

HOBBS OCD

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APR 30 2014

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter abandoned well. Use Form 3160-3 (APD) for such proposals.**5. Lease Serial No.  
NM027507 (SL) NMNM107393 (BHL)  
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. 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)

150' FNL &amp; 380' FWL, Sec 21, T26S, R32E

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

NM131001

8. Well Name and No.

Red Hills West 21 DM Fed Com #1H

9. API Well No.

30-025-40897

10. Field and Pool or Exploratory Area

Jennings Upper Bone Spring Shale 97838

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 checked="" 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 recompleat 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 recompleat 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.)

Please see attached site facility diagram as per Onshore order #2 and Salt Water Disposal plan as per Onshore order #7

SUBJECT TO LIKE  
APPROVAL BY STATESEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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

Joe Bryand

Title Engineer

Signature

Date 11/01/13

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Is/ Jerry Blakley

Title

Office

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 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 any false statement or representation to any Federal or State agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

MSB/OCD 4/30/2014

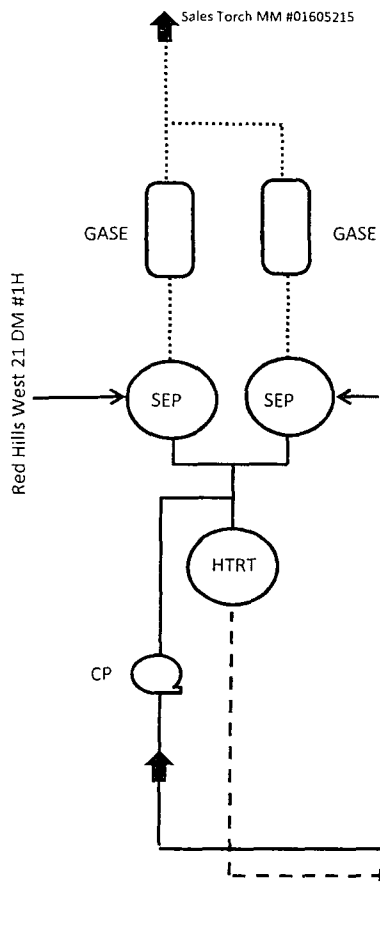
APR 30 2014

## WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1. Name of formations producing water on the lease. AVALON SHALE
2. Amount of water produced from all formations in barrels per day. 230 BBL FROM AVALON SHALE
3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates. (One sample will suffice if water is commingled.)
4. How water is stored on lease. 2-500 BBL FIBERGLASS TANKS
5. How water is moved to the disposal facility. TRANSFER PUMP
6. Identify the Disposal Facility by:
  - A. Facility Operators name. MENARD OIL COMPANY
  - B. Name of facility or well name and number. RED HILLS WEST SWD #1
  - C. Type of facility or well (WDW) (WIW) etc. WDW
  - D. Location by 1/4 1/4 SESE Section 16 Township 26 S Range 32 E
7. Attach a copy of the State issued permit for the Disposal Facility.

Submit to this office, 620 EAST GREENE ST, CARLSBAD NM, 88220, the above required information on a Sundry Notice 3160-5. Submit 1 original and 3 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice.)



**Mewbourne Oil Company**  
 Red Hills West 21 Fed Com #2H Battery  
 API #30-025-40391  
 250' FNL & 350' FWL, Sec 21, T26S, R32E  
 Lea County, New Mexico

Location of Site Security Plan:  
 PO BOX 5270  
 Hobbs, NM 88241

Production System- Open

Oil sales description as: by tank  
 gauge to tank truck

Seal requirements:

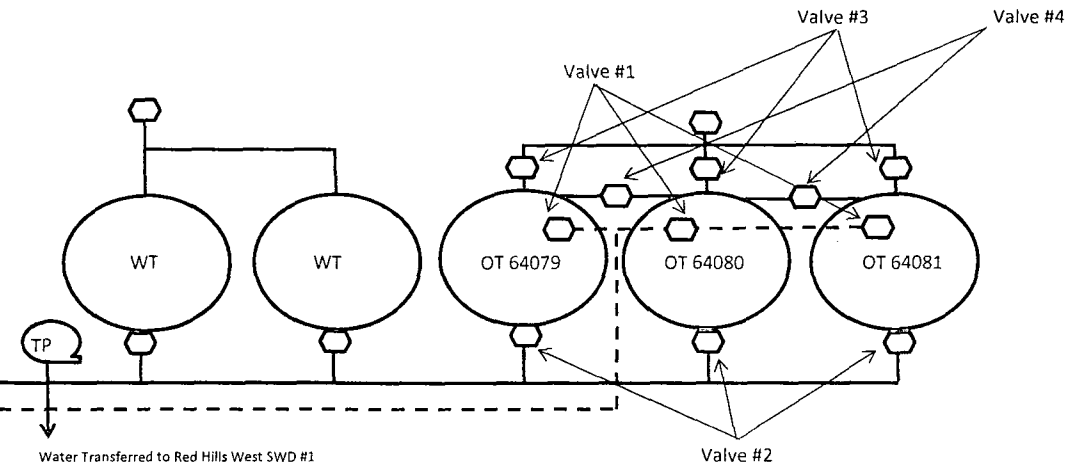
**Production Phase OT #64079**


1. Valve 1 open
2. Valve 4 open
3. Valve 3 sealed closed
4. Valves on OT #67816 positioned:
  - A. Valve 1 closed
  - B. Valve 2 sealed closed
  - C. Valve 3 sealed closed
5. Valves on OT #66220 positioned:
  - A. Valve 1 closed
  - B. Valve 2 sealed closed
  - C. Valve 3 sealed closed

Wells entering Facility (other than Red Hills West 21 Fed Com #2H)

**Red Hills West 21 DM Fed Com #1H**

150' FNL & 380' FWL, Sec 21, T26S, R32E  
 Lea County, New Mexico  
 API # 30-025-40897





# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



Administrative Order SWD-1282  
June 22, 2011

## ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of 19.15.26.8B NMAC, Mewbourne Oil Company seeks an administrative order to utilize its proposed Red Hills West SWD Well No. 1 (API 30-025-NA) to be located 700 feet from the South line and 690 feet from the East line, Unit Letter P of Section 16, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico, for produced water disposal purposes.

### THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

### IT IS THEREFORE ORDERED THAT:

The applicant, Mewbourne Oil Company, is hereby authorized to utilize its proposed Red Hills West SWD Well No. 1 (API 30-025-NA) to be located 700 feet from the South line and 690 feet from the East line, Unit Letter P of Section 16, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico, for disposal of oil field produced water (UIC Class II only) into the Bell Canyon and Cherry Canyon members of the Delaware Mountain Group through perforations from approximately 5100 feet to 6300 feet through lined tubing and a packer set within 100 feet of the permitted disposal interval.

### IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.



After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC.

The wellhead injection pressure on the well shall be limited to **no more than 1020 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



JAMI BAILEY  
Director

JB/wvjj

cc: Oil Conservation Division – Hobbs  
State Land Office – Oil, Gas, and Minerals Division



# Water Analysis

Date: 01-Nov-13

2708 West County Road, Hobbs NM 88240

Phone (575) 392-5556 Fax (575) 392-7307

## Analyzed For

Company	Well Name	County	State
Mewbourne Oil & Gas	Red Hills 21 DM Fed Com 1	Lea	New Mexico

Sample Source	Swab Sample	Sample #	1
Formation		Depth	

Specific Gravity	1.135	SG @ 60 °F	1.137
pH	6.80	Sulfides	Absent
Temperature (°F)	70	Reducing Agents	

## Cations

Sodium (Calc)	in Mg/L	53,958	in PPM	47,457
Calcium	in Mg/L	10,400	in PPM	9,147
Magnesium	in Mg/L	1,200	in PPM	1,055
Soluable Iron (FE2)	in Mg/L	0.2	in PPM	0

## Anions

Chlorides	in Mg/L	104,000	in PPM	91,469
Sulfates	in Mg/L	350	in PPM	308
Bicarbonates	in Mg/L	766	in PPM	674
Total Hardness (as CaCO3)	in Mg/L	31,000	in PPM	27,265
Total Dissolved Solids (Calc)	in Mg/L	170,675	in PPM	150,110
Equivalent NaCl Concentration	in Mg/L	150,062	in PPM	131,981

## Scaling Tendencies

\*Calcium Carbonate Index 7,968,064

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

\*Calcium Sulfate (Gyp) Index 3,640,000

Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

\*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks rw=.0520@70f

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

**4/21/2014 Approved subject to conditions of approval JDB:**

**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. This approval is for produced water disposal only and any hydrocarbons removed from lease by this method will be subject to royalty payment as well as other enforcement actions as necessary.
10. Disposal at any other site will require prior approval.
11. Subject to like approval by NMOCD.

JDB2014