Form 3160-5 (September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR OCD-ARTESIA BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

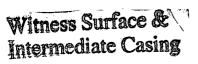
5. Lease Serial No.

-C-068719-A	NA	272	Ó&.
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6. If Indian, Allottee or Tribe Name

	IPLICATE - Other instruc	tions on reverse	side	7. If Unit or CA.	/Agreement, Name a	ınd/or No.
1. Type of Well ☐ Gas Well ☐ Gas Well	Other			8. Well Name a	and No.	
2. Name of Operator	Other			1		
Mewbourne Oil Company 147	44			9. API Well No	deral Com #2H	
3a. Address		3b. Phone No. (include	e area code)	30-015-38336		
PO Box 5270 Hobbs, NM 88	241	575-393-5905	,	10. Field and Pool, or Exploratory Area		rea
4. Location of Well (Footage, Sec.,		373-393-3903		Santo Nino Bo	one Springs	
	-, -, -, -, -, -, -, -, -, -, -, -, -, -			11. County or Pa	arish, State	
2150' FSL & 260' FEL, Sec 29-T18S-R30E Unit Letter I			Eddy County, NM			
12. CHECK API	PROPRIATE BOX(ES) TO	INDICATE NATU	RE OF NOTICE, RI			
TYPE OF SUBMISSION		TY	TPE OF ACTION			
	Acidize	Deepen	Production (Start	(Resume)	Water Shut-Off	
☑ Notice of Intent	Alter Casing	Fracture Treat	Reclamation		Well Integrity	
Subsequent Report	Casing Repair	New Construction	Recomplete	5	Other	
Subsequent Report	☑ Change Plans	Plug and Abandon	Temporarily Aba	ındon —		
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal			
Please replace the drilling plans If you have any questions pleas SEE ATTAC! CONDITION	s in the APD with the attached posterior in the APD with the attached posterior in the call Charles Martin @ 575-39 HED FOR S OF APPROVAL	, , , , , , , , , , , , , , , , , , ,	NAMOCD ARTESIA	APPRO	OVED	
14. I hereby certify that the foregoing Name (PrintedlTyped)	g is true and correct	Tial				
Jackie Lathan		Title Ho	obbs Regulatory			
Signature	e Latha	Date 12	/20/10			
	THIS SPACE FO	R FEDERAL OR S	TATE OFFICE USE			
Approved by (Signature)			ame inted/Typed)	Title	e	
Conditions of approval, if any, are certify that the applicant holds lega which would entitle the applicant to c	l or equitable title to those rights	JOES HOL WALLAND OF I	ffice		D ate	
Title 18 U.S.C. Section 1001 and Tit States any false, fictitious or fraudule	le 43 U.S.C. Section 1212, make it nt statements or representations as to	a crime for any person I o any matter within its ju	knowingly and willfully turisdiction.	o make to any depa	artment or agency of	the United

(Continued on next page)



Drilling Program Mewbourne Oil Company

Bradley 29 Federal Com #2H 2150' FSL & 260' FEL (SL) 2450' FSL & 330' FWL (BHL) Sec 29-T18S-R30E Eddy County, New Mexico

1. The estimated tops of geological markers are as follows:

Ruster	400'
Yates	1400'
*Queen	2515'
Delware	3810'
*Bone Springs	4850'

SEE ATTACHED FOR APPROVAL CONDITIONS OF APPROVAL

2. Estimated depths of anticipated fresh water, oil, or gas:

Water

Fresh water will be protected by setting surface casing at 325' and

cementing to surface.

Hydrocarbons

Oil and gas are anticipated in the above (*) formations. These zones will

be protected by casing as necessary.

3. Pressure control equipment:

A 2000# WP Annular will be installed after running 13 %" casing. A 3000# WP Double Ram BOP and 2000# WP Annular will be installed after running 7" & 9 %" casing. Pressure tests will be conducted prior to drilling out under all casing strings. BOP controls will be installed prior to drilling under surface casing and will remain in use until completion of drilling operations. BOPE will be inspected and operated as recommended in Onshore Order #2. A kelly cock and a sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position when the kelly is not in use.

Will test the 7" & 9 %" BOPE to 3000# and the Annular to 1500# with a third party testing company before drilling below each shoe, but will test again, if needed, in 30 days from the 1st test as per BLM Onshore Oil and Gas Order #2.

*4. Proposed casing and cementing program:

A. Casing Program:

Hole Size	Casing	Wt/Ft.	<u>Grade</u>	<u>Depth</u>	Jt Type
17 ½"	13 %" (new)	48#	H40	0'-325'	ST&C
12 1/4"	9 ⅓ " (new)	36#	J55	0'-1500'	LT&C
8 3/4"	7" (new)	26#	P110	0'-7650'	BT&C
8 ¾"	7" (new)	26#	P110	7650'-8560'	LT&C
6 1/8"	4 1/2" Liner (new)	11.6#	P110	8360'-12750'	LT&C

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Minimum casing design factors: Collapse 1.125, Burst 1.0, Tensile strength 1.8. *Subject to availability of casing.

Per Horizontal Plan

DEC 2 2 2010
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

SeeAt

Drilling Program Mewbourne Oil Company Bradley 29 Federal Com #2H

Cementing Program

Surface Casing: 220 sks Class C cement containing 2% CaCl2. Yield at 1.34 cuft/sk. Cmt circulated to surface.

ii.

Intermediate Casing: 200sacks Class C light cement with additives. Yield at 2.12 cuft/sk. 200 sacks Class C cement Containing FLA. Yield at 1.18 cuft/sk Cmt

circulated to surface.

iii Production Casing: 600 sacks Class H light cement with additives. Yield at 2.12 cuft/sk. 400 sacks Class H cement Containing FLA. Yield at 1.18 cuft/sk Cmt circulated to surface. This casing string will provide lease line isolation.

Production Liner: This will be a Packer/Port completion from TD up inside 7" iv. casing with packer type liner hanger.

5. Mud Program:

<u>Interval</u>	Type System	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss
0'-325'	FW spud mud	8.6-9.4	32-34	NA
325'-1500'	Brine water	10.0-10.2	28-30	NA
1500'-TD	FW mud w/ polymer	8.5-8.7	30-32	15

6. Evaluation Program:

Samples:

10' samples from surface casing to TD

Logging:

Gyro & GR only

Corina: **Drill Stem Tests:** As needed for evaluation As needed for evaluation

7. Downhole Conditions

Zones of abnormal pressure:

None anticipated

Zones of lost circulation:

Anticipated in surface hole

Maximum bottom hole temperature:

125 degree F

Maximum bottom hole pressure:

8.34 lbs/gal gradient or less

8. Anticipated Starting Date:

Mewbourne Oil Company intends to drill this well as soon as possible after receiving approval with approximately 45 days involved in drilling operations and an additional 10 days involved in completion operations on the project.

SEE ATTACHED FOR APPROVAL CONDITIONS OF APPROVAL

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME: MEWBOURNE OIL CO.

LEASE NO.: | NM-27280

WELL NAME & NO.: 2H-BRADLEY 29 FED COM

SURFACE HOLE FOOTAGE: 2150' FSL & 0260' FWL - NMLC068719A BOTTOM HOLE FOOTAGE 2450' FSL & 0330' FWL - NMNM27280

LOCATION: Section 29, T. 18 S., R. 30 E., NMPM

COUNTY: | Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

Eddy County

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

- 1. A Hydrogen Sulfide (H2S) Drilling Plan should be activated 500 feet prior to drilling into the Queen formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values 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 CAL/GR/N well log run from TD to surface (horizontal well – vertical portion of hole) will 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 and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

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

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. 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. See individual casing strings for details regarding lead cement slurry requirements.

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

Secretary's Potash Capitan Water Basin Possible brine flows in the Artesia and Salado Groups. Possible lost circulation in the Artesia Group.

- 1. The 13-3/8 inch surface casing shall be set at approximately 325 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. Additional cement will be required as excess calculates to 8%.
 - 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 potash.

FOR THE 7 INCH CASING: OPERATOR SHALL SUBMIT SUNDRY FOR A TWO STAGE CEMENT JOB IF HOLE CONDITIONS INDICATE THAT IT WILL NOT BE POSSIBLE TO DO CEMENT JOB IN ONE STAGE.

- 3. The minimum required fill of cement behind the 7 inch production 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.
- 4. The minimum required fill of cement behind the 4-1/2 inch liner is:
 - ⊠ Cement not required; operator is using the Packer-Port completion system. Liner to tie-back a minimum of **200** feet into the production casing.
- 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 RP 53 Sec. 17.

- 2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **surface casing shoe** shall be **2000 (2M)** psi.
 - a. For surface casing only: If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.
- 3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8 intermediate casing shoe shall be 3000 (3M) psi.
- 4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. 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 plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
 - b. The tests shall be done by an independent service company utilizing a test plug **not** a **cup** or **J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 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 water basin (18 hours) or potash (24 hours) prior to initiating the test.
 - c. The results of the test shall be reported to the appropriate BLM office.
 - d. 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.
 - e. 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.

D. DRILL STEM TEST

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

E. 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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