Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELDS ARTESIA

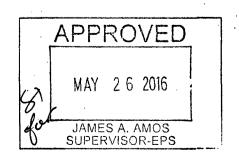
5. Lease Serial No. NMNM114971

Do not use this form for managed to drill out one enter on						
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee o	r Tribe Name
SUBMIT IN TRIPLICATE - Other instructions on reverse side.					7. If Unit or CA/Agree NMNM133608	ement, Name and/or No.
1. Type of Well ☐ Oil Well ☑ Gas Well ☐ Other				8. Well Name and No. OWL DRAW 22 W1AP FED COM 1H		
Name of Operator Contact: JACKIE LATHAN MEWBOURNE OIL COMPANY E-Mail: jlathan@mewbourne.com				9. API Well No. 30-015-42475-00-S1		
P O BOX 5270 Ph			. (include area code) 3-5905		10. Field and Pool, or Exploratory WC 015 S262728A	
HOBBS, NM 88241 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)			·	·	11. County or Parish,	and State
Sec 15 T26S R27E SESE 230 32.020719 N Lat, 104.101584				EDDY COUNTY	/, NM	
12. CHECK APPE	ROPRIATE BOX(ES) TO) INDICATE	NATURE OF 1	NOTICE, R	EPORT, OR OTHE	R DATA
TYPE OF SUBMISSION	TYPE OF ACTION			F ACTION		
Notice of Intent	☐ Acidize ☐ Alter Casing	☐ Dee	pen ture Treat	☐ Reclam		☐ Water Shut-Off ☐ Well Integrity
☐ Subsequent Report ☐ Final Abandonment Notice	☐ Casing Repair ☐ Change Plans ☐ Convert to Injection	Plug	Construction g and Abandon	☐ Recomp ☐ Tempor ☐ Water I	arily Abandon	☑ Other Site Facility Diagra m/Security Plan
testing has been completed. Final Abandonment Notices shall be filed only after all redetermined that the site is ready for final inspection.) Please see attached site facility diagram & water disposal information Bond on file: NM1693 Nationwide & NMB000919 Bond on file: 22015694 Nationwide & 022041703 Statewide NM OIL CONSERVATION ARTESIA DISTRICT NOV 1 4 2016			n.	Approval	SEE AF CONDITION for Record Pur I Subject to Onsi 25.26.16	TACHED EOR IS OF UPPROVAL poses. ite Inspection.
RECEIVED	· •		· · · · · · · · · · · · · · · · · · ·			
14. I hereby certify that the foregoing is Com Name (Printed/Typed) JOE BRY	# Electronic Submission For MEWBOUI nmitted to AFMSS for proc	RNE OIL COM	PAÑY, sent to th	e Carlsbad n 04/27/2016	-	
Signature (Electronic S	Submission)		Date 04/27/2	016	•	
	THIS SPACE FO	OR FEDERA	L OR STATE	OFFICE U	SE	
Approved By Conditions of approval, if any, are attached. Approval of this notice does not warrant or ertify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.			Title			Date
Citle 18 U.S.C. Section 1001 and Title 43		crime for any ne	<u> </u>	willfully to m	ake to any department or	agency of the United

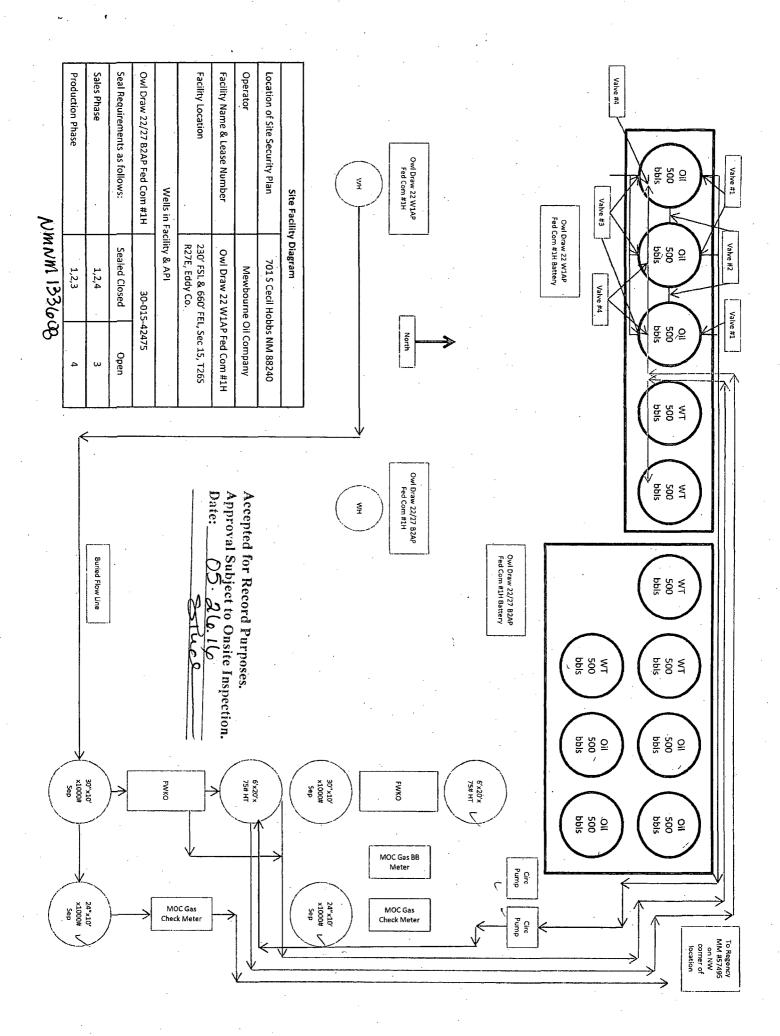
WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:					
1.	Name of formations producing water on the lease. Wolf canf				
2.	Amount of water produced from all formations in barrels per day. 500 BPD				
	Attach a current water analysis of produced water from all zones showing at least otal dissolved solids, ph, and the concentrations of chlorides and sulfates. (One ole will suffice if water is commingled.)				
4.	How water is stored on lease. 2-500 661 6+eel tanks				
5.	How water is moved to the disposal facility. + rucked				
6.	Identify the Disposal Facility by: A. Facility Operators name. Membourne O'l Co.				
. ,	B. Name of facility or well name and number. Delawase Ranch SwD				
	C. Type of facility or well (WDW) (WIW) etc. WDW				
	D. Location by V. 1/4 5E5E Section 11 Township 265 Range 28E				
7∵	Attach a copy of the State issued permit for the Disposal Facility.				

Submit to this office, 620 EAST GREENE ST, CARLSBAD NM, 88220, the above required information on a Sundry Notice 3160-5. Submit 1 original and 3 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice.)



SEE ATTACHED FOR CONDITIONS OF APPROVAL



BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Disposal of Produced Water From Federal Wells Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

- 1. This agency shall be notified of any change in your method or location of disposal.
- 2. Compliance with all provisions of Onshore Order No. 7.
- 3. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- 6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
- 8. Disposal at any other site will require prior approval.
- 9. Subject to like approval by NMOCD.

7/10/14

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC.

The wellhead injection pressure on the well shall be limited to no more than 534 psl. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

JAMIBAILEY

Director

JB/wvjj

cc: Oil Conservation Division - Artesia