NM OIL CONSERVATION
ARTESIA DISTRICT
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Form 3160-3
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

5. Lease Serial No.
NMNM 114355

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

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

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
FNR 17/20 B2IP FED COM 1H 320078

2. Name of Operator
MEWBOURNE OIL COMPANY 14744

9. API Well No.
30-015-44576

3a. Address
PO Box 5270 Hobbs NM 88240

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

10. Field and Pool, or Exploratory
FORTY NINER RIDGE BONE SPRING /

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface NWSE / 2340 FSL / 1368 FEL / LAT 32.304247 / LONG -103.8992907
At proposed prod. zone SESE / 330 FSL / 330 FEL / LAT 32.2841519 / LONG -103.8960151

11. Sec., T. R. M. or Blk. and Survey or Area
SEC 17 / T23S / R30E / NMP

14. Distance in miles and direction from nearest town or post office*
15 miles

12. County or Parish
EDDY

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
330 feet

16. No. of acres in lease
640

17. Spacing Unit dedicated to this well
240

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
50 feet

19. Proposed Depth
9379 feet / 17146 feet

20. BLM/BIA Bond No. on file
FED: NM1693

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3222 feet

22. Approximate date work will start*
10/23/2017

23. Estimated duration
60 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature	Name *(Printed/Typed)*	Date
(Electronic Submission)	Bradley Bishop / Ph: (575)393-5905	06/02/2017

Title
Regulatory

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
(Electronic Submission)	Cody Layton / Ph: (575)234-5959	11/10/2017

Title	Office
Supervisor Multiple Resources	CARLSBAD

Application approval 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.
Conditions of approval, if any, are attached.

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.

(Continued on page 2)

*(Instructions on page 2)

APPROVED WITH CONDITIONS

Approval Date: 11/10/2017

RWP 12-01-17

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.
AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160
PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.
ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.
EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:
The BLM collects this information to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

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Additional Operator Remarks

Location of Well

1. SHL: NWSE / 2340 FSL / 1368 FEL / TWSP: 23S / RANGE: 30E / SECTION: 17 / LAT: 32.304247 / LONG: -103.8992907 (TVD: 0 feet, MD: 0 feet)
PPP: SESE / 2327 FSL / 330 FEL / TWSP: 23S / RANGE: 30E / SECTION: 20 / LAT: 32.29054 / LONG: -103.8959958 (TVD: 9363 feet, MD: 14822 feet)
PPP: NENE / 0 FNL / 330 FEL / TWSP: 23S / RANGE: 30E / SECTION: 20 / LAT: 32.29784 / LONG: -103.8959749 (TVD: 9345 feet, MD: 12165 feet)
PPP: NESE / 2318 FSL / 1007 FEL / TWSP: 23S / RANGE: 30E / SECTION: 17 / LAT: 32.304183 / LONG: -103.898122 (TVD: 9274 feet, MD: 9430 feet)
BHL: SESE / 330 FSL / 330 FEL / TWSP: 23S / RANGE: 30E / SECTION: 20 / LAT: 32.2841519 / LONG: -103.8960151 (TVD: 9379 feet, MD: 17146 feet)

BLM Point of Contact

Name: Priscilla Perez
Title: Legal Instruments Examiner
Phone: 5752345934
Email: pperez@blm.gov

Approval Date: 11/10/2017

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	MEWBOURNE OIL COMPANY
LEASE NO.:	NMNM114355
WELL NAME & NO.:	1H –FNR 17 20 B2IP FED COM
SURFACE HOLE FOOTAGE:	2340'/S & 1368'/E
BOTTOM HOLE FOOTAGE	330'/S & 330'/E
LOCATION:	Section 17 T.23 S., R.30 E., NMP
COUNTY:	EDDY County, New Mexico

COA

H2S	○ Yes	◉ No	
Potash	○ None	○ Secretary	◉ R-111-P
Cave Karst Potential	○ Low	○ Medium	◉ High
Variance	○ None	◉ Flex Hose	○ Other
Wellhead	○ Conventional	◉ Multibowl	○ Both
Other	☐ 4 String Area	☐ Capitan Reef	☐ WIPP

A. Hydrogen Sulfide

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **425** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.

    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 will be a minimum of **24 hours in the Potash Area** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)

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 cave/karst or potash. Additional cement may be required. Excess calculates to be 24%.

❖ In High Cave/Karst Areas if cement does not circulate to surface on the first two casing strings , the cement on the 3rd casing string must come to surface.

3. The minimum required fill of cement behind the **7** inch production casing is:
   Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.
   a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
   b. Second stage above DV tool:Cement to surface. If cement does not circulate, contact the appropriate BLM office. **Additional cement may be required. Excess calculates to be -58%.**

4. The minimum required fill of cement behind the **4-1/2** inch production liner is:
   - Cement should tie-back 100' into the previous casing. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).

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.

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.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

a. Spudding well (minimum of 24 hours)
b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
c. BOPE tests (minimum of 4 hours)

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

1. 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.
   a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
   b. When the operator proposes to set surface casing with Spudder Rig
      - Notify the BLM when moving in and removing the Spudder Rig.
      - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
      - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.

2. 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 are located, this does not include the dog house or stairway area.

3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall 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.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

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

6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

7. 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.

8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. 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. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.

4. **If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:**
    a. **Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.**
    b. **If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.**
    c. **Manufacturer representative shall install the test plug for the initial BOP test.**
    d. **If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.**
    e. **Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.**

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. In a water basin, 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. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin

after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

b. 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, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).

c. The tests shall be done by an independent service company utilizing a test plug. The results of the test shall be reported to the appropriate BLM office.

d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

e. 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.

f. 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. This test shall be performed prior to the test at full stack pressure.

g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. 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.

Waste Minimization Plan (WMP)

In the interest of resource development, submission of additional well gas capture development plan information is deferred but may be required by the BLM Authorized Officer at a later date.

ZS 102517

PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	MEWBOURNE OIL COMPANY
LEASE NO.:	NMNM114355
WELL NAME & NO.:	1H –FNR 17 20 B2IP FED COM
SURFACE HOLE FOOTAGE:	2340'/S & 1368'/E
BOTTOM HOLE FOOTAGE	330'/S & 330'/E
LOCATION:	Section 17 T.23 S., R.30 E., NMP
COUNTY:	EDDY County, New Mexico

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

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. 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.

IV. 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.

V. SPECIAL REQUIREMENT(S)

Potash

1. Drilling within the Designated Potash Area. It is the intent of the Department of the Interior to administer oil and gas operations throughout the Designated Potash Area in a manner which promotes safe, orderly co-development of oil, gas, and potash resources. It is the policy of the Department of the Interior to deny approval of most applications for permits to drill oil and gas wells from surface locations within the Designated Potash Area. Three exceptions to this policy will be permitted if the drilling will occur under the following conditions from:

    a. A Drilling Island associated with a Development Area established under this Order or a Drilling Island established under a prior Order;

    b. A Barren Area and the Authorized Officer determines that such operations will not adversely affect active or planned potash mining operations in the immediate vicinity of the proposed drill-site; or

    c. A Drilling Island, not covered by (a) above or single well site established under this Order by the approval and in the sole discretion of the Authorized Officer, provided that such site was jointly recommended to the Authorized Officer by the oil and gas lessee(s) and the nearest potash lessee(s).

2. Development Areas

    a. When processing an application for permit to drill (APD) an oil or gas well in the Designated Potash Area that complies with regulatory requirements, the Authorized Officer will determine whether to establish a Development Area in connection with the application, and if so, will determine the boundaries of the Development Area and the location within the Development Area of one or more Drilling Islands from which drilling will be permitted. The BLM may also designate a Development Area outside of the APD process based on information in its possession, and may modify the boundaries of a Development Area. Existing wells may be included within the boundaries of a Development Area. A Development Area may include Federal oil and gas leases and other Federal and non-Federal lands.

    b. After designating or modifying a Development Area, the BLM will issue a Notice to Lessees, consistent with its authorities under 43 CFR Subpart 3105 and part 3180, information lessees that future drilling on lands under an oil and gas lease within that Development Area will:

        i. occur, under most circumstances, from a Barren Area or A Drilling Island within the Development Area; and

ii. be managed under a unit or communitization agreement, generally by a single operator, consistent with BLM regulations and this Order. Unit and communitization agreements will be negotiated among lessees. The BLM will consider whether a specific plan of development is necessary or advisable for a particular Drilling Island.

c. The Authorized Officer reserves the right to approve an operator or successor operator of a Development Area and/or a Drilling Island, if applicable, to ensure that the operator has the resources to operate and extract the oil and gas resources consistent with the requirements of this Order and all applicable laws and regulations, and has provided financial assurance in the amount required by the Authorized Officer.

d. The Authorized Officer will determine the appropriate designation of a Development Area in terms of location, shape and size. In most cases, a single Drilling Island will be established for each Development Area. In establishing the location, shape and size of a Development Area and an associated Drilling Island, the Authorized Officer will consider:

i. the appropriate location, shape, and size of a Development Area and associated Drillings Island to allow effective extraction of oil and gas resources while managing the impact on potash resources;

ii. the application of available oil and gas drilling and production technology in the Permian Basin;

iii. the applicable geology of the Designated Potash Area and optimal locations to minimize loss of potash ore while considering co-development of both resources;

iv. any long term exploration and/or mining plans provided by the potash industry;

v. whether a Barren Area may be the most appropriate area for a Drilling Island;

vi. the requirements of this Order; and

vii. any other relevant factors

e. As the Authorized Officer establishes a Development Area, the Authorized Officer will more strictly apply the factors listed in Section 6.e.(2)(d), especially the appropriate application of the available oil and gas drilling and production technology in the Permian Basin, when closer

to current traditional (non-solution) potash mining operations. Greater flexibility in the application of the factors listed in Section 6.e(2)(d) will be applied further from current and near-term traditional (non-solution)potash mining operations. No Drilling Islands will be established within one mile of any area where approved potash mining operations will be conducted within 3 years consistent with the 3-year mine plan referenced above (Section 6.d.(8)) without the consent of the affected potash lessee(s).

f. The Authorized Officer may establish a Development Area associated with a well or wells drilled from a Barren Area as appropriate and necessary.

g. As part of the consideration for establishing Development Areas and Drilling Islands, the BLM will consider input from the potash lessees and the oil and gas lessees or mineral right owner who would be potentially subject to a unitization agreement supporting the Development Are, provided that the input is given timely.

3. Buffer Zones. Buffer Zones of ¼ mile for oil wells and ½ mile for gas wells are hereby established. These Buffer Zones will stay in effect until such time as revised distances are adopted by the BLM Director or other BLM official, as delegated. However, the Authorized Officer may adjust the Buffer Zones in an individual case, when the facts and circumstances demonstrate that such adjustment would enhance conservation and would not compromise safety. The Director will base revised Buffer Zones on science, engineering, and new technology and will consider comments and reports from the Joint Industry Technical Committee and other interested parties in adopting any revisions.

4. Unitization and Communitization. To more properly conserve the potash, oil and gas resources in the Designated Potash Area and to adequately protect the rights of all parties in interest, including the United States, it is the policy of the Department of the Interior that all Federal oil and gas leases within a Development Area should be unitized or subject to an approved communitization agreement unless there is a compelling reason for another operating system. The Authorized Officer will make full use of his/her authorities wherever necessary or advisable to require unitization and/or communitization pursuant to the regulations in 43 CFR Subparts 3105 and 3180. The Authorized Officer will use his/her discretion to the fullest extent possible to assure that any communitization agreement and any unit plan of operations hereafter approved or prescribed within the Designated Potash Area will adhere to the provisions of this Order. The Authorized Officer will work with Federal lessees, and with the State Of New Mexico as provided below, to include non-Federal mineral rights owners in unit or communitization agreements to the extent possible.

5. Coordination with the State of New Mexico.

a. If the effective operation of any Development Area requires that the New Mexico Oil Conservation Division (NMOCD) revise the State's mandatory well spacing requirements, the BLM will participate as needed in such a process. The BLM may adopt the NMOCD spacing requirements and require lessees to enter into communitization agreements based on those requirements.

b. The BLM will cooperate with the NMOCD in the implementation of that agency's rules and regulations.

c. In taking any action under Section 6.e. of this Order, the Authorized Officer will take into consideration the applicable rules and regulations of the NMOCD.

To minimize impacts to potash resources, the proposed well is confined within the boundaries of the established Section 8 Alternative Drill Island (See Potash Memo and Map in attached file for Drill Island description).

Watershed/Water Quality:

- The entire well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed.
- Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion.

Tank Battery COAs Only:

Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

Surface Pipeline COAs Only:

A leak detection plan will be submitted to the BLM Carlsbad Field Office for approval prior to pipeline installation. The method could incorporate gauges to detect pressure drops, situating values and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

Cave and Karst Conditions of Approval for APDs

** Depending on location, additional Drilling, Casing, and Cementing procedures may be required by engineering to protect critical karst groundwater recharge areas.

Cave/Karst Surface Mitigation

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 entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.

- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g. caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised. (Any access road crossing the berm cannot be lower than the berm height.)

Tank Battery Liners and Berms:
Tank battery locations and all facilities will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing, or equivalent, to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Leak Detection System:

A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating values and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

Automatic Shut-off Systems:
Automatic shut off, check values, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and ground water concerns:

Rotary Drilling with Fresh Water:
Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:
Kick off for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:
ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported in the drilling report.

Regardless of the type of drilling machinery used, if a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:
Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:
Annual pressure monitoring will be performed by the operator on all casing annuli and reported in a sundry notice. If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. 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.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing
The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width
The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing
Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching
Ditching shall be required on both sides of the road.

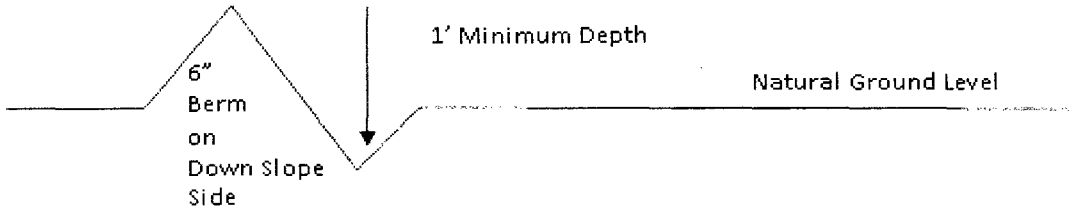
Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: $\frac{400'}{4\%} + 100' = 200'$ lead-off ditch interval

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road
3. Redistribute topsoil
4. Revegetate slopes

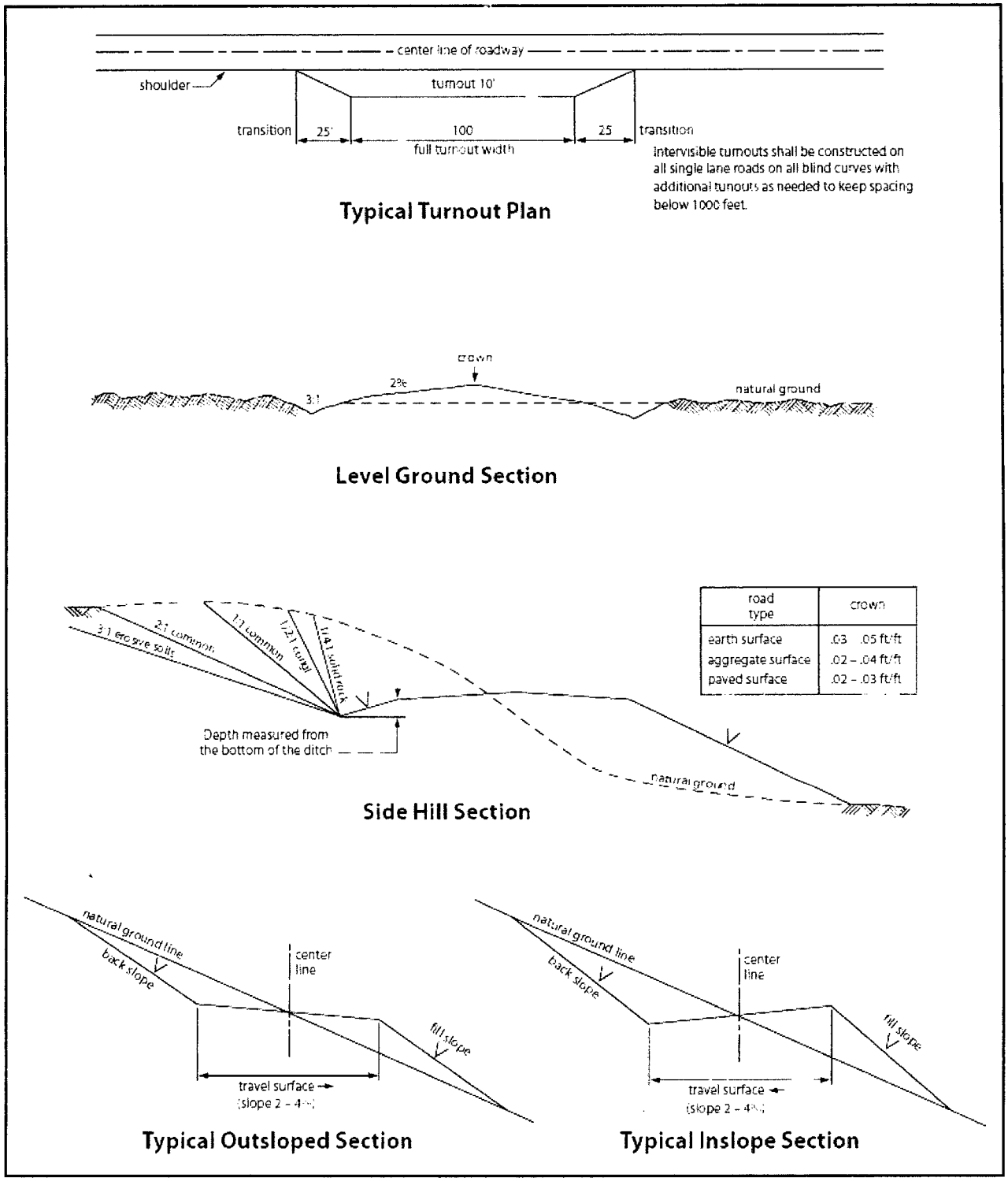


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities
Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)
Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening
The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install
- effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures
The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement
All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the Grant and attachments, including stipulations, survey plat(s) and/or map(s), shall be on location during construction. BLM personnel may request to review a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, Holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC § 2601 *et seq.* (1982) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant (*see* 40 CFR, Part 702-799 and in particular, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193). Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. Holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.* or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.*) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way Holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way Holder on the Right-of-Way. This provision applies without regard to whether a release is caused by Holder, its agent, or unrelated third parties.

4. Holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. Holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

a. Activities of Holder including, but not limited to: construction, operation, maintenance, and termination of the facility;

b. Activities of other parties including, but not limited to:
   (1) Land clearing
   (2) Earth-disturbing and earth-moving work
   (3) Blasting
   (4) Vandalism and sabotage;

c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars ($1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of Holder, regardless of fault. Upon failure of Holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he/she deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of Holder. Such action by the Authorized Officer shall not relieve Holder of any responsibility as provided herein.

6. All construction and maintenance activity shall be confined to the authorized right-of-way width of **20** feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline shall be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline shall be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity shall be confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation shall be allowed unless approved in writing by the Authorized Officer.

8. Holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline shall be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of **24** inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder 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 will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made

by the authorized officer after consulting with the holder.

16. 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, powerline 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.

17. Surface pipelines shall be less than or equal to 4 inches and a working pressure below 125 psi.

VIII. 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).

IX. 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 2, for Sandy 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 no 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 of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/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	lb/acre
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

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

AFMSS

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

ator Certification Data Report

11/14/2017

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

NAME: Bradley Bishop **Signed on:** 06/02/2017

Title: Regulatory

Street Address: PO Box 5270

City: Hobbs **State:** NM **Zip:** 88240

Phone: (575)393-5905

Email address: bbishop@mewbourne.com

Field Representative

Representative Name:

Street Address:

City: **State:** **Zip:**

Phone:

Email address:

APD ID: 10400014478 **Submission Date:** 06/02/2017

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

Well Type: OIL WELL **Well Work Type:** Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - General

APD ID: 10400014478 **Tie to previous NOS?** 10400012784 **Submission Date:** 06/02/2017

BLM Office: CARLSBAD **User:** Bradley Bishop **Title:** Regulatory

Federal/Indian APD: FED **Is the first lease penetrated for production Federal or Indian?** FED

Lease number: NMNM 114355 **Lease Acres:** 640

Surface access agreement in place? **Allotted?** **Reservation:**

Agreement in place? NO **Federal or Indian agreement:**

Agreement number:

Agreement name:

Keep application confidential? YES

Permitting Agent? NO **APD Operator:** MEWBOURNE OIL COMPANY

Operator letter of designation: FNR17_20B3IPFedCom2H_operatorletterofdesignation_06-02-2017.pdf

Operator Info

Operator Organization Name: MEWBOURNE OIL COMPANY

Operator Address: PO Box 5270 **Zip:** 88240

Operator PO Box:

Operator City: Hobbs **State:** NM

Operator Phone: (575)393-5905

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO **Mater Development Plan name:**

Well in Master SUPO? NO **Master SUPO name:**

Well in Master Drilling Plan? NO **Master Drilling Plan name:**

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H **Well API Number:**

Field/Pool or Exploratory? Field and Pool **Field Name:** FORTY NINER RIDGE BONE SPRING **Pool Name:** BONE SPRING

Is the proposed well in an area containing other mineral resources? USEABLE WATER,NATURAL GAS,CO2,OIL

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

Describe other minerals:

Is the proposed well in a Helium production area? N **Use Existing Well Pad?** NO **New surface disturbance?**

Type of Well Pad: MULTIPLE WELL **Multiple Well Pad Name:** FORTY NINER 17 DRILL ISLAND **Number:** 6

Well Class: HORIZONTAL **Number of Legs:** 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town: 15 Miles **Distance to nearest well:** 50 FT **Distance to lease line:** 330 FT

Reservoir well spacing assigned acres Measurement: 240 Acres

Well plat: FNR17_20B3IPFedCom2H_wellplat_06-02-2017.pdf

Well work start Date: 10/23/2017 **Duration:** 60 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 **Vertical Datum:** NAVD88

Survey number: None

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
SHL Leg #1	2340	FSL	1368	FEL	23S	30E	17	Aliquot NWSE	32.304247	-103.899907	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 114355	3222	0	0
KOP Leg #1	2340	FSL	1368	FEL	23S	30E	17	Aliquot NWSE	32.304247	-103.899907	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 114355	-5539	8761	8761
PPP Leg #1	2318	FSL	1007	FEL	23S	30E	17	Aliquot NESE	32.304183	-103.898122	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 114355	-6052	9430	9274

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
PPP Leg #1	0	FNL	330	FEL	23S	30E	20	Aliquot NENE	32.29784	-103.8959749	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 104965	-6123	12165	9345
PPP Leg #1	2327	FSL	330	FEL	23S	30E	20	Aliquot SESE	32.29054	-103.8959958	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 132942	-6141	14822	9363
EXIT Leg #1	330	FSL	330	FEL	23S	30E	20	Aliquot SESE	32.2841519	-103.8960151	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 132942	-6157	17146	9379
BHL Leg #1	330	FSL	330	FEL	23S	30E	20	Aliquot SESE	32.2841519	-103.8960151	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 132942	-6157	17146	9379

United States Department of the Interior
Bureau of Land Management
Carlsbad Field Office
620 E Greene Street
Carlsbad, New Mexico 88201-1287

Statement Accepting Responsibility for Operations

Operator Name: Mewbourne Oil Company
Street or Box: P.O. Box 5270
City, State: Hobbs, New Mexico
Zip Code: 88241

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted of the leased land or portion thereof, as described below.

Lease Number: NMNM 114355, NMNM 104965, NMNM 132942

Legal Description of Land: Section 17 T23S R30E, Eddy County, New Mexico.
Location @ 2376' FSL & 1404' FEL

Formation (if applicable): Wolfcamp

Bond Coverage: $150,000

BLM Bond File: NM1693 Nationwide, NMB - 000919

Approved by:

Name: Robin Terrell
Title: District Manager
Date: 06-2-2017.

tested. Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold.

Choke Diagram Attachment:

FNR_17_20_B2IP_Fed_Com_1H_Flex_Line_Specs_05-31-2017.pdf

FNR_17_20_B2IP_Fed_Com_1H_5M_BOPE_Choke_Diagram_20170914103022.pdf

BOP Diagram Attachment:

FNR_17_20_B2IP_Fed_Com_1H_3M_BOPE_Schematic_05-31-2017.pdf

FNR_17_20_B2IP_Fed_Com_1H_Multi_Bowl_WH_05-31-2017.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	425	0	425	-6157	-6582	425	H-40	48	STC	3.48	7.83	DRY	15.78	DRY	26.52
2	INTERMEDIATE	12.25	9.625	NEW	API	Y	0	3520	0	3520	-6157	-9677	3520	J-55	40	LTC	1.13	1.96	DRY	3.57	DRY	4.54
3	PRODUCTION	8.75	7.0	NEW	API	N	0	9592	0	9306	-6157	-15463	9592	HCP-110	26	LTC	1.71	2.19	DRY	2.56	DRY	3.33
4	LINER	6.125	4.5	NEW	API	N	8671	17150	8671	9379	-14828	-15536	8479	P-110	13.5	LTC	2.19	2.54	DRY	2.98	DRY	3.73

Casing Attachments

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

Casing Attachments

Casing ID: 1 **String Type:** SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

FNR_17_20_B2IP_Fed_Com_1H_Csg_Assumptions_05-31-2017.pdf

Casing ID: 2 **String Type:** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

FNR_17_20_B2IP_Fed_Com_1H_TaperedCsg_05-31-2017.pdf

Casing Design Assumptions and Worksheet(s):

FNR_17_20_B2IP_Fed_Com_1H_Csg_Assumptions_05-31-2017.pdf

Casing ID: 3 **String Type:** PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

FNR_17_20_B2IP_Fed_Com_1H_Csg_Assumptions_05-31-2017.pdf

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

Casing Attachments

Casing ID: 4 **String Type:**LINER

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

FNR_17_20_B2IP_Fed_Com_1H_Csg_Assumptions_05-31-2017.pdf

Section 4 - Cement

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	237	160	2.12	12.5	339	100	Class C	Salt, Gel, Extender, LCM
SURFACE	Tail		237	425	200	1.34	14.8	268	100	Class C	Retarder
INTERMEDIATE	Lead		0	2857	545	2.12	12.5	1155	25	Class C	Salt, Gel, Extender, LCM
INTERMEDIATE	Tail		2857	3520	200	1.34	14.8	268	25	Class C	Retarder
PRODUCTION	Lead	4600	3020	3926	85	2.12	12.5	180	25	Class C	Gel, Retarder, Defoamer, Extender
PRODUCTION	Tail		3926	4600	100	1.34	14.8	134	25	Class C	Retarder
PRODUCTION	Lead	4600	4600	7109	225	2.12	12.8	477	25	Class C	Gel, Retarder, Defoamer, Extender
PRODUCTION	Tail		7109	9592	400	1.18	15.6	472	25	Class H	Retarder, Fluid Loss, Defoamer
LINER	Lead		8761	17150	340	2.97	11.2	1010	25	Class C	Salt, Gel, Fluid Loss, Retarder, Dispersant, Defoamer, Anti-Settling Agent

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Lost Circulation Material/Sweeps/Mud Scavengers in Surface Hole

Describe the mud monitoring system utilized: Visual Monitoring

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	425	SPUD MUD	8.6	8.8							
425	3520	SALT SATURATED	10	10							
3520	8671	WATER-BASED MUD	8.6	9.7							
8671	9379	OIL-BASED MUD	8.6	10							

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Will run GR/CNL from KOP (8671') to surface.

List of open and cased hole logs run in the well:

CNL,DS,GR,MWD,MUDLOG

Coring operation description for the well:

None

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4877 **Anticipated Surface Pressure:** 4877

Anticipated Bottom Hole Temperature(F): 140

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

FNR_17_20_B2IP_Fed_Com_1H_H2S_Plan_05-31-2017.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

FNR_17_20_B2IP_Fed_Com_1H_Dir_Plot_05-31-2017.pdf
FNR_17_20_B2IP_Fed_Com_1H_Dir_Plan_05-31-2017.pdf

Other proposed operations facets description:

Other proposed operations facets attachment:

FNR_17_20_B2IP_Fed_Com_1H_Drlg_Program_05-31-2017.doc

Other Variance attachment:

GATES E & S NORTH AMERICA, INC.
134 44TH STREET
CORPUS CHRISTI, TEXAS 78405

PHONE: 361-887-9807
FAX: 361-887-0812
EMAIL: *Tim.Cantu@gates.com*
WEB: www.gates.com

10K CEMENTING ASSEMBLY PRESSURE TEST CERTIFICATE

Customer :	AUSTIN DISTRIBUTING	Test Date:	4/30/2015
Customer Ref. :	4060578	Hose Serial No.:	D-043015-7
Invoice No. :	500506	Created By:	JUSTIN CROPPER

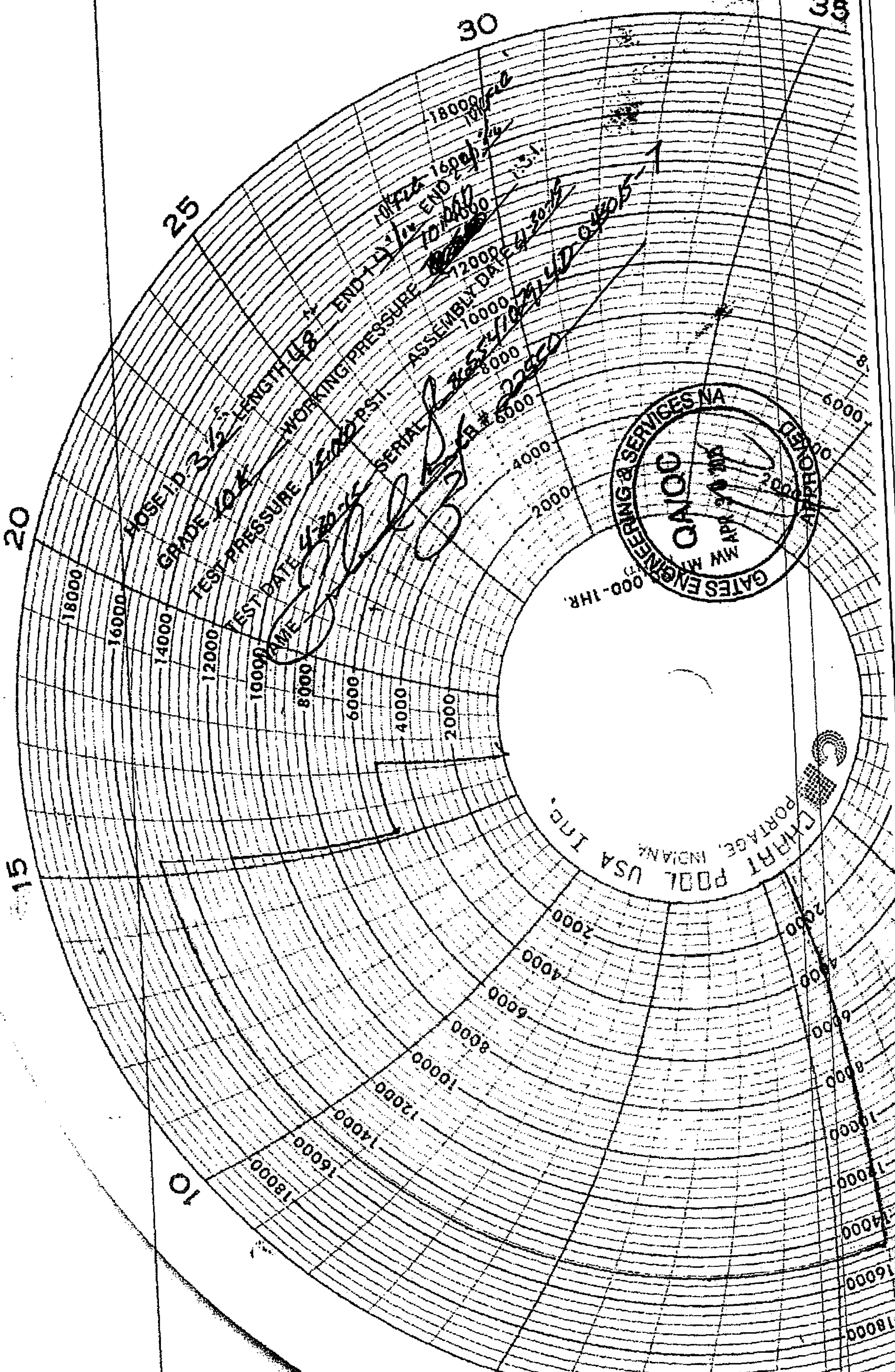
Product Description:	10K3.548.0CK4.1/1610KFLGE/E LE

End Fitting 1 :	4 1/16 10K FLG	End Fitting 2 :	4 1/16 10K FLG
Gates Part No. :	4773-6290	Assembly Code :	L36554102914D-043015-7
Working Pressure :	10,000 PSI	Test Pressure :	15,000 PSI

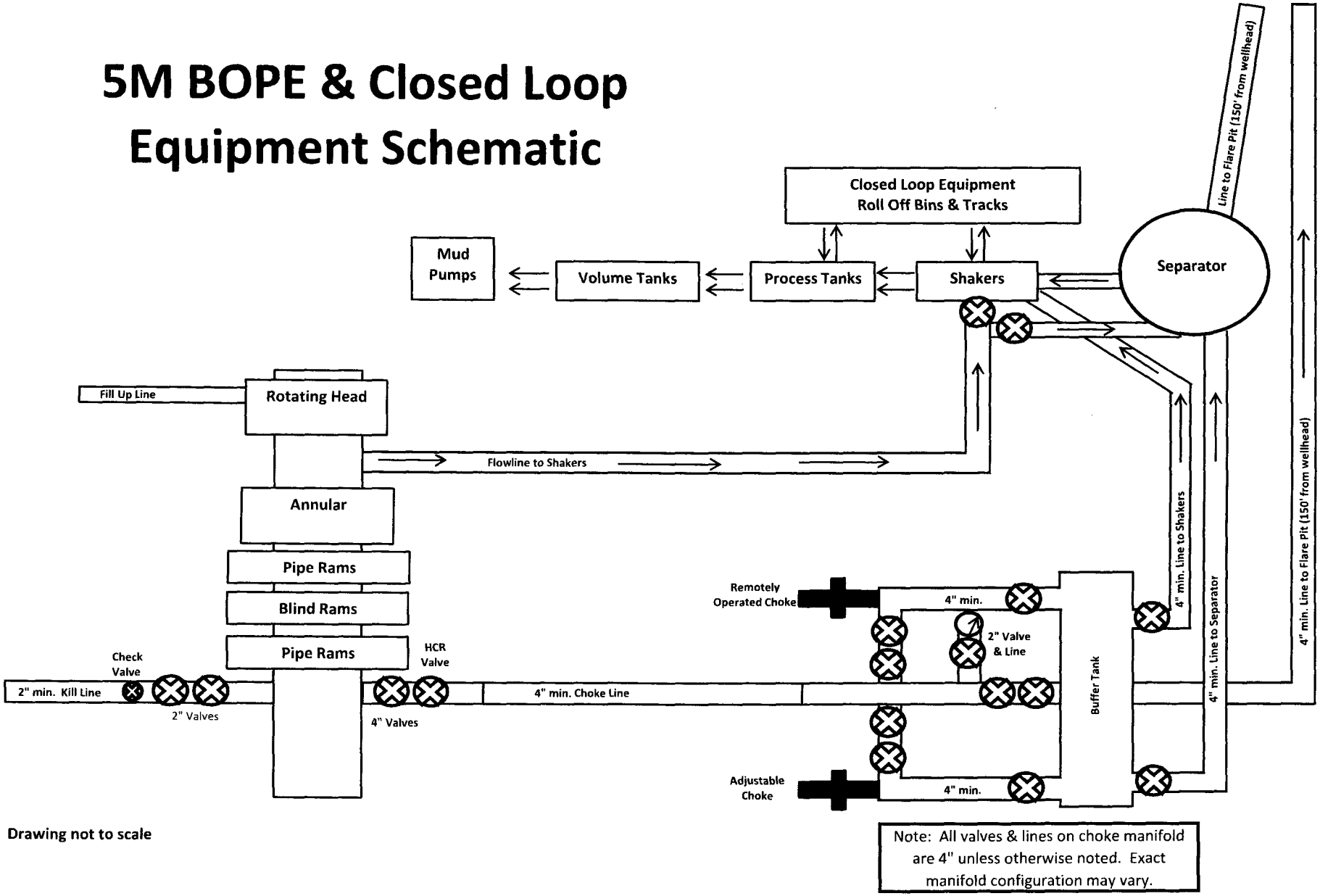
Gates E & S North America, Inc. certifies that the following hose assembly has been tested to the Gates Oilfield Roughneck Agreement/Specification requirements and passed the 15 minute hydrostatic test per API Spec 7K/Q1, Fifth Edition, June 2010, Test pressure 9.6.7 and per Table 9 to 15,000 psi in accordance with this product number. Hose burst pressure 9.6.7.2 exceeds the minimum of 2.5 times the working pressure per Table 9.

Quality Manager :	QUALITY	Produciton:	PRODUCTION
Date :	4/30/2015	Date :	4/30/2015
Signature :		Signature :	

Form-PTC - 01 Rev.0 2

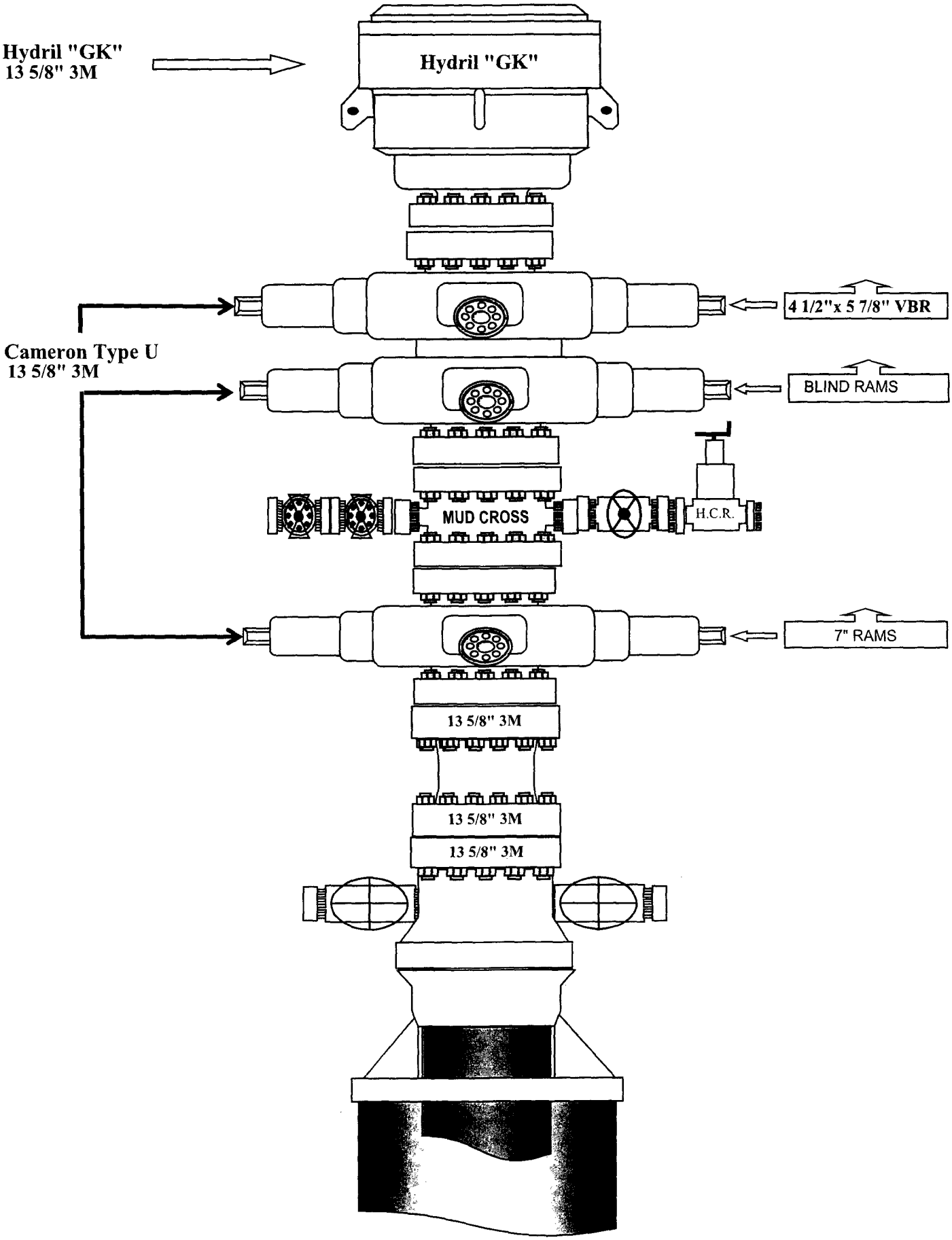

HOSE I.D. 3 1/2"
LENGTH 48'
END
GRADE 10K
WORKING PRESSURE
PSI
TEST PRESSURE 15,000 PSI
ASSEMBLY DATE 4-20-15
TEST DATE 4-20-15
SERIAL
NAME
GATES ENGINEERING & SERVICES NA
QA/QC
APPROVED
CHART POOL USA Inc.
PORTAGE, INDIANA
60 MIN.

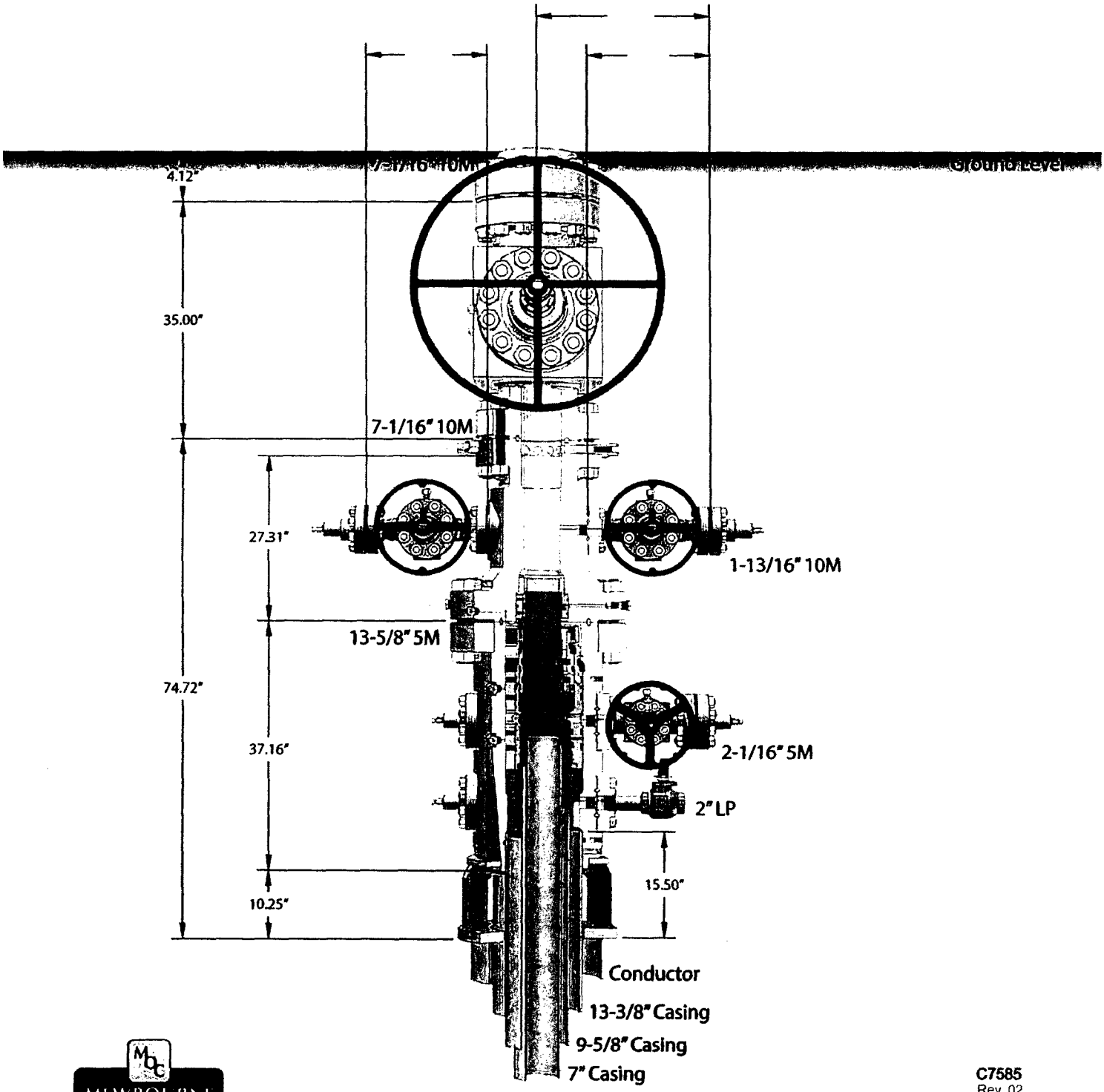
5M BOPE & Closed Loop Equipment Schematic



Drawing not to scale

Note: All valves & lines on choke manifold are 4" unless otherwise noted. Exact manifold configuration may vary.


Hydril "GK"
13 5/8" 3M
Hydril "GK"
4 1/2"x 5 7/8" VBR
Cameron Type U
13 5/8" 3M
BLIND RAMS
MUD CROSS
H.C.R.
7" RAMS
13 5/8" 3M
13 5/8" 3M
13 5/8" 3M



MEWBOURNE OIL COMPANY

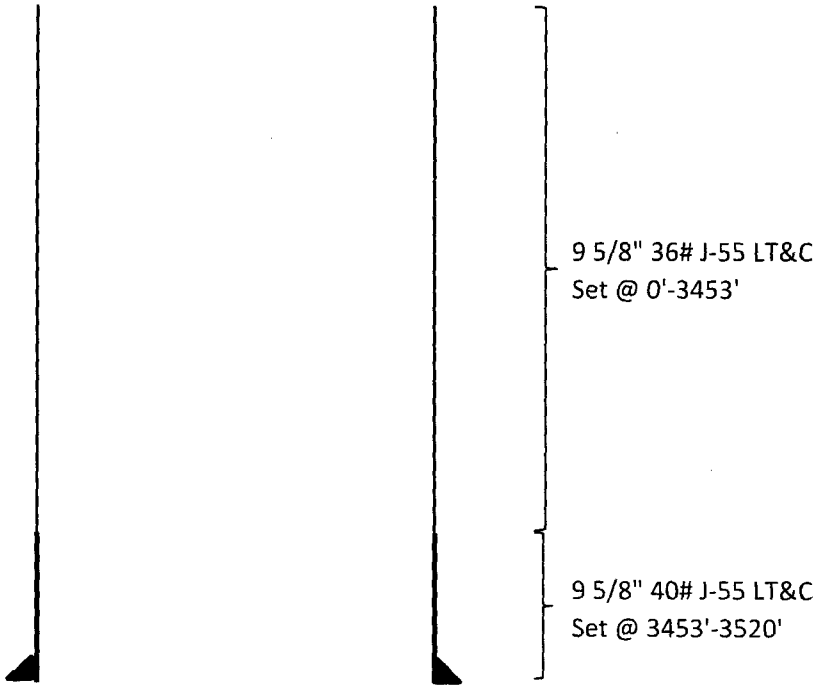
C7585
Rev. 02

NOTE: All dimensions on this drawing are estimated measurements and should be evaluated by engineering.

Capping flange 57" conductor cut-off

79

FNR 17/20 B2IP Fed Com #1H
Intermediate Casing



Casing	SF Collapse	SF Burst	SF Jt Tension	SF Body Tension
36# J-55	1.13	1.96	3.57	4.54
40# J-55	1.4	2.16	194.01	235.04

Mewbourne Oil Company, FNR 17/20 B2IP Federal Com #1H
Sec 17, T23S, R30E
SL: 2340' FSL & 1368' FEL, Sec 17
BHL: 330' FSL & 330' FEL, Sec 20

Casing Program

Hole Size	Casing Interval From	Casing Interval To	Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Jt Tension	SF Body Tension
17.5"	0'	425'	13.375"	48	H40	STC	3.48	7.83	15.78	26.52
12.25"	0'	3453'	9.625"	36	J55	LTC	1.13	1.96	3.57	4.54
12.25"	3453'	3520'	9.625"	40	J55	LTC	1.40	2.16	194.01	235.04
8.75"	0'	9592'	7"	26	HCP110	LTC	1.71	2.19	2.56	3.33
6.125"	8761'	17150'	4.5"	13.5	P110	LTC	2.19	2.54	2.98	3.73
				BLM Minimum Safety Factor			1.125	1	1.6 Dry 1.8 Wet	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?	Y
If yes, are the first 2 strings cemented to surface and 3rd string cement tied back 500' into previous casing?	Y
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	Y
If yes, are there two strings cemented to surface?	Y
(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, FNR 17/20 B2IP Federal Com #1H
Sec 17, T23S, R30E
SL: 2340' FSL & 1368' FEL, Sec 17
BHL: 330' FSL & 330' FEL, Sec 20

Casing Program

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Mewbourne Oil Company, FNR 17/20 B2IP Federal Com #1H
Sec 17, T23S, R30E
SL: 2340' FSL & 1368' FEL, Sec 17
BHL: 330' FSL & 330' FEL, Sec 20

Casing Program

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Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

Mewbourne Oil Company, FNR 17/20 B2IP Federal Com #1H
Sec 17, T23S, R30E
SL: 2340' FSL & 1368' FEL, Sec 17
BHL: 330' FSL & 330' FEL, Sec 20

Casing Program

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				BLM Minimum Safety Factor			1.125	1	1.6 Dry 1.8 Wet	1.6 Dry 1.8 Wet

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(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?	

Hydrogen Sulfide Drilling Operations Plan
Mewbourne Oil Company

1. General Requirements

Rule 118 does not apply to this well because MOC has researched this area and no high concentrations of H2S were found. MOC will have on location and working all H2S safety equipment before the Delaware formation for purposes of safety and insurance requirements.

2. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will have received training from a qualified instructor in the following areas prior to entering the drilling pad area of the well:

1. The hazards and characteristics of hydrogen sulfide gas.
2. The proper use of personal protective equipment and life support systems.
3. The proper use of hydrogen sulfide detectors, alarms, warning systems, briefing areas, evacuation procedures.
4. The proper techniques for first aid and rescue operations.

Additionally, supervisory personnel will be trained in the following areas:

1 The effects of hydrogen sulfide on metal components. If high tensile tubular systems are utilized, supervisory personnel will be trained in their special maintenance requirements.
2 Corrective action and shut in procedures, blowout prevention, and well control procedures while drilling a well.
3 The contents of the Hydrogen Sulfide Drilling Operations Plan.

There will be an initial training session prior to encountering a know hydrogen sulfide source. The initial training session shall include a review of the site specific Hydrogen Sulfide Drilling Operations Plan.

3. Hydrogen Sulfide Safety Equipment and Systems

All hydrogen sulfide safety equipment and systems will be installed, tested, and operational prior to drilling below the 9 5/8" intermediate casing.

1. Well Control Equipment
   - A. Choke manifold with minimum of one adjustable choke/remote choke.
   - B. Blowout preventers equipped with blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
   - C. Auxiliary equipment including annular type blowout preventer.
2. Protective Equipment for Essential Personnel
   Thirty minute self contained work unit located in the dog house and at briefing areas.

Additionally: If H2S is encountered in concentrations less than 10 ppm, fans will be placed in work areas to prevent the accumulation of hazardous amounts of poisonous gas. If higher concentrations of H2S are detected the well will be shut in and a rotating head, mud/gas separator, remote choke and flare line with igniter will be installed.

3. Hydrogen Sulfide Protection and Monitoring Equipment
Two portable hydrogen sulfide monitors positioned on location for optimum coverage and detection. The units shall have audible sirens to notify personnel when hydrogen sulfide levels exceed 20 PPM.

4. Visual Warning Systems
A. Wind direction indicators as indicated on the wellsite diagram.
B. Caution signs shall be posted on roads providing access to location. Signs shall be painted a high visibility color with lettering of sufficient size to be readable at reasonable distances from potentially contaminated areas.

4. Mud Program

The mud program has been designed to minimize the amount of hydrogen sulfide entrained in the mud system. Proper mud weight, safe drilling practices, and the use of hydrogen sulfide scavengers will minimize hazards while drilling the well.

5. Metallurgy

All tubular systems, wellheads, blowout preventers, drilling spools, kill lines, choke manifolds, and valves shall be suitable for service in a hydrogen sulfide environment when chemically treated.

6. Communications

State & County Officials phone numbers are posted on rig floor and supervisors trailer. Communications in company vehicles and toolpushers are either two way radios or cellular phones.

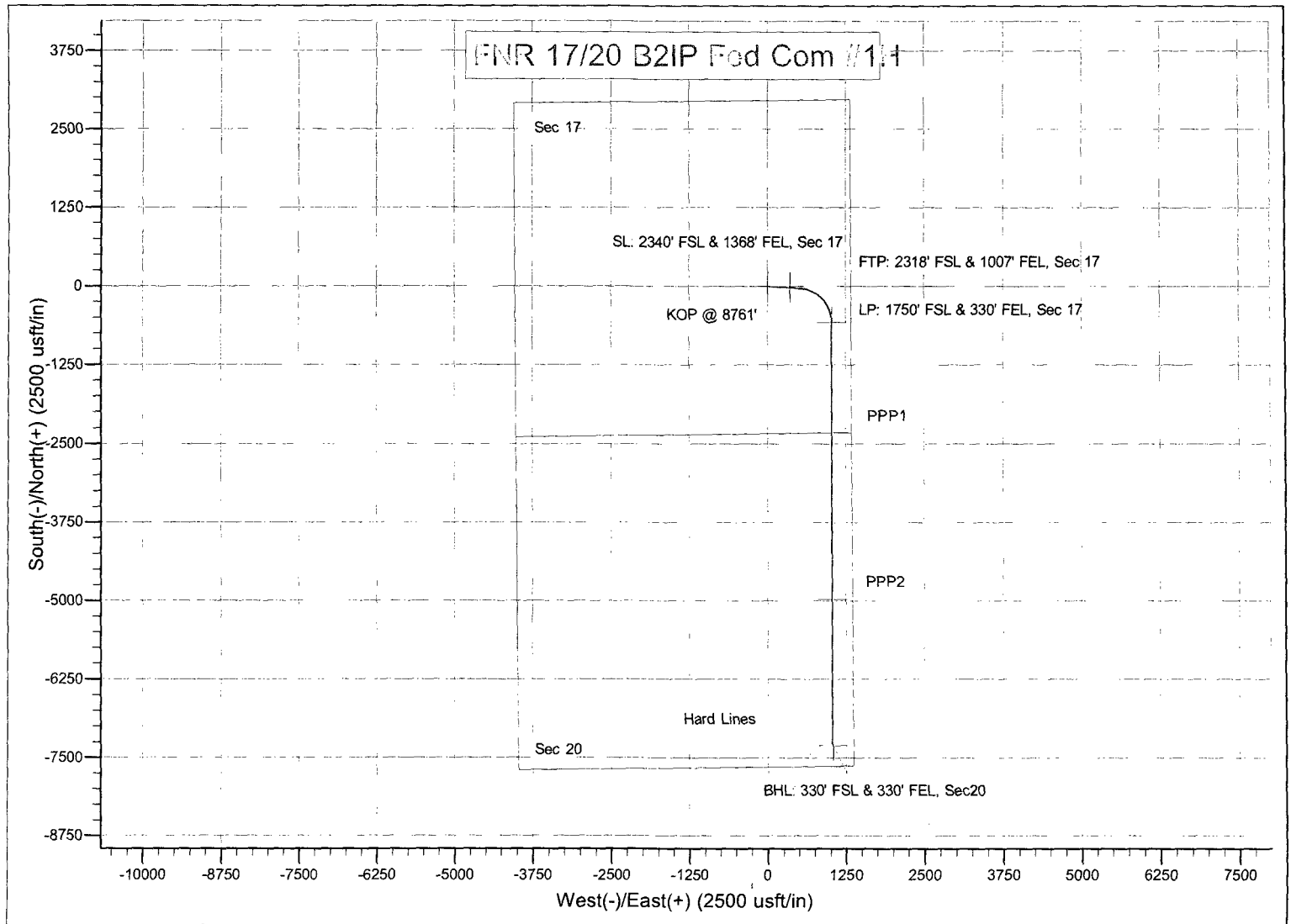
7. Well Testing

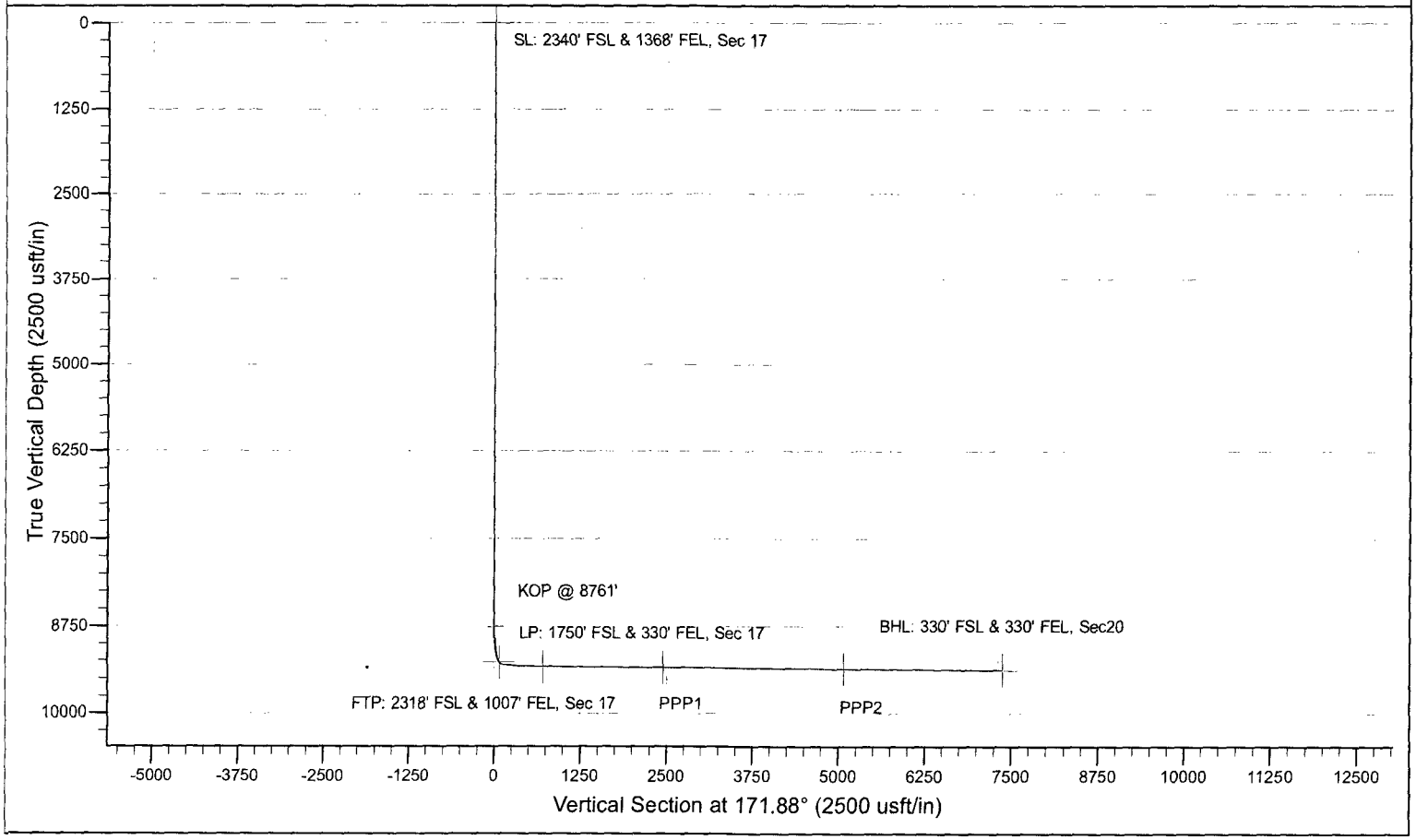
Drill stem testing is not an anticipated requirement for evaluation of this well. If a drill stem test is required, it will be conducted with a minimum number of personnel in the immediate vicinity. The test will be conducted during daylight hours only.

8. Emergency Phone Numbers

Eddy County Sheriff's Office	**911 or 575-887-7551**
Ambulance Service	**911 or 575-885-2111**
Carlsbad Fire Dept	**911 or 575-885-2111**
Loco Hills Volunteer Fire Dept.	**911 or 575-677-3266**
Closest Medical Facility - Columbia Medical Center of Carlsbad	**575-492-5000**

Mewbourne Oil Company	**Hobbs District Office**	**575-393-5905**
	Fax	**575-397-6252**
	2nd Fax	**575-393-7259**
District Manager	**Robin Terrell**	**575-390-4816**
Drilling Superintendent	**Frosty Lathan**	**575-390-4103**
	Bradley Bishop	**575-390-6838**
Drilling Foreman	**Wesley Noseff**	**575-441-0729**


FNR 17/20 B2IP Fed Com #1H
Sec 17
SL: 2340' FSL & 1368' FEL, Sec 17
FTP: 2318' FSL & 1007' FEL, Sec 17
KOP @ 8761'
LP: 1750' FSL & 330' FEL, Sec 17
PPP1
PPP2
Hard Lines
Sec 20
BHL: 330' FSL & 330' FEL, Sec20
South(-)/North(+) (2500 usft/in)
West(-)/East(+) (2500 usft/in)


SL: 2340' FSL & 1368' FEL, Sec 17
KOP @ 8761'
LP: 1750' FSL & 330' FEL, Sec 17
BHL: 330' FSL & 330' FEL, Sec20
FTP: 2318' FSL & 1007' FEL, Sec 17
PPP1
PPP2
True Vertical Depth (2500 usft/in)
Vertical Section at 171.88° (2500 usft/in)

Mewbourne Oil Company

Eddy County, New Mexico NAD 83
FNR 17/20 B2IP Fed Com #1H
Sec 17, T23S, R30E
SL: 2340' FSL & 1368' FEL, Sec 17
BHL: 330' FSL & 330' FEL, Sec 20

Plan: Design #1

Standard Planning Report

31 May, 2017

Database:	Hobbs	**Local Co-ordinate Reference:**	Site FNR 17/20 B2IP Fed Com #1H
Company:	Mewbourne Oil Company	**TVD Reference:**	WELL @ 3244.0usft (Original Well Elev)
Project:	Eddy County, New Mexico NAD 83	**MD Reference:**	WELL @ 3244.0usft (Original Well Elev)
Site:	FNR 17/20 B2IP Fed Com #1H	**North Reference:**	Grid
Well:	Sec 17, T23S, R30E	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	BHL: 330' FSL & 330' FEL, Sec 20		
Design:	Design #1		

Project	Eddy County, New Mexico NAD 83		
Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site FNR 17/20 B2IP Fed Com #1H

Site Position:		**Northing:**	474,689.00 usft	**Latitude:**	32° 18' 15.289 N
From:	Map	**Easting:**	675,440.00 usft	**Longitude:**	103° 53' 57.445 W
Position Uncertainty:	0.0 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	0.23 °

Well Sec 17, T23S, R30E

Well Position	**+N/-S**	0.0 usft	**Northing:**	474,689.00 usft	**Latitude:**	32° 18' 15.289 N
	+E/-W	0.0 usft	**Easting:**	675,440.00 usft	**Longitude:**	103° 53' 57.445 W
Position Uncertainty		0.0 usft	**Wellhead Elevation:**	3,244.0 usft	**Ground Level:**	3,217.0 usft

Wellbore BHL: 330' FSL & 330' FEL, Sec 20

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	5/31/2017	7.01	60.06	48,036

Design Design #1

Audit Notes:

Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	0.0
Vertical Section:	**Depth From (TVD) (usft)**	**+N/-S (usft)**	**+E/-W (usft)**	**Direction (°)**	
	0.0	0.0	0.0	171.88	

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
8,761.0	0.00	0.00	8,761.0	0.0	0.0	0.00	0.00	0.00	0.00	
9,592.1	87.26	93.45	9,306.1	-31.2	518.7	10.50	10.50	0.00	93.45	
10,415.7	89.62	179.91	9,334.0	-575.0	1,031.0	10.50	0.29	10.50	90.21	LP: 1750' FSL & 330'
17,146.8	89.62	179.91	9,379.0	-7,306.0	1,042.0	0.00	0.00	0.00	0.00	BHL: 330' FSL & 330'

Database:	Hobbs	**Local Co-ordinate Reference:**	Site FNR 17/20 B2IP Fed Com #1H
Company:	Mewbourne Oil Company	**TVD Reference:**	WELL @ 3244.0usft (Original Well Elev)
Project:	Eddy County, New Mexico NAD 83	**MD Reference:**	WELL @ 3244.0usft (Original Well Elev)
Site:	FNR 17/20 B2IP Fed Com #1H	**North Reference:**	Grid
Well:	Sec 17, T23S, R30E	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	BHL: 330' FSL & 330' FEL, Sec 20		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
SL: 2340' FSL & 1368' FEL, Sec 17									
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00
5,100.0	0.00	0.00	5,100.0	0.0	0.0	0.0	0.00	0.00	0.00
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00

Database:	Hobbs	**Local Co-ordinate Reference:**	Site FNR 17/20 B2IP Fed Com #1H
Company:	Mewbourne Oil Company	**TVD Reference:**	WELL @ 3244.0usft (Original Well Elev)
Project:	Eddy County, New Mexico NAD 83	**MD Reference:**	WELL @ 3244.0usft (Original Well Elev)
Site:	FNR 17/20 B2IP Fed Com #1H	**North Reference:**	Grid
Well:	Sec 17, T23S, R30E	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	BHL: 330' FSL & 330' FEL, Sec 20		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5,300.0	0.00	0.00	5,300.0	0.0	0.0	0.0	0.00	0.00	0.00
5,400.0	0.00	0.00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00
5,500.0	0.00	0.00	5,500.0	0.0	0.0	0.0	0.00	0.00	0.00
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00
5,700.0	0.00	0.00	5,700.0	0.0	0.0	0.0	0.00	0.00	0.00
5,800.0	0.00	0.00	5,800.0	0.0	0.0	0.0	0.00	0.00	0.00
5,900.0	0.00	0.00	5,900.0	0.0	0.0	0.0	0.00	0.00	0.00
6,000.0	0.00	0.00	6,000.0	0.0	0.0	0.0	0.00	0.00	0.00
6,100.0	0.00	0.00	6,100.0	0.0	0.0	0.0	0.00	0.00	0.00
6,200.0	0.00	0.00	6,200.0	0.0	0.0	0.0	0.00	0.00	0.00
6,300.0	0.00	0.00	6,300.0	0.0	0.0	0.0	0.00	0.00	0.00
6,400.0	0.00	0.00	6,400.0	0.0	0.0	0.0	0.00	0.00	0.00
6,500.0	0.00	0.00	6,500.0	0.0	0.0	0.0	0.00	0.00	0.00
6,600.0	0.00	0.00	6,600.0	0.0	0.0	0.0	0.00	0.00	0.00
6,700.0	0.00	0.00	6,700.0	0.0	0.0	0.0	0.00	0.00	0.00
6,800.0	0.00	0.00	6,800.0	0.0	0.0	0.0	0.00	0.00	0.00
6,900.0	0.00	0.00	6,900.0	0.0	0.0	0.0	0.00	0.00	0.00
7,000.0	0.00	0.00	7,000.0	0.0	0.0	0.0	0.00	0.00	0.00
7,100.0	0.00	0.00	7,100.0	0.0	0.0	0.0	0.00	0.00	0.00
7,200.0	0.00	0.00	7,200.0	0.0	0.0	0.0	0.00	0.00	0.00
7,300.0	0.00	0.00	7,300.0	0.0	0.0	0.0	0.00	0.00	0.00
7,400.0	0.00	0.00	7,400.0	0.0	0.0	0.0	0.00	0.00	0.00
7,500.0	0.00	0.00	7,500.0	0.0	0.0	0.0	0.00	0.00	0.00
7,600.0	0.00	0.00	7,600.0	0.0	0.0	0.0	0.00	0.00	0.00
7,700.0	0.00	0.00	7,700.0	0.0	0.0	0.0	0.00	0.00	0.00
7,800.0	0.00	0.00	7,800.0	0.0	0.0	0.0	0.00	0.00	0.00
7,900.0	0.00	0.00	7,900.0	0.0	0.0	0.0	0.00	0.00	0.00
8,000.0	0.00	0.00	8,000.0	0.0	0.0	0.0	0.00	0.00	0.00
8,100.0	0.00	0.00	8,100.0	0.0	0.0	0.0	0.00	0.00	0.00
8,200.0	0.00	0.00	8,200.0	0.0	0.0	0.0	0.00	0.00	0.00
8,300.0	0.00	0.00	8,300.0	0.0	0.0	0.0	0.00	0.00	0.00
8,400.0	0.00	0.00	8,400.0	0.0	0.0	0.0	0.00	0.00	0.00
8,500.0	0.00	0.00	8,500.0	0.0	0.0	0.0	0.00	0.00	0.00
8,600.0	0.00	0.00	8,600.0	0.0	0.0	0.0	0.00	0.00	0.00
8,700.0	0.00	0.00	8,700.0	0.0	0.0	0.0	0.00	0.00	0.00
8,761.0	0.00	0.00	8,761.0	0.0	0.0	0.0	0.00	0.00	0.00
KOP @ 8761'									
8,800.0	4.09	93.45	8,800.0	-0.1	1.4	0.3	10.50	10.50	0.00
8,900.0	14.59	93.45	8,898.5	-1.1	17.6	3.5	10.50	10.50	0.00
9,000.0	25.09	93.45	8,992.4	-3.1	51.4	10.3	10.50	10.50	0.00
9,100.0	35.59	93.45	9,078.6	-6.1	101.8	20.4	10.50	10.50	0.00
9,200.0	46.09	93.45	9,154.2	-10.1	166.9	33.5	10.50	10.50	0.00
9,300.0	56.59	93.45	9,216.5	-14.7	244.8	49.2	10.50	10.50	0.00
9,400.0	67.09	93.45	9,263.7	-20.0	332.7	66.8	10.50	10.50	0.00
9,430.5	70.29	93.45	9,274.7	-21.7	361.0	72.5	10.50	10.50	0.00
FTP: 2318' FSL & 1007' FEL, Sec 17									
9,500.0	77.59	93.45	9,294.0	-25.8	427.6	85.9	10.50	10.50	0.00
9,592.1	87.26	93.45	9,306.1	-31.2	518.7	104.2	10.50	10.50	0.00
9,600.0	87.26	94.27	9,306.5	-31.8	526.5	105.8	10.50	-0.04	10.51
9,700.0	87.28	104.78	9,311.2	-48.3	624.9	136.0	10.50	0.01	10.51
9,800.0	87.38	115.29	9,315.9	-82.4	718.6	183.1	10.50	0.11	10.51
9,900.0	87.57	125.80	9,320.3	-133.1	804.5	245.4	10.50	0.19	10.51
10,000.0	87.85	136.30	9,324.3	-198.7	879.8	320.9	10.50	0.27	10.50
10,100.0	88.19	146.79	9,327.8	-276.8	941.9	407.0	10.50	0.35	10.50

Database:	Hobbs	**Local Co-ordinate Reference:**	Site FNR 17/20 B2IP Fed Com #1H
Company:	Mewbourne Oil Company	**TVD Reference:**	WELL @ 3244.0usft (Original Well Elev)
Project:	Eddy County, New Mexico NAD 83	**MD Reference:**	WELL @ 3244.0usft (Original Well Elev)
Site:	FNR 17/20 B2IP Fed Com #1H	**North Reference:**	Grid
Well:	Sec 17, T23S, R30E	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	BHL: 330' FSL & 330' FEL, Sec 20		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
10,200.0	88.60	157.29	9,330.6	-365.0	988.7	500.9	10.50	0.41	10.49
10,300.0	89.05	167.78	9,332.7	-460.2	1,018.6	599.4	10.50	0.45	10.49
10,400.0	89.54	178.26	9,333.9	-559.3	1,030.8	699.3	10.50	0.48	10.49
10,415.7	89.62	179.91	9,334.0	-575.0	1,031.0	714.8	10.50	0.50	10.49
LP: 1750' FSL & 330' FEL, Sec 17									
10,500.0	89.62	179.91	9,334.6	-659.3	1,031.1	798.3	0.00	0.00	0.00
10,600.0	89.62	179.91	9,335.2	-759.3	1,031.3	897.3	0.00	0.00	0.00
10,700.0	89.62	179.91	9,335.9	-859.3	1,031.5	996.4	0.00	0.00	0.00
10,800.0	89.62	179.91	9,336.6	-959.3	1,031.6	1,095.4	0.00	0.00	0.00
10,900.0	89.62	179.91	9,337.2	-1,059.3	1,031.8	1,194.4	0.00	0.00	0.00
11,000.0	89.62	179.91	9,337.9	-1,159.3	1,032.0	1,293.4	0.00	0.00	0.00
11,100.0	89.62	179.91	9,338.6	-1,259.3	1,032.1	1,392.4	0.00	0.00	0.00
11,200.0	89.62	179.91	9,339.2	-1,359.3	1,032.3	1,491.5	0.00	0.00	0.00
11,300.0	89.62	179.91	9,339.9	-1,459.3	1,032.4	1,590.5	0.00	0.00	0.00
11,400.0	89.62	179.91	9,340.6	-1,559.3	1,032.6	1,689.5	0.00	0.00	0.00
11,500.0	89.62	179.91	9,341.2	-1,659.3	1,032.8	1,788.5	0.00	0.00	0.00
11,600.0	89.62	179.91	9,341.9	-1,759.3	1,032.9	1,887.5	0.00	0.00	0.00
11,700.0	89.62	179.91	9,342.6	-1,859.3	1,033.1	1,986.6	0.00	0.00	0.00
11,800.0	89.62	179.91	9,343.3	-1,959.3	1,033.3	2,085.6	0.00	0.00	0.00
11,900.0	89.62	179.91	9,343.9	-2,059.3	1,033.4	2,184.6	0.00	0.00	0.00
12,000.0	89.62	179.91	9,344.6	-2,159.3	1,033.6	2,283.6	0.00	0.00	0.00
12,100.0	89.62	179.91	9,345.3	-2,259.3	1,033.8	2,382.6	0.00	0.00	0.00
12,165.7	89.62	179.91	9,345.7	-2,325.0	1,033.9	2,447.7	0.00	0.00	0.00
PPP1									
12,200.0	89.62	179.91	9,345.9	-2,359.3	1,033.9	2,481.6	0.00	0.00	0.00
12,300.0	89.62	179.91	9,346.6	-2,459.3	1,034.1	2,580.7	0.00	0.00	0.00
12,400.0	89.62	179.91	9,347.3	-2,559.3	1,034.2	2,679.7	0.00	0.00	0.00
12,500.0	89.62	179.91	9,347.9	-2,659.3	1,034.4	2,778.7	0.00	0.00	0.00
12,600.0	89.62	179.91	9,348.6	-2,759.3	1,034.6	2,877.7	0.00	0.00	0.00
12,700.0	89.62	179.91	9,349.3	-2,859.3	1,034.7	2,976.7	0.00	0.00	0.00
12,800.0	89.62	179.91	9,349.9	-2,959.3	1,034.9	3,075.8	0.00	0.00	0.00
12,900.0	89.62	179.91	9,350.6	-3,059.3	1,035.1	3,174.8	0.00	0.00	0.00
13,000.0	89.62	179.91	9,351.3	-3,159.3	1,035.2	3,273.8	0.00	0.00	0.00
13,100.0	89.62	179.91	9,351.9	-3,259.3	1,035.4	3,372.8	0.00	0.00	0.00
13,200.0	89.62	179.91	9,352.6	-3,359.3	1,035.6	3,471.8	0.00	0.00	0.00
13,300.0	89.62	179.91	9,353.3	-3,459.3	1,035.7	3,570.9	0.00	0.00	0.00
13,400.0	89.62	179.91	9,354.0	-3,559.3	1,035.9	3,669.9	0.00	0.00	0.00
13,500.0	89.62	179.91	9,354.6	-3,659.3	1,036.0	3,768.9	0.00	0.00	0.00
13,600.0	89.62	179.91	9,355.3	-3,759.3	1,036.2	3,867.9	0.00	0.00	0.00
13,700.0	89.62	179.91	9,356.0	-3,859.3	1,036.4	3,966.9	0.00	0.00	0.00
13,800.0	89.62	179.91	9,356.6	-3,959.3	1,036.5	4,065.9	0.00	0.00	0.00
13,900.0	89.62	179.91	9,357.3	-4,059.3	1,036.7	4,165.0	0.00	0.00	0.00
14,000.0	89.62	179.91	9,358.0	-4,159.3	1,036.9	4,264.0	0.00	0.00	0.00
14,100.0	89.62	179.91	9,358.6	-4,259.3	1,037.0	4,363.0	0.00	0.00	0.00
14,200.0	89.62	179.91	9,359.3	-4,359.3	1,037.2	4,462.0	0.00	0.00	0.00
14,300.0	89.62	179.91	9,360.0	-4,459.3	1,037.3	4,561.0	0.00	0.00	0.00
14,400.0	89.62	179.91	9,360.6	-4,559.2	1,037.5	4,660.1	0.00	0.00	0.00
14,500.0	89.62	179.91	9,361.3	-4,659.2	1,037.7	4,759.1	0.00	0.00	0.00
14,600.0	89.62	179.91	9,362.0	-4,759.2	1,037.8	4,858.1	0.00	0.00	0.00
14,700.0	89.62	179.91	9,362.6	-4,859.2	1,038.0	4,957.1	0.00	0.00	0.00
14,800.0	89.62	179.91	9,363.3	-4,959.2	1,038.2	5,056.1	0.00	0.00	0.00
14,822.8	89.62	179.91	9,363.5	-4,982.0	1,038.2	5,078.7	0.00	0.00	0.00
PPP2									

Database:	Hobbs	**Local Co-ordinate Reference:**	Site FNR 17/20 B2IP Fed Com #1H
Company:	Mewbourne Oil Company	**TVD Reference:**	WELL @ 3244.0usft (Original Well Elev)
Project:	Eddy County, New Mexico NAD 83	**MD Reference:**	WELL @ 3244.0usft (Original Well Elev)
Site:	FNR 17/20 B2IP Fed Com #1H	**North Reference:**	Grid
Well:	Sec 17, T23S, R30E	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	BHL: 330' FSL & 330' FEL, Sec 20		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
14,900.0	89.62	179.91	9,364.0	-5,059.2	1,038.3	5,155.2	0.00	0.00	0.00
15,000.0	89.62	179.91	9,364.6	-5,159.2	1,038.5	5,254.2	0.00	0.00	0.00
15,100.0	89.62	179.91	9,365.3	-5,259.2	1,038.7	5,353.2	0.00	0.00	0.00
15,200.0	89.62	179.91	9,366.0	-5,359.2	1,038.8	5,452.2	0.00	0.00	0.00
15,300.0	89.62	179.91	9,366.7	-5,459.2	1,039.0	5,551.2	0.00	0.00	0.00
15,400.0	89.62	179.91	9,367.3	-5,559.2	1,039.1	5,650.3	0.00	0.00	0.00
15,500.0	89.62	179.91	9,368.0	-5,659.2	1,039.3	5,749.3	0.00	0.00	0.00
15,600.0	89.62	179.91	9,368.7	-5,759.2	1,039.5	5,848.3	0.00	0.00	0.00
15,700.0	89.62	179.91	9,369.3	-5,859.2	1,039.6	5,947.3	0.00	0.00	0.00
15,800.0	89.62	179.91	9,370.0	-5,959.2	1,039.8	6,046.3	0.00	0.00	0.00
15,900.0	89.62	179.91	9,370.7	-6,059.2	1,040.0	6,145.3	0.00	0.00	0.00
16,000.0	89.62	179.91	9,371.3	-6,159.2	1,040.1	6,244.4	0.00	0.00	0.00
16,100.0	89.62	179.91	9,372.0	-6,259.2	1,040.3	6,343.4	0.00	0.00	0.00
16,200.0	89.62	179.91	9,372.7	-6,359.2	1,040.5	6,442.4	0.00	0.00	0.00
16,300.0	89.62	179.91	9,373.3	-6,459.2	1,040.6	6,541.4	0.00	0.00	0.00
16,400.0	89.62	179.91	9,374.0	-6,559.2	1,040.8	6,640.4	0.00	0.00	0.00
16,500.0	89.62	179.91	9,374.7	-6,659.2	1,040.9	6,739.5	0.00	0.00	0.00
16,600.0	89.62	179.91	9,375.3	-6,759.2	1,041.1	6,838.5	0.00	0.00	0.00
16,700.0	89.62	179.91	9,376.0	-6,859.2	1,041.3	6,937.5	0.00	0.00	0.00
16,800.0	89.62	179.91	9,376.7	-6,959.2	1,041.4	7,036.5	0.00	0.00	0.00
16,900.0	89.62	179.91	9,377.3	-7,059.2	1,041.6	7,135.5	0.00	0.00	0.00
17,000.0	89.62	179.91	9,378.0	-7,159.2	1,041.8	7,234.6	0.00	0.00	0.00
17,100.0	89.62	179.91	9,378.7	-7,259.2	1,041.9	7,333.6	0.00	0.00	0.00
17,146.8	89.62	179.91	9,379.0	-7,306.0	1,042.0	7,379.9	0.00	0.00	0.00
BHL: 330' FSL & 330' FEL, Sec20									

Database:	Hobbs	**Local Co-ordinate Reference:**	Site FNR 17/20 B2IP Fed Com #1H
Company:	Mewbourne Oil Company	**TVD Reference:**	WELL @ 3244.0usft (Original Well Elev)
Project:	Eddy County, New Mexico NAD 83	**MD Reference:**	WELL @ 3244.0usft (Original Well Elev)
Site:	FNR 17/20 B2IP Fed Com #1H	**North Reference:**	Grid
Well:	Sec 17, T23S, R30E	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	BHL: 330' FSL & 330' FEL, Sec 20		
Design:	Design #1		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
SL: 2340' FSL & 1368' F - plan hits target center - Point	0.00	0.00	0.0	0.0	0.0	474,689.00	675,440.00	32° 18' 15.289 N	103° 53' 57.445 W
KOP @ 8761' - plan hits target center - Point	0.00	0.00	8,761.0	0.0	0.0	474,689.00	675,440.00	32° 18' 15.289 N	103° 53' 57.445 W
FTP: 2318' FSL & 1007' - plan hits target center - Point	0.00	0.00	9,274.7	-21.7	361.0	474,667.26	675,801.00	32° 18' 15.060 N	103° 53' 53.240 W
LP: 1750' FSL & 330' FE - plan hits target center - Point	0.00	0.00	9,334.0	-575.0	1,031.0	474,114.00	676,471.00	32° 18' 9.558 N	103° 53' 45.460 W
PPP1 - plan hits target center - Point	0.00	0.00	9,345.7	-2,325.0	1,033.9	472,364.00	676,473.86	32° 17' 52.240 N	103° 53' 45.510 W
PPP2 - plan hits target center - Point	0.00	0.00	9,363.5	-4,982.0	1,038.2	469,707.00	676,478.20	32° 17' 25.947 N	103° 53' 45.585 W
BHL: 330' FSL & 330' FE - plan hits target center - Point	0.00	0.00	9,379.0	-7,306.0	1,042.0	467,383.00	676,482.00	32° 17' 2.950 N	103° 53' 45.651 W

Mewbourne Oil Company, FNR 17/20 B2IP Federal Com #1H
Sec 17, T23S, R30E
SL: 2340' FSL & 1368' FEL, Sec 17
BHL: 330' FSL & 330' FEL, Sec 20

1. Geologic Formations

TVD of target	9379'	Pilot hole depth	NA
MD at TD:	17150'	Deepest expected fresh water:	125'

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface		
Rustler		Water	
Salado	460		
Castile	2125		
Base Salt	3371		
Lamar	3590	Oil/Gas	
Bell Canyon	3630	Oil/Gas	
Cherry Canyon	4480	Oil/Gas	
Manzanita Marker	4600		
Brushy Canyon	5760	Oil/Gas	
Bone Spring	7364	Oil/Gas	
1st Bone Spring Sand	8500		
2nd Bone Spring Sand	9030	Target Zone	
3rd Bone Spring Sand			
Abo			
Wolfcamp			
Devonian			
Fusselman			
Ellenburger			
Granite Wash			

*H2S, water flows, loss of circulation, abnormal pressures, etc.

Mewbourne Oil Company, FNR 17/20 B2IP Federal Com #1H
Sec 17, T23S, R30E
SL: 2340' FSL & 1368' FEL, Sec 17
BHL: 330' FSL & 330' FEL, Sec 20

2. Casing Program

Hole Size	Casing Interval From	To	Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Jt Tension	SF Body Tension
17.5"	0'	425'	13.375"	48	H40	STC	3.48	7.83	15.78	26.52
12.25"	0'	3453'	9.625"	36	J55	LTC	1.13	1.96	3.57	4.54
12.25"	3453'	3520'	9.625"	40	J55	LTC	1.40	2.16	194.01	235.04
8.75"	0'	9592'	7"	26	HCP110	LTC	1.71	2.19	2.56	3.33
6.125"	8761'	17150'	4.5"	13.5	P110	LTC	2.19	2.54	2.98	3.73
BLM Minimum Safety Factor			1.125	1	1.6 Dry 1.8 Wet		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?	Y
If yes, are the first 2 strings cemented to surface and 3rd string cement tied back 500' into previous casing?	Y
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	Y
If yes, are there two strings cemented to surface?	Y
(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, FNR 17/20 B2IP Federal Com #1H
Sec 17, T23S, R30E
SL: 2340' FSL & 1368' FEL, Sec 17
BHL: 330' FSL & 330' FEL, Sec 20

3. Cementing Program

Casing	# Sks	Wt. lb/ gal	Yld ft3/ sack	H_20 gal/ sk	500# Comp. Strength (hours)	Slurry Description
Surf.	160	12.5	2.12	11	10	Lead: Class C + Salt + Gel + Extender + LCM
	200	14.8	1.34	6.3	8	Tail: Class C + Retarder
Inter.	545	12.5	2.12	11	10	Lead: Class C + Salt + Gel + Extender + LCM
	200	14.8	1.34	6.3	8	Tail: Class C + Retarder
Prod. Stg 1	225	12.5	2.12	11	9	Lead: Class C + Gel + Retarder + Defoamer + Extender
	400	15.6	1.18	5.2	10	Tail: Class H + Retarder + Fluid Loss + Defoamer
ECP/DV Tool @ 4600'						
Prod. Stg 2	85	12.5	2.12	11	9	Lead: Class C + Gel + Retarder + Defoamer + Extender
	100	14.8	1.34	6.3	8	Tail: Class C + Retarder
Liner	340	11.2	2.97	17	16	Class C + Salt + Gel + Fluid Loss + Retarder + Dispersant + Defoamer + Anti-Settling Agent

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

Casing String	TOC	% Excess
Surface	0'	100%
Intermediate	0'	25%
Production	3020'	25%
Liner	8671'	25%

4. Pressure Control Equipment

	Variance: None

BOP installed and tested before drilling which hole?	Size?	System Rated WP	Type	✓	Tested to:
12-1/4"	13-5/8"	3M	Annular	X	1500#
			Blind Ram	X	3000#
			Pipe Ram	X	
			Double Ram		
			Other*		

*Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

X	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
Y	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
	N Are anchors required by manufacturer?
Y	A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. • Provide description here: See attached schematic.

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0'	425'	Spud Mud	8.6-8.8	28-34	N/C
425'	3520'	BW	10.0	28-34	N/C
3520'	8671'	FW w/ Polymer	8.6-9.7	28-34	N/C
8671'	17150'	OBM	8.6-10.0	30-40	<10cc

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	Visual Monitoring

6. Logging and Testing Procedures

Logging, Coring and Testing.	
X	Will run GR/CNL from KOP (8671') to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.
	No Logs are planned based on well control or offset log information.
	Drill stem test? If yes, explain
	Coring? If yes, explain

Additional logs planned		Interval
X	Gamma Ray	8671' (KOP) to TD
	Density	
	CBL	
	Mud log	
	PEX	

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	4877 psi
Abnormal Temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers in surface hole.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.	
	H2S is present
X	H2S Plan attached

8. Water & Waste Volume Estimates

Fresh Water Required: 2980 bbl

Waste Water: 2980 bbl
Waste Solids: 1980 bbl

9. Other facets of operation

Is this a walking operation? If yes, describe.
Will be pre-setting casing? If yes, describe.

Attachments
___ Directional Plan
___ Other, describe

APD ID: 10400014478 **Submission Date:** 06/02/2017

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

Well Type: OIL WELL **Well Work Type:** Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

FNR17_20B2IPFedCom1H_existingroadmap_06-02-2017.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT **Row(s) Exist?** NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? NO

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

FNR17_20B2IPFedCom1H_existingwellmap_06-02-2017.pdf

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

Existing Wells description:

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Estimated Production Facilities description:

Production Facilities description: Approximately 904.96' of 2 7/8" steel flow line will be laid for each well to battery site. the battery site for the POD will be in Sec. 17 T23S R30E It will be a 400' x 400' caliche pad with 18 - 500 barrel tanks (9 steel oil tanks & 9 STEEL water tanks). 2 separators & 1 heater treater per well will be installed as the wells are drilled.
Production Facilities map:

FNR17_20B2IPFedCom1H_productionfacilitymap_06-02-2017.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: CAMP USE, DUST CONTROL, INTERMEDIATE/PRODUCTION CASING, STIMULATION, SURFACE CASING
Water source type: IRRIGATION
Describe type:
Source longitude: -103.89153
Source latitude: 32.30893
Source datum: NAD83
Water source permit type: WATER WELL
Source land ownership: PRIVATE
Water source transport method: TRUCKING
Source transportation land ownership: FEDERAL
Water source volume (barrels): 3240
Source volume (acre-feet): 0.41761363
Source volume (gal): 136080

Water source use type: CAMP USE, DUST CONTROL, INTERMEDIATE/PRODUCTION CASING, STIMULATION, SURFACE CASING
Water source type: IRRIGATION
Describe type:
Source longitude: -103.88744
Source latitude: 32.30201
Source datum: NAD83
Water source permit type: WATER WELL
Source land ownership: FEDERAL
Water source transport method: TRUCKING
Source transportation land ownership: FEDERAL
Water source volume (barrels): 3240
Source volume (acre-feet): 0.41761363
Source volume (gal): 136080

Water source and transportation map:

FNR17_20B2IPFedCom1H_watersourcemap_06-02-2017.pdf

Water source comments:

New water well? NO

New Water Well Info

Well latitude: **Well Longitude:** **Well datum:**

Well target aquifer:

Est. depth to top of aquifer(ft): **Est thickness of aquifer:**

Aquifer comments:

Aquifer documentation:

Well depth (ft): **Well casing type:**

Well casing outside diameter (in.): **Well casing inside diameter (in.):**

New water well casing? **Used casing source:**

Drilling method: **Drill material:**

Grout material: **Grout depth:**

Casing length (ft.): **Casing top depth (ft.):**

Well Production type: **Completion Method:**

Water well additional information:

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Construction Materials description: CALICHE

Construction Materials source location attachment:

FNR17_20B2IPFedCom1H_calichesourcemap_06-02-2017.pdf

Section 7 - Methods for Handling Waste

Waste type: GARBAGE

Waste content description: Garbage and Trash

Amount of waste: 1500 pounds

Waste disposal frequency : One Time Only

Safe containment description: Enclosed trash trailer.

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** PRIVATE

Disposal type description:

Disposal location description: Waste Management facility in Carlsbad, NM

Waste type: DRILLING

Waste content description: Drill Cuttings

Amount of waste: 3240 barrels

Waste disposal frequency : One Time Only

Safe containment description: Drill cuttings will be properly contained in steel tanks (20 yard roll off bins).

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** PRIVATE

Disposal type description:

Disposal location description: CRI or Lea Land

Waste type: SEWAGE

Waste content description: Human waste & grey water

Amount of waste: 1500 gallons

Waste disposal frequency : Weekly

Safe containment description: 2000 gallon plastic container

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** PRIVATE

Disposal type description:

Disposal location description: City of Carlsbad Water Treatment facility

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.) **Reserve pit width (ft.)**

Reserve pit depth (ft.) **Reserve pit volume (cu. yd.)**

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? NO

Description of cuttings location

Cuttings area length (ft.) **Cuttings area width (ft.)**

Cuttings area depth (ft.) **Cuttings area volume (cu. yd.)**

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

FNR17_20B2IPFedCom1H_wellsitelayout_06-02-2017.pdf
FNR17_20B2IPFedCom1H_flowlinemap_06-02-2017.pdf
Comments:

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance **Multiple Well Pad Name:** FORTY NINER 17 DRILL ISLAND

Multiple Well Pad Number: 6

Recontouring attachment:

Drainage/Erosion control construction: None

Drainage/Erosion control reclamation: None

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

Wellpad long term disturbance (acres): 6.86

Wellpad short term disturbance (acres): 6.86

Access road long term disturbance (acres): 0

Access road short term disturbance (acres): 0

Pipeline long term disturbance (acres): 0

Pipeline short term disturbance (acres): 0

Other long term disturbance (acres): 0

Other short term disturbance (acres): 0

Total long term disturbance: 6.86

Total short term disturbance: 6.86

Reconstruction method: None

Topsoil redistribution: Topsoil will be evenly re-spread and aggresively re-vegetated over the entire disturbed area not needed for all weather operations.

Soil treatment: NA

Existing Vegetation at the well pad: Various brushes and grasses.

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: Various brushes and grasses.

Existing Vegetation Community at the road attachment:

Existing Vegetation Community at the pipeline: Various brushes and grasses.

Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: Various brushes and grasses.

Existing Vegetation Community at other disturbances attachment:

Non native seed used? NO

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? NO

Seed harvest description:

Seed harvest description attachment:

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

Seed Management

Seed Table

Seed type: **Seed source:**

Seed name:

Source name: **Source address:**

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre: **Proposed seeding season:**

Seed Summary

Total pounds/Acre:

Seed Type	Pounds/Acre

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name: Bradley **Last Name:** Bishop

Phone: (575)393-5905 **Email:** bbishop@mewbourne.com

Seedbed prep: Final seedbed preparation will consist of contour cultivating to a depth of 4-6 inches within 24 hours prior to seeding, dozer tracking or other imprinting in order to break the soil crust and create seed germination micro sites.
Seed BMP: To seed area, the proper BLM mixture free of noxious weeds will be used.

Seed method: Drilling or broadcasting over the entire reclaimed area.

Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: NA

Weed treatment plan attachment:

Monitoring plan description: All reclaimed area will be monitored periodically to ensure that re-vegetation occurs & that the area is free of erosion and noxious weeds.
Monitoring plan attachment:

Success standards: regrowth within 1 full growing season.

Pit closure description: NA

Pit closure attachment:

Operator Name: MEWBOURNE OIL COMPANY

Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

Section 11 - Surface Ownership

Disturbance type: WELL PAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland: **USFS Ranger District:**

Section 12 - Other Information

Right of Way needed? NO **Use APD as ROW?**

ROW Type(s):

ROW Applications

SUPO Additional Information:

Use a previously conducted onsite? YES

Previous Onsite information: MAY 19 2017 Met with Brooke Wilson & Jim Rutley (BLM) & RRC Surveying and staked location @ 2340' FSL & 1368' FEL, Sec 17, T23S, R30E, Eddy Co., NM. (Elevation @ 3222'). This appears to be a drillable location with pit area to E. Topsoil S. Reclaim E & W 70'. No new road needed. Electricity will be to S. Will go to existing 17/20 battery

Other SUPO Attachment

Operator Name: MEWBOURNE OIL COMPANY

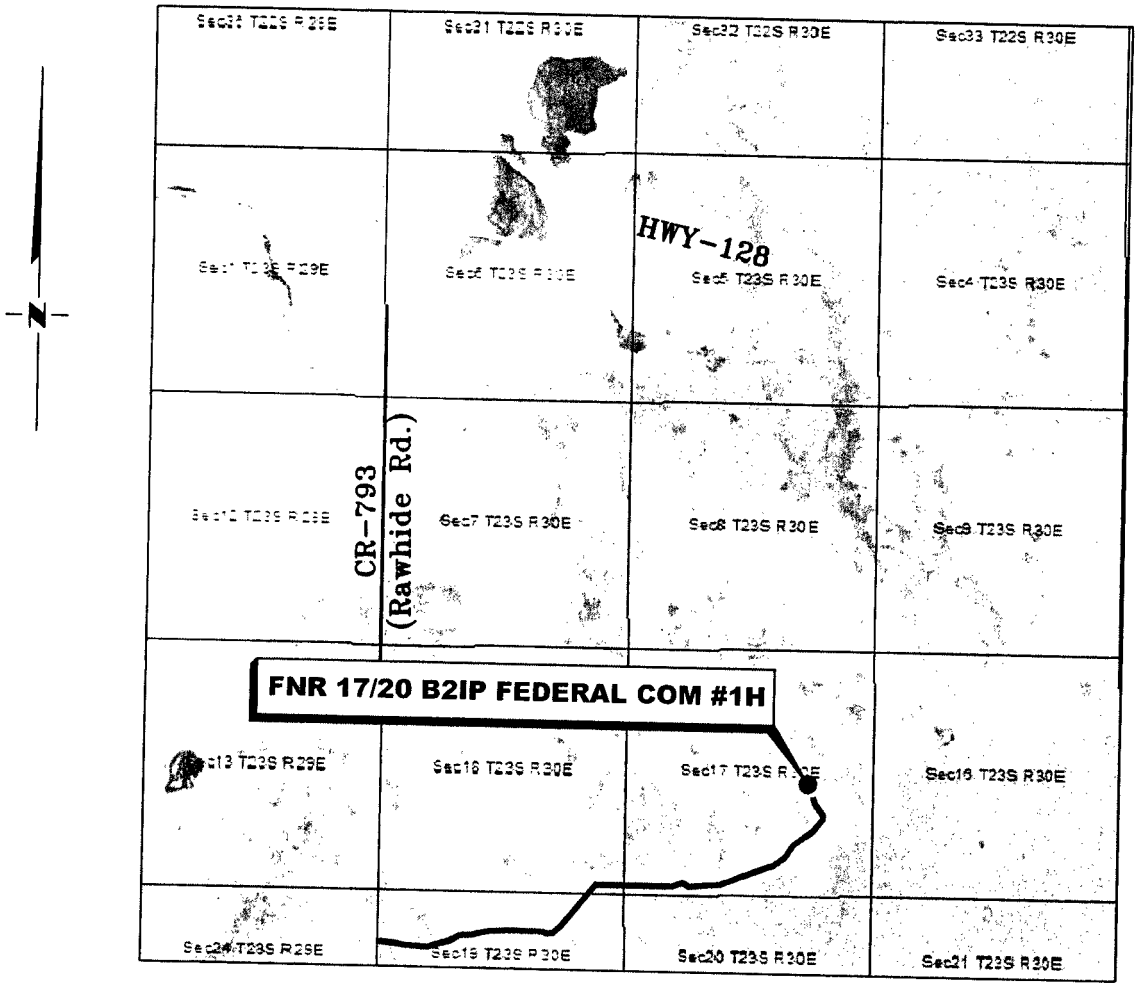
Well Name: FNR 17/20 B2IP FED COM **Well Number:** 1H

FNR17_20B2IPFedCom1H_INTERIMRECLAMATION_20170914103128.pdf

FNR17_20B2IPFedCom1H_GASCAPTUREPLAN_20170914103436.pdf

VICINITY MAP

NOT TO SCALE



SECTION 17, TWP. 23 SOUTH, RGE. 30 EAST, N. M. P. M., EDDY CO., NEW MEXICO

OPERATOR: Mewbourne Oil Company
LEASE: FNR 17/20 B2IP Federal Com
WELL NO.: 1H

LOCATION: 2340' FSL & 1368' FEL
ELEVATION: 3222'

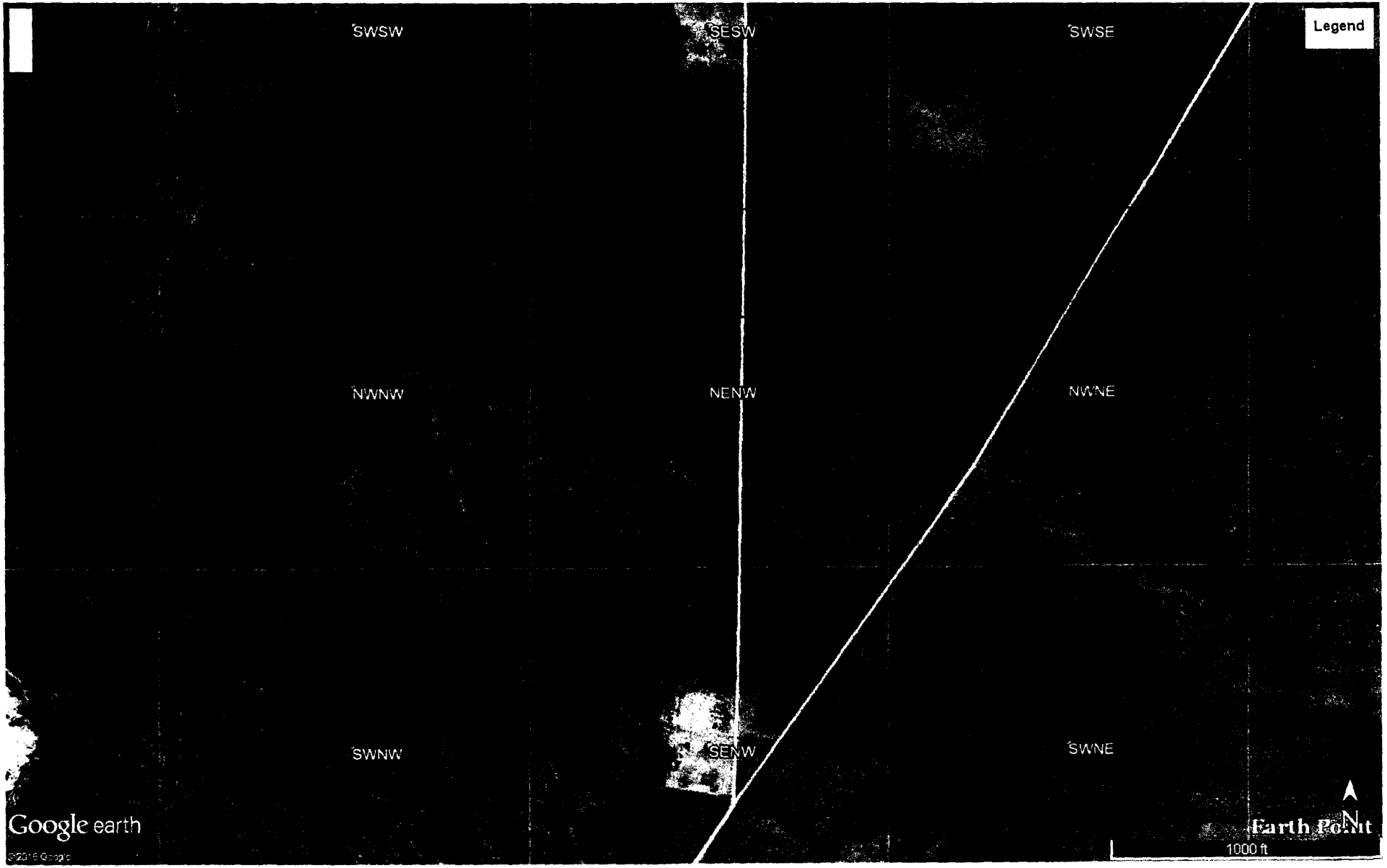
NO.	REVISION	DATE

JOB NO.: LS1704215
DWG. NO.: 3-1704215

RRC

308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200

SCALE: N. T. S.
DATE: 5-15-2017
SURVEYED BY: ML/JL
DRAWN BY: KAKN
APPROVED BY: RMH
SHEET: 1 OF 1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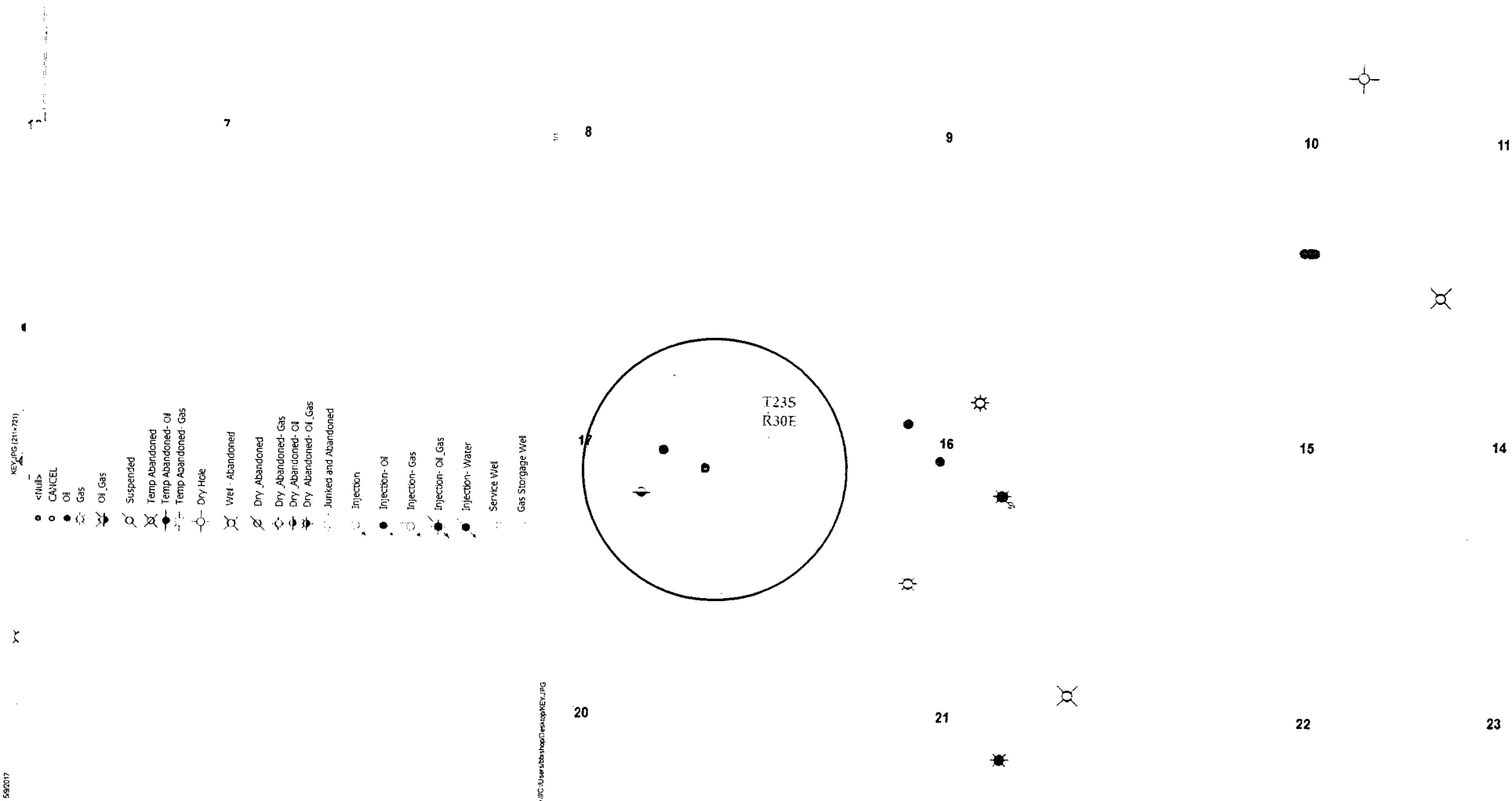
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Temp Abandoned
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Temp Abandoned- Gas
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Well - Abandoned
Dry_Abandoned
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Dry_Abandoned- Oil
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Injection
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5/8/2017
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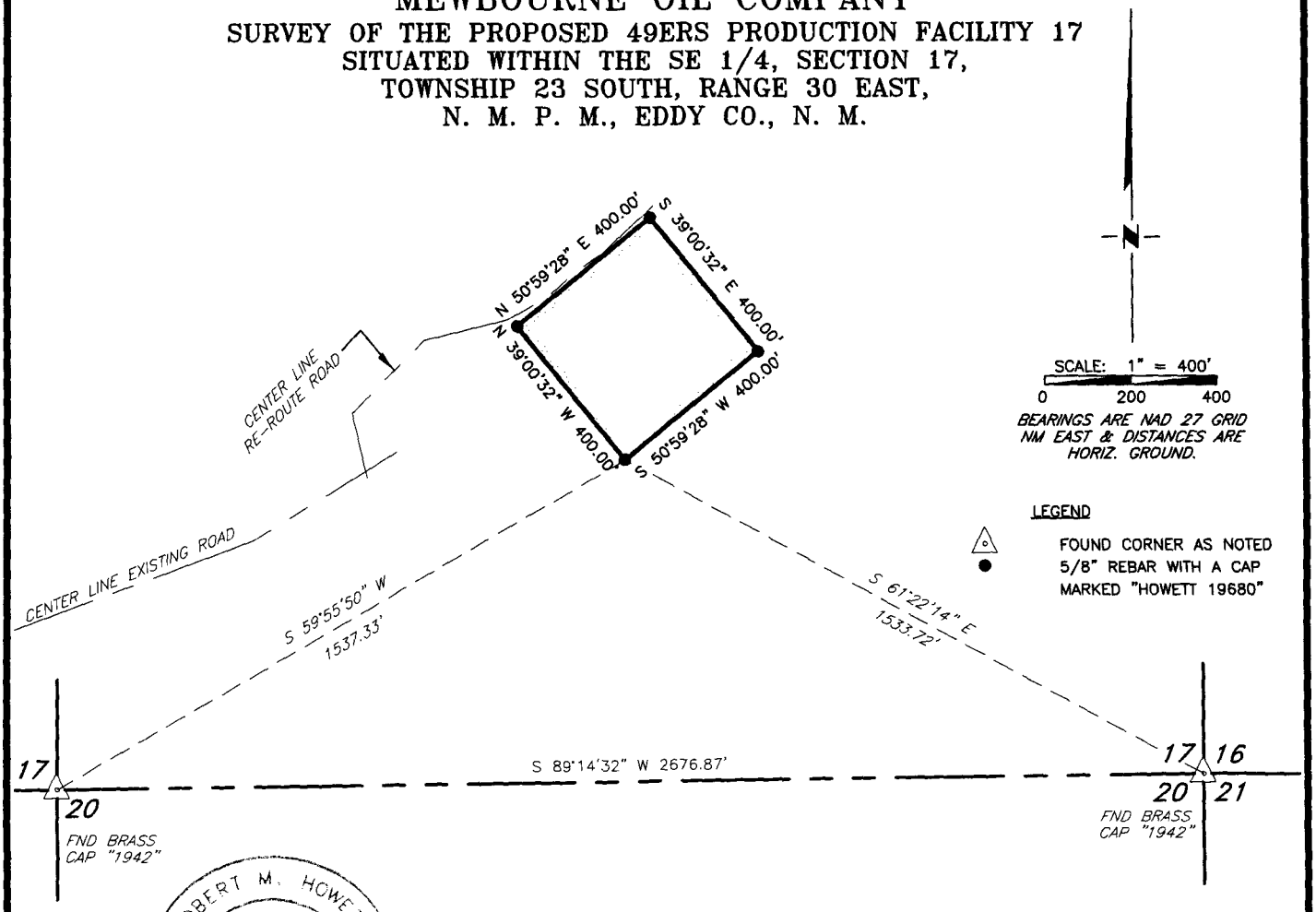
MEWBOURNE OIL COMPANY

SURVEY OF THE PROPOSED 49ERS PRODUCTION FACILITY 17 SITUATED WITHIN THE SE 1/4, SECTION 17, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N. M. P. M., EDDY CO., N. M.



ROBERT M. HOWETT
NEW MEXICO
19680
PROFESSIONAL SURVEYOR

I, ROBERT M. HOWETT, NEW MEXICO PROFESSIONAL SURVEYOR NO. 19680, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WAS PERFORMED UNDER MY DIRECT SUPERVISION AND THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN THE STATE OF NEW MEXICO AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

ROBERT M. HOWETT Robert M. Howett

DATE: 11/8/13

DESCRIPTION

A TRACT OF LAND SITUATED WITHIN THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N. M. P. M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8" REBAR WITH A CAP MARKED "HOWETT 19680" SET FOR A CORNER FROM WHICH A BRASS CAP STAMPED "1942" FOUND FOR THE SOUTH QUARTER CORNER OF SAID SECTION 17 BEARS S 59°55'50" W, 1,537.33 FEET AND A BRASS CAP STAMPED "1942" FOUND FOR THE SOUTHEAST CORNER OF SAID SECTION 17 BEARS S 61°22'14" E, 1,533.72 FEET;

THENCE N 39°00'32" W, 400.00 FEET TO A 5/8" REBAR WITH A CAP MARKED "HOWETT 19680" SET FOR A CORNER;

THENCE N 50°59'28" E, 400.00 FEET TO A 5/8" REBAR WITH A CAP MARKED "HOWETT 19680" SET FOR A CORNER;

THENCE S 39°00'32" E, 400.00 FEET TO A 5/8" REBAR WITH A CAP MARKED "HOWETT 19680" SET FOR A CORNER;

THENCE S 50°59'28" W, 400.00 FEET TO THE POINT OF BEGINNING.

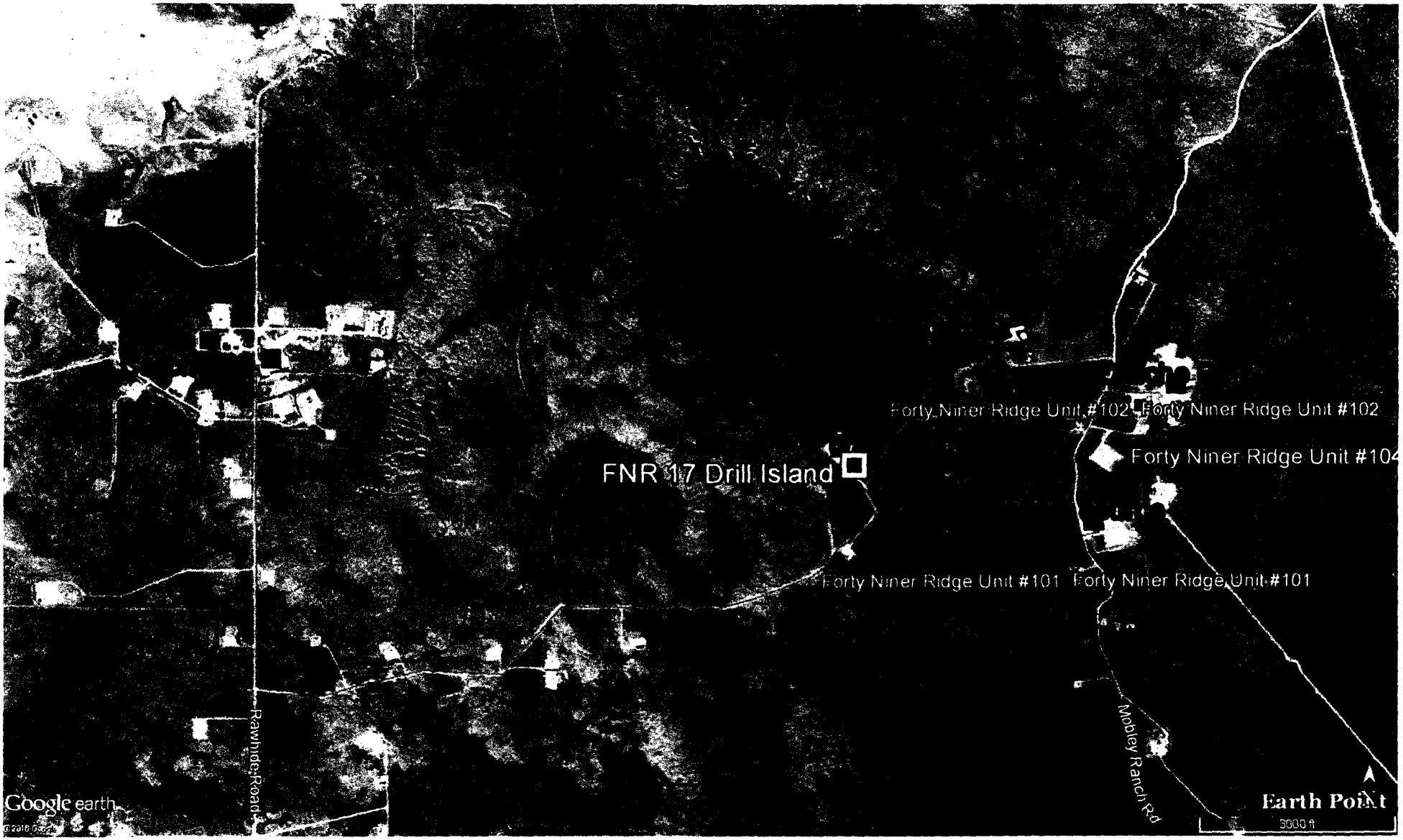
SAID TRACT OF LAND CONTAINING 160,000 SQUARE FEET OR 3.673 ACRES, MORE OR LESS.

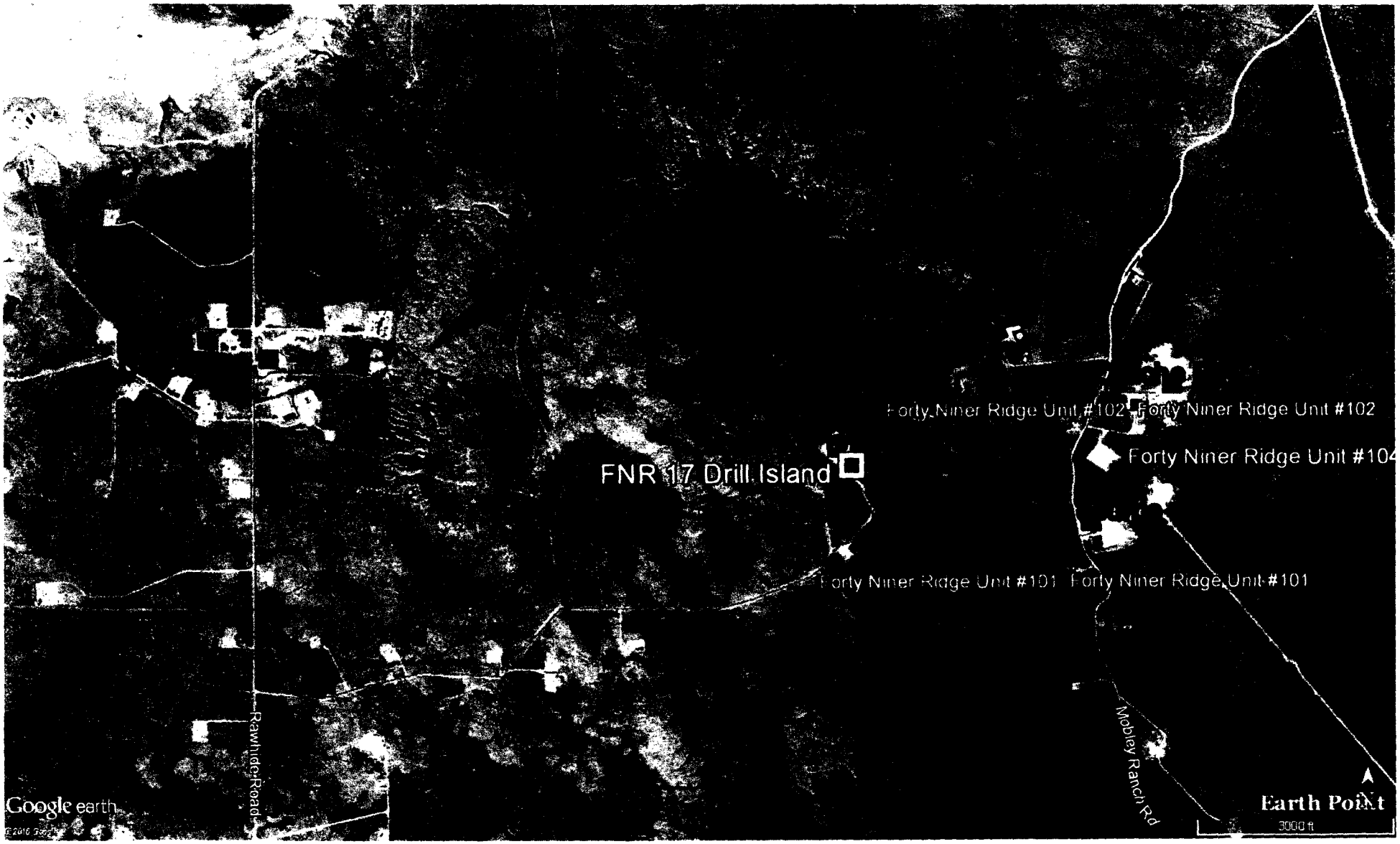
NO.	REVISION	DATE

JOB NO.: LS130463
DWG. NO.: 130463

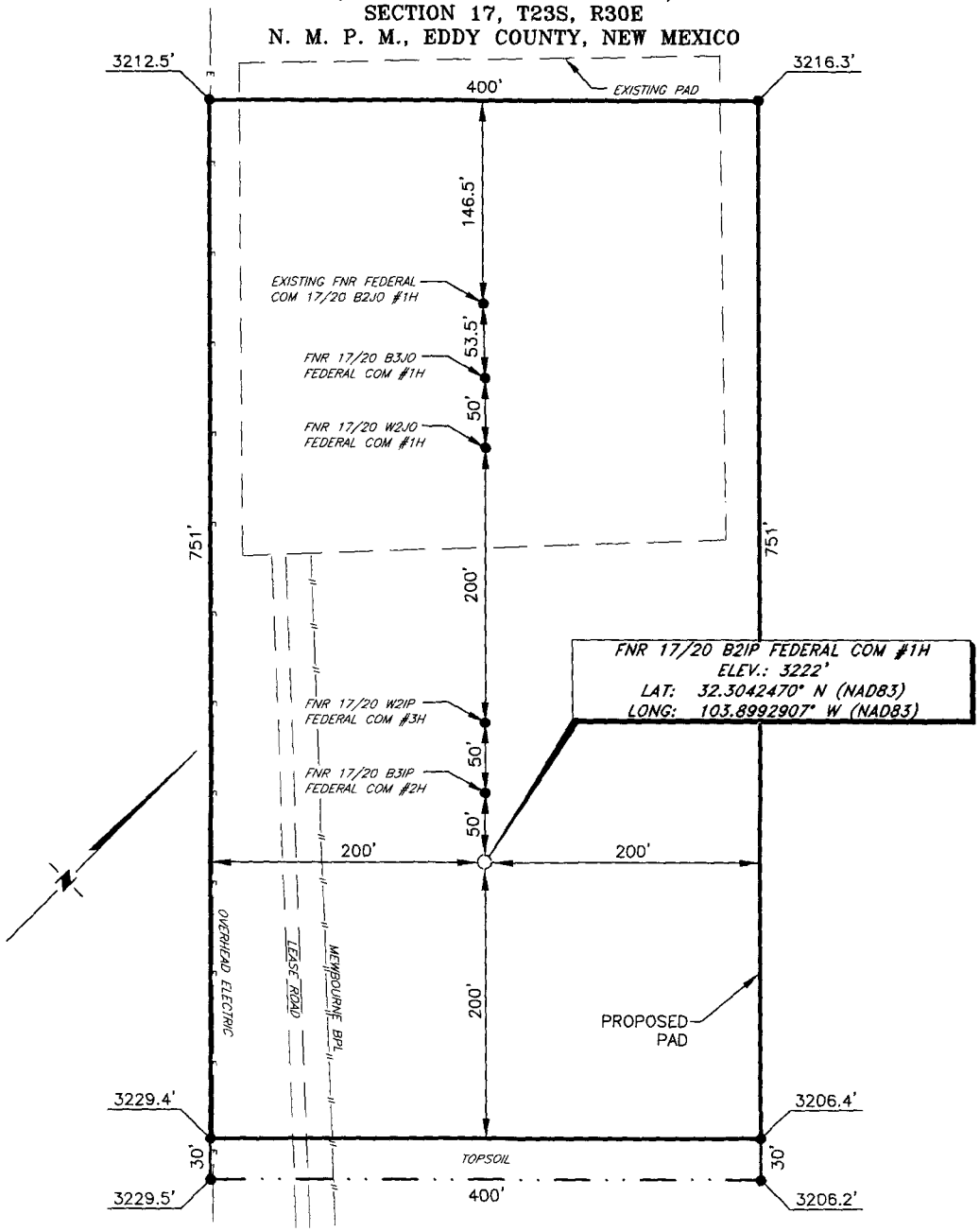
PROSPERITY CONSULTANTS, LLC
2251 Double Creek Drive, Suite 602, Round Rock, Texas 78664 o (512) 992-2087 f (512) 251-2518

SCALE: 1"=400'
DATE: 11-13-13
SURVEYED BY: GB/IE
DRAWN BY: JC
APPROVED BY: LWB
SHEET : 1 OF 1


FNR 17 Drill Island
Forty Niner Ridge Unit #102
Forty Niner Ridge Unit #102
Forty Niner Ridge Unit #104
Forty Niner Ridge Unit #101
Forty Niner Ridge Unit #101
Rawhide Road
Mobley Ranch Rd
Google earth
Earth Point
3000 ft


FNR 17 Drill Island
Forty Niner Ridge Unit #102
Forty Niner Ridge Unit #102
Forty Niner Ridge Unit #104
Forty Niner Ridge Unit #101
Forty Niner Ridge Unit #101
Rawhide Road
Mobley Ranch Rd
Google earth
Earth Point
3000 ft

MEWBOURNE OIL COMPANY
FNR 17/20 B2IP FEDERAL COM #1H
(2340' FSL & 1368' FEL)
SECTION 17, T23S, R30E
N. M. P. M., EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

From the intersection of HWY 128 and CR-793 (Rawhide Rd.); Go South on CR-793 approx. 3.6 miles to a lease road on the left; Turn left and go East approx. 2.1 miles to location.

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this unclassified survey of a well location from an actual survey made on the ground under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

ROBERT M. HOWETT NEW MEXICO 19680 5/19/17 PROFESSIONAL SURVEYOR

SCALE: 1" = 100'
0 50 100

BEARINGS ARE NAD 83 GRID - NM EAST
DISTANCES ARE GROUND

Robert M. Howett NM PS 19680

NO.	REVISION	DATE

JOB NO.: LS1704215
DWG. NO.: 4-1704215

RRC

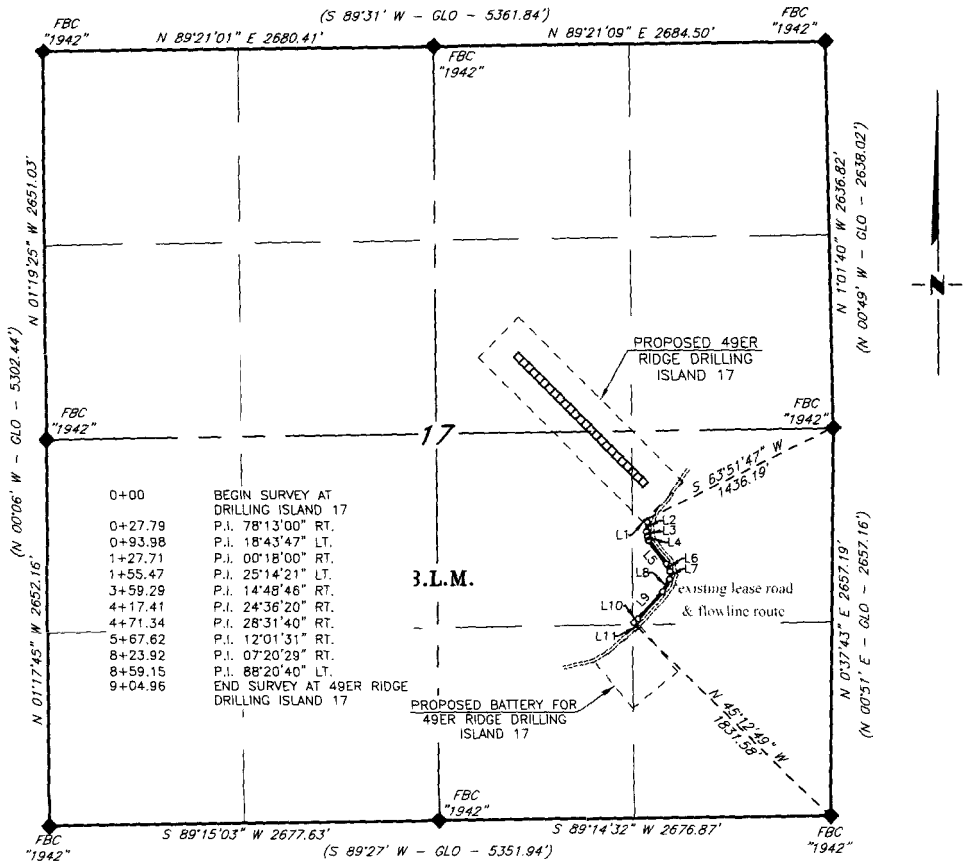
308 W. BROADWAY ST. HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 100'
DATE: 5-15-2017
SURVEYED BY: ML/JL
DRAWN BY: KAKN
APPROVED BY: RMH
SHEET: 1 OF 1

MEWBOURNE OIL COMPANY

PROPOSED SURFACE LINE FROM THE 49ER RIDGE DRILLING ISLAND 17 TO THE 49ER RIDGE DRILLING ISLAND 17 BATTERY

SECTION 17, T23S, R30E, N.M.P.M., EDDY CO., N.M.



LINE TABLE

LINE	BEARING	DISTANCE
L1	S 73°07'22" E	27.79'
L2	S 05°55'38" W	66.19'
L3	S 12°48'09" E	33.73'
L4	S 12°30'09" E	27.76'
L5	S 37°44'30" E	203.82'
L6	S 22°55'44" E	58.12'
L7	S 01°40'36" W	53.93'
L8	S 30°12'16" W	96.28'
L9	S 42°13'46" W	256.30'
L10	S 49°34'15" W	35.23'
L11	S 38°46'25" E	45.81'

SCALE: 1" = 1000'
0 500 1000

BEARINGS: NAD 27 GRID-NM EAST
DISTANCES: HORIZ. GROUND

LEGEND
( ) RECORD DATA
◆ FBC**** FOUND BRASS CAP "YEAR"
C/L PROPOSED SURFACE PIPELINE

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that this plat was prepared from an actual ground survey made under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M Howett

Robert M. Howett NM PS 19680

ROBERT M. HOWETT NEW MEXICO 19680 PROFESSIONAL SURVEYOR

NO.	REVISION	DATE

JOB NO.: LS140088
DWG. NO.: 140088SPL

PROSPERITY CONSULTANTS, LLC

2251 Double Creek Drive, Suite 602, Round Rock, Texas 78664 o (512) 992-2087 f (512) 251-2518

SCALE: 1"=1000'
DATE: 1/29/14
SURVEYED BY: GB/SM
DRAWN BY: AF
APPROVED BY: LWB
SHEET : 1 OF 2

MEWBOURNE OIL COMPANY
PROPOSED SURFACE LINE FROM 49ER RIDGE DRILLING ISLAND 17 TO THE 49ER RIDGE DRILLING ISLAND 17 BATTERY
SECTION 17, T23S, R30E, N.M.P.M., EDDY CO., N.M.

DESCRIPTION

A strip of land being 30 feet wide, 904.96 feet or 54.846 rods in length lying in Section 17, Township 23 South, Range 30 East, N. M. P. M., Eddy County, New Mexico, being 15 feet left and 15 feet right of the following described survey of a centerline across B.L.M. lands:

Beginning at Engr. Sta. 0+00, a point in the Southeast quarter of said Section 17, which bears S 63°51'47" W, 1436.19 feet from a found brass cap, stamped "1942", for the East quarter corner of said Section 17;

Thence S 73°07'22" E, 27.79 feet to Engr. Sta. 0+27.79, a P.I. of 78°13'00" right;

Thence S 05°55'38" W, 66.19 feet to Engr. Sta. 0+93.98, a P.I. of 18°43'47" left;

Thence S 12°48'09" E, 33.73 feet to Engr. Sta. 1+27.71, a P.I. of 00°18'00" right;

Thence S 12°30'09" E, 27.76 feet to Engr. Sta. 1+55.47, a P.I. of 25°14'21" left;

Thence S 37°44'30" E, 203.82 feet to Engr. Sta. 3+59.29, a P.I. of 14°48'46" right;

Thence S 22°55'44" E, 58.12 feet to Engr. Sta. 4+17.41, a P.I. of 24°36'20" right;

Thence S 01°40'36" W, 53.93 feet to Engr. Sta. 4+71.34, a P.I. of 28°31'40" right;

Thence S 30°12'16" W, 96.28 feet to Engr. Sta. 5+67.62, a P.I. of 12°01'30" right;

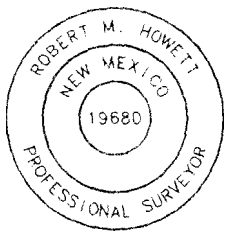
Thence S 42°13'46" W, 256.30 feet to Engr. Sta. 8+23.92, a P.I. of 07°20'29" right;

Thence S 49°34'15" W, 35.23 feet to Engr. Sta. 8+59.15, a P.I. of 80°20'40" left;

Thence S 38°46'25" E, 45.81 feet to Engr. Sta. 9+04.96 to the End of Survey, a point in the Southeast quarter of said Section 17, which bears N 45°12'49" W, 1831.58 feet from a found brass cap, stamped "1942", found for the Southeast corner of said Section 17.

Said strip of land contains 0.623 acres, more or less and is allocated by forties as follows:

NE ¼ SE ¼	0.605 Acres
SE ¼ SE ¼	0.018 Acres



I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that this plat was prepared from an actual ground survey made under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M. Howett NM PS 19680

NO.	REVISION	DATE

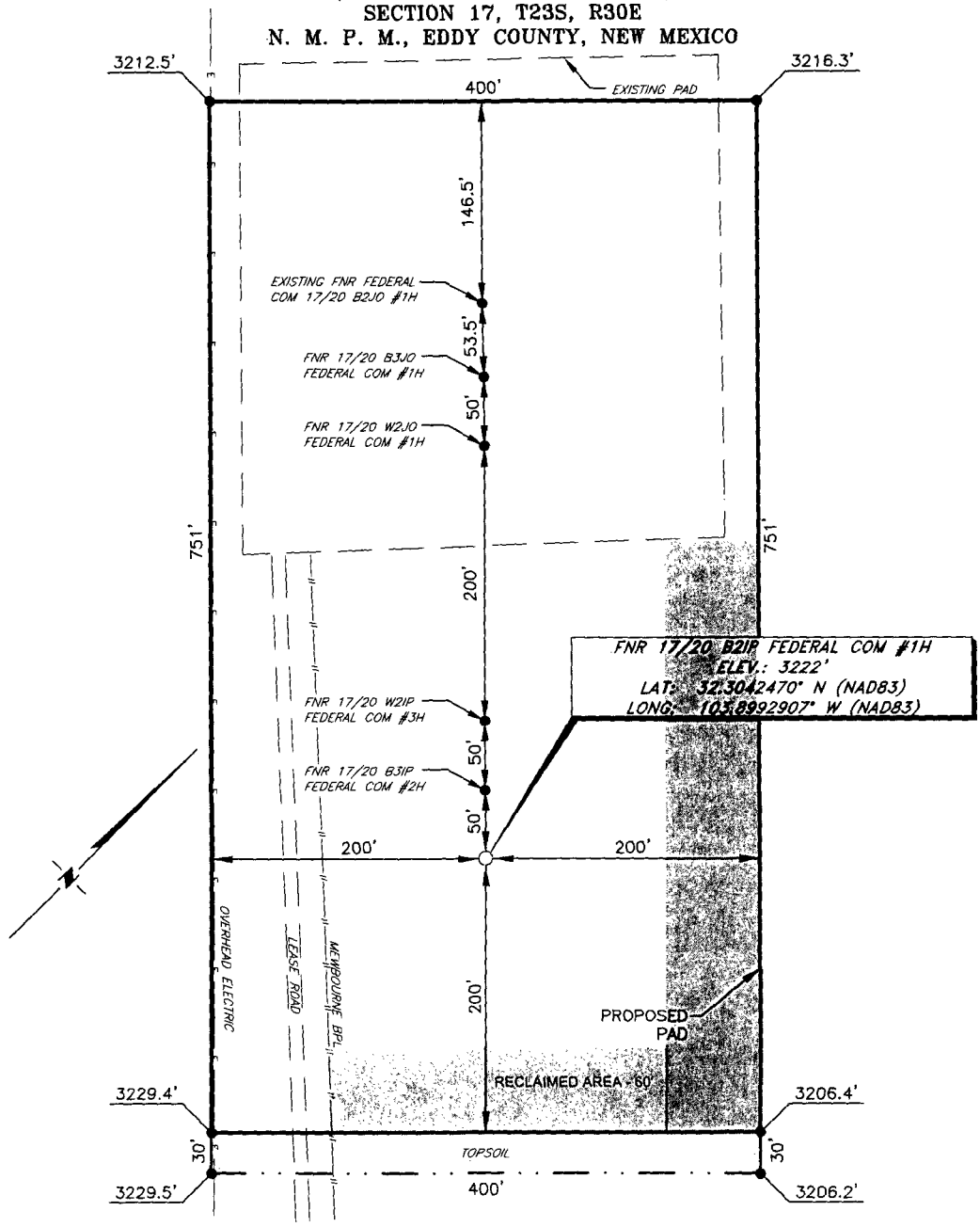
JOB NO.: LS140088
DWG. NO.: 140088SPL

PROSPERITY CONSULTANTS, LLC

2251 Double Creek Drive, Suite 602, Round Rock, Texas 78664 o (512) 992-2087 f (512) 251-2518

SCALE: 1"=1000'
DATE: 1/29/14
SURVEYED BY: GB/SM
DRAWN BY: AF
APPROVED BY: LWB
SHEET : 2 OF 2

MEWBOURNE OIL COMPANY
FNR 17/20 B2IP FEDERAL COM #1H
(2340' FSL & 1368' FEL)
SECTION 17, T23S, R30E
N. M. P. M., EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

From the intersection of HWY 128 and CR-793 (Rawhide Rd.);
Go South on CR-793 approx. 3.6 miles to a lease road on the left;
Turn left and go East approx. 2.1 miles to location.

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this unclassified survey of a well location from an actual survey made on the ground under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

SCALE: 1" = 100'
0 50 100

BEARINGS ARE NAD 83 GRID - NM EAST
DISTANCES ARE GROUND

Robert M Howett
Robert M. Howett NM PS 19680

ROBERT M HOWETT
NEW MEXICO
19680
PROFESSIONAL SURVEYOR
5/19/17

NO.	REVISION	DATE

JOB NO.: LS1704215
DWG. NO.: 4-1704215

RRC

308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 100'
DATE: 5-15-2017
SURVEYED BY: ML/JL
DRAWN BY: KAKN
APPROVED BY: RMH
SHEET: 1 OF 1

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number: **Injection well name:**

Assigned injection well API number? **Injection well API number:**

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Other PWD discharge volume (bbl/day):

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:

AFMSS

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Bond Info Data Report

11/14/2017

Bond Information

Federal/Indian APD: FED

BLM Bond number: NM1693

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment: