Farm-3160-5 (September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

OCD Artesia

FORM APPROVED OMB No. 1004-0135 , 2004

| | Expires: Januar | y 3 |
|----|------------------|-----|
| 5. | Lease Serial No. | |

6. If Indian, Allottee or Tribe Name

NM-14758

| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. |
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| |

| SUBMIT IN TR | RIPLICATE - Other instru | ctions on reverse | side | 7. If Unit or CA | /Agreement, Name and/or No. | |
|--|--------------------------|-----------------------------------|--------------------|---|-----------------------------|--|
| I. Type of Well | | | 2. 2. Alk A | | | |
| Oil Well Gas Well Other | | | | 8. Well Name and No. | | |
| 2. Name of Operator | | | | Long Draw 4 JL Federal #1H | | |
| Mewbourne Oil Company 147 | 744 | | | 9. API Well No | 0. | |
| a. Address | | 3b. Phone No. (include area code) | | 30-015-37585 | | |
| PO Box 5270 Hobbs, NM 88 | 3241 | 575-393-5905 | | 10. Field and Pool, or Exploratory Area | | |
| Location of Well (Footage, Sec., T, R., M., or Survey Description) | | | Cemetery Yeso | | | |
| | | | | 11. County or Parish, State | | |
| 1650' FSL & 1650' FEL, Sec 4 | -T20S-R25E Unit Letter J | | | | | |
| | | | | Eddy County, | NM | |
| 12. CHECK AP | PROPRIATE BOX(ES) TO | INDICATE NATUI | RE OF NOTICE, RE | EPORT, OR O | THER DATA | |
| TYPE OF SUBMISSION | | TY | PE OF ACTION | | | |
| | Acidize | Deepen | Production (Start/ | Resume) | Water Shut-Off | |
| Notice of Intent | Alter Casing | Fracture Treat | Reclamation | | Well Integrity | |
| D Cultura Daniel | Casing Repair | New Construction | Recomplete | ō | Other | |
| Subsequent Report | ☑ Change Plans | Plug and Abandon | Temporarily Abar | ndon — | | |
| Final Abandonment Notice | | | | | | |

Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Mewbourne Oil Company has an approved APD for the above captioned well. MOC request to change the well pad size to 230' x 300' to accommidate the horizontal drilling rig and equipment. Also, ammend surface use plans. Production facilities will be located on the Long Draw 4 I Fed #1 tank battery. A 65 psi polypipe flowline will lay 11' North & parallel the existing lease road approx 1200' East to the Long Draw 4 I Fed #1 tank battery.

See 3 attachments.

If you have any questions, please call Charles Martin at 575-393-5905.

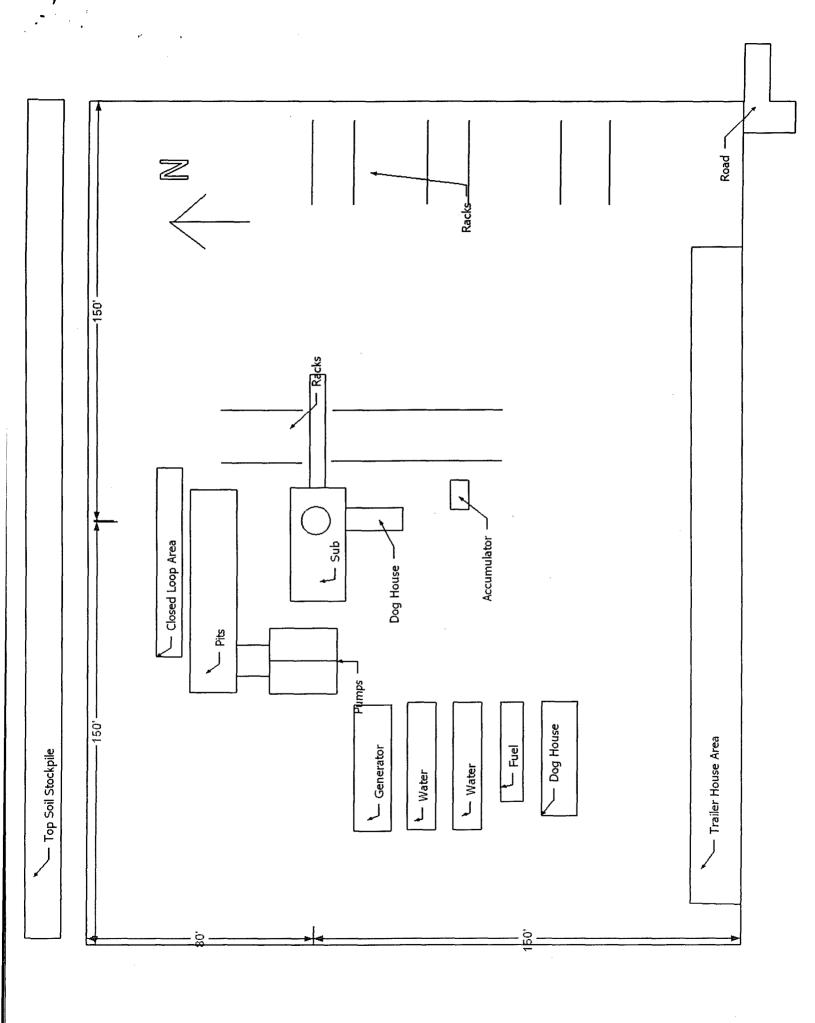
OCT 05 2010

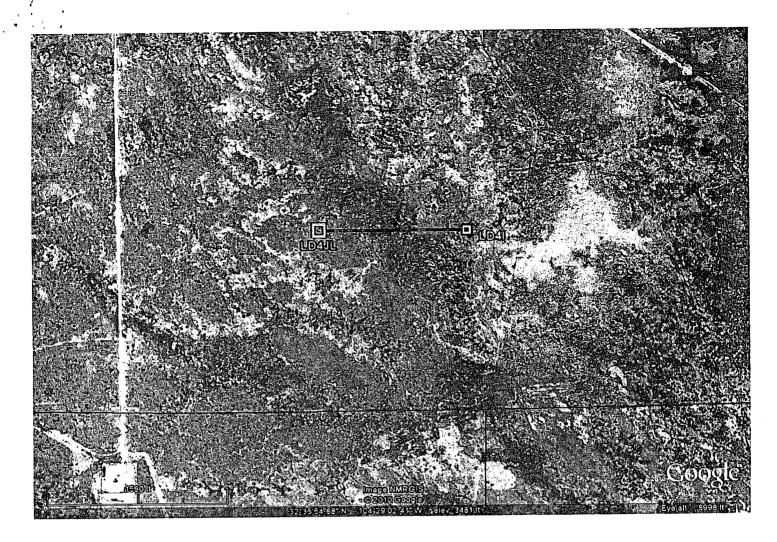
| | | | | _ N | MOCD | ARTESI/ |
|--|--|------------------------|------------------------------------|--------|----------|-------------|
| 14. 1 hereby certify that the foregoing is to Name (PrintedlTyped) | rue and correct | | | ـــــا | | |
| Jackie Lathan | | Title Hobbs Regulatory | | | | |
| Signature | Lathan | Date | 09/13/10 | | | |
| | THIS SPACE FOR FEDE | RAL OR | STATE OFFICE USE | | | 5175 - 1 |
| Approved by (Signature) | /s/ Don Peterson | | Name FIELD MANAGER (Printed/Typed) | Title | | |
| Conditions of approval, if any, are attack certify that the applicant holds legal or e | hed. Approval of this notice does not we equitable title to those rights in the subj | arrant or ect lease | Office CARLSBAD FIELD OFFICE | | Date SEP | 3 0 2010 |

SEP 3 0 2010 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.

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.







Pipeline Route

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME: Mewbourne Oil Company
LEASE NO.: NM14758
WELL NAME & NO.: Long Draw 4 JL Federal #1H
SURFACE HOLE FOOTAGE: 1650' FSL & 1650' FEL
BOTTOM HOLE FOOTAGE 'F L & 'F L
LOCATION: Section 4, T. 20 S., R 25 E., NMPM
COUNTY: Eddy County, New Mexico

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

| Archaeology, Paleontology, and Historical Sites |
|---|
| Noxious Weeds |
| Special Requirements |
| Cave/Karst |
| ⊠ Construction |
| Topsoil |
| Federal Mineral Material Pits |
| Well Pads |
| Interim Reclamation |
| Final Abandonment & Reclamation |

I. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

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

II. NOXIOUS WEEDS

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

SPECIAL REQUIREMENT(S)

Cave and Karst

The following stipulations will be applied to minimize impacts during construction, drilling and production.

Construction:

In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

No Blasting:

No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

Pad Berming:

The pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the pad. All sides will be bermed.

III. CONSTRUCTION

A. TOPSOIL

The operator shall stockpile the topsoil in a low profile manner in order to prevent wind/water erosion of the topsoil. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be used for final reclamation.

B. FEDERAL MINERAL MATERIALS PIT

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

C. WELL PAD SURFACING

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

IV. INTERIM RECLAMATION

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

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce

the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

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

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

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

X. FINAL ABANDONMENT & RECLAMATION

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

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

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

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

Seed Mixture 1, for Loamy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be <u>no</u> 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 will be planted using a drill equipped with a depth regulator to ensure proper 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 (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory 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.

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

| Species | <u>lb/acre</u> |
|--|----------------|
| Plains lovegrass (Eragrostis intermedia) | 0.5 |
| Sand dropseed (Sporobolus cryptandrus) | 1.0 |
| Sideoats grama (Bouteloua curtipendula) | 5.0 |

^{*}Pounds of pure live seed:

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