

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM16104
2. Name of Operator MEWBOURNE OIL COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address HOBBS, NM 88241		7. If Unit or CA/Agreement, Name and/or No. NMNM130962
3b. Phone No. (include area code) Ph: 575-393-5905 Fx: 575-397-6252		8. Well Name and No. MALAGA 13 CN FED COM 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T25S R28E NENW.250FNL 1900FWL		9. API Well No. 30-015-40974-00-S1
		10. Field and Pool, or Exploratory WILLOW LAKE
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

13. 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.)

See attached site facility diagram & salt water disposal plan.

Bonds on file: NM1693, Nationwide & NMB000919

RECEIVED

APR 15 2014

NMOCD ARTESIA

SEE ATTACHED FOR
CONDITIONS OF APPROVALSUBJECT TO LIKE
APPROVAL BY STATE

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #231552 verified by the BLM Well Information System
For MEWBOURNE OIL COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by JENNIFER MASON on 02/18/2014 (14JAM0158SE)**

Name (Printed/Typed) JOE BRYAND

Title ENGINEER

Signature (Electronic Submission)

Date 01/09/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

APR - 9 2014

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and unlawfully to make any statement or representation to any Federal, State, or local government or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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. Bones Run
2. Amount of water produced from all formations in barrels per day. 150 GPD
3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, pH, and the concentrations of chlorides and sulfates. (One sample will suffice if water is commingled.)
4. How water is stored on lease. 2 - 500 BBL FG TANKS
5. How water is moved to the disposal facility. Trucked
6. Identify the Disposal Facility by:
 - A. Facility Operators name. Mountain Oil Company
 - B. Name of facility or well name and number. San Juan 20200 SWD 5001347
 - C. Type of facility or well (WDW) (WTW) etc. WDW
 - D. Location by 1/4 Section 15 Township 25S 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.)

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jamii Bailey
Division Director
Oil Conservation Division



Administrative Order SWD-1347
August 9, 2012

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of 19.15.26.8B NMAC, Mewbourne Oil Company seeks an administrative order to utilize its San Lorenzo SWD Well No. 1 (API 30-015-23067) located 1980 feet from the South line and 660 feet from the West line, Unit letter L of Section 15, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.59 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Mewbourne Oil Company, is hereby authorized to utilize its San Lorenzo SWD Well No. 1 (API 30-015-23067) located 1980 feet from the South line and 660 feet from the West line, Unit letter L of Section 15, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, for disposal of oil field produced water (UIC Class II only) into the Delaware Mountain Group through a perforated interval from 2586 feet to 5721 feet through internally coated tubing and a packer set within 100 feet of the permitted interval.

Within 1 year of commencing disposal into this well, the operator shall run an injection survey (tracer/temperature or equivalent) and supply the results of that survey to the Division.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing to our minimum shall be tested with an inflow and equipped with a pressure gauge or an approved flow detection device in order to determine leakage from 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 Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 517 psi**. 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.

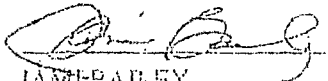
The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

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.

Administrative Order SWD-1347
Mewbourne Oil Company
August 9, 2012
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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.


JAMIE BAILEY
Director

JB/wvj

cc: Oil Conservation Division - Artesia
State Land Office - Oil, Gas, and Minerals Division



Water Analysis

Date: 30-Jul-13

2708 West County Road, Hobbs NM 88240

Phone (505) 392-5556 Fax (505) 392-7307

Analyzed For

Company	Well Name	County	State
Mewbourne	Malaga 13 CN	Lea	New Mexico

Sample Source

Swab Sample

Sample #

1

Formation

Depth

Specific Gravity

1.170

SG @ 60 °F

1.111

pH

5.83

Sulfides

Absent

Temperature (°F)

70

Reducing Agents

Cations

Sodium (Calc)

in Mg/L

71,048

in PPM

60,118

Calcium

in Mg/L

8,800

in PPM

7,519

Magnesium

in Mg/L

1,920

in PPM

1,638

Soluble Iron (FE2)

in Mg/L

5.0

in PPM

4

Anions

Chlorides

in Mg/L

130,000

in PPM

110,122

Sulfates

in Mg/L

250

in PPM

21

Bicarbonates

in Mg/L

73

in PPM

6

Total Hardness (as CaCO3)

in Mg/L

30,000

in PPM

25,117

Total Dissolved Solids (Calc)

in Mg/L

212,094

in PPM

180,198

Equivalent NaCl Concentration

in Mg/L

182,074

in PPM

155,153

Scaling Tendencies

*Calcium Carbonate Index

644,111

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

*Calcium Sulfate (Gyp) Index

2,200,000

Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks

RW- 047 @ 70F

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

4/9/2014 Approved subject to conditions of approval JDB:

Disposal of Produced Water From Federal Wells
Conditions of Approval

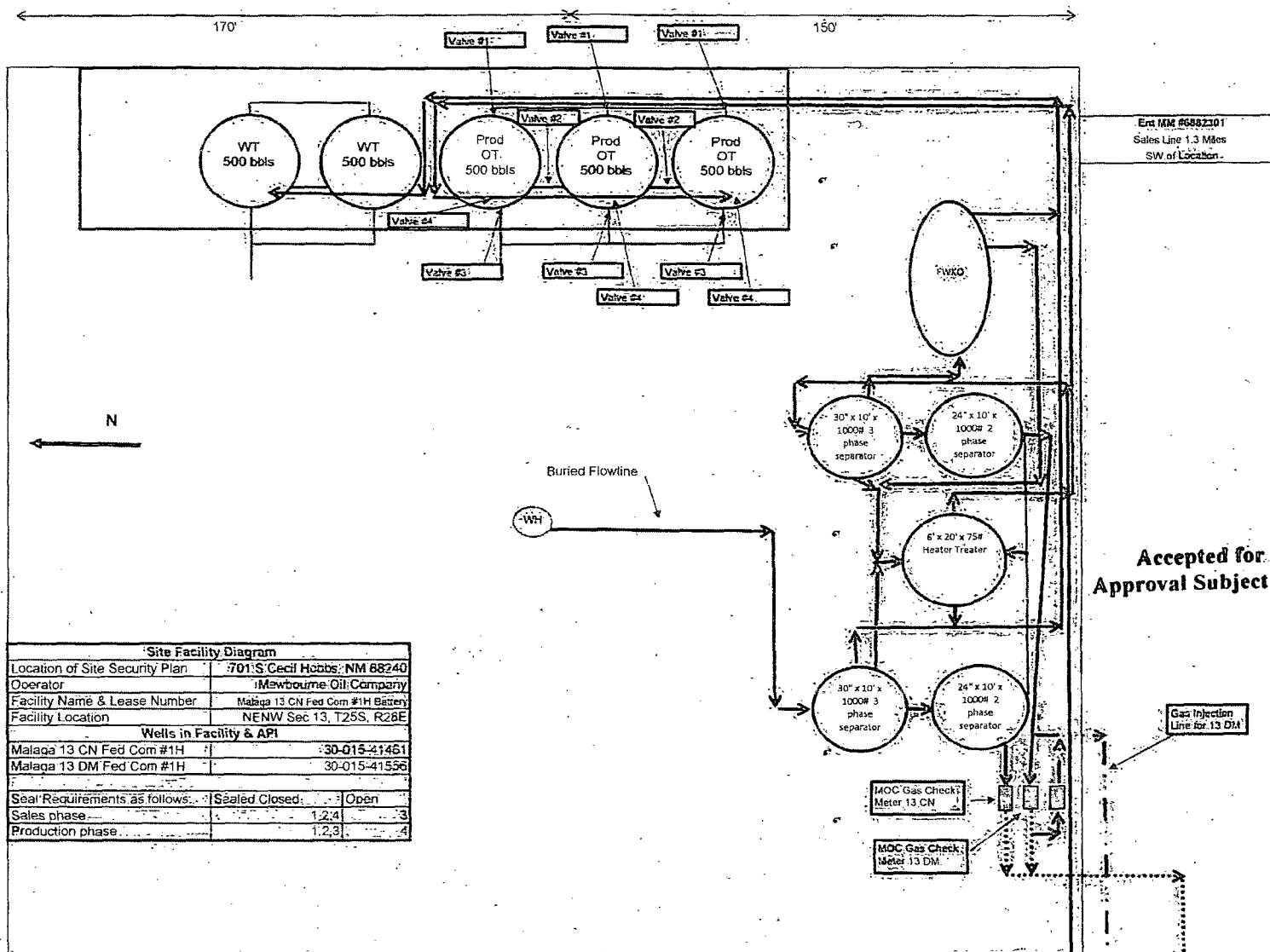
Approval of the produced water disposal methodology is subject to the following conditions of approval:

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. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. 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.
9. This approval is for produced water disposal only and any hydrocarbons removed from lease by this method will be subject to royalty payment as well as other enforcement actions as necessary.
10. Disposal at any other site will require prior approval.
11. Subject to like approval by NMOCD.

JDB2014

110'

170'



Accepted for Record Purposes.
Approval Subject to Onsite Inspections.

ACCEPTED FOR RECORD

APR 10 2014

BUREAU OF LAND MANAGEMENT
 CARLSBAD FIELD OFFICE

submitted 1/9/14