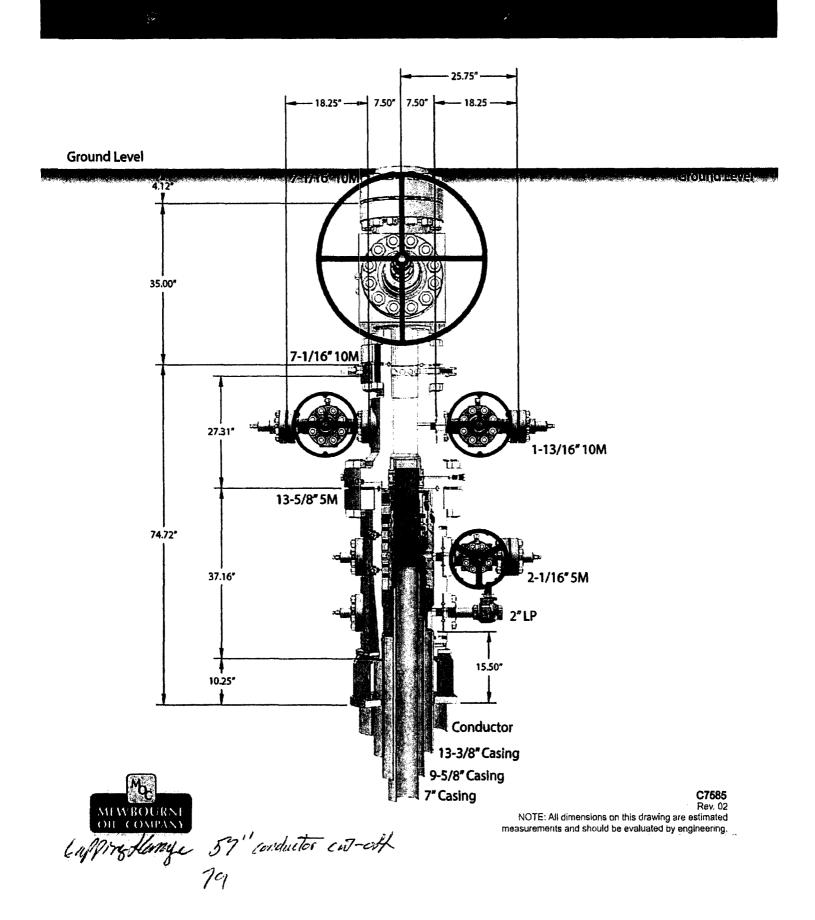
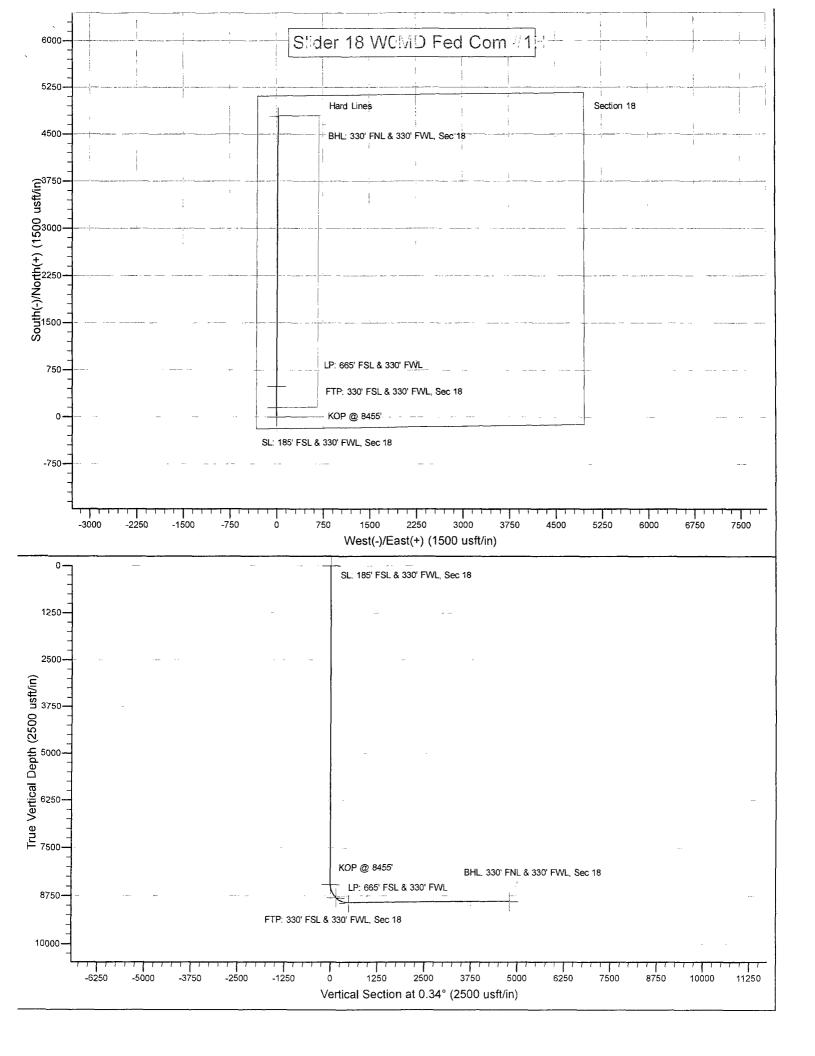
ne 2015)	DE	UNITED STATE PARTMENT OF THE I JREAU OF LAND MANA	INTERIOR	sbad Fi	ela Off	Expires: J	APPROVED O. 1004-0137 anuary 31, 2018	
	JUNDALI	NOTICES AND REFC			uesia 5	Lease Serial No. NMNM0540701	A	
a	Do not use thi bandoned wel	s form for proposals to I. Use form 3160-3 (AF	o drill or to re PD) for such µ	-enter an proposals.	6	. If Indian, Allottee of	or Tribe Name	
	SUBMIT IN 1	RIPLICATE - Other ins	structions on	page 2	7	. If Unit or CA/Agre	ement, Name and/or No.	
. Type of Well	Gas Well 🗖 Oth	er			8	. Well Name and No. SLIDER 18 W	D FED COM 1H	
. Name of Operator MEWBOURNE	OIL COMPAN	Contact: Y E-Mail: jlathan@r	JACKIE LAT		9	. API Well No. 30-015-43621-0	00-X1	
a. Address P O BOX 5270 HOBBS, NM 8		,	3b. Phone No Ph: 575-39	io. (include area code)10. Field and Pool or Exploratory Area93-5905FOREHAND RANCH				
		, R., M., or Survey Descriptio	n)		1	1. County or Parish,	State	
Sec 18 T23S F	R27E Lot 4 185F	SL 330FWL				EDDY COUNT	Y, NM	
12. C	HECK THE AP	PROPRIATE BOX(ES) TO INDICA	TE NATURE O	F NOTICE, R	EPORT, OR OT	HER DATA	
TYPE OF SUE	BMISSION		TYPE OF	ACTION				
🛛 Notice of Inte	ent	Acidize	🗖 Dee	pen	Production	n (Start/Resume)	□ Water Shut-Off	
		Alter Casing	🗖 Hyd	Hydraulic Fracturing 🔲 Recl		n	Well Integrity	
Subsequent R	,	Casing Repair	-	ew Construction 🔲 Recon			Other Change to Original	
Final Abando	nment Notice	Change Plans Convert to Injection		ug and Abandon 🔲 Tempo ug Back 🔲 Water		ly Abandon	PD	
testing has been or determined that the Mewbourne Oi following change 1) Change wel 2) Change TVI	ompleted. Final Ab e site is ready for fi l Company has ges: l name to Slider D to 8932'.	an approved APD for th 18 W0MD Federal Con	iled only after all e above well.	requirements, includ Mewbourne requ	ing reclamation, I ests approval f = 2 - 1 - 7	have been completed of the 17	ONSERVATIO	
 Add DV tool Variance for 	to 7" casing str use of multi-bo	ing @ 2765'. wi wellhead.		-		ARTES	SIA DISTRICT	
		tional plan and drilling p	program.	A for the	ord - NMOC	D MAY	0 8 2017	
Please contact	Andy Taylor Wi	th any questions.		Accepted for rev	. 10	₹F(CEIVER	
4. I hereby certify t		Electronic Submission	JRNE OIL CON	PANY, sent to the	e Carlsbad	-		
Name (Printed/Typ	oed) ANDREW	TAYLOR		Title ENGINE	EER			
Signature	(Electronic S	ubmission)		Date 04/27/2	017			
		THIS SPACE F	OR FEDER	AL OR STATE	OFFICE USE			
Approved By_TEU	N <u>GKU MUCHLI</u>	S <u>KRUENG</u>		TitlePETROLE	UM ENGINEE	R	Date 04/28/201	
nditions of approval	if any, are attached t holds legal or equ	 Approval of this notice doe itable title to those rights in the 	es not warrant or ne subject lease	Office Ocalebra	-			
tify that the applican ich would entitle the	applicant to condu	ct operations thereon.		Office Carlsbac	1			



13-5/8" MN-DS Wellhead System





ARTESIA DISTRICT MAY 0 8 2017

RECEIVED

Mewbourne Oil Company

Eddy County, New Mexico Slider 18 W0MD Fed Com #1H Sec 18, T23S, R27E SL: 185' FSL & 330' FWL BHL: 330' FNL & 330' FWL

Plan: Design #1

Standard Planning Report

26 April, 2017

Planning Report

Database: Company: Project: Site: Well: Wellbore: Design:	Hobbs Mewbourne Oil Company Eddy County, New Mexico Slider 18 W0MD Fed Com #1H Sec 18, T23S, R27E BHL: 330' FNL & 330' FWL Design #1 Eddy County, New Mexico				Local Co-ordinate Reference:Site Slider 18 W0MD Fed Com #1HTVD Reference:WELL @ 3246.0usft (Original Well ElevMD Reference:WELL @ 3246.0usft (Original Well ElevNorth Reference:GridSurvey Calculation Method:Minimum Curvature					Vell Elev)
Project	Eddy C	County, New Me	xico				<u></u>	<u></u>		
Map System: Geo Datum: Map Zone:	NAD 19:	e Plane 1927 (E 27 (NADCON C xico East 3001			System Dat	um:	Me	an Sea Level		
Site	Slider	18 W0MD Fed 0	Com #1H	1	n giş ve dirinaşının				a nanan ni ta na na n	n mana a difinita balan 10 kana ay yana mamana at 10 km m
Site Position: From: Position Uncer	Ma tainty:		Northi Eastin) usft Slot R	g:		,072.60 usft ,002.50 usft 13-3/16 "	Latitude: Longitude: Grid Converge	ence:		32° 17' 52.104 N 104° 14' 10.443 W 0.05 °
Well	Sec 18	, T23S, R27E	Annandram (- no			anarana 1999 - Marina Angela, Sanarana (M. 1994), S. 1994				nan an'imine reporting tatiyan a mampin nonaninan
Well Position	+N/-S +E/-W	0	.0 usft Ea	erthing: sting:		472,072.60 530,002.50	usft Lon	tude: gitude:		32° 17' 52.104 N 104° 14' 10.443 W
Position Uncer			.0 usft We	ellhead Elevation	DII;	3,246.0		und Level:		3,219.0 usft
Wellbore	BHL: :	330' FNL & 330'	FWL							
Magnetics	Mo	odel Name	Sample		Declina (°)		Dip A (°)		trength T)
		IGRF200510		2/31/2009		8.06		60.19		48,764
Design Audit Notes:	Design	a #1								
Version:			Phase	e: Pl	ROTOTYPE	Tie	On Depth:	(0.0	
Vertical Section	1 :	D	epth From (T\ (usft) 0.0	/D)	+N/-S (usft) 0.0	(u	/-W sft) 0.0	(ction *) .34	
										······
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 8,454.5	0.00 0.00	0.00	0.0 8,454.5	0.0 0.0	0.0	0.00	0.00	0.00		KOP @ 8455'
9,208,3	90.45 90.45	0.34 0.34	8,932.0 8,898.0	481.2 4,785.4	2.9 28.5	12.00 0.00	12.00 0.00	0.00 0.00	0.34	BHL: 330' FNL & 330'

Planning Report

tabase: mpany:)ject: a:	Hobbs Mewbourne O Eddy County, Slider 18 W0N		н	TVD R MD Re	Co-ordinate Re eference: ference: Reference:	ference:	WELL @ 324	8 W0MD Fed Co 46.0usft (Origina 46.0usft (Origina	il Well Elev)
11:	Sec 18, T23S,	. R27E		Survey	Calculation M	lethod:	Minimum Cu	irvature	
libore:	BHL: 330' FNI			,					
sign:	Design #1								
nned Survey		with a state	·		and a set of spinor a				
Measured			Vertical			Vertical	Dogleg	Build	Turn
Depth (usft)	Inclination (°)	Azimuth (*)	Depth (usft)	+N/-S (usft)	+E/-W (usft)	Section (usft)	Rate (*/100usft)	Rate (*/100usft)	Rate (°/100usft)
0,0	0.00	0,00	0.0	0,0	0,0	0.0	0,00	0.00	0,00
	. & 330' FWL, Se		0.0	0.0	0.0	0.0	0,00	0.00	0.00
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
1,600.0	0.00	0,00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0,00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0,00	0.00	2,000.0	0.0	0.0	0.0	0.00	0,00	0.00
2,000.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0,0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0,00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200,0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,500,0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700,0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800,0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900,0	0.0	0.0	0.0	0.00	0.00	0.00
,									
4,000.0 4 100 0	0.00	0.00	4,000.0 4 100 0	0.0 0.0	0.0	0.0	0.00	0.00	0.00

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Planned Survey			
Design:	Design #1		
Wellbore:	BHL: 330' FNL & 330' FWL		
Well:	Sec 18, T23S, R27E	Survey Calculation Method:	Minimum Curvature
Site:	Slider 18 W0MD Fed Com #1H	North Reference:	Grid
Project:	Eddy County, New Mexico	MD Reference:	WELL @ 3246.0usft (Original Well Elev)
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3246.0usft (Original Well Elev)
Database:	Hobbs	Local Co-ordinate Reference:	Site Slider 18 W0MD Fed Com #1H

Measured Depth (usft)	Inclination (°)	Azimuth (*)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogieg Rate (*/100usft)	Build Rate (*/100usft)	Turn Rate (*/100usft)
5,300.0	0.00	0.00	5,300.0	0.0	0.0	0.0	0.00	0.00	0.00
5,400.0	0.00	0,00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00
5,500.0	0.00	0.00	5,500.0	0.0	0.0	0.0	0.00	0.00	0.00
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00
5,700,0	0.00	0.00	5,700.0	0.0	0.0	0.0	0.00	0.00	0.00
5,800.0	0.00	0.00	5,800.0	0.0	0.0	0.0	0.00	0.00	0.00
5,900.0	0.00	0.00	5,900.0	0.0	0.0	0.0	0.00	0.00	0.00
6,000.0	0.00	0.00	6,000,0	0.0	0,0	0.0	0.00	0.00	0,00
6,100.0	0.00	0.00	6,100.0	0.0	0,0	0,0	0.00	0.00	0.00
6,200.0	0.00	0.00	6,200.0	0.0	0.0	0.0	0.00	0.00	0.00
6,300.0	0.00	0.00	6,300,0	0.0	0,0	0.0	0.00	0.00	0.00
6,400.0	0.00	0.00	6,400.0	0.0	0.0	0.0	0.00	0.00	0.00
6,500.0	0.00	0.00	6,500.0	0.0	0.0	0.0	0.00	0.00	0.00
6,600.0	0.00	0.00	6,600.0	0.0	0.0	0.0	0.00	0.00	0.00
6,700.0	0.00	0.00	6,700.0	0.0	0.0	0,0	0.00	0.00	0.00
6,800.0	0.00	0.00	6,800.0	0.0	0,0	0.0	0.00	0.00	0.00
6,900.0	0.00	0.00	6,900.0	0.0	0.0	0.0	0.00	0.00	0.00
7,000.0	0.00	0,00	7,000.0	0,0	0.0	0.0	0.00	0.00	0.00
7,100.0	0.00	0.00	7,100.0	0.0	0.0	0.0	0.00	0.00	0.00
7,200.0	0.00	0,00	7,200.0	0.0	0.0	0.0	0.00	0,00	0.00
7,300.0					0,0	0.0		0.00	
	0.00	0.00	7,300.0	0.0			0.00		0,00
7,400.0	0.00	0.00	7,400.0	0.0	0.0	0.0	0.00	0.00	0.00
7,500.0	0.00	0.00	7,500.0	0.0	0.0	0.0	0.00	0.00	0.00
7,600.0	0.00	0.00	7,600.0	0.0	0.0	0,0	0.00	0.00	0.00
7,700.0	0.00	0.00	7,700.0	0.0	0.0	0.0	0.00	0.00	0.00
7,800.0	0.00	0.00	7,800,0	0.0	0.0	0.0	0.00	0.00	0.00
7,900.0	0.00	0.00	7,900.0	0.0	0.0	0.0	0.00	0.00	0.00
8,000.0	0.00	0,00	8,000,0	0.0	0,0	0.0	0,00	0,00	0.00
8,100.0	0.00	0,00	8,100.0	0.0	0.0	0.0	0,00	0,00	0.00
8,200.0	0.00	0,00	8,200,0	0.0	0.0	0.0	0.00	0.00	0.00
8,300.0	0.00	0.00	8,300.0	0.0	0.0	0.0	0.00	0.00	0.00
8,400.0	0.00	0,00	8,400.0	0.0	0.0	0.0	0.00	0.00	0.00
	0,00	0.00	8,454.5	0.0	0.0	0.0	0.00	0.00	0.00
8,454,5		0.00	0,404.0	0,0	0.0	0.0	0.00	0.00	0.00
KOP @ 8455		0.04	0 400 0	~ ~ ~	0.0	2.0	40.00	10.00	0.00
8,500,0	5.46	0.34	8,499.9	2.2	0.D	2.2	12.00	12.00	0.00
8,600.0	17.45	0.34	8,597.8	22.0	0.1	22.0	12.00	12.00	0.00
8,700.0	29,45	0.34	8,689.3	61.7	0.4	61.7	12.00	12.00	0.00
8,800.0	41.45	0.34	8,770.6	119.6	0.7	119.6	12.00	12.00	0.00
8,836.8	45.87	0.34	8,797.2	145.0	0.9	145.0	12.00	12.00	0.00
	SL & 330' FWL, S								
8,900.0	53,45	0.34	8,838.1	193.2	1.2	193.2	12.00	12.00	0.00
9,000.0	65,45	0.34	8,888.9	279.1	1.7	279,1	12.00	12.00	0.00
9,100.0	77.45	0.34	8,920.6	373.7	2.2	373.8	12.00	12.00	0.00
9,200.0	89.45	0.34	8,932.0	472.9	2.8	472.9	12.00	12.00	0.00
9,208,3	90.45	0.34	8,932,0	481.2	2,9	481.2	12,00	12.00	0.00
	& 330' FWL	-				_			
9,300,0	90,45	0.34	8,931.3	572.9	3.4	572.9	0.00	0.00	0.00
9,400.0	90,45	0.34	8,930.5	672.9	4.0	672.9	0.00	0,00	0.00
9,500,0	90.45	0.34	8,929.7	772.9	4.6	772.9	0.00	0.00	0.00
9,600.0	90,45	0.34	8,928.9	872.9	5.2	872.9	0.00	0.00	0.00
9,700.0	90.45	0.34	8,928.1	972.9	5.8	972.9	0.00	0.00	0.00
9,800.0	90.45	0.34	8,927.3	1,072.9	6.4	1,072.9	0.00	0.00	0.00
9,900.0	90.45	0.34	8,926.5	1,172.9	7.0	1,172.9	0.00	0.00	0.00

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Planned Survey			
Design:	Design #1		
Wellbore:	BHL: 330' FNL & 330' FWL		
Well:	Sec 18, T23S, R27E	Survey Calculation Method:	Minimum Curvature
Site:	Slider 18 W0MD Fed Com #1H	North Reference:	Grid
Project:	Eddy County, New Mexico	MD Reference:	WELL @ 3246.0usft (Original Well Elev)
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3246.0usft (Original Well Elev)
Database:	Hobbs	Local Co-ordinate Reference:	Site Slider 18 W0MD Fed Com #1H

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (*/100usft)	Turn Rate (°/100usft)
10,000.0	90,45	0.34	8,925.7	1,272.9	7.6	1,272.9	0.00	0.00	0.0
10,100.0	90.45	0.34	8,925.0	1,372.9	8.2	1,372.9	0.00	0.00	0.0
10,200.0	90.45	0.34	8,924.2	1,472.9	8,8	1,472.9	0.00	0.00	0.0
10,300.0	90.45	0.34	8,923.4	1,572.9	9.4	1,572.9	0.00	0.00	0.0
10,400.0	90.45	0.34	8,922.6	1,672.9	10.0	1,672.9	0.00	0.00	0.0
10,500.0	90.45	0.34	8,921.8	1,772.8	10.6	1,772.9	0.00	0.00	0.0
10,600.0	90.45	0.34	8,921.0	1,872.8	11.2	1,872.9	0.00	0.00	0.0
10,700.0	90,45	0.34	8,920.2	1,972.8	11.7	1,972.9	0.00	0,00	0.0
10,800.0	90.45	0.34	8,919.4	2,072.8	12.3	2,072.9	0.00	0,00	0.0
10,900.0	90.45	0.34	8,918.6	2,172.8	12.9	2,172.9	0.00	0.00	0.0
11,000.0	90.45	0.34	8,917,8	2,272.8	13.5	2,272.9	0.00	0.00	0.0
11,100.0	90.45	0.34	8,917.1	2,372.8	14.1	2,372.9	0.00	0.00	0.0
11,200.0	90.45	0.34	8,916.3	2,472.8	14.7	2,472.9	0.00	0.00	0.0
11,300.0	90.45	0.34	8,915.5	2,572.8	15.3	2,572.9	0.00	0.00	0.0
11,400.0	90.45	0.34	8,914.7	2,672.8	15.9	2,672.9	0.00	0.00	0.0
11,500.0	90.45	0.34	8,913.9	2,772.8	16.5	2,772.8	0.00	0.00	0.0
11,600.0	90.45	0.34	8,913.1	2,872.8	17.1	2,872.8	0.00	0.00	0.0
11,700.0	90,45	0.34	8,912.3	2,972.8	17.7	2,972.8	0.00	0.00	0.0
11,800.0	90,45	0.34	8,911.5	3,072.8	18.3	3,072.8	0,00	0.00	0,0
11,900.0	90.45	0.34	8,910.7	3,172.8	18,9	3,172.8	0.00	0.00	0.0
12,000.0	90.45	0.34	8,909,9	3,272.8	19.5	3,272.8	0.00	0.00	0.0
12,100.0	90.45	0.34	8,909.2	3,372.8	20.1	3,372.8	0.00	0.00	0.0
12,200.0	90.45	0.34	8,908.4	3,472.8	20.7	3,472.8	0.00	0.00	0.0
12,300.0	90.45	0.34	8,907.6	3,572.8	21.3	3,572.8	0.00	0.00	0.0
12,400.0	90.45	0.34	8,906.8	3,672.8	21.9	3,672.8	0.00	0.00	0.0
12,500.0	90.45	0.34	8,906.0	3,772.7	22.5	3,772.8	0.00	0.00	0.0
12,600.0	90.45	0.34	8,905.2	3,872.7	23.1	3,872.8	0.00	0.00	0.0
12,700.0	90.45	0.34	8,904.4	3,972.7	23.7	3,972.8	0.00	0.00	0.0
12,800.0	90.45	0.34	8,903,6	4,072.7	24.3	4,072.8	0.00	0.00	0.0
12,900.0	90.45	0.34	8,902.8	4,172.7	24.9	4,172.8	0,00	0.00	0,0
13,000.0	90,45	0.34	8,902.0	4,272.7	25,4	4,272,8	0,00	0.00	0,0
13,100.0	90.45	0.34	8,901.3	4,372.7	26,0	4,372.8	0.00	0,00	0.0
13,200.0	90.45	0,34	8,900.5	4,472.7	26,6	4,472.8	0.00	0.00	0.0
13,300.0	90.45	0.34	8,899.7	4,572.7	27.2	4,572.8	0.00	0.00	0.0
13,400.0	90.45	0.34	8,898.9	4,672.7	27.8	4,672.8	0.00	0.00	0.0
13,500.0	90.45	0.34	8,898.1	4,772.7	28.4	4,772.8	0.00	0.00	0.0
13,512.7	90.45	0.34	8,898,0	4,785.4	28.5	4,785.5	0.00	0.00	0.0

Database:HobbsCompany:Mewbourne Oil CompanyProject:Eddy County, New MexicoSite:Slider 18 WOMD Fed Com #1HWell:Sec 18, T23S, R27EWellbore:BHL: 330' FNL & 330' FWLDesign:Design #1

Local Co-ordinate Reference: TVD Reference: MD Reference: North Reference: Survey Calculation Method: Site Slider 18 W0MD Fed Com #1H WELL @ 3246.0usft (Original Well Elev) WELL @ 3246.0usft (Original Well Elev) Grid Minimum Curvature

Design Targets	Sana anna anna anna anna ann ann	and the second second second	a dan si anta, sann shi sassa a ma			en e	and the later an area as a start of the second of the second second second second second second second second s		an ann a' sanainn an an an an an Ann an Annaich an Annaich an Annaich an Annaich an Annaich an Annaich an Annai
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
SL: 185' FSL & 330' FWI - plan hits target cente - Point	0.00 er	0.00	0.0	0.0	0.0	472,072.60	530,002.50	32° 17' 52.104 N	104° 14' 10.443 W
KOP @ 8455' - plan hits target cent - Point	0.00 er	0,00	8,454.5	0.0	0.0	472,072.60	530,002.50	32° 17' 52.104 N	104° 14' 10.443 W
FTP: 330' FSL & 330' FV - plan hits target cente - Point	0.00 er	0,00	8,797.2	145.0	0.9	472,217.60	530,003.37	32° 17' 53.539 N	104° 14' 10.432 V
BHL: 330' FNL & 330' F\ - plan hits target cent - Point	0.00 er	0.01	8,898.0	4,785.4	28.5	476,858.00	530,031.00	32° 18' 39.462 N	104° 14' 10.061 W
LP: 665' FSL & 330' FWI - plan hits target cent - Point	0.00 er	0.00	8,932.0	481.2	2.9	472,553.80	530,005.40	32° 17' 56.866 N	104° 14' 10.405 V

1. Geologic Formations

TVD of target	8932'	Pilot hole depth	NA
MD at TD:	13520'	Deepest expected fresh water:	175'

Basin			
Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface		
Rustler		Water	
Top Salt			
Castile	495		
Base Salt			
Lamar	1885	Oil/Gas	
Bell Canyon		Oil/Gas	
Cherry Canyon		Oil/Gas	
Manzanita Marker	2765		
Brushy Canyon		Oil/Gas	
Bone Spring	5315	Oil/Gas	
1 st Bone Spring Sand			
2 nd Bone Spring Sand			
3 rd Bone Spring Sand			
Abo			
Wolfcamp	8780	Target Zone	
Devonian			
Fusselman			
Ellenburger			
Granite Wash			

*H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

1

Hole	Casing	Interval	Csg.	Weight	Grade	Conn.	SF	SF	SF Jt	SF Body
Size	From	То	Size	(lbs)			Collapse	Burst	Tension	Tension
17.5"	0'	520'	13.375"	48	H40	STC	2.85	6.40	12.90	21.67
12.25"	0'	1815'	9.625"	36	J55	LTC	2.14	3.73	6.93	8.63
8.75"	0'	9208'	7"	26	HCP110	LTC	1.77	2.27	2.68	3.47
6.125"	8455'	13520'	4.5"	13.5	P110	LTC	1.77	2.06	4.94	6.17
В	LM Mini	mum Safe		1	1.6 Dr	, I				

Factor1.8 Wet1.8 WetAll casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.hMust 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?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	Y
If yes, are there two strings cemented to surface?	Y
(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?	

3. Cementing Program

Casing	# Sks	Wt. lb/ gal	Yld ft3/ sack	H20 gal/ sk	500# Comp. Strength (hours)	Slurry Description
Surf.	220	12.5	2.12	11	10	Lead: Class C + Salt + Gel + Extender + LCM
	200	14.8	1.34	6.3	8	Tail: Class C + Retarder
Inter.	235	12.5	2.12	11	10	Lead: Class C + Salt + Gel + Extender + LCM
	200	14.8	1.34	6.3	8	Tail: Class C + Retarder
Prod.	355	12.5	2.12	11	9	Lead: Class C + Gel + Retarder + Defoamer +
Stg 1						Extender
	400	15.6	1.18	5.2	10	Tail: Class H + Retarder + Fluid Loss + Defoamer
					ECP/DV T	'ool @ 2765'
Prod.	50	12.5	2.12	11	9	Lead: Class C + Gel + Retarder + Defoamer +
Stg 2						Extender
Ŭ	100	14.8	1.34	6.3	8	Tail: Class C + Retarder
Liner	210	11.2	2.97	17	16	Class C + Salt + Gel + Fluid Loss + Retarder +
						Dispersant + Defoamer + Anti-Settling Agent

A copy of cement test will be available on location at time of cement job providing pump times, compressive strengths, etc.

Casing String	TOC	% Excess
Surface	0'	100%
Intermediate	0'	25%
Production	1615'	25%
Liner	8455'	25%

4. Pressure Control Equipment

Variance: None

BOP installed and tested before drilling which hole?	Size?	System Rated WP	Тур	e v		Tested to:
			Annul	ar Z	X	2500#
			Blind R	am 2	X	
12-1/4"	13-5/8"	5M	Pipe R	am Z	X	5000#
			Double Ram		5000#	
			Other*			

*Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

X	On Ex greate	ation integrity test will be performed per Onshore Order #2. exploratory wells or on that portion of any well approved for a 5M BOPE system or er, a pressure integrity test of each casing shoe shall be performed. Will be tested in dance with Onshore Oil and Gas Order #2 III.B.1.i.
Y	1	iance is requested for the use of a flexible choke line from the BOP to Choke for specs and hydrostatic test chart.
	N	Are anchors required by manufacturer?
Y	install	Itibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after ation on the surface casing which will cover testing requirements for a maximum of ys. If any seal subject to test pressure is broken the system must be tested. Provide description here: See attached schematic.

5. Mud Program

	Depth	Туре	Weight (ppg)	Viscosity	Water Loss
From	To			-	
0'	520'	Spud Mud	8.6-8.8	28-34	N/C
520'	1615'	Brine	10.0	28-34	N/C
1615'	8455'	Cut Brine	8.6-9.7	28-34	N/C
8455'	13520'	OBM	10.0-13.0	30-40	<10cc

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times. MW up to 13.0 ppg may be required for shale control. The highest mud weight needed to balance formation pressure is expected to be 12.0 ppg.

What will be used to monitor the loss or gain	Pason/PVT/Visual Monitoring
of fluid?	

6. Logging and Testing Procedures

Logg	ing, Coring and Testing.
X	Will run GR/CNL from KOP (8455') to surface (horizontal well – vertical portion of
L	hole). Stated logs run will be in the Completion Report and submitted to the BLM.
	No Logs are planned based on well control or offset log information.
	Drill stem test? If yes, explain
	Coring? If yes, explain

Add	litional logs planned	Interval
X	Gamma Ray	8455' (KOP) to TD
	Density	
	CBL	
	Mud log	
	PEX	

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	5574 psi
Abnormal Temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers in surface hole. Weighted mud for possible over-pressure in Wolfcamp formation.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

	H2S is present
Х	H2S Plan attached

8. Water & Waste Volumes

Fresh Water Required: bbl

Waste Water: bbl Waste Solids: bbl

9. Other facets of operation

Is this a walking operation? If yes, describe. Will be pre-setting casing? If yes, describe.

Attachments _____Directional Plan Other, describe

232718m APD Slider 18 W2MD Fed Com 1H 30015 NM0275360 Mewbourne KGR 01-24-2016 v12.3 Sundry TMAK 374194 04282017

13 3/8	surface	con in a	17 1/2	inch hole.		Design f	actors	suir	RFACE
Segment	#/ft	Grade	1/ 1/2	Coupling	Joint	Collapse	Burst	Length	Weight
• "A"	48.00		40	ST&C	12.90	3.24	1.83	520	24,960
"B"	.0.00		10	0100	12.00	0.21	1.00	0	0
	mud, 30min Sf	Csg Test psig:	984	Tail Cmt	does not	circ to sfc.	Totals:	520	24,960
Comparison of		e , e		ement Volume	es				,
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE	Hole-Cpig
17 1/2	0.6946	420	734	416	77	8.80	544	2M	1.56
	Ŧ	Z					factor of the second		
9 5/ 8	casing in	side the	13 3/8	_	-	<u>Design l</u>	actors	INTERÎ	MEDIATE
Segment	#/ft	Grade		Coupling	Joint	Collapse	Burst	Length	Weight
"A"	36.00	J	55	LT&C	6.93	2.14	0.8	1,815	65,340
"B"								0	0
	mud, 30min Sf						Totals:	1,815	65,340
The c	ement volum	• •	nded to ach	nieve a top of	0	ft from su	rface or a	520	overlap.
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt		% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
12 1/4	0.3132	435	766	620	23	10.00	2443	3M	0.81
Burst Frac Gra	dient(s) for Se	gment(s): A,	B, C, D = 1.9	4, b, c, d All	> 0.70, OK.				
7	casing in	side the	9 5/8	_	_	Design Fac	ctors	PROD	UCTION
Segment	#/ft	Grade		Coupling	Joint	Collapse	Burst	Length	Weight
"A"	26.00	HCP	110	LT&C	2.98	1.87	2.26	8,456	219,856
"B"	26.00	HCP	110	LT&C	4.61	1.58	2.26	752	19,552
	mud 20min Cf	Con Toot	1 960				Totala	0 202	220 108

Medium Cave Karst: two casing strings, both to circulate cement to surface.

B would be: 56.00 1.77 if it were a vertical wellbe No Pilot Hole Planned MTD Max VTD Csg VD Curve KOP Dogleg° Severity° 9208 8932 8932 8456 90 12 The cement volume(s) are intended to achieve a top of 1615 ft from surface or a 200 ov Hole Annular 1 Stage 1 Stage Min 1 Stage Drilling Calc Req'd H Size Volume Cmt Sx CuFt Cmt Cu Ft % Excess Mud Wt MASP BOPE H 8 3/4 0.1503 look ↘ 0 1154 9.50 4067 5M	9,552	19,	752	2.26	1.58	4.61	LT&C	110	НСР	26.00	"B"
MTD Max VTD Csg VD Curve KOP Dogleg° Severity° 9208 8932 8932 8456 90 12 The cement volume(s) are intended to achieve a top of 1615 ft from surface or a 200 ov Hole Annular 1 Stage 1 Stage Min 1 Stage Drilling Calc Req'd H Size Volume Cmt Sx CuFt Cmt Cu Ft % Excess Mud Wt MASP BOPE H 8 3/4 0.1503 look ▶ 0 1154 9.50 4067 5M	39,408	239	9,208	Totals:				1,860	Csg Test psig:	/g mud, 30min Sfc (w/8.4
No Pilot Hole Planned92088932893284569012The cement volume(s) are intended to achieve a top of1615ft from surface or a200ovHoleAnnular1 Stage1 StageMin1 StageDrillingCalcReq'dHSizeVolumeCmt SxCuFt CmtCu Ft% ExcessMud WtMASPBOPEH8 3/40.1503look ▷011549.5040675M	re.	llbore	vertical we	if it were a v	1.77	56.00				would be:	В
92088932893284569012The cement volume(s) are intended to achieve a top of1615ft from surface or a200ovHoleAnnular1 Stage1 StageMin1 StageDrillingCalcReq'dHSizeVolumeCmt SxCuFt CmtCu Ft% ExcessMud WtMASPBOPEH8 3/40.1503look ▷011549.5040675M	MEOC	ME	Severity®	Dogleg°	Curve KOP	Csg VD	Max VTD	MTD	aad	ilot Holo Dion	No
HoleAnnular1 Stage1 StageMin1 StageDrillingCalcReq'dHSizeVolumeCmt SxCuFt CmtCu Ft% ExcessMud WtMASPBOPEH8 3/40.1503look ▷011549.5040675M	9208 overlap.	92			8456	8932	8932	9208	leu	not note Flam	INO
Size Volume Cmt Sx CuFt Cmt Cu Ft % Excess Mud Wt MASP BOPE H 8 3/4 0.1503 look ↘ 0 1154 9.50 4067 5M		urface or a 200 over			ft from si	1615	eve a top of	ided to achie	(s) are inter	cement volume	Th
8 3/4 0.1503 look > 0 1154 9.50 4067 5M	lin Dist	Min	Req'd	Calc	Drilling	1 Stage	Min	1 Stage	1 Stage	Annular	Hole
	ole-Cplg	Hole	BOPE	MASP	Mud Wt	% Excess	Cu Ft	CuFt Cmt	Cmt Sx	Volume	Size
Setting Depths for D V Tool(s); 2756 sum of sx Σ CuFt Σ	0.55	0.	5M	4067	9.50		1154	0	look 😼	0.1503	8 3/4
	<u>%excess</u>	<u>Σ%e</u> ;	<u>Σ CuFt</u>	sum of sx				2756	V Tool(s):	ting Depths for D	Se
% excess cmt by stage: 25 37 905 1465	27	2	1465	905				37	25	ss cmt by stage:	% exc

4 1/2	Liner w/	Liner w/top @		8455		Design Factors		LINER	
Segmen	t #/ft	Grade		Coupling	Joint	Collapse	Burst	Length	Weight
"A"	13.50	Р	110	LT&C	3.06	1.59	2.06	753	10,166
"B"	13.50	Р	110	LT&C	3.06	1.77	2.06	4,305	58,118
w/8.4#/g mud, 30min Sfc Csg Test psig: 1,965							Totals:	5,058	68,283
Alegment Design Factors would be:				2.80	1.77	if it were a vertical wellbore.			
No Pilot Hole Planned			MTD	Max VTD	Csg VD	Curve KOP	Dogleg ^o	Severityº	MEOC
			13513	8932	8932	8456	90	12	9208
The cement volume(s) are intended to achieve a top of					8455	ft from surface or a 7		753	overlap.
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
6 1/8	0.0942	210	624	488	28	13.00			0.56

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A. DRILLING OPERATIONS REQUIREMENTS

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

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

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

- 1. Although Hydrogen Sulfide has not been reported in the area, it is always a potential hazard. It is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, report measured amounts and formations to the BLM.
- 2. 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. If the drilling rig is removed without approval an Incident of Non-Compliance will be written and will be a "Major" violation.
- 3. 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 is located, this does not include the dog house or stairway area.
- 4. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

B. CASING

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.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

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 <u>8 hours</u>. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE.

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.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Risks:

Medium Cave/ Karst Possible Water Flows in the Salado and in the Castile. Possible Lost Circulation in the Red Beds, in the Rustler and in the Delaware. Abnormal pressure may be encountered within the 3rdBone Spring Sandstone and Wolfcamp formation.

- 1. The 13-3/8 inch surface casing shall be set at approximately 520 feet (and if salt is encountered, set casing at least 25 feet above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst. Excess calculates to 15% - Additional cement may be required.

If cement does not circulate to surface on the intermediate casing, the cement on the production casing must come to surface.

Formation below the 9 5/8 inch shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

3. The minimum required fill of cement behind the 7 inch production casing is:

Operator has proposed DV tool at depth of 2756', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.

- a. First stage to DV tool:
- Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
- b. Second stage above DV tool:

Cement as proposed. Operator shall provide method of verification

Formation below the 7 inch shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

4. The minimum required fill of cement behind the 4-1/2 inch production liner is:

Tie-back is appropriate as proposed. Operator shall provide method of verification.

5. 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.

C. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API 53.
- 2. Variance approved to use flex line from BOP to choke manifold. 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. If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).
- 3. In the case where the only BOP installed is an annular preventer, it shall be tested to a minimum of 2000 psi (which may require upgrading to 3M or 5M annular).
- 4. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 5000 (5M) psi.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Operator shall perform the intermediate casing integrity test to 70% of the casing burst. This will test the multi-bowl seals.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after

bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.
- c. 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.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. 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.
- f. 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.
- g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the 3rd **Bone Spring** if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **3rd Bone Spring** and the **Wolfcamp** formation, and shall be used until production casing is run and cemented.

Proposed mud weight may not be adequate for drilling through the 3rd Bone Spring and the Wolfcamp formation.

E. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

F. 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.

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