AFS-16-1162

OCD Hobbs

Form 3160-3
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD
FEB 19 2018
RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☑ DRILL ☐ REENTER	5. Lease Serial No. NMNM-0127A & Fee
	6. If Indian, Allotee or Tribe Name
	7. If Unit or CA Agreement, Name and No.
1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone	8. Lease Name and Well No. (320801) Salado Draw 9 W1BO Fed Com #2H
2. Name of Operator Mewbourne Oil Company (14744)	9. API Well No. 30-025-44897
3a. Address PO Box 5270 Hobbs, NM 88241 / 3b. Phone No. (include area code) 575-393-5905	10. Field and Pool, or Exploratory Red Hills Wolfcamp Gas (83600)
4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface 310' FNL & 2310' FEL, Sec 9 T26S R33E; At proposed prod. zone 330' FSL & 2310' FEL, Sec 9 T26S R33E	11. Sec., T. R. M. or Blk. and Survey or Area Sec 9 T26S R33E
14. Distance in miles and direction from nearest town or post office* 22 miles SW of Jal, NM	12. County or Parish Lea / 13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 310'	16. No. of acres in lease 320 / 17. Spacing Unit dedicated to this well 640
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 160' - Salado Draw 9 BO Fed Com #1H	19. Proposed Depth 12,319' - TVD 16,715' - MD / 20. BLM/BIA Bond No. on file NM-1693 Nationwide, NMB-000919
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3312' - GL	22. Approximate date work will start* 02/28/2016 / 23. Estimated duration 60 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature	Name (Printed/Typed) Bradley Bishop	Date 12/31/2015
Title		
Approved by (Signature) /s/Cody Layton	Name (Printed/Typed) FIELD MANAGER	Date FEB 14 2018
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval 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.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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.

(Continued on page 2)

*(Instructions on page 2)

Capitan Controlled Water Basin

KZ 02/19/18

REQUIRES NSL Order

Approval Subject to General Requirements & Special Stipulations Attached

SEE ATTACHED FOR CONDITIONS OF APPROVAL

United States Department of the Interior
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287

Statement Accepting Responsibility for Operations

Operator Name: Mewbourne Oil Company
Street or Box: P.O. Box 5270
City, State: Hobbs, New Mexico
Zip Code: 88241

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted of the leased land or portion thereof, as described below.

Lease Number: NMNM 0127A & Fee

Legal Description of Land: Section 9, T-26S, R-33E Lea County, New Mexico.
Location @ 310' FNL & 2310' FEL.

Formation (if applicable): Wolfcamp

Bond Coverage: $150,000

BLM Bond File: NM1693 Nationwide, NMB 000919

Authorized Signature: B. R. FOR RT

Name: Robin Terrell
Title: District Manager
Date: 12-31-15

Mewbourne Oil Company, Salado Draw 9 W1BO Fed Com #2H
Sec 9, T26S, R33E
SL: 310' FNL & 2310' FEL
BHL: 330' FSL & 2310' FEL

1. Geologic Formations

TVD of target	12319'	Pilot hole depth	NA
MD at TD:	16715'	Deepest expected fresh water:	150'

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface		
Rustler	919		
Top of Salt	1201		
Castile	3621	Barren	
Base of Salt	4746		
Lamar	4961	Oil	
Bell Canyon	5016		
Cherry Canyon	6074		
Manzanita Marker	6201		
Brushy Canyon	7544		
Bone Spring	8976	Oil/Gas	
1st Bone Spring Sand	9981		
2nd Bone Spring Sand	10551		
3rd Bone Spring Sand	11623		
Abo			
Wolfcamp	12073	Target Zone	
Devonian			
Fusselman			
Ellenburger			
Granite Wash			

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

Mewbourne Oil Company, Salado Draw 9 W1BO Fed Com #2H
Sec 9, T26S, R33E
SL: 310' FNL & 2310' FEL
BHL: 330' FSL & 2310' FEL

2. Casing Program

Hole Size	Casing Interval From	Casing Interval To	Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
17.5"	0'	~~945'~~ 960	13.375"	48	H40	STC	1.51	3.52	7.10
12.25"	0'	3453'	9.625"	36	J55	LTC	1.13	1.96	2.49
12.25"	3453'	4393'	9.625"	40	J55	LTC	1.13	1.73	9.08
12.25"	4393'	4885'	9.625"	40	N80	LTC	1.22	2.26	37.46
8.75"	0'	11746'	7"	26	HCP110	LTC	1.28	1.63	2.11
8.75"	11746'	12646'	7"	26	HCP110	BTC	1.24	1.59	35.47
6.125"	11746'	16715'	4.5"	13.5	P110	LTC	1.70	1.98	5.02
				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?	Y
If yes, are there two strings cemented to surface?	Y
(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?	

3. Cementing Program

Casing	# Sks	Wt. lb/ gal	Yld ft3/ sack	H_20 gal/ sk	500# Comp. Strength (hours)	Slurry Description
Surf.	500	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
Inter.	820	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.	490	12.5	2.12	11	9	Lead: 60:40:0 Class C + 15.00 lb/sk BA-90 + 4.00% MPS-5 + 3.00% SMS + 5.00% A-10 + 1.00% BA-10A + 0.80% ASA-301 + 2.90% R-21 + 8.00 lb/sk LCM-1 + 0.005 lb/sk Static Free
	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
Liner	210	11.2	2.97	18	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

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

Casing String	TOC	% Excess
Surface	0'	100%
Intermediate	0'	25%
Production	4685'	25%
Liner	11746'	25%

4. Pressure Control Equipment

	Variance: None

BOP installed and tested before drilling which hole?	Size?	System Rated WP	Type	✓	Tested to:
12-1/4"	13-5/8"	3M	Annular	X	1500#
			Blind Ram		
			Pipe Ram		
			Double Ram		
			Other*		
8-3/4"	13-5/8"	10M	Annular	X	5000#
			Blind Ram	X	10000#
			Pipe Ram	X	
			Double Ram		
			Other*		
6-1/8"	13-5/8"	10M	Annular	X	5000#
			Blind Ram	X	10000#
			Pipe Ram	X	
			Double Ram		
			Other*		

3m Syste

*Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

X	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.

Y	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.	
	N	Are anchors required by manufacturer?
N	A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. • Provide description here See attached schematic.	

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	~~945~~ 960	FW Gel	8.6-8.8	28-34	N/C
~~945~~	4885	Saturated Brine	10.0	28-34	N/C
4885	11746	Cut Brine	8.6-9.5	28-34	N/C
11746	16715	OBM	10.0-13.0	30-40	<10cc

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	Pason/PVT/Visual Monitoring

6. Logging and Testing Procedures

Logging, Coring and Testing.	
X	Will run GR/CNL from KOP (11746') to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.
	No Logs are planned based on well control or offset log information.
	Drill stem test? If yes, explain
	Coring? If yes, explain

Additional logs planned		Interval
X	Gamma Ray	11746'(KOP) to TD
	Density	
	CBL	
	Mud log	
	PEX	

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	5337 psi
Abnormal Temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers in surface hole. Weighted mud for possible over-pressure in Wolfcamp formation.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.	
	H2S is present
X	H2S Plan attached

8. Other facets of operation

Is this a walking operation? If yes, describe.
Will be pre-setting casing? If yes, describe.

Attachments
___ Directional Plan
___ Other, describe

11" 3M BOPE & Closed Loop Equipment Schematic

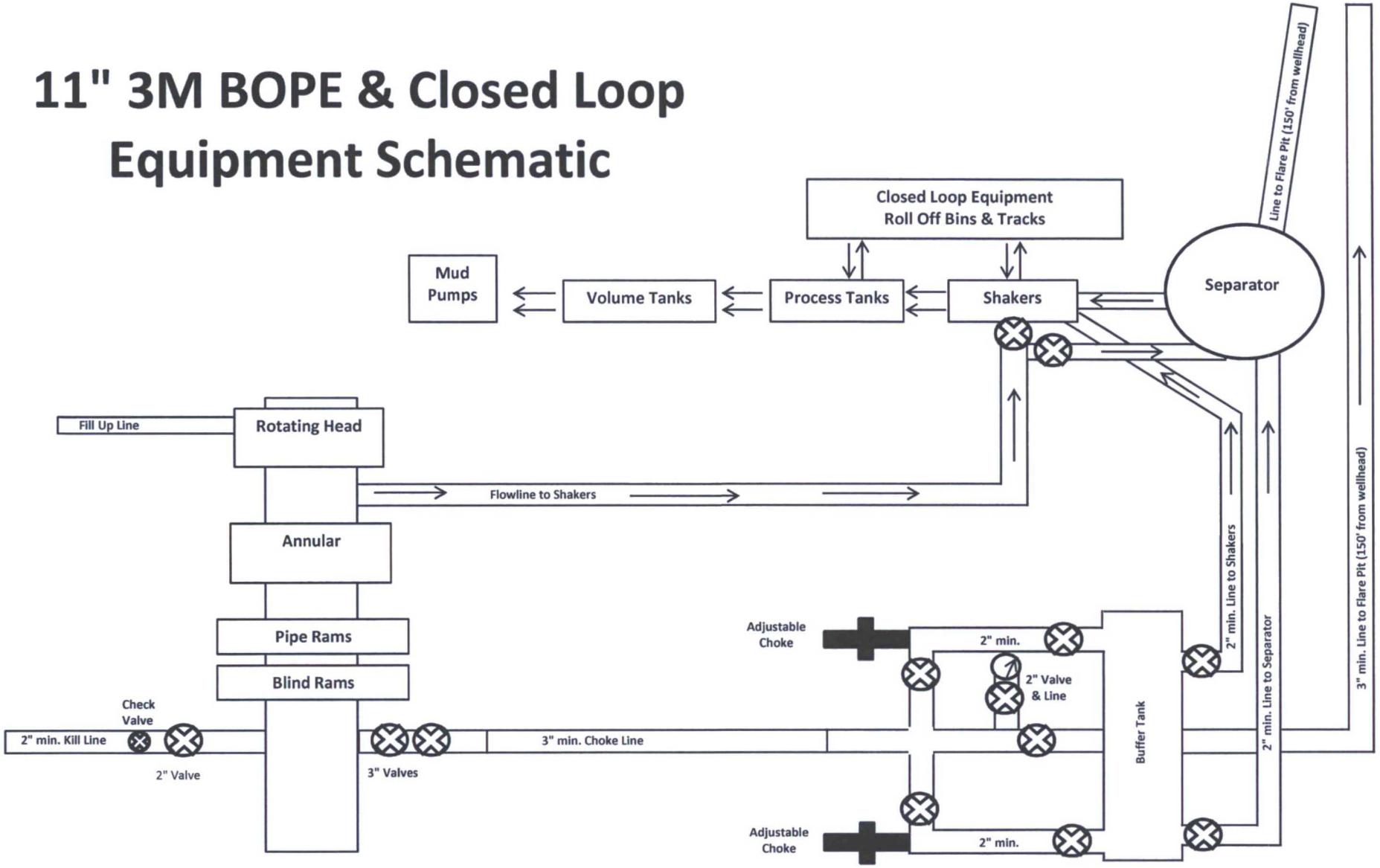


Exhibit 2

Well Name: Salado Draw 9 W1BO Fed Com #2H

Note: All valves & lines on choke manifold are 3" unless otherwise noted. Exact manifold configuration may vary.

10M BOPE & Closed Loop Equipment Schematic

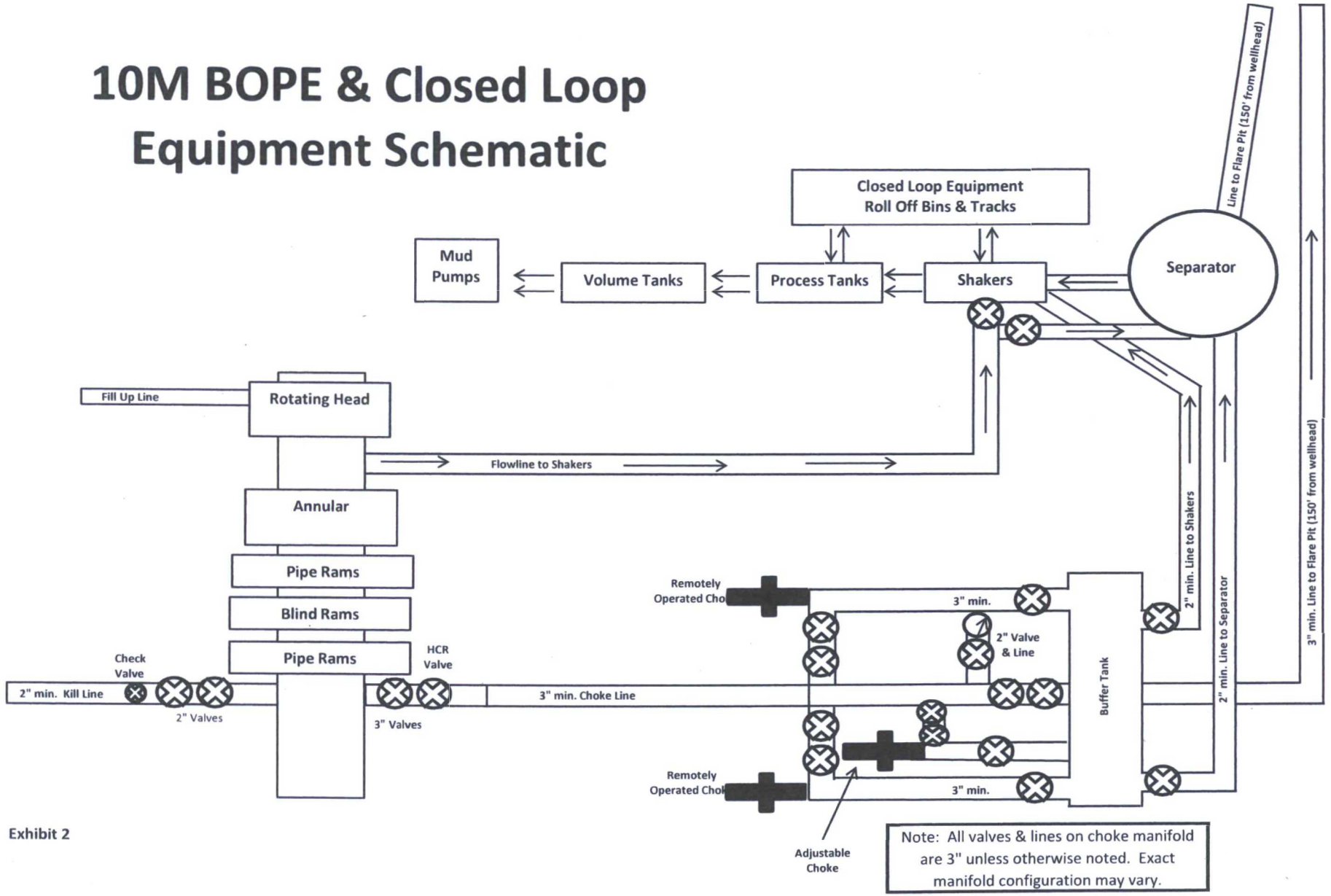


Exhibit 2

ENGINEERING & SERVICES

GATES E & S NORTH AMERICA, INC.
134 44TH STREET
CORPUS CHRISTI, TEXAS 78405

PHONE: 361-887-9807
FAX: 361-887-0812
EMAIL: *Tim.Cantu@gates.com*
WEB: www.gates.com

10K CEMENTING ASSEMBLY PRESSURE TEST CERTIFICATE

Customer :	AUSTIN DISTRIBUTING	Test Date:	4/30/2015
Customer Ref. :	4060578	Hose Serial No.:	D-043015-7
Invoice No. :	500506	Created By:	JUSTIN CROPPER

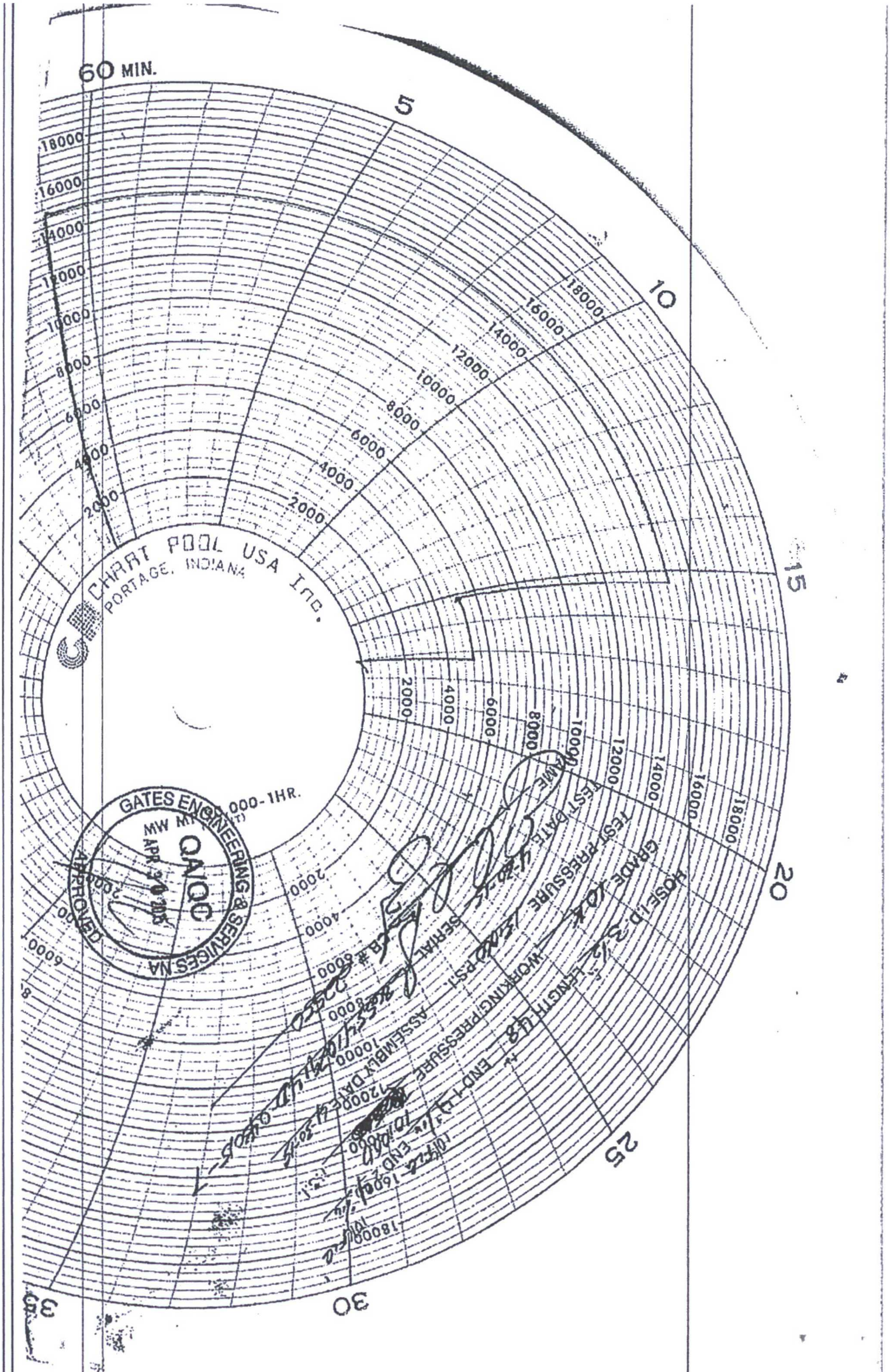
Product Description:	10K3.548.0CK4.1/1610KFLGE/E LE

End Fitting 1 :	4 1/16 10K FLG	End Fitting 2 :	4 1/16 10K FLG
Gates Part No. :	4773-6290	Assembly Code :	L36554102914D-043015-7
Working Pressure :	10,000 PSI	Test Pressure :	15,000 PSI

Gates E & S North America, Inc. certifies that the following hose assembly has been tested to the Gates Oilfield Roughneck Agreement/Specification requirements and passed the 15 minute hydrostatic test per API Spec 7K/Q1, Fifth Edition, June 2010, Test pressure 9.6.7 and per Table 9 to 15,000 psi in accordance with this product number. Hose burst pressure 9.6.7.2 exceeds the minimum of 2.5 times the working pressure per Table 9.

Quality Manager :	QUALITY	Produciton:	PRODUCTION
Date :	4/30/2015	Date :	4/30/2015
Signature :	Justin Cropper	Signature :	

Form-PTC - 01 Rev.0 2



60 MIN.
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CHART POOL USA Inc.
PORTAGE, INDIANA
GATES ENGINEERING & SERVICES NA
QA/QC
APPROVED
NAME
TEST DATE
TEST PRESSURE
WORKING PRESSURE
GRADE
HOSE I.D.
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END 2
SERIAL
ASSEMBLY DATE