(August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0137 Expires July 31, 2010

5. Lease Serial No.

SUNDRY N Do not use this t		NAGEMENT ORTS ON WEINS 15 to drill or to re-enter a NPD) for such propose		5. Lease Serial No NMNM107393 6 If Indian, Allottee or	r Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on page 2				7 If Unit of CA/Agreement, Name and/or No NMNM126877		
I. Type of Well ✓ Oil Well Gas Well Other				8 Well Name and No Red Hill West 21 Fed Com #1H		
2. Name of Operator Mewbourne Omewbourne Oil Company	Oil Company			9. API Well No. 30-025-40156		
3a Address		3b. Phone No (include area co	ode)	10 Field and Pool or E	xploratory Area	
PO Box 5270 Hobbs, NM 88	3241 •	5 75-393-5905		North Seven Rive	ers Glorieta Yeso	
4 Location of Well (Footage, Sec., T., 330' FNL & 950' FEL, Sec.)		11 Country or Parish, S Lea, County NM	State	
12. CHEC	K THE APPROPRIATE BO	X(ES) TO INDICATE NATUR	E OF NOTIC	E, REPORT OR OTHE	R DATA	
TYPE OF SUBMISSION		TY	YPE OF ACT	ION		
Notice of Intent	Acidize Alter Casing	Deepen Fracture Treat		nction (Start/Resume) mation	Water Shut-Off Well Integrity	
Subsequent Report	Casing Repair Change Plans	New Construction Plug and Abandon	===	nplete orarily Abandon	Other	
Final Abandonment Notice	Convert to Injection	Plug Back	✓ Water			
12 Daniele December on Commisted On	anation: Clearly state all per	tinent details, including estimate	d ctarting dat	e of any proposed work	and approximate duration the	ereof 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 is requesting approval for proper water disposal for the above captioned well.

See water disposal Onshore Order #7 attached

SEE ATTACHED FOR CONDITIONS OF APPROVAL

ACCEPTED FOR RECORD

MAR 1 5 2012 /s/ JD Whitlock J

BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE

14 I hereby certify that the foregoing is true and correct. Name (Printed/Typed)			
Joe Bryand	Title Engineer		
Signature 101 B B	Date 02/13/12		
THIS SPACE FOR FED	ERAL OR STATE OFFI	E USE	
Approved by			
	Title	Date	
Conditions of approval, if any, are attached. Approval of this notice does not warrant o that the applicant holds legal or equitable title to those rights in the subject lease which entitle the applicant to conductioners nons horeoned.			
Title 18 U S C Section 1001 and Title 43 U S.C Section 1212, make it a crime for any fictitious or fraudulent statements or representations as to any matter within its jurisdict	• • • • • • • • • • • • • • • • • • • •	ake to any department or agency of the United Sta	tes any false,

(Instructions on page 2)

WATER DISPOSAL ONSHORE ORDER #7

The following information is needed before your method of water disposal can be considered for approval.

1.	find a second se
	-AVALON Shale
2.	
	150 Bbis/day
3.	How water is stored on the lease.
J.	2-500 BBL Fiberglass tanks
4.	How water is moved to disposal facility. PiPeLiNe
	FIFELINC
5.	Operator's of disposal facility Mewbourne of Company
	a. Lease name or well name and number Kew Hill'S West Swy
	b. Location by ¼¼ Section, Township, and Range of the disposal system
	SESE SECTION 16, TZ65, R32E
	c. The appropriate NMOCD permit number 38647 Sul 1282
	APIH 30-025-40162

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Disposal of Produced Water From Federal Wells Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

- 1. This agency shall be notified of any change in your method or location of disposal.
- 2. Compliance with all provisions of Onshore Order No. 7.
- This agency shall be notified of any spill or discharge as required by NTL-3A.
- 4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
- 6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- 7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
- 9. Disposal at any other site will require prior approval.
- 10. Subject to like approval by NMOCD.

6/17/2011