Form 3160-5
(August 2007)

HOBBS OCD

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Hobbs

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMNM128928

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM125386X

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
RED HILLS WEST UNIT 14H

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

9. API Well No.
30-025-43136-00-X1

3a. Address
HOBBS, NM 88241

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

10. Field and Pool, or Exploratory
RED HILLS

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 9 T26S R32E SWSW 200FSL 690FWL

11. County or Parish, and State
LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☒ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 has an approved APD for this well. We are requesting approval to change the 1 stage cement job on the 7" production casing to a 2 stage job with a DV tool @ 5600'.

Cement would be pumped as follows:
Stage 1 - 370 sx Class C (60:40:0) w/ yield 2.12 cuft/sk @ 12.5 ppg. Tail w/ 400 sx Class H w/ yield 1.18 cuft/sk @ 15.6 ppg. TOC @ 5600' (25% excess).

Stage 2 - 75 sx Class C (60:40:0) w/ yield 2.12 cuft/sk @ 12.5 ppg. Tail w/ 100 sx Class C w/ yield 1.34 cuft/sk @ 14.8 ppg. TOC @ 4100' (25% excess).

Please see attachment for additional details.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #344947 verified by the BLM Well Information System
For MEWBOURNE OIL COMPANY, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 07/18/2016 (16PP0916SE)

Name *(Printed/Typed)* ANDREW TAYLOR — Title ENGINEER

Signature (Electronic Submission) — Date 07/18/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ~~(BLM Approver Not Specified)~~ Mustafa Haque — Title PETROLEUM ENGINEER — Date 08/12/2016

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**Mewbourne Oil Company**
LEASE NO.:	**NMNM-128928**
WELL NAME & NO.:	**Red Hills West Unit 14H**
SURFACE HOLE FOOTAGE:	**0200' FSL & 0690' FWL**
BOTTOM HOLE FOOTAGE	**0330' FNL & 0330' FWL**
LOCATION:	**Section 09, T. 26 S., R 32 E., NMPM**
COUNTY:	**Lea County, New Mexico**

A. CASING

All previous COAs still apply except the following:

1. The minimum required fill of cement behind the **7** inch production casing is:

Operator has proposed DV tool at depth of 5600', but will adjust cement proportionately if moved. 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.

a. First stage to DV tool:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage. **Excess calculates to 24% - Additional cement might be required.**

b. Second stage above DV tool:

☒ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

MHH 08122016

Mewbourne Oil Company, Red Hills West Unit #014H
Sec 9, T26S, R32E
SL: 200' FSL & 690' FWL
BHL: 330' FNL & 330' FWL

1. Geologic Formations

TVD of target	11934'	Pilot hole depth	NA
MD at TD:	16515'	Deepest expected fresh water:	250'

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface		
Rustler	910	Water	
Top of Salt	1240	Salt	
Castile			
Base Salt	4180	Barren	
Lamar	4410	Oil/Gas	
Bell Canyon			
Cherry Canyon			
Manzanita Marker	5600		
Brushy Canyon			
Bone Spring	8450	Oil/Gas	
1st Bone Spring Sand			
2nd Bone Spring Sand			
3rd Bone Spring Sand			
Abo			
Wolfcamp	11770	Target Zone	
Devonian			
Fusselman			
Ellenburger			
Granite Wash			

*H2S, water flows, loss of circulation, abnormal pressures, etc.

Mewbourne Oil Company, Red Hills West Unit #014H
Sec 9, T26S, R32E
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BHL: 330' FNL & 330' FWL

2. **Casing Program** → SEE COA

Hole Size	Casing Interval From	Casing Interval To	Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
17.5"	0'	~~960'~~ 1075'	13.375"	48	H40	STC	1.48	3.47	6.99
12.25"	0'	3400'	9.625"	36	J55	LTC	1.14	1.99	2.86
12.25"	3400'	4300'	9.625"	40	J55	LTC	1.15	1.77	14.44
8.75"	0'	11360'	7"	26	HCP110	LTC	1.32	1.69	2.35
8.75"	11360'	12261'	7"	26	HCP110	BTC	1.26	1.60	35.47
6.125"	11361'	16515'	4.5"	13.5	P110	LTC	1.72	2.00	4.87
BLM Minimum Safety Factor			1.125		1		1.6 Dry 1.8 Wet		

SEE COA

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?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
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 3rd 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 2nd 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?	

SEE COA

3. Cementing Program → SEE COA

Casing	# Sks	Wt. lb/ gal	Yld ft3/ sack	H_20 gal/ sk	500# Comp. Strength (hours)	Slurry Description
Surf.	505	12.5	2.12	11	10	Lead: Class C + 4.0% Bentonite + 0.6% CD-32 + 5% Sodium Chloride +0.25lb/sk Cello-Flake
	200	14.8	1.34	6.3	8	Class C + 0.005pps Static Free + 1% CaCl2 + 0.25 pps CelloFlake + 0.005 gps FP-6L
Inter.	670	12.5	2.12	11	10	Lead: Class C (35:65:4) + 5% Sodium Chloride +5#/sk LCM +0.25lb/sk Cello-Flake
	200	14.8	1.34	6.3	8	Tail: Class C + 0.25 lb/sk Cello Flake + 0.005 lb/sk Static Free
Prod. Stg 1	370	12.5	2.12	11	9	Lead: Class C (60:40:0) + 3% Sodium Chloride + 5#/sk LCM + 0.7% Sodium Metasillicate + 0.3% FL52A + 6% MPA5
	400	15.6	1.18	5.2	10	Tail: Class H + 0.65% FL-52 + 0.10% R-3 + 0.005 lb/sk Static Free
ECP/DV Tool @ 5600'						
Prod. Stg 2	75	12.5	2.12	11	10	Lead: Class C (60:40:0) + 3% Sodium Chloride + 5#/sk LCM + 0.7% Sodium Metasillicate + 0.3% FL52A + 6% MPA5
	100	14.8	1.34	6.3	8	Tail: Class C + 0.25 lb/sk Cello Flake + 0.005 lb/sk Static Free
Liner	205	11.2	2.97	17	16	Class C (60:40:0) +4% MPA5+1.2% BA10A+ 10#/sk BA90+ 5%A10+0.65%ASA301+1.5% SMS+1.2%R21

Low Cement SEE COA

Low Cement - SEE COA

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

Casing String	TOC	% Excess
Surface	0'	100%
Intermediate	0'	25%
Production	4100'	25%
Liner	11360'	25%