Form 3160-5 (June 2015)

## UNITED STATES Carlsbad Field Office FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

Ri	UREAU OF LAND MANA	GEMENT	# N# 'B .	A PEDCI	Expires. 7	anuary 51	., 2016				
SUNDRY	NOTICES AND REPO	RTS ON W	ELLS	AI LES	Lease Serial No. NMNM101967						
Do not use the abandoned we	is form for proposals to II.  Use form 3160-3 (AP	drill or to re D) for such p	-enter an proposals.		6. If Indian, Allottee of	or Tribe N	Name				
SUBMIT IN	TRIPLICATE - Other ins	tructions on	page 2		7. If Unit or CA/Agre	ement, N	ame and/or No.				
1. Type of Well					8. Well Name and No. Multiple-See Atta		<del></del>				
② Oil Well ☐ Gas Well ☐ Oth  2. Name of Operator	her Contact:	DDADLEV D	ISLIOD		9. API Well No.	Cilea	,				
MEWBOURNE OIL COMPAN	IY	BRADLEY B	ISHUP		MultipleSee A	ttached	İ				
3a. Address P O BOX 5270 HOBBS, NM 88241		3b. Phone No Ph: 575.39	o. (include area code) 93.5905		10. Field and Pool or Exploratory Area EMPIRE-ABO						
4. Location of Well (Footage, Sec., T	T., R., M., or Survey Description	n)		····	11. County or Parish,	State					
MultipleSee Attached					EDDY COUNT	Y, NM					
12. CHECK THE AI	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE,	REPORT, OR OTI	HER D	ATA				
TYPE OF SUBMISSION			TYPE OF	ACTION		•					
- NI di CI d	☐ Acidize	□ Deepen □ Pr			ion (Start/Resume)		☐ Water Shut-Off				
■ Notice of Intent	☐ Alter Casing	□ Нус	draulic Fracturing	☐ Reclam	ation	· — —					
☐ Subsequent Report	☐ Casing Repair	□ Nev	w Construction	☐ Recomp	olete	<b>Ø</b> 0:					
☐ Final Abandonment Notice	☐ Change Plans	☐ Plu	g and Abandon	☐ Tempor	arily Abandon	Surfa	ace Commingling				
	☐ Convert to Injection	☐ Plu	g Back	☐ Water I	Disposal						
Attach the Bond under which the wo following completion of the involved testing has been completed. Final Al determined that the site is ready for f MOC requestes authorization sales of natural gas productio	d operations. If the operation re bandonment Notices must be fi final inspection.  for surface commingle. of	esults in a multip led only after all off lease meas	le completion or reco requirements, includ surement & off lea	ompletion in a siling reclamation	new interval, a Form 316 n, have been completed	60-4 mus	t be filed once				
Empire 7 Fed #2 Empire 7 P Fed #3					NM OIL CO	MCET	31/A <b>T</b> IAS#				
Empire 7 MP Fed #1H					ARTESI						
See attached.						<b>2 4</b> 20					
Bond on file: NM1693 nationw	vide & NMB000919				JOL ,	<b>6 4</b> 20	117				
					REC	EIVE	D				
14. I hereby certify that the foregoing is	Electronic Submission # For MEWBOU	IRNE OIL CON	PANY, sent to the	e Carlsbad	_	-					
Comr Name (Printed/Typed) BRADLEN	mitted to AFMSS for proce Y BISHOP	ssing by DUN	CAN WHITLOCK O	on 07/14/2011	7 (17DW0081SE)						
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1 2101101										
Signature (Electronic S			Date 07/12/2			<del>-</del>					
	THIS SPACE F	OR FEDERA	AL OR STATE	OFFICE U	SE						
Approved By J. W.	hitlory_		Title TUPE	7	~		7/7/17 Date / 17/17				
Conditions of approval, if any, are attache certify that the applicant holds legal or equwhich would entitle the applicant to condu	uitable title to those rights in th	s not warrant or e subject lease	Office CF	0							

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.

#### Additional data for EC transaction #381088 that would not fit on the form

#### Wells/Facilities, continued

 Agreement
 Lease
 Well/Fac Name, Number
 API Number
 Location

 NMNM101967
 NMNM101967
 NMNM101967
 Sec 7 T17S R29E SESE 760FSL 660FEL

 NMNM101967
 NMNM101967
 Sec 7 T17S R29E SESE 760FSL 660FEL

 NMNM101967
 NMNM101967
 Sec 7 T17S R29E SESE 330FSL 990FEL

#### OFF LEASE MEASUREMENT, SALES & STORAGE

#### Commingling procedure for Empire federal leases:

Mewbourne Oil Company is requesting approval for a Surface Commingle, Off Lease Measurement, & Off Agreement Sales of natural gas from the following wells:

Federal Lease: #NMNM101967

Well Name	Location	API#	Pool: 76400	MCFPD	BTU @ 14.7 psia
Empire Fed #2	Sec 7 T17S R29E 660' FSL & 660' FEL	30-015-32561	Empire South Morrow	50	1167

Federal Lease: #NMNM101967

Location	API#	Pool: 96210	MCFPD	BTU @ 14.7 psia
Sec 7 T17S R29E 545' FSL & 85'	30-015-39805	Empire East Glorieta Yeso	110	1254
	Sec 7 T17S R29E 545'	Sec 7 T17S R29E 545' 30-015-39805 FSL & 85'	Sec 7 T17S R29E 545' 30-015-39805 Empire East FSL & 85' Glorieta Yeso	Sec 7 T17S R29E 545' 30-015-39805 Empire East 110 FSL & 85' Glorieta Yeso

Federal Lease: #NMNM101967

Well Name	Location	API#	Pool: 96610	MCFPD	BTU @ 14.7 psia
Empire 7 P Fed #3	Sec 7 T17S R29E 330' FSL & 990' FEL	30-015-36816	Empire East Glorieta Yeso	10	1254

#### Gas metering:

Each well will have an individual EFM regularly calibrated to API, NMOCD, and BLM specifications located near the separation equipment. The gas production from the wells listed above will be measured, commingled, and sold off lease using the well test method.

#### **Process and Flow Descriptions:**

A DCP common gas sales meter (723385-00) is located in Section 20, T17S, R29E. This meter is calibrated on a regular basis per API, NMOCD and BLM specifications.

Interest owners have been notified of the proposal.

The commingling of production is in the interest of conservation and waste and will result in the most effective economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production.

Signed:

Printed Name: Tanner Riewe

Title: Engineer

Date: 9 30 15

### **Economic Justification Work Sheet Empire Facility**

Commingling proposal for leases: #NMNM101967

Federal Lease #NMNM101967

		MORROW	
Well Name	MCFPD	Dry BTU	Value/MCF
Empire Fed #2 <b>7</b>	50	1167	\$2.55

#### Federal Lease #NMNM101967

YE50

Well Name	MCFPD	Dry BTU	Value/MCF
Empire 7 MP Fed	110	1254	\$2.55
#1H			

#### Federal Lease #NMNM101967

VE50

		/10-	
Well Name	MCFPD	Dry BTU	Value/MCF
Empire 7 P Fed #3	10	1254	\$2.55

#### **Economic Combined Production**

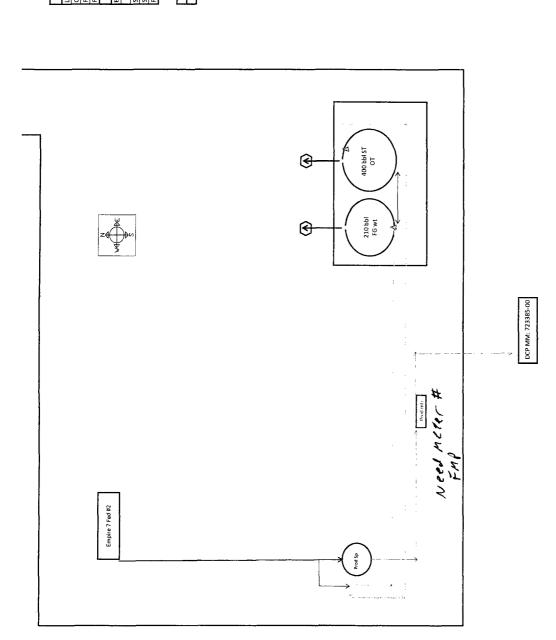
Meter	MCFPD	Dry BTU	Value/MCF
723385-00	170	1228.4	\$2.55
			•

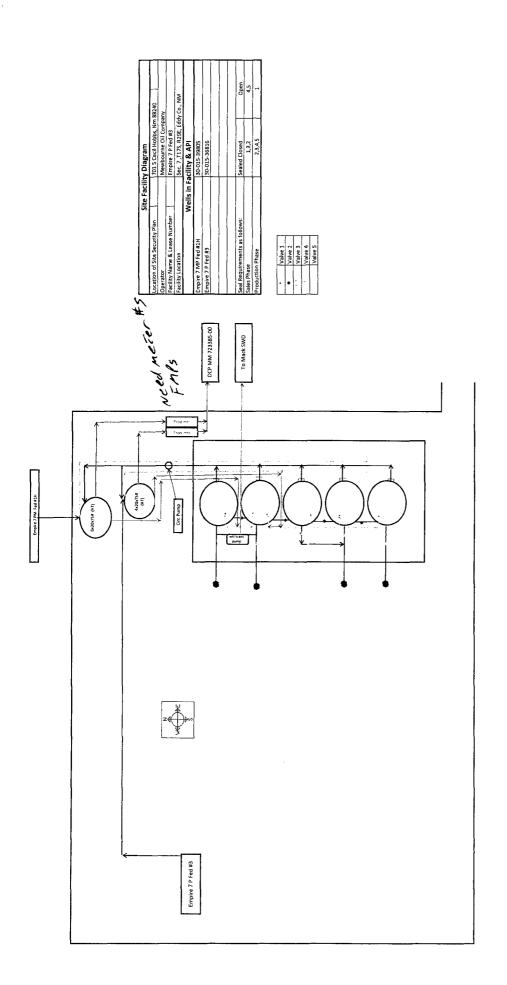
Signea.

Printed Name: Tanner Riewe

Title: Engineer
Date: 9136515

Site	Site Facility Diagram	
Location of Site Security Plan	701 S Cecil Hobbs, Nm 88240	88240
Operator	Mewbourne Oil Company	any
Facility Name & Lease Number	Empire 7 Fed #2	
Facility Location	Sec. 7 ,T175, R29E, Eddy Co., NM	dy Co., NM
Well	Wells in Facility & API	
Empire 7 Fed #2	30-015-32561	
Seal Requirements as follows:	Sealed Closed	Open
Sales Phase	2	1
Production Phase	1	2





Site Facility Diagram

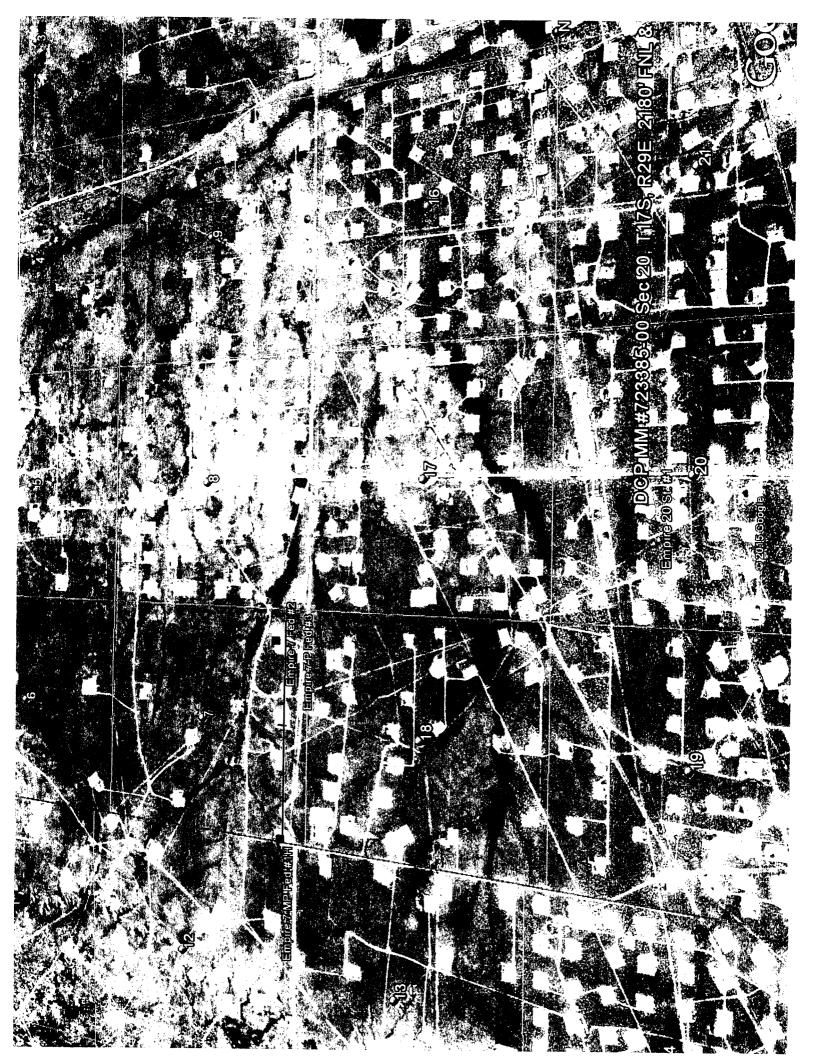
Location of Site Security Plan 701 S Cecil Hobbs, Nm 88240

Operator Mewbourne Oil Company
Facility Name & Lease Number Empire 7 MP Fed #1H
Facility Location Sec. 7, 7175, R29E, Eddy Co., NM
Wells in Facility & API

Empire 7 MP Fed #1H

30-015-39805

10 EMPICE 7 PFED #3	Z ( )	
10 EM	Empire 7 MP Fed #1H	

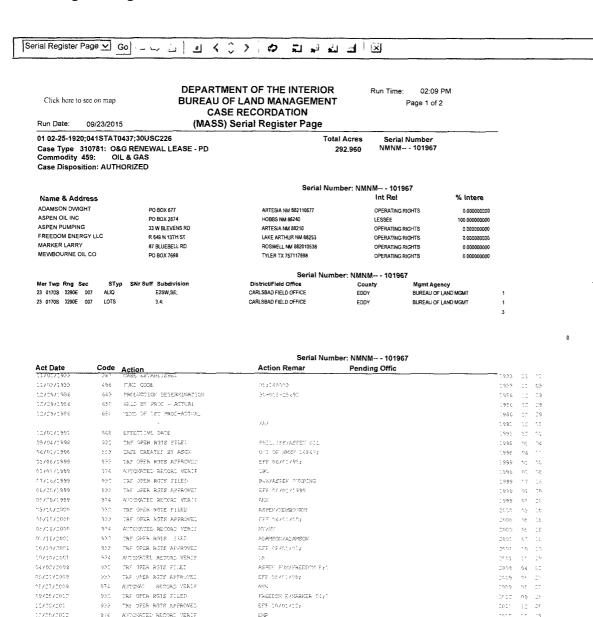


Line Nr

1003

Remarks

/A/AC 194 RET HATE SLIDENG SOR I EFF 1/03/1993



NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

Serial Number: NMNM-- - 101967

#### MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

September 24, 2015

Via Certified Mail

Aspen Oil, Inc. P.O. Box 2674 Hobbs, NM 88241

Re:

Application For Surface and Pool Commingle for MOC's Empire Federal #2, Empire 7 MP Federal #1H and Empire 7 P Federal #3 Wells Section 7, T17S, R29E Eddy County, New Mexico

#### Ladies and Gentlemen:

Mewbourne Oil Company ("MOC") as Operator of the captioned wells proposes to commingle the gas production emanating from the captioned wells into a single surface facility to save expenses associated with separate gas production facilities. The Empire Federal #2 Well is located in the SE/4SE/4 of the captioned Section 7 and produces gas from the Morrow formation. The Empire 7 MP Federal #1H Well has a surface location in the SW/4SW/4 of the captioned Section 7 and the Empire 7 P Federal #3 Well is located in SE/4SE/4 of the captioned Section 7 whereby these wells produce gas and oil from the Yeso formation. Where possible, the New Mexico Oil Conservation Division ("the Division") and the Bureau of Land Management requests us to use surface commingling facilities to reduce surface facilities which in turn reduces the environmental footprint associated with oil and gas operations.

The production emanating from each of the referenced wells will be metered separately on a daily basis to measure daily production from each well for production revenue disbursement purposes and for monthly production volume reporting to the Division.

In reference to the above, MOC will be filing the attached Application For Surface Commingling operations with the Division. If you object to this Application, you must notify the Division in writing of such objection within twenty (20) days from the date of this letter. The New Mexico Oil Conservation Division's address is 1220 South St. Francis Drive, Santa Fe, NM 87505. Failure to object within such time period will preclude you from contesting this matter at a later date.

Aspen Oil, Inc. Application For Surface and Pool Commingle September 24, 2015 Page 2 of 2

Should you have any technical questions regarding the above proposed operations, please contact Mr. Tanner Riewe at (575) 393-5905 or if by email at <a href="mailto:triewe@mewbourne.com">triewe@mewbourne.com</a>.

Your cooperation in connection with the above is greatly appreciated.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden Senior Landman

DPH/gh

nber Reference Status/Signature	252763 Empire ph	252831 Empire ph		252909 Empire ph		253074 Empire ph	253166 Empire ph	253272 Empire ph	253319 Empire ph	253326 Empire ph	253333 Empire ph	253340 Empire ph	253364 Empire ph	253388 Empire ph	253449 Empire ph	253463 Empire ph	1	253562 Empire ph	253593 Empire ph	253647 Empire ph	253678 Empire ph	253722 Empire ph	253746   Empire ph	┪~	+-	
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Date Mailed																										
Zp	79707	90274	97739	43543	91405	59719	90713	88211	92025	92683	93003	92683	99524	92126	68103	76086	90265	93420	92009	88210	71613	1473	91350	93611	91355	88241
State	×	δ	R	Н	2	Ψ	CA CA	₹ Z	₹	Š	Ş	CA	AK	CA	NE	ĭ	Ą	CA	<u>ک</u>	× N	AR	MA	CA	8	CA	MM
City	Midland	PALOS VERDES ESTATES	La Pine	MONTPELIER	VAN NUYS	Bozeman	LAKEWOOD	Artesia	ESCONDIDO	WESTMINSTER	VENTURA	Westminster	ANCHORAGE	SAN DIEGO	Omaha	Weatherford	Malibu	Arroyo Grande	Carlsbad	ARTESIA	Pine Bluff	WESTMINSTER	Santa Clarita	CLOVIS	VALENCIA	Hobbs
Company Name		Acree Family Trust						Connor Family LLC					COWE LLC		Dolores J. Thomas Trust	-										
Recipient Name	Mr. & Mrs. Erick Nelson	Mr Chester J. Acree	Mr Kurt A. Weber	Maryanne Blakely	Virginia M. Weber	Margaret Louise Treat	Carol Jean Dexter Purcell	c/o Clarence Connor	Mr. William D. Inglehart	Donna K. Walls	Beth J. Inglehart	Sharon A. Hansen	c/o Bob Acree	Dexter Family Trust	c/o Farmers National Co., Agent	Mr. & Mrs. Gregory S. Milner	Dexter Family Holdings LLC	Debbie L. Bowers Rev. Trust	Mock Family Trust	Mr. Wiley C. Roundtree	Mr. James W. Roundtree	Mr. Charles R. Roundtree	Cary W. & Lorann B. Severn Family Trust	2012 Lonnie & jolinda Downer Rev. Trust	The Newquist Trust	Aspen Oil, Inc.

#### NM OIL CONSERVATION

ARTESIA DISTRICT

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 State of New Mexico

District II

District III

District IV

811 S. First St., Artesia, NM 88210

1220 S. St Francis Dr, Santa Fe, NM

1000 Rio Brazos Road, Aztec, NM 87410

JUL 2 4 201/

Form C-107-B

Energy, Minerals and Natural Resources Department

Revised August 1, 2011

#### **OIL CONSERVATION DIVISION**

1220 S. St Francis Drive Santa Fe, New Mexico 87505 RECEIVED Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

	ON FOR SURFACE			OWNERSHIP)	
	ewbourne (	Dil Compani	V		
<del></del>	5 Box 525	to Hobbs	, NM B	8241	
APPLICATION TYPE:		· · · · · · · · · · · · · · · · · · ·			
☐ Pool Commingling ☐ Lease Comm		· -	Storage and Measi	irement (Only if not Surfac	e Commingled)
LEASE TYPE: Fee	State Fede				
Is this an Amendment to existing C Have the Bureau of Land Manager  Yes No					ingling
		OL COMMINGLIN ts with the following in			
	Gravities / BTU of	Calculated Gravities /	1	Calculated Value of	T
(1) Pool Names and Codes	Non-Commingled Production	BTU of Commingled Production		Commingled Production	Volumes
		_			
		4			
		_			
(2) Are any wells producing at top a					
<ul> <li>(3) Has all interest owners been notified</li> <li>(4) Measurement type: Meterin</li> <li>(5) Will commingling decrease the v</li> </ul>	g Dother (Specify)		Yes No		
	• •	SE COMMINGLIN ts with the following in			
<ol> <li>Pool Name and Code.</li> <li>Is all production from same source.</li> <li>Has all interest owners been notified.</li> <li>Measurement type:</li></ol>	ed by certified mail of the pro		□Yes □}	No	
		LEASE COMMIN			
(1) Complete Sections A and E.	Tigase attach sheet	is with the following h	inoi mation		
	(D) OFF-LEASE ST	ORAGE and MEA	SUREMENT		
	* *	ets with the following			
<ul><li>(1) Is all production from same source</li><li>(2) Include proof of notice to all interest</li></ul>		lo ·			
(E)	ADDITIONAL INFO	ORMATION (for all ts with the following in		ypes)	
(1) A schematic diagram of facility,		- Tonoring II			
<ul><li>(2) A plat with lease boundaries show</li><li>(3) Lease Names, Lease and Well Nu</li></ul>	ing all well and facility locat	ions. Include lease numbe	ers if Federal or St	tate lands are involved.	
hereby certify that the information abo		e best of my knowledge an	d belief.		
SIGNATURE:	<b>7</b>	ITLE: Engine		DATE: 9\	10/15
	inner Riei		TE	DATE: 9\\ LEPHONE NO.: 575	- 393-590
_ , _	se@ Mewbou	-			

Bureau of Land Management Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Empire 7 Federal #2, 3001532561 Empire 7 MP Federal #1H, 3001539805 Empire 7 P Federal #3, 3001536816

# Mewbourne Oil Company July 12, 2017 Condition of Approval Surface Pool commingling and off lease measurement and sales of gas only

- 1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. 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 or product accountability.
- 4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
- 5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
- 6. Gas measurement for allocation must be measured as per Federal Regulations, AGA and API requirements for sales meters.
- 7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per 43 CFR 3178 & 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
- 8. This agency shall be notified of any change in sales method or location of sales point.
- 9. Additional wells and/or leases require additional commingling approvals.
- 10. Submit gas check/allocation meter numbers within 30 days of this approval and update facility diagram with meters numbers. Gas check/allocation meters will be used as the Facility measurement points (FMPs) for allocation of gas.
- 11. Notify this office 24 Hrs. prior to any meter calibration/proving to allow time for an inspector to witness.