Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.

HOBBS OCD
OCT 24 2018
RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMNM0127A

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
SALADO DRAW 9/16 W0AP FED COM 3H

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

9. API Well No.
30-025-44648-00-X1

3a. Address
P O BOX 5270
HOBBS, NM 88241

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

Carlsbad Field Office

10. Field and Pool or Exploratory Area
RED HILLS-WOLFCAMP, WEST (GAS)

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 9 T26S R33E NENE 330FNL 260FEL
32.064354 N Lat, 103.569557 W Lon

OCD Hobbs

11. County 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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original A PD
	☐ 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 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 requests approval to make the following changes to the approved APD:

1) Change casing & cement design as detailed in attachment.
2) Variance for use of 5M annular BOP on 10M BOPE stack

Please contact Andy Taylor with any questions.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #438045 verified by the BLM Well Information System
For MEWBOURNE OIL COMPANY, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 10/04/2018 (19PP0032SE)

Name *(Printed/Typed)* ANDY TAYLOR | Title ENGINEER

Signature (Electronic Submission) | Date 10/02/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ZOTA STEVENS | Title PETROLEUM ENGINEER | Date 10/18/2018

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.

(Instructions on page 2)

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

KZ

Mewbourne Oil Company, Salado Draw 9/16 W0AP Fed Com #3H
Sec 9, T26S, R33E
SL: 330' FNL & 260' FEL, Sec 9
BHL: 100' FSL & 990' FEL, Sec 16

Casing Program

Hole Size	Casing Interval		Csg. Size	Weight (lbs/ft)	Grade	Conn.	SF Collapse	SF Burst	SF Jt Tension	SF Body Tension
	From	To								
20"	0'	1010'	16"	65	H40	BTC	1.36	3.55	11.90	11.21
13.5"	0'	4930'	10.75"	45.5	HCL80	BTC	1.23	2.04	5.24	4.64
9.875"	0'	11,700'	7.625"	29.7	HCP110	LTC	1.18	1.56	2.21	2.71
6.5"	0'	22,316'	5.5"	23	P110	UFJ	1.74	1.74	1.71	2.57
BLM Minimum Safety Factor							1.125	1	1.6 Dry 1.8 Wet	1.6 Dry 1.8 Wet

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?	

Mewbourne Oil Company, Salado Draw 9/16 W0AP Fed Com #3H
Sec 9, T26S, R33E
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Cementing Program

A

;asing	# Sks	Wt. lb/ gal	Yld ft3/ sack	H_2O gal/ sk	500# Comp. Strength (hours)	Slurry Description
urf.	625	12.5	2.12	11	10	Lead: Class C + Salt + Gel + Extender + LCM
	200	14.8	1.34	6.3	8	Tail: Class C + Retarder
nter.	1100	12.5	2.12	11	10	Lead: Class C + Salt + Gel + Extender + LCM
	200	14.8	1.34	6.3	8	Tail: Class C + Retarder
rod. tg 1	475	12.5	2.12	11	9	Lead: Class C + Gel + Retarder + Defoamer + Extender
	400	15.6	1.18	5.2	13	Tail: Class H + Retarder + Fluid Loss + Defoamer
ECP/DV Tool @ 6227'						
rod. tg 2	130	12.5	2.12	11	16	Lead: Class C + Gel + Retarder + Defoamer + Extender
	100	14.8	1.34	6.3	8	Tail: Class C + Retarder
iner	415	11.2	2.97	18	16	Class C + Salt + Gel + Fluid Loss + Retarder + Dispersant + Defoamer + Anti-Settling Agent

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	4730'	25%
Liner	10,800'	25%

Mewbourne Oil Company, Salado Draw 9/16 W0AP Fed Com #3H
Sec 9, T26S, R33E
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Pressure Control Equipment

Y	Variance: A variance is requested for use of a 5000 psi annular BOP with the 10,000 psi BOP stack. Please see attached description and procedure.

BOP installed and tested before drilling which hole?	Size?	System Rated WP	Type	✓	Tested to:
13-1/2"	13-5/8"	3M	Annular	X	1500#
			Blind Ram	X	3000#
			Pipe Ram	X	
			Double Ram		
			Other*		
12-1/4"	13-5/8"	10M	Annular	X	5000#
			Blind Ram	X	10,000#
			Pipe Ram	X	
			Double Ram		
			Other*		

*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?

WOAP 3H

Mewbourne Oil Company, Salado Draw 9/16 ~~W1AP~~ Fed Com #~~2H~~
Sec 9, T26S, R33E
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Y	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

TVD		Type	Weight (ppg)	Viscosity	Water Loss
From	**To**				
0	1010	FW Gel	8.6-8.8	28-34	N/C
1010	4930	Saturated Brine	10.0	28-34	N/C
4930	11,900	Cut Brine	8.6-10.0	28-34	N/C
11,900	12,629	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 (12,000') 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	12,000' (KOP) to TD
	Density	
	CBL	
	Mud log	
	PEX	

TUBULAR PARAMETERS

Nominal OD, (inch)	5.500
Wall Thickness, (inch)	0.415
Pipe Grade	P110
Drift	Standard

CONNECTION PARAMETERS

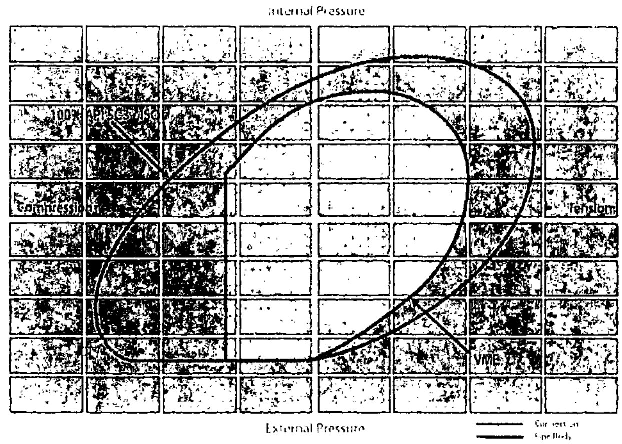
Connection OD (inch)	5.50
Connection ID, (inch)	4.667
Make-Up Loss, (inch)	4.126
Connection Critical Area, (sq inch)	2.908
Yield Strength in Tension, (klbs)	484
Yeld Strength in Compression, (klbs)	478
Tension Efficiency	66%
Compression Efficiency	66%
Min. Internal Yield Pressure, (psi)	14 530
Collapse Pressure, (psi)	14 540
Uniaxial Bending (deg/100ft)	61.0

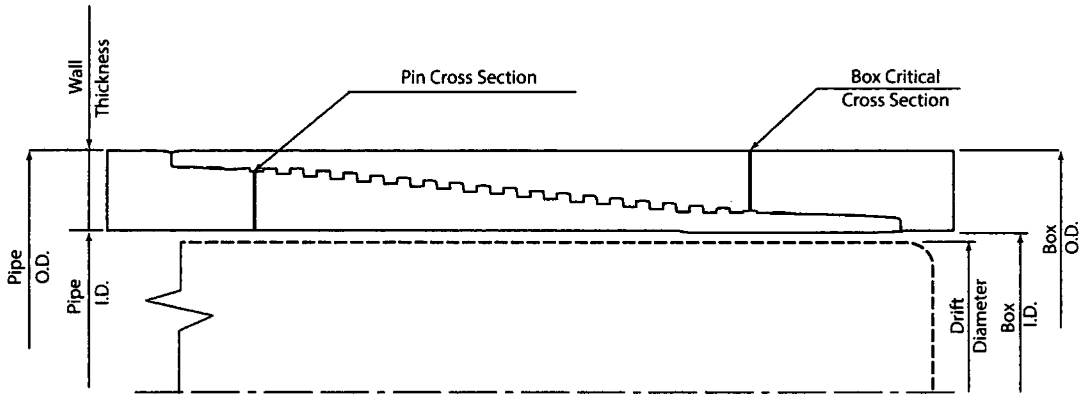
MAKE-UP TORQUES

Yield Torque, (ft-lb)	17 500
Minimum Make-Up Torque, (ft-lb)	9 800
Optimum Make-Up Torque, (ft-lb)	10 900
Maximum Make-Up Torque, (ft-lb)	12 000

PIPE BODY PROPERTIES

PE Weight, (lbs/ft)	22.54
Nominal Weight, (lbs/ft)	23.00
Nominal ID, (inch)	4.670
Drift Diameter, (inch)	4.545
Nominal Pipe Body Area, (sq inch)	6.630
Yield Strength in Tension, (klbs)	729
Min. Internal Yield Pressure, (psi)	14 530
Collapse Pressure, (psi)	14 540





NOTE: The content of this Technical Data Sheet is for general information only and does not guarantee performance or imply fitness for a particular purpose, which only a competent drilling professional can determine considering the specific installation and operation parameters. This information supersedes all prior versions for this connection. Information that is printed or downloaded is no longer controlled by TMK and might not be the latest information. Anyone using the information herein does so at their own risk. To verify that you have the latest technical information, please contact PAO "TMK" Technical Sales in Russia (Tel: +7 (495) 775-76-00, Email: techsales@tmk-group.com) and TMK IPSCO in North America (Tel: +1 (281)949-1044, Email: techsales@tmk-ipsco.com)

Print date: 10/18/2018 23:06

5,000 PSI Annular BOP Variance Request

Mewbourne Oil Company request a variance to use a 5000 psi annular BOP with a 10,000 psi BOP stack. The component and compatibility tables along with the general well control plans demonstrate how the 5000 psi annular BOP will be protected from pressures that exceed its rated working pressure (RWP). The pressure at which the control of the wellbore is transferred from the annular preventer to another available preventer will not exceed 3500 psi (70% of the RWP of the 5000 psi annular BOP).

1. Component and Preventer Compatibility Tables

The tables below outline the tubulars and the compatible preventers in use. This table, combined with the drilling fluid, documents that two barriers to flow will be maintained at all times.

12-1/4" Intermediate Hole Section 10M psi Requirement					
Component	**OD**	**Primary Preventer**	**RWP**	**Alternate Preventer(s)**	**RWP**
Drillpipe	5.000" or 4.500"	Annular	5M	Upper 3.5"-5.5" VBR Lower 3.5"-5.5" VBR	10M 10M
HWDP	5.000" or 4.500"	Annular	5M	Upper 3.5"-5.5" VBR Lower 3.5"-5.5" VBR	10M 10M
Jars	6.500"	Annular	5M	-	-
DCs and MWD tools	6.500"-8.000"	Annular	5M	-	-
Mud Motor	8.000"-9.625"	Annular	5M	-	-
Intermediate Casing	10.75"	Annular	5M	-	-
Open-Hole	-	Blind Rams	10M	-	-

9-7/8" Production Hole Section 10M psi Requirement					
Component	**OD**	**Primary Preventer**	**RWP**	**Alternate Preventer(s)**	**RWP**
Drillpipe	5.000" or 4.500"	Annular	5M	Upper 3.5"-5.5" VBR Lower 3.5"-5.5" VBR	10M 10M
HWDP	5.000" or 4.500"	Annular	5M	Upper 3.5"-5.5" VBR Lower 3.5"-5.5" VBR	10M 10M
Jars	6.500"	Annular	5M	-	-
DCs and MWD tools	6.500"-8.000"	Annular	5M	-	-
Mud Motor	6.750"-8.000"	Annular	5M	-	-
Production Casing	7.625"	Annular	5M	-	-

Open-Hole	-	Blind Rams	10M	-	-

6-1/8" Lateral Hole Section 10M psi Requirement					
Component	**OD**	**Primary Preventer**	**RWP**	**Alternate Preventer(s)**	**RWP**
Drillpipe	4.500"	Annular	5M	Upper 3.5"-5.5" VBR Lower 3.5"-5.5" VBR	10M 10M
HWDP	4.500"	Annular	5M	Upper 3.5"-5.5" VBR Lower 3.5"-5.5" VBR	10M 10M
DCs and MWD tools	4.750"- 5.500"	Annular	5M	Upper 3.5"-5.5" VBR Lower 3.5"-5.5" VBR	10M 10M
Mud Motor	4.750"- 5.500"	Annular	5M	Upper 3.5"-5.5" VBR Lower 3.5"-5.5" VBR	10M 10M
Production Casing	5.500"	Annular	5M	Upper 3.5"-5.5" VBR Upper 3.5"-5.5" VBR	10M 10M
Open-Hole	-	Blind Rams	10M	-	-

VBR = Variable Bore Ram

2. Well Control Procedures

Below are the minimal high-level tasks prescribed to assure a proper shut-in while drilling, tripping, running casing, pipe out of the hole (open hole), and moving the BHA through the BOPs. At least one well control drill will be performed weekly per crew to demonstrate compliance with the procedure and well control plan. The well control drill will be recorded in the daily drilling log. The type of drill will be determined by the ongoing operations, but reasonable attempts will be made to vary the type of drill conducted (pit, trip, open hole, choke, etc.). This well control plan will be available for review by rig personnel in the Mewbourne Oil Company drilling supervisor's office on location and on the rig floor. All BOP equipment will be tested as per Onshore O&G Order No. 2 with the exception of the 5000 psi annular which will be tested to 70% of its RWP.

General Procedure While Drilling

1. Sound alarm (alert crew)
2. Space out drill string
3. Shut down pumps (stop pumps and rotary)
4. Shut-in well (uppermost applicable BOP, typically annular preventer, first. HCR & choke will already be in the closed position.)

5. Confirm shut-in
6. Notify toolpusher/company representative
7. Read and record the following:
    a. SIDPP & SICP
    b. Pit gain
    c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach 70% or greater of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.

General Procedure While Tripping

1. Sound alarm (alert crew)
2. Stab full-opening safety valve & close
3. Space out drill string
4. Shut-in well (uppermost applicable BOP, typically annular preventer, first. HCR & choke will already be in the closed position.)
5. Confirm shut-in
6. Notify toolpusher/company representative
7. Read and record the following:
    a. SIDPP & SICP
    b. Pit gain
    c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach 70% of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.

General Procedure While Running Production Casing

1. Sound alarm (alert crew)

2. Stab crossover and full-opening safety valve and close
3. Space out string
4. Shut-in well (uppermost applicable BOP, typically annular preventer, first. HCR & choke will already be in the closed position.)
5. Confirm shut-in
6. Notify toolpusher/company representative
7. Read and record the following:
    a. SIDPP & SICP
    b. Pit gain
    c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach 70% or greater of the RWP of the annular preventer, confirm spacing and close the upper variable bore rams.

<u>General Procedure With No Pipe In Hole (Open Hole)</u>

1. Sound alarm (alert crew)
2. Shut-in with blind rams (HCR & choke will already be in the closed position)
3. Confirm shut-in
4. Notify toolpusher/company representative
5. Read and record the following:
    a. SICP
    b. Pit gain
    c. Time
6. Regroup and identify forward plan

<u>General Procedures While Pulling BHA Through Stack</u>

1. PRIOR to pulling last joint of drillpipe through stack:
    a. Perform flow check. If flowing, continue to (b).
    b. Sound alarm (alert crew)
    c. Stab full-opening safety valve and close
    d. Space out drill string with tool joint just beneath the upper variable bore rams
    e. Shut-in using upper variable bore rams (HCR & choke will already be in the closed position)
    f. Confirm shut-in
    g. Notify toolpusher/company representative
    h. Read and record the following:
        i. SIDPP & SICP
        ii. Pit gain
        iii. Time
    i. Regroup and identify forward plan
2. With BHA in the stack and compatible ram preventer and pipe combination immediately available:
    a. Sound alarm (alert crew)
    b. Stab crossover and full-opening safety valve and close
    c. Space out drill string with upset just beneath the upper variable bore rams
    d. Shut-in using upper variable bore rams (HCR & choke will already be in the closed position)
    e. Confirm shut-in
    f. Notify toolpusher/company representative
    g. Read and record the following:
        i. SIDPP & SICP
        ii. Pit gain

iii. Time

h. Regroup and identify forward plan

3. With BHA in the stack and NO compatible ram preventer and pipe combination immediately available:

   a. Sound alarm (alert crew)

   b. If possible, pull string clear of the stack and follow "Open Hole" procedure.

   c. If impossible to pull string clear of the stack:

   d. Stab crossover, make up one joint/stand of drillpipe and full-opening safety valve and close

   e. Space out drill string with tooljoint just beneath the upper variable bore ram

   f. Shut-in using upper variable bore ram (HCR & choke will already be in the closed position)

   g. Confirm shut-in

   h. Notify toolpusher/company representative

   i. Read and record the following:

      i. SIDPP & SICP

      ii. Pit gain

      iii. Time

   j. Regroup and identify forward plan

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**Mewbourne Oil Company**
LEASE NO.:	**NMNM0000127A**
WELL NAME & NO.:	**3H-Salado Draw 9/16 W0AP Fed Com**
SURFACE HOLE FOOTAGE:	**330'/N & 260'/E**
BOTTOM HOLE FOOTAGE	**330'/S & 990/E; Sec. 16**
LOCATION:	**Section 9, T.26 S., R.33 E., NMPM**
COUNTY:	**Lea County, New Mexico**

COA

All COA still apply expect the following:

H2S	● Yes	○ No	
Potash	● None	○ Secretary	○ R-111-P
Cave/Karst Potential	○ Low	● Medium	○ High
Variance	○ None	● Flex Hose	○ Other
Wellhead	○ Conventional	● Multibowl	○ Both
Other	☐ 4 String Area	☐ Capitan Reef	☐ WIPP

A. Hydrogen Sulfide

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Delaware** formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

1. The **16** inch surface casing shall be set at approximately **1010** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

    b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)

    c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the **10 3/4** inch **1st** intermediate is:
   - Cement to surface. If cement does not circulate see B.1.a, c-d above. **Additional cement maybe required. Excess calculates to 24%.**

   ❖ In <u>Medium/High Cave/Karst Areas</u> if cement does not circulate to surface on the first two casing strings , the cement on the 3rd casing string must come to surface.

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3. The minimum required fill of cement behind the **7-5/8** inch **2nd** intermediate casing is:
   Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

   a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.

   b. Second stage above DV tool:Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

4. The minimum required fill of cement behind the **5-1/2** inch production casing is:
   - Cement should tie-back 200' into the previous casing. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).

2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.

3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9-5/8** intermediate casing shoe shall be **5000 (5M)** psi.

4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **7** intermediate casing shoe shall be **10,000 (10M)** psi.

Variance approved to use a 5M annular. The annular must be tested to full working pressure (5000 psi.).

SPECIAL REQUIREMENTS

Communitization Agreement

- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

a. Spudding well (minimum of 24 hours)
b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
c. BOPE tests (minimum of 4 hours)

☒ Lea County
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
   a. **Operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).**
   b. When the operator proposes to set surface casing with Spudder Rig
      - Notify the BLM when moving in and removing the Spudder Rig.
      - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
      - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.

2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

3. The record of the drilling rate along with the GR/N.well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

6. **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. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.**

7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.

4. **If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:**
    a. **Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.**
    b. **If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.**
    c. **Manufacturer representative shall install the test plug for the initial BOP test.**

d. **If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.**
e. **Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.**

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

   a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

   b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).

   c. The tests shall be done by an independent service company utilizing a test plug. The results of the test shall be reported to the appropriate BLM office.

   d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

   e. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

   f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes. This test shall be performed prior to the test at full stack pressure.

   g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

Waste Minimization Plan (WMP)

In the interest of resource development, submission of additional well gas capture development plan information is deferred but may be required by the BLM Authorized Officer at a later date.

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Mewbourne 12-55 438045 10182018 ZS

16 **surface csg in a** **20** **inch hole.** **Design Factors** **SURFACE**

Segment	#/ft	Grade	Coupling	Body	Collapse	Burst	Length	Weight
"A"	65.00	H 40	BUTT	11.22	1.36	0.64	1,010	65,650
"B"							0	0

w/8.4#/g mud, 30min Sfc Csg Test psig: 707 Tail Cmt does not circ to sfc. Totals: 1,010 65,650

Comparison of Proposed to Minimum Required Cement Volumes

Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
20	0.7854	825	1593	988	61	8.80	1476	2M	1.50

Burst Frac Gradient(s) for Segment(s) A, B = , b All > 0.70, OK.

10 3/4 **casing inside the** **16** **Design Factors** **INTERMEDIATE**

Segment	#/ft	Grade	Coupling	Body	Collapse	Burst	Length	Weight
"A"	45.50	HCL 80	BUTT	4.64	1.22	0.86	4,930	224,315
"B"							0	0

w/8.4#/g mud, 30min Sfc Csg Test psig: Totals: 4,930 224,315

The cement volume(s) are intended to achieve a top of 0 ft from surface or a 1010 overlap.

Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
13 1/2	0.3637	1300	2600	2094	24	10.00	3504	5M	0.88

Burst Frac Gradient(s) for Segment(s): A, B, C, D = 1.06, b, c, d All > 0.70, OK. **ALT. BURST SF IS GOOD.**

7 5/8 **casing inside the** **10 3/4** **Design Factors** **INTERMEDIATE**

Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight
"A"	29.70	HCP 110	LT&C	2.21	1.18	1.14	11,700	347,490
"B"							0	0

w/8.4#/g mud, 30min Sfc Csg Test psig: 2,574 Totals: 11,700 347,490

The cement volume(s) are intended to achieve a top of 4730 ft from surface or a 200 overlap.

Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
9 7/8	0.2148	look ↘	0	1510		10.00	5578	10M	0.69

Setting Depths for D V Tool(s): 6227 — sum of sx: 1105 — Σ CuFt: 1889 — Σ%excess: 25

% excess cmt by stage: 25 27

MASP is within 10% of 5000psig, need exrta equip?

Tail cmt

5 1/2 **casing inside the** **7 5/8** **A Buoyant** **Design Factors** **PRODUCTION**

Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight
"A"	23.00	P 110	UFJ	2.47	1.83	1.76	11,772	270,756
"B"	23.00	P 110	UFJ	4.74	1.61	1.76	10,544	242,512

w/8.4#/g mud, 30min Sfc Csg Test psig: 2,590 Totals: 22,316 513,268

B Segment Design Factors would be: 43.48 1.76 if it were a vertical wellbore.

	MTD	Max VTD	Csg VD	Curve KOP	Dogleg°	Severity°	MEOC
No Pilot Hole Planned	22316	12250	12250	11772	90	11	12567

The cement volume(s) are intended to achieve a top of 11500 ft from surface or a 200 overlap.

Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
6 1/2	0.0654	415	1233	718	72	13.00			0.50

Class 'H' tail cmt yld > 1.20 Capitan Reef est top XXXX. MASP is within 10% of 5000psig, need exrta equip?