

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

HOBBS OCD
OCD-HOBBS
APR 24 2012

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.

Lease Serial No.
NMNM077004
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator Mewbourne Oil Company
Mewbourne Oil Company

3a. Address

PO Box 5270 Hobbs, NM 88241

3b. Phone No. (include area code)

575-393-5905

4. Location of Well (Footage, Sec, T., R. M., or Survey Description)

660' FNL & 330' FWL, Sec 17, T19S, R33E

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

8. Well Name and No.

Spyglass 17 Fed #2H

9. API Well No.

30-025-40185

10. Field and Pool or Exploratory Area

Tonto; Bone Spring

11. Country or Parish, State

Lea, County NM

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"/> Fracture Treat	<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 Site Facility diagram
	<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 recompleate 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 recompleation 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 & oil storage for the above captioned well.

See attached facility diagram.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Antonio Martinez

Title Engineer

Signature

[Handwritten Signature]

Date 04/09/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Handwritten Signature]

Date

APR 25 2012

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.

Title

Office

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.

(Instructions on page 2)

APR 25 2012

MEWBOURNE OIL COMPANY
Metering & Allocation Procedure for Oil, Water, & Gas
Production for Spyglass 17 Fed Com 1H & 2H

Gas Phase

The gas from the following wells: Spyglass 17 Fed Com #1H(meter #52698-000), Spyglass 17 Fed Com #2H(meter #52798-000), Norte 19 Fed Com #1(52486-000) will flow thru its listed meter then be commingled to the central sales point being the Frontier Field Services meter (06-45-019) located at SENE19, T19S, T33E, on Lease No. NMLC-064790, Lea, New Mexico. Each well will be allocated its share of the gas production at the common sales point.

Oil Phase

The oil phase will be measured by gauging the oil tanks. Spyglass 17 Fed Com #2H will be producing to tank #115749 and #115750, Spyglass 17 Fed Com #1H will producing to tank #115751 and #115750. This will allow to obtain proper oil production for these wells.

Water Phase

The water produced will be measured by gauging the water tanks. Spyglass 17 Fed Com #1H will be producing to tank #2 and Spyglass 17 Fed Com #2H will be producing to tank #1. This will allow to obtain proper water production for these wells.

Spyglass 17 Fed Com #2H
API #: 30-015-40185
660' FNL & 330' FWL
Sec. 17-T19S-R33E
Lea County, NM

Gas injection
line

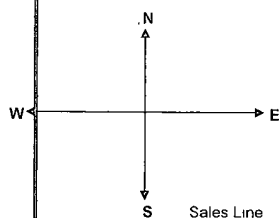
MOC Gas
meters

WH
Spyglass 17 Fed #1H

CP

Mewbourne Oil Company
Spyglass 17 Fed Com
API #: 30-035-39870
2135' FNL & 330' FWL
Sec. 17 - T19S -R32 E
Lea County, NM

Edge of Well Pad



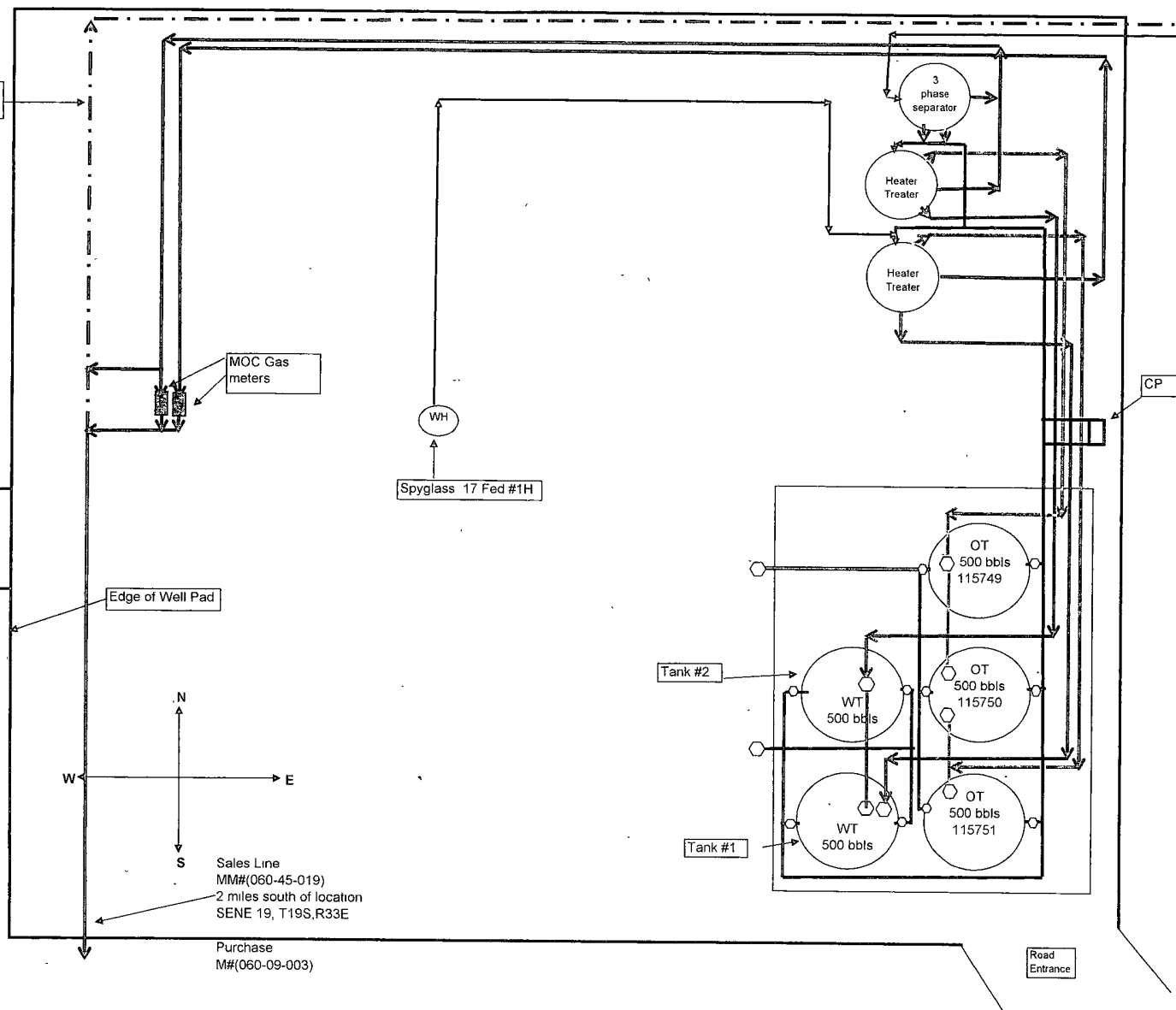
Sales Line
MM#(060-45-019)
2 miles south of location
SENE 19, T19S,R33E

Purchase
M#(060-09-003)

Tank #2

Tank #1

Road
Entrance



**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.
3. 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