

Submit 1 Copy To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
October 13, 2009

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-38422
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-1788 (SL) VO-1576 (BHL)
7. Lease Name or Unit Agreement Name Three Palms 36 State Com ✓
8. Well Number 2H ✓
9. OGRID Number 14744
10. Pool name or Wildcat Parkway; Bone Spring 49622
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3335' GL

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>
2. Name of Operator Mewbourne Oil Company ✓
3. Address of Operator PO Box 5270, Hobbs, NM 88241
4. Well Location Unit Letter <u>H</u> : <u>1980'</u> feet from the <u>North</u> line and <u>330'</u> feet from the <u>East</u> line Section <u>36</u> Township <u>19S</u> Range <u>29E</u> NMPM Eddy County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3335' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Chlorides ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Attached report indicates chloride levels from samples obtained from the flowline as per the requirements of the NMOCD while drilling from the 1st intermediate casing setting depth at 1474' to the 2nd intermediate casing setting depth at 3540'. If you have any questions, please call Frosty Lathan at 393-5905 (office).

1474' @ 1200 MG/L	1874' @ 3800 MG/L	2274' @ 14200 MG/L	2674' @ 16900 MG/L	3074' @ 18400 MG/L
1574' @ 1600 MG/L	1974' @ 5500 MG/L	2374' @ 14260 MG/L	2774' @ 18500 MG/L	3174' @ 18600 MG/L
1674' @ 3000 MG/L	2074' @ 5100 MG/L	2474' @ 14100 MG/L	2874' @ 18000 MG/L	3274' @ 19000 MG/L
1774' @ 3100 MG/L	2174' @ 6000 MG/L	2574' @ 16200 MG/L	2974' @ 18600 MG/L	3374' @ 19100 MG/L
				3474' @ 19600 MG/L

Started losing fluid 15-20 BPH @ 1900'. Began circulating w/aerated fluid @ 2238'.

RECEIVED

MAY 03 2011

NMOCD ARTESIA

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jackie Lathan TITLE Hobbs Regulatory DATE 04/29/11

Type or print name Jackie Lathan E-mail address: jlathan@mewbourne.com PHONE: 575-393-5905

For State Use Only

APPROVED BY: David Gray TITLE Field Supervisor DATE 5-3-11
Conditions of Approval (if any):

Nova Mud, Inc.

Mewbourne Oil Company

Three Palms 36 State Com #2H

Depth	Chlorides
1474-1574	1200
1574-1674	1600
1674-1774	3000
1774-1874	3100
1874-1974	3800
1974-2074	5500
2074-2174	5100
2174-2274	6000
2274-2374	14200
2374-2474	14600
2474-2574	14100
2574-2674	16200
2674-2774	16900
2774-2874	18500
2874-2974	18000
2974-3074	18600
3074-3174	18400
3174-3274	18600
3274-3374	19000
3374-3474	19100
3474-3540	19600

STARTED LOSING 15-20 BPH @ 1900'.

BEGAN CIRCULATING W/ AERATED FLUID @ 2238'