

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM033312A

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

8. Well Name and No.
BLACK SHEEP 4/33 B3OB FED COM 1H

9. API Well No.
30-025-44939-00-X1

10. Field and Pool or Exploratory Area
GRAMA RIDGE

11. County or Parish, State
LEA COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
MEWBOURNE OIL COMPANY
Contact: JACKIE LATHAN
E-Mail: jlathan@mewbourne.com

3a. Address
P O BOX 5270
HOBBS, NM 88241

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 4 T22S R34E SWSE 222FSL 2108FEL
32.413891 N Lat, 103.471764 W Lon

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

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

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Mewbourne Oil Company requests approval to make the following changes to the approved APD:

1) Add an ECP & DV tool to the 9 5/8" intermediate csg @ 4250' and adjust cement as detailed in the attachment.

Please contact Andy Taylor with any questions.

*Approved with conditions.
See attached COA.
All previous COAs still apply.*

**Carlsbad Field Office
Operator Copy**

14. I hereby certify that the foregoing is true and correct.
**Electronic Submission #523197 verified by the BLM Well Information System
 For MEWBOURNE OIL COMPANY, sent to the Hobbs
 Committed to AFMSS for processing by PRISCILLA PEREZ on 07/29/2020 (20PP3164SE)**

Name (Printed/Typed) ANDY TAYLOR	Title ENGINEER
Signature (Electronic Submission)	Date 07/27/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>OLABODE AJIBOLA</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>08/25/2020</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office Hobbs

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.

Revisions to Operator-Submitted EC Data for Sundry Notice #523197

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	APDCH NOI	APDCH NOI
Lease:	NMNM033312A	NMNM033312A
Agreement:		
Operator:	MEWBOURNE OIL COMPANY PO BOX 5270 HOBBS, NM 88241 Ph: 575-393-5905	MEWBOURNE OIL COMPANY P O BOX 5270 HOBBS, NM 88241 Ph: 575.393.5905
Admin Contact:	JACKIE LATHAN AUTHORIZED REPRESENTATIVE E-Mail: jlathan@mewbourne.com Ph: 575-393-5905	JACKIE LATHAN AUTHORIZED REPRESENTATIVE E-Mail: jlathan@mewbourne.com Ph: 575-393-5905
Tech Contact:	ANDY TAYLOR ENGINEER E-Mail: ataylor@mewbourne.com Ph: 575-393-5905	ANDY TAYLOR ENGINEER E-Mail: ataylor@mewbourne.com Ph: 575.393.5905
Location:		
State:	NM	NM
County:	LEA	LEA
Field/Pool:	GRAMMA RIDGE BONE SPRING	GRAMA RIDGE
Well/Facility:	BLACK SHEEP 4/33 B3OB FED COM 1H Sec 4 T22S R34E Mer NMP SWSE 222FSL 2108FEL	BLACK SHEEP 4/33 B3OB FED COM 1H Sec 4 T22S R34E SWSE 222FSL 2108FEL 32.413891 N Lat, 103.471764 W Lon

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	MEWBOURNE OIL COMPANY
LEASE NO.:	NMNM033312A
WELL NAME & NO.:	BLACK SHEEP 4/33 B3OB FED COM 1H
SURFACE HOLE FOOTAGE:	222' FSL & 2108' FEL
BOTTOM HOLE FOOTAGE:	100' FNL & 1980' FEL
LOCATION:	Section 4, T. 22 S., R 34 E., NMPM
COUNTY:	Lea County, New Mexico

COA

H2S	<input checked="" type="radio"/> Yes	<input type="radio"/> No	
Potash	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input checked="" type="radio"/> Low	<input type="radio"/> Medium	<input type="radio"/> High
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input checked="" type="radio"/> Multibowl	<input type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input checked="" type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input type="checkbox"/> Fluid Filled	<input type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit

All Previous COAs Still Apply.

A. CASING

1. The 13-3/8 inch surface casing shall be set at approximately **1782 feet** (a minimum of **25 feet (Lea County)** 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 **8 hours** 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, which shall be set at approximately **5400 feet** is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate see B.1.a, c-d above.
Excess cement calculates to -74%, additional cement might be required.

Option 2:

Operator has proposed DV tool at depth of **4250'**, but will adjust cement proportionately if moved, the depth may be adjusted as long as the cement is changed proportionally. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage. 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.
- ❖ **Special Capitan Reef requirements.** If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following:
- Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.
 - Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.

3. The minimum required fill of cement behind the 7-5/8 inch production casing is:
 - Cement should tie-back at least **50 feet** above the Capitan Reef. Operator shall provide method of verification.
Excess cement calculates to -5%, additional cement might be required.
4. The minimum required fill of cement behind the 4-1/2 inch production liner is:
 - Cement should tie-back **100 feet** into the previous casing. Operator shall provide method of verification.

B. 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. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.
 - 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.

C. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

OTA08252020

Mewbourne Oil Company, Black Sheep 4/33 B3OB Fed Com #1H
Sec 4, T22S, R34E
SL: 222' FSL & 2108' FEL (Sec 4)
BHL: 100' FNL & 1980' FEL (Sec 33)

Intermediate Casing Program

Hole Size	Casing Interval		Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Jt Tension	SF Body Tension
	From	To								
12.25"	0'	3453'	9.625"	36	J55	LTC	1.13	1.96	2.24	2.79
12.25"	3453'	4393'	9.625"	40	J55	LTC	1.13	1.73	6.68	8.09
12.25"	4393'	5400'	9.625"	40	HCL80	LTC	1.51	2.05	20.78	22.74
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?	Y
If yes, does production casing cement tie back a minimum of 50' above the Reef?	Y
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

Mewbourne Oil Company, Black Sheep 4/33 B3OB Fed Com #1H
Sec 4, T22S, R34E
SL: 222' FSL & 2108' FEL (Sec 4)
BHL: 100' FNL & 1980' FEL (Sec 33)

Intermediate Cementing Program

Casing	# Sks	Wt. lb/gal	Yld ft ³ /sack	H ₂ O gal/sk	500# Comp. Strength (hours)	Slurry Description
Int Prod. Stg 1	90	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
ECP/DV Tool @ 4250'						
Int Prod. Stg 2	730	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

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

Casing String	TOC	% Excess
Intermediate	0'	25%

Re: [EXTERNAL] Mewbourne Black Sheep Sundries

Ajibola E-I-T, Olabode T <oajibolaeit@blm.gov>

Fri 8/21/2020 2:17 PM

To: Andy Taylor <ataylor@mewbourne.com>

Receipt acknowledgement.

Sent from my Verizon, Samsung Galaxy smartphone
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From: Andy Taylor <ataylor@mewbourne.com>**Sent:** Friday, August 21, 2020 12:50:35 PM**To:** Ajibola E-I-T, Olabode T <oajibolaeit@blm.gov>**Subject:** [EXTERNAL] Mewbourne Black Sheep Sundries

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Thomas,

After looking at the numbers on the 7 5/8" production casing strings on the Black Sheep 4/33 B3OB Fed Com #1H & Black Sheep 4/33 B3PA Fed Com #2H, we have come to the conclusion that we are comfortable with the tension safety factors. We are working on the assumption that the hole will support a full column of 9.7 ppg fluid when we run casing. In that case, the buoyancy provided by said fluid will give us a safety factor of 1.9.

Please let me know if you need any additional information.

Thanks,
Andy Taylor
Engineer
Mewbourne Oil Co.
PO Box 5270
Hobbs, NM 88241
Office: (575) 393-5905
Cell: (575) 441-8396