

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.

5. Lease Serial No.
NMNM114971

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
OWL DRAW 27/22 B2MD FED COM 1H

9. API Well No.
30-015-43331

10. Field and Pool, or Exploratory
HAY HOLLOW BONE SPRING

11. County or Parish, and State
EDDY COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
MEWBOURNE OIL COMPANY

Contact: JACKIE LATHAN
E-Mail: jlathan@mewbourne.com

3a. Address
HOBBS, NM 88241

3b. Phone No. (include area code)
Ph: 575-393-5905

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 27 T26S R27E Mer NMP SWSW 170FSL 330FWL

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 type="checkbox"/> Subsequent Report | <input checked="" 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 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.)

Mewbourne Oil would like to make the following change to the approved casing design:

Change 7" & 5 1/2" split production casing string to full 5 1/2" production casing string.
Depth: 0' to 17458'(TD). 5 1/2" 17# P110 LTC & BTC. Cement w/ 1665 sks Class C (60:40:0) yield 2.97 cuft/sk @ 11.2 lb/gal. Volume calculated w/ 25% excess. TOC @ 1840'. All other casing strings will remain the same.
See attached casing & cementing plan.

NM OIL CONSERVATION

ARTESIA DISTRICT

OCT 30 2015

RECEIVED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
NMOC

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

Electronic Submission #315512 verified by the BLM Well Information System
For MEWBOURNE OIL COMPANY, sent to the Carlsbad
Committed to AFSS for processing by DEBORAH HAM on 09/28/2015 ()

Name (Printed/Typed) ANDY TAYLOR

Title ENGINEER

Signature (Electronic Submission)

Date 09/03/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

APPROVED

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

Kenneth Rennick

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

PETROLEUM ENGINEER
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

**PECOS DISTRICT
CONDITIONS OF APPROVAL**

| | |
|------------------------------|-------------------------------------------------------------|
| OPERATOR'S NAME: | Mewbourne Oil Company |
| LEASE NO.: | NMNM-114971 |
| WELL NAME & NO.: | Owl Draw 27 22 B2MD Fed Com.1H |
| SURFACE HOLE FOOTAGE: | 0170' FSL & 0330' FWL |
| BOTTOM HOLE FOOTAGE | 0330' FNL & 0330' FWL Sec. 22, T. 26 S., R 27 E. |
| LOCATION: | Section 27, T. 26 S., R 27 E., NMPM |
| COUNTY: | Eddy County, New Mexico |

Original COA still applies, except for the replacement of the cement filled requirement for the production casing, and the addition of 4 1/2 inch cemented liner. This has been replaced with the following:

1. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

2. The minimum required fill of cement behind the 4-1/2 inch liner is:
 - Cement tie-back as proposed by Operator is appropriate since meets the minimum **100 feet** overlap above previous shoe. Operator shall provide method of verification. **Additional cement may be required since excess was calculated to be 20%.**

KGR 10242015

Mewbourne Oil Company, Owl Draw 27/22 B2MD Fed Com #1H

Sec 27, T26S, R27E

SL: 170' FSL & 330' FWL, Sec 27

BHL: 330' FNL & 330' FWL, Sec 22

Casing Program

| Hole Size | Casing From | Interval To | Csg. Size | Weight (lbs) | Grade | Conn. | SF Collapse | SF Burst | SF Tension |
|---------------------------|-------------|-------------|-----------|--------------|-------|-------|-------------|----------|--------------------|
| 17.5" | 0' | 387' | 13.375" | 54.5 | J55 | STC | | | |
| 12.25" | 0' | 135' | 9.625" | 40 | N80 | LTC | | | |
| 12.25" | 135' | 4125' | 9.625" | 40 | J55 | LTC | | | |
| 12.25" | 4125' | 4975' | 9.625" | 40 | N80 | LTC | | | |
| 12.25" | 4975' | 5860' | 9.625" | 40 | HCL80 | LTC | | | |
| 8.75" | 0' | 6965' | 7" | 26 | P110 | LTC | 2.15 | 2.75 | 3.42 |
| 8.75" | 6965' | 7800' | 7" | 26 | P110 | LTC | 1.99 | 2.54 | 38.23 |
| 8.75" | 6965' | 17430' | 4.5" | 13.5 | P110 | LTC | 2.73 | 3.17 | 2.39 |
| BLM Minimum Safety Factor | | | | | | | 1.125 | 1 | 1.6 Dry 1.8 Wet |

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

Must 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? | N |
| If yes, are there two strings cemented to surface? | |
| (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? | |

Mewbourne Oil Company, Owl Draw 27/22 B2MD Fed Com #1H

Sec 27, T26S, R27E

SL: 170' FSL & 330' FWL, Sec 27

BHL: 330' FNL & 330' FWL, Sec 22

3. Cementing Program

| Casing | # Sks | Wt lb/gal | Yld ft ³ /sack | H ₂ O gal/sk | 500# Comp. Strength (hours) | Slurry Description |
|--------------|-------|-----------|---------------------------|-------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Surf. | 400 | 14.8 | 1.34 | 6.3 | 8 | Class C + 2% CaCL2 |
| Inter. Stg 1 | 900 | 12.5 | 2.19 | 11 | 10 | Lead: Class C (35:65:4)+0.5% Enhancer+1% Extender+0.1% Uniflac+3#/sk Korseal+5% Salt+0.4#/sk Defoamer+1/8#/sk Cello Flake+0.2% Retarder |
| | 200 | 14.8 | 1.32 | 6.3 | 8 | Tail: Class C + 0.2% Retarder |
| Inter. Stg 2 | 500 | 12.5 | 2.19 | 11 | 10 | Lead: Class C (35:65:4)+3#/sk Korseal+5% salt+0.5% Enhancer+0.1% Extender+0.4#/sk Defoamer+1/8#/sk Cello Flake |
| | 100 | 14.8 | 1.32 | 6.3 | 8 | Tail: Class C |
| Prod. | 350 | 15.6 | 1.18 | 5.2 | 10 | Class H + 0.65% FL-52 + 0.10% R-3 + 0.005 lb/sk Static Free |
| Liner | 1360 | 11.2 | 2.97 | 18 | 16 | Class C (60:40:0)+4% MPA5+1.2% BA10A+10#/sk BA90+5%A10+0.65%ASA301+1.5%SMS+1.2%R21 |

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

| Casing String | TOC | % Excess |
|---------------|-------|----------|
| Surface | 0' | 100% |
| Intermediate | 0' | 25% |
| Production | 5660' | 25% |
| Liner | 6965' | 25% |