

Submit 3 Copies To Appropriate District
Office
District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

RECEIVED

CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025- 38546 38625
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V4254-3
7. Lease Name or Unit Agreement Name Paloma 20 State Com
8. Well Number 1
9. OGRID Number 14744
10. Pool name or Wildcat Osudo Morrow North 82160

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

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

2. Name of Operator
Mewbourne Oil Company

3. Address of Operator
PO Box 5270 Hobbs, NM 88241

4. Well Location
Unit Letter P : 660 feet from the S line and 660 feet from the E line
Section 20 Township 20S Range 36E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3622' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☒
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

06/13/08 Spud 17 1/2" hole. Ran 510' 13 3/8" 40# K55 ST&C csg. Cemented with 550 sks Class "C" with additives. Mixed @ 14.8 #/g w/ 1.34 yd. Circ 85 sks to pits. WOC 18 hrs. At 2:00 am on 06/15/08, tested 13 3/8" casing to 1250# for 30 minutes, held OK. Drilled out with 12 1/4" bit.

07/26/08 TD'ed 12 1/4" hole @ 3521' Ran 3521' 9 3/8" 40# N80/K55 LT&C Csg. Cemented with 800 sks BJ Lite Class "C" (35:65:4) with additives. Mixed @ 12.4 #/g w/ 2.05 yd. Tail with 400 sks Class "C" with additives. Mixed @ 14.8 #/g w/ 1.34 yd. Circ 95 sks to pit. WOC 18 hrs. Tested BOPE to 5000# & annular to 2500#. At 2:30 pm on 06/28/08, tested casing to 1500# for 30 minutes, held OK. Tested formation to 12.5 MWE. Charts and schematic attached. Drilled out with 8 3/4" bit.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Jackie Lathan TITLE Hobbs Regulatory DATE 07/07/08

Type or print name Jackie Lathan

E-mail address jlathan@mewbourne.com

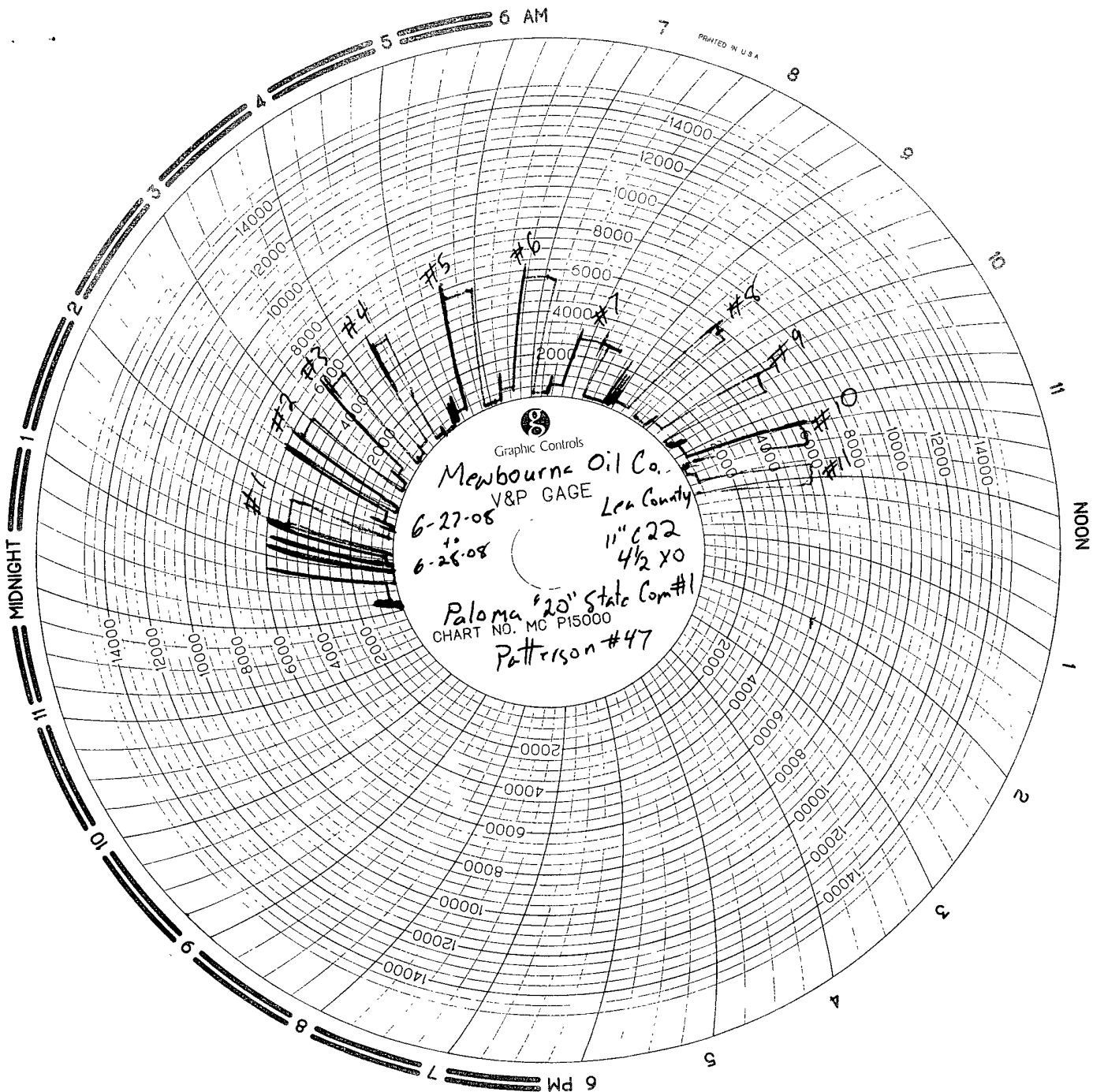
Telephone No. 575-393-5905

For State Use Only

APPROVED BY: Chris Williams
Conditions of Approval (if any):

OC DISTRICT SUPERVISOR/GENERAL MANAGER
TITLE _____

DATE JUL 25 2008



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JUN 17 1908

HOBBS OGD



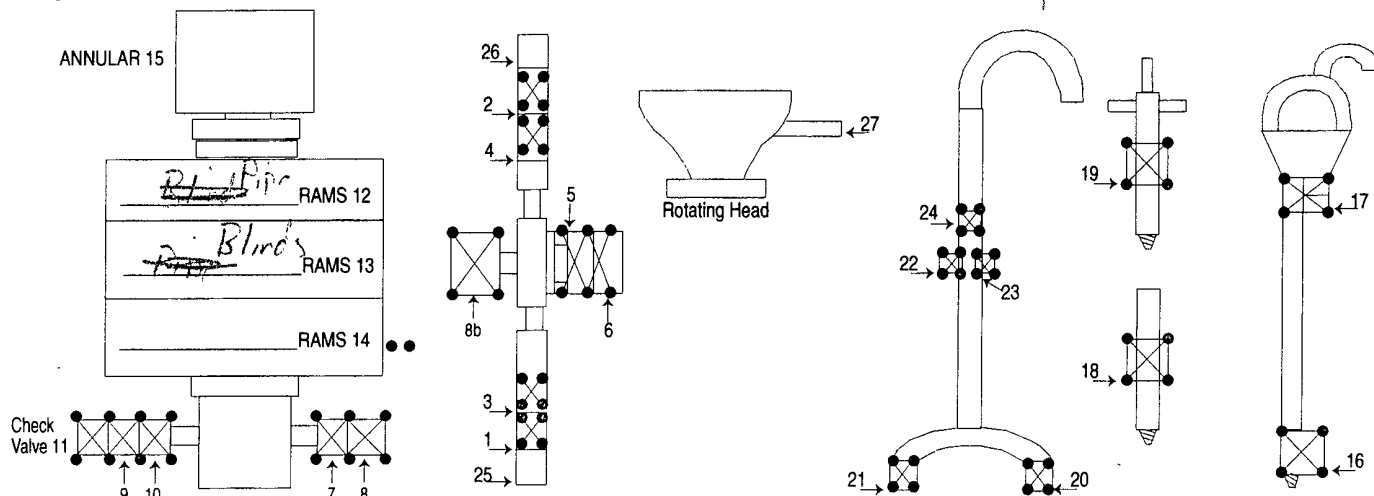
MAN
WELDING SERVICES

WELDING • BOP TESTING •
NIPPLE UP SERVICE • BOP LIFTS • TANDEM
MUD AND GAS SEPARATORS
Grand Junction, CO 970-241-4540
Lovington, NM 575-396-4540

INVOICE

B 8896

Company Melbourne Oil Co. Date 6-27-08 Start Time 9:00 ☐ am ☒ pm
Lease Paloma "20" State Com # 1 County Lea State NM
Company Man Lisa Stet
Wellhead Vendor _____ Tester Chris Sandoval
Drig. Contractor Patterson Rig # 47
Tool Pusher _____
Plug Type C22 Plug Size 11" Drill Pipe Size 4 1/2 XO
Casing Valve Opened Yes Check Valve Open Yes



TEST #	ITEMS TESTED	TEST LENGTH	LOW PSI	HIGH PSI	REMARKS
1	13, 11, 2, 6, 25	5' 10" / 10 min	250	5,000	2' 4" Leaked & Sealed above
2	13, 9, 1, 26, 5	" "	250	5,000	the well head
3	13, 10, 3, 5, 4	" "	250	5,000	
4	12, 10, 7,	" "	250	5,000	
5	12, 10, 8	" "	250	5,000	
6	12, 10, 8b	" "	250	5,000	
7	15, 10, 8	" "	250	2,500	
8	18	" "	250	5,000	
9	16	" "	250	5,000	
10	17	" "	250	5,000	
11	18	" "	250	5,000	

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HOBBS OGD

8 HR@ \$1,200
1 HR@ 400
Mileage 12.0 @ \$1.50 = \$180

SUB TOTAL \$1,280
TAX \$18.80
TOTAL \$1,348.80

MAN WELDING SERVICES, INC

Company Membrane Oil Co. Date 6-27-08

Lease Paloma "20" site #1 County Lee

Drilling Contractor Pathman #47 Plug & Drill Pipe Size 11" C22, 4 1/2 x 0

Accumulator Function Test - OO&GO#2

To Check - USABLE FLUID IN THE NITROGEN BOTTLES (III.A.2.c.i. or ii or iii)

- Make sure all rams and annular are open and if applicable HCR is closed.
- Ensure accumulator is pumped up to working pressure! **(Shut off all pumps)**
 1. Open HCR Valve. (If applicable)
 2. Close annular.
 3. Close **all** pipe rams.
 4. Open one set of the pipe rams to simulate closing the blind ram.
 5. For 3 ram stacks, open the annular to achieve the 50+ % safety factor. (5M and greater systems).
 6. **Record remaining pressure** 1750 psi. **Test Fails if pressure is lower than required.**
 - a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system }
 7. If annular is closed, open it at this time and close HCR.

To Check - PRECHARGE ON BOTTLES OR SPHERICAL (III.A.2.d.)

- Start with manifold pressure at, or above, maximum acceptable pre-charge pressure:
 - a. {800 psi for a 1500 psi system} b. {1100 psi for 2000 and 3000 psi system}
- 1. Open bleed line to the tank, slowly. **(gauge needle will drop at the lowest bottle pressure)**
 2. Close bleed line. Barely bump electric pump and see what pressure the needle jumps up to.
 3. **Record pressure drop** 1200 psi. **Test fails if pressure drops below minimum.**
- **Minimum:** a. {700 psi for a 1500 psi system} b. {900 psi for a 2000 & 3000 psi system}

To Check - THE CAPACITY OF THE ACCUMULATOR PUMPS (III.A.2.f.)

- Isolate the accumulator bottles or spherical from the pumps & manifold.
- Open the bleed off valve to the tank, {manifold psi should go to 0 psi} close bleed valve
 1. Open the HCR valve, {if applicable}
 2. Close annular
 3. With **pumps** only, time how long it takes to regain the required manifold pressure.
 4. **Record elapsed time** 5 sec. **Test fails if it takes over 2 minutes.**
 - a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system}

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Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-38546	38625
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6. State Oil & Gas Lease No. V4254-3	
7. Lease Name or Unit Agreement Name Paloma 20 State Com	
8. Well Number 1	
9. OGRID Number 14744	
10. Pool name or Wildcat Osudo Morrow North 82160	

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TEMPORARILY ABANDON ☐ CHANGE PLANS ☒

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: _____

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Mewbourne Oil Company has received an approved APD on the above captioned Well on 09/11/2007. This APD was approved for 17 1/2" hole for 13 3/8" csg set @ 600', 12 1/4" hole for 9 3/4" csg set @ 5300'. After further geological review, MOC would like to change the 13 3/8" csg setting depth to 500' and the 9 3/4" casing setting depth to 3550'. Plans are to drill 8 3/4" hole & set 7" 29# & 26# P110 csg @ 10400'. Drill out w/6" hole to 11500' & run 4 1/2" csg to surface.

If you have any questions, please call (575) 393-5905.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Jackie Lathan TITLE Hobbs Regulatory DATE 06/09/08

Type or print name Jackie Lathan

E-mail address: jlathan@mewbourne.com

Telephone No. 575-393-5905

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER

DATE JUN 09 2008

Conditions of Approval (if any):

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JUN 17 2008

HOBBS OCD

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JUN 09 2008

HOBBS OCD

MEWBOURNE OIL COMPANY
701 S. CECIL
PO BOX 5270
HOBBS, NM 88240
(575) 393-5905
(575) 397-6252 FAX

July 15, 2008

OIL CONSERVATION DIVISION
DISTRICT I
1625 FRENCH DRIVE
HOBBS, NM 88240

I have sent in the enclosed sundrys with the wrong API number. Please accept these corrected sundrys with the correct API number. Scan to the Paloma "20 State Com #1, API # 30-025-38625.

Thank you,

Jackie Lathan

Jackie Lathan
Hobbs Regulatory

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JUL 17 2008
HOBBS OCD