the powerline corridor unless otherwise agreed to in writing by the Authorized Officer.
5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The operator shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this powerline corridor, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the operator without liability or expense to the United States.
6. Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.
7. The operator shall minimize disturbance to existing fences and other improvements on public lands. The operator is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The operator will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

8. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.
9. Upon cancellation, relinquishment, or expiration of this APD, the operator shall comply with those abandonment procedures as prescribed by the Authorized Officer.
10. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this APD, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.
11. Special Stipulations:
 - For reclamation remove poles, lines, transformer, etc. and dispose of properly. Fill in any holes from the poles removed.
12. Karst stipulations for overhead electric lines
 - Smaller powerlines will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems. Larger powerlines will adjust their pole spacing to avoid cave and karst features.
 - The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction.
 - No further construction will be done until clearance has been issued by the Authorized Officer.
 - Special restoration stipulations or realignment may be required.

5. PRODUCTION (POST DRILLING)

5.1 WELL STRUCTURES & FACILITIES

5.1.1 Placement of Production Facilities

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

5.1.2 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.

5.1.3. Chemical and Fuel Secondary Containment and Enclosure 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 enclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

5.1.4. Open-Vent Exhaust Stack Enclosures

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 enclosure 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.

5.1.5. 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.

6. RECLAMATION

Stipulations required by the Authorized Officer on specific actions may differ from the following general guidelines

6.1 ROAD AND SITE RECLAMATION

Any roads constructed during the life of the well will have the caliche removed or linear burial. If contaminants are indicated then testing will be required for chlorides and applicable contaminate anomalies for final disposal determination (disposed of in a manner approved by the Authorized Officer within Federal, State and Local statutes, regulations, and ordinances) and seeded to the specifications in sections 6.5 and 6.6.

6.2 EROSION CONTROL

Install erosion control berms, windrows, and hummocks. Windrows must be level and constructed perpendicular to down-slope drainage; steeper slopes will require greater windrow density. Topsoil between windrows must be ripped to a depth of at least 12", unless bedrock is encountered. Any large boulders pulled up during ripping must be deep-buried on location. Ripping must be perpendicular to down-slope. The surface must be left rough in order to catch and contain rainfall on-site. Any trenches resulting from erosion cause by run-off shall be addressed immediately.

6.3 INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations must 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 must work with BLM surface protection specialists (BLM_NM_CFO_Construction_Reclamation@blm.gov) to devise the best strategies to reduce the size of the location. Interim reclamation must allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche and any other surface material is required. 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 in section 6.6.

Upon completion of interim reclamation, the operator shall submit a Sundry Notice, Subsequent Report of Reclamation (Form 3160-5).

6.4 FINAL ABANDONMENT & RECLAMATION

Prior to surface abandonment, the operator shall submit a Notice of Intent Sundry Notice and reclamation plan.

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 will 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. After earthwork and seeding is completed, the operator is required to submit a Sundry Notice, Subsequent Report of Reclamation.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (BLM_NM_CFO_Construction_Reclamation@blm.gov).

6.5 SEEDING TECHNIQUES

Seeds shall be hydro-seeded, mechanically drilled, or broadcast, with the broadcast-seeded area raked, ripped or dragged to aid in covering the seed. The seed mixture shall be evenly and uniformly planted over the disturbed area.

6.6 SOIL SPECIFIC SEED MIXTURE

The lessee/permittee 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 will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed land application will be accomplished by mechanical planting 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 tend to drop the bottom of the drill and are planted first; the operator 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. The seeding will be repeated until a satisfactory BLM or Soil Conservation

District stand is established as determined by the Authorized Officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding or until several months of precipitation have occurred, enabling a full four months of growth, with one or more seed generations being establish.

Seed Mixture #5 for LPC Sand/Shinnery Sites

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 |
| WELL NAME & NO.: BUSHWOOD 21/16 B2ED FED COM 1H |
| APD ID: 10400089149 |
| LOCATION: Section 21, T.19 S., R.33 E. NMP. |
| COUNTY: Lea County, New Mexico ▼ |

COA

| H ₂ S | <input type="radio"/> No | <input checked="" type="radio"/> Yes | | |
|----------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Potash / WIPP | <input type="radio"/> None | <input checked="" type="radio"/> Secretary | <input type="radio"/> R-111-Q | <input type="checkbox"/> Open Annulus <input type="checkbox"/> WIPP |
| Cave / Karst | <input checked="" type="radio"/> Low | <input type="radio"/> Medium | <input type="radio"/> High | <input type="radio"/> Critical |
| Wellhead | <input type="radio"/> Conventional | <input checked="" type="radio"/> Multibowl | <input type="radio"/> Both | <input type="radio"/> Diverter |
| Cementing | <input type="checkbox"/> Primary Squeeze | <input type="checkbox"/> Cont. Squeeze | <input type="checkbox"/> EchoMeter | <input type="checkbox"/> DV Tool |
| Special Req | <input type="checkbox"/> Capitan Reef | <input type="checkbox"/> Water Disposal | <input checked="" type="checkbox"/> COM | <input type="checkbox"/> Unit |
| Waste Prev. | <input type="radio"/> Self-Certification | <input type="radio"/> Waste Min. Plan | <input checked="" type="radio"/> APD Submitted prior to 06/10/2024 | |
| Additional Language | <input checked="" type="checkbox"/> Flex Hose <input type="checkbox"/> Four-String | <input type="checkbox"/> Casing Clearance <input type="checkbox"/> Offline Cementing | <input type="checkbox"/> Pilot Hole <input checked="" type="checkbox"/> Fluid-Filled | <input type="checkbox"/> Break Testing |

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H₂S) Drilling Plan shall be activated **AT SPUD**. As a result, the Hydrogen Sulfide area must meet **43 CFR 3176** 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 DESIGN

1. The **20** inch surface casing shall be set at approximately **1,400 ft.** (a minimum of 25 feet (Lea County) into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, set casing at least 25 ft. above the salt.**
 - 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 psi 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 psi compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The **13-3/8** inch 1st intermediate casing shall be set in a competent bed at approximately **3,300 ft.** (3,237 ft. TVD). The minimum required fill of cement behind the **13-3/8** inch intermediate casing is:
- **Cement to surface.** If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to **Potash**.

Note: The 1st intermediate casing must be kept fluid-filled to meet minimum requirements for collapse design safety factor.

❖ In Secretary Potash Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

3. The **9-5/8** inch 2nd intermediate casing shall be set in a competent bed at approximately **5,580 ft.** (5,400 ft. TVD). The minimum required fill of cement behind the **9-5/8-inch** intermediate casing is:

Option 1 (Single Stage): Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to Potash.

Option 2 (Two-Stage): The operator has proposed utilize a DV tool. Operator may adjust depth of DV tool. Adjust cement volumes accordingly. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. **First stage to DV tool:** Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. **Second stage above DV tool:** Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to Potash.

Note: Excess cement for the 1st stage is below the BLM's recommendation of 25%. More cement might be needed.

Note: The 2nd intermediate casing must be kept fluid-filled to meet minimum requirements for collapse design safety factor.

4. The 7 inch Production casing shall be set in a competent bed at approximately **9,800 ft.** (9,402 ft. TVD). The minimum required fill of cement behind the **7-inch** intermediate casing is:
 - Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to Potash.
5. 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. Before drilling the surface casing shoe out, the BOP/BOPE and annular preventer shall be pressure-tested in accordance with **title 43 CFR 3172**.
 - 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 the **title 43 CFR 3172.6(b)(9)** must be followed.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, 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)

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 689-5981

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
 - i. Notify the BLM when moving in and removing the Spudder Rig.
 - ii. 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.
 - iii. BOP/BOPE test to be conducted per **43 CFR 3172** 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 doghouse or stairway area.

3. For intervals in which cement to surface is required, cement to surface should be verified with a visual check and density or pH check to differentiate cement from spacer and drilling mud. The results should be documented in the driller's log and daily reports.

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 of both lead and tail cement, 2) until cement has been in place at least 8 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-Q 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 **43 CFR 3172**.
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:
 - i. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - ii. 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.
 - iii. Manufacturer representative shall install the test plug for the initial BOP test.
 - iv. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172.6(b)(9) must be followed.
 - v. 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.
 - i. 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 cement), 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).
 - ii. 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 cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (Only applies to single stage cement jobs, prior to the cement setting up.)
 - iii. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR 3172** 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 8 hours or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - iv. 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.
 - v. The results of the test shall be reported to the appropriate BLM office.
 - vi. 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.
 - vii. 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.

- viii. 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 **43 CFR 3172**.

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.

SA 07/01/2024

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 |

Operator Name: MEWBOURNE OIL COMPANY

Well Name: BUSHWOOD 21/16 B2ED FED COM

Well Number: 1H

Section 5 - Location and Types of Water Supply

Water Source Table

Water source type: IRRIGATION

Water source use type: DUST CONTROL
CAMP USE
SURFACE CASING
INTERMEDIATE/PRODUCTION CASING
STIMULATION

Source latitude: 32.634079

Source longitude: -103.707472

Source datum: NAD83

Water source permit type: WATER WELL

Water source transport method: TRUCKING

Source land ownership: PRIVATE

Source transportation land ownership: STATE

Water source volume (barrels): 1940

Source volume (acre-feet): 0.2500526

Source volume (gal): 81480

Water source type: IRRIGATION

Water source use type: DUST CONTROL
SURFACE CASING
INTERMEDIATE/PRODUCTION CASING
STIMULATION

Source latitude: 32.32698

Source longitude: -104.21917

Source datum: NAD83

Water source permit type: WATER WELL

Water source transport method: TRUCKING

Source land ownership: PRIVATE

Operator Name: MEWBOURNE OIL COMPANY

Well Name: BUSHWOOD 21/16 B2ED FED COM

Well Number: 1H

Source transportation land ownership: FEDERAL

Water source volume (barrels): 1940

Source volume (acre-feet): 0.2500526

Source volume (gal): 81480

Water source and transportation

Bushwood_21_16_B2ED_Fed_Com_1H_WaterSourceTransMap_20221110095838.pdf

Water source comments: Both sources shown on one map.

New water well? N

New Water Well Info

Well latitude:

Well Longitude:

Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft):

Est thickness of aquifer:

Aquifer comments:

Aquifer documentation:

Well depth (ft):

Well casing type:

Well casing outside diameter (in.):

Well casing inside diameter (in.):

New water well casing?

Used casing source:

Drilling method:

Drill material:

Grout material:

Grout depth:

Casing length (ft.):

Casing top depth (ft.):

Well Production type:

Completion Method:

Water well additional information:

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Using any construction materials: YES

Construction Materials description: Caliche

Construction Materials source location

Bushwood_21_16_B2ED_Fed_Com_1H_CalicheSourceTransMap_20221110095850.pdf

Operator Name: MEWBOURNE OIL COMPANY

Well Name: BUSHWOOD 21/16 B2ED FED COM

Well Number: 1H

Section 7 - Methods for Handling

Waste type: DRILLING

Waste content description: Drill cuttings

Amount of waste: 940 barrels

Waste disposal frequency : One Time Only

Safe containment description: Drill cuttings will be properly contained in steel tanks (20 yard roll off bins.)

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** PRIVATE

Disposal type description:

Disposal location description: NMOCD approved waste disposal locations are CRI or Lea Land, both facilities are located on HWY 62/180, Sec. 27 T20S R32E.

Waste type: SEWAGE

Waste content description: Human waste & grey water

Amount of waste: 1500 gallons

Waste disposal frequency : Weekly

Safe containment description: 2,000 gallon plastic container

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** PRIVATE

Disposal type description:

Disposal location description: City of Carlsbad Water Treatment facility

Waste type: GARBAGE

Waste content description: Garbage & trash

Amount of waste: 1500 pounds

Waste disposal frequency : One Time Only

Safe containment description: Enclosed trash trailer

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** PRIVATE

Disposal type description:

Disposal location description: Waste Management facility in Carlsbad.

Reserve Pit

Reserve Pit being used? NO

Operator Name: MEWBOURNE OIL COMPANY

Well Name: BUSHWOOD 21/16 B2ED FED COM

Well Number: 1H

Temporary disposal of produced water into reserve pit? NO

Reserve pit length (ft.)

Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? N

Description of cuttings location

Cuttings area length (ft.)

Cuttings area width (ft.)

Cuttings area depth (ft.)

Cuttings area volume (cu. yd.)

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary

Are you requesting any Ancillary Facilities?: N

Ancillary Facilities

Comments:

Section 9 - Well Site

Well Site Layout Diagram:

BUSHWOOD_21_16_B2ED_FED_COM__1H_WellSiteLayout_20221110095906.pdf

Comments: NONE

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

CONDITIONS

Action 363656

CONDITIONS

| | |
|-------------------------------------------------------------------|--------------------------------------------------------------------|
| Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241 | OGRID: 14744 |
| | Action Number: 363656 |
| | Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3) |
| | |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| pkautz | Will require a File As Drilled C-102 and a Directional Survey with the C-104 | 7/19/2024 |
| pkautz | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string | 7/19/2024 |
| pkautz | Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system | 7/19/2024 |
| pkautz | Cement is required to circulate on both surface and intermediate1 strings of casing | 7/19/2024 |
| pkautz | If cement does not circulate on any string, a CBL is required for that string of casing | 7/19/2024 |