

OCOD-ARTESIA

ATS-10-496

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

SH

5. Lease Serial No.
LC-062052 & LC-029388D 8H

6. If Indian, Allottee or Tribe Name

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

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator Mewbourne Oil Company

8. Lease Name and Well No.
Tamano "11" Fed Com [38854]

9. API Well No.
#1H 30-015-39471

3a. Address PO BOX 5270
Hobbs, NM 88240

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

10. Field and Pool, or Exploratory
Tamano Bone Spring [58040]

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface 400' FNL & 330' FEL (Unit A)

At proposed prod zone 400' FNL & 330' FWL (Unit D)

11. Sec., T. R. M. or Blk. and Survey or Area
Sec. 11, T18S, R31E

14. Distance in miles and direction from nearest town or post office*
33 miles NE of Carlsbad, NM

12. County or Parish
Eddy

13. State
NM

15. Distance from proposed*
location to nearest
property or lease line, ft 330'
(Also to nearest drig. unit line, if any)

16. No. of acres in lease
160

17. Spacing Unit dedicated to this well
160

18. Distance from proposed location*
to nearest well, drilling, completed, 800'
applied for, on this lease, ft

19. Proposed Depth
12899' MD
8543' TVD

20. BLM/BIA Bond No. on file
NM1693, Nationwide

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3762' GL

22. Approximate date work will start*
09/27/11

23. Estimated duration
42 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 Brett Bednarz Name (Printed/Typed) Brett Bednarz Date 7-27-11

Title Petroleum Engineer

Approved by (Signature) /s/ Don Peterson Name (Printed/Typed) /s/ Don Peterson Date SEP 27 2011

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

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTAC

Drilling Program
Mewbourne Oil Company
 Tamano "11" Fed Com #1H
 400' FNL & 330' FEL (SHL)
 Sec 11-T18S-R31E
 Eddy County, New Mexico

1. The estimated tops of geological markers are as follows:

Rustler	830'
Top Salt	925'
Base Salt	2230'
Yates	2300'
*Queen	3240'
*Grayburg	3940'
San Andres	4120'
Delaware	4750'
*Bone Springs	5700'

2. Estimated depths of anticipated fresh water, oil, or gas:

Water	Fresh water is anticipated at 450' and will be protected by setting surface casing at 855' and by cementing to surface.
Hydrocarbons	Oil and gas are anticipated in the above (*) formations. These zones will be protected by casing as necessary.

3. Pressure control equipment:

A 2000# WP Annular will be installed after running 13 3/8" casing. A 3000# WP Double Ram BOP and 3000# WP Annular will be installed after running 9 5/8" & 7" casing. Pressure tests will be conducted prior to drilling out under all casing strings. BOP controls will be installed prior to drilling under surface casing and will remain in use until completion of drilling operations. BOP's will be inspected and operated as recommended in Onshore Order #2. A Kelly cock and a sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position when the Kelly is not in use. Will test the 7" & 9 5/8" BOPE to 3000# and the Annular to 1500# with a third party testing company before drilling below each shoe, but will test again, if needed, in 30 days from the 1st test as per BLM Onshore Oil and Gas Order #2.

4. MOC proposes to drill a vertical wellbore to 7950' & kick off to horizontal @ 8523' TVD. The well will be drilled to 12899' MD (8543' TVD). See attached directional plan.

5. Proposed casing and cementing program:

A. Casing Program:

Hole Size	Casing	Wt/Ft.	Grade	Depth	Jt Type
17 1/2"	13 3/8" (new)	48#	H40	0- 855 900	ST&C
12 1/4"	9 5/8" (new)	36#	J55	0'-2350'	ST&C
8 3/4"	7" (new)	26#	P110	0'-7950' MD	LT&C
8 3/4"	7" (new)	26#	P110	7950'-8847' MD	BT&C
6 1/8"	4 1/2" (new)	11.6#	P110	8647'-12899' MD	LT&C

Minimum casing design factors: Collapse 1.125, Burst 1.0, Tensile strength 1.8.

*Subject to availability of casing.

508
70A

B. Cementing Program:

- see COA
- i. Surface Casing: 890 sks Class "C" cement w/2% CaCl. Yield at 1.34 cuft/sk. Cmt circulated to surface w/100% excess..
 - ii. Intermediate Casing: 315 sacks Class "C" (35:65:4) light cement w/ salt & LCM additives. Yield @ 2.12 cuft/sk. 200 sacks Class "C" cement w/2% CaCl2. Yield at 1.18 cuft/sk. Cmt circulated to surface w/25% excess.
 - iii. Production Casing: 540 sacks Class "H" (35:65:4) light cement w/ salt, FL & LCM additives. Yield @ 2.12 cuft/sk. 400 sacks Class "H" cement w/ salt, FL & R3. Yield @ 1.18 cuft/sk. Cmt circulated to surface w/25% excess.
 - iii. Production Liner: This will be a Packer/Port completion from TD up inside 7" casing with packer type liner hanger.

*Referring to above blends of light cement: (wt% fly ash : wt% cement : wt% bentonite of the total of first two numbers). Generic names of additives are used since the availability of specific company and products are unknown at this time.

6. Mud Program:

<u>Interval</u>	<u>Type System</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0' - 855' 900	FW spud mud	8.6-9.0	32-34	NA
855' - 2350'	Brine water	10.0-10.2	28-30	NA
2350' - 7950' (KOP)	FW	8.5-8.7	28-30	NA
7950' - TD	FW w/Polymer	8.5-8.7	32-35	15

7. Evaluation Program: see COA

Samples: 10' samples from surface casing to TD
Logging: CN/GR & Gyro from KOP -100' (7850') to surface. GR from 7850' to TD.

8. Downhole Conditions

Zones of abnormal pressure: None anticipated
Zones of lost circulation: Anticipated in surface and intermediate holes
Maximum bottom hole temperature: 120 degree F
Maximum bottom hole pressure: 8.3 lbs/gal gradient or less

9. Anticipated Starting Date:

Mewbourne Oil Company intends to drill this well as soon as possible after receiving approval with approximately 40 days involved in drilling operations and an additional 10 days involved in completion operations on the project.



Mewbourne Oil Company

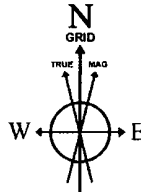
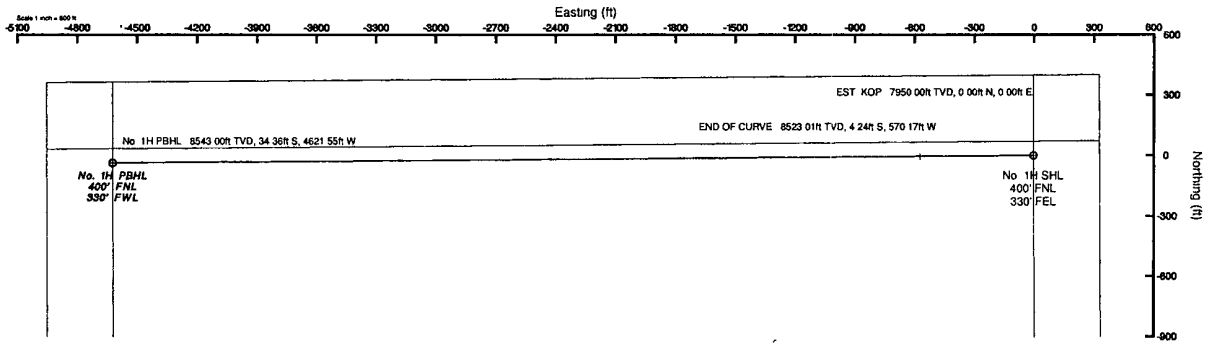
Mewbourne Oil Company

Location Eddy County, NM
Field: (Tamano) Sec 11, T18S, R31E
Facility Tamano 11 Fed Com No. 1H

Slot No. 1H SHL
Well No. 1H
Wellbore No. 1H PWB

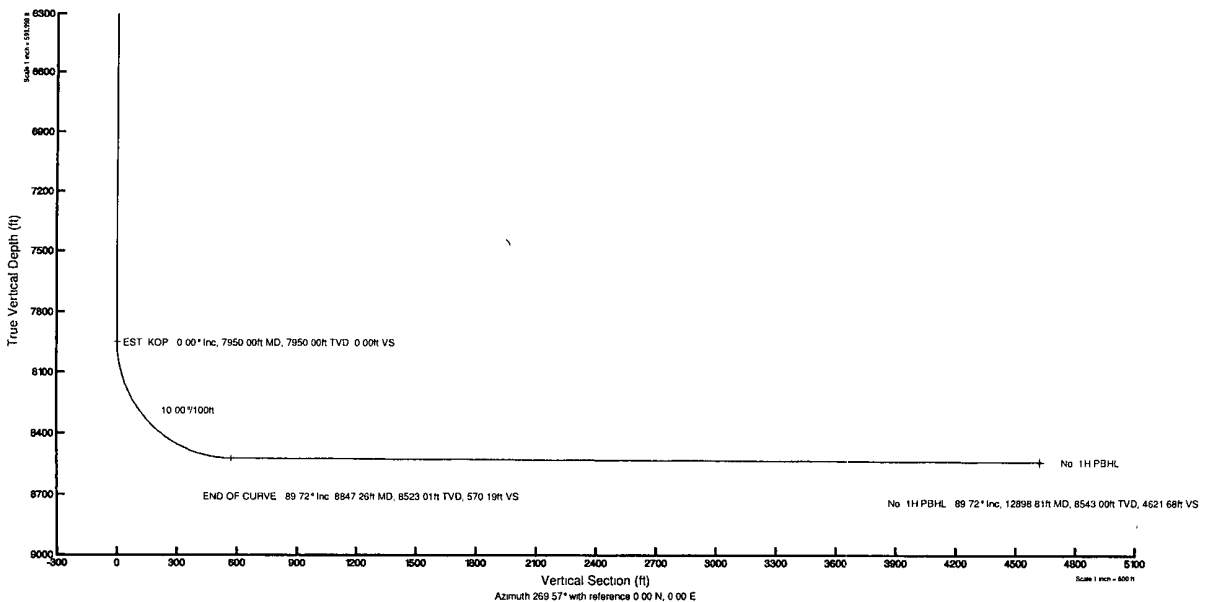
Well Profile Data

Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	0 00	0 000	269 574	0 00	0 00	0 00	0 00	0 00
EST KOP	7950 00	0 000	269 574	7950 00	0 00	0 00	0 00	0 00
END OF CURVE	8847 26	89 717	269 574	8523 01	-4 24	-570 17	10 00	570 19
No. 1H PBHL	12898.81	89 717	269.574	8543.00	-34 36	-4621 55	0 00	4621 68



BGGM (1945 0 to 2011 0) Dip: 60.69° Field: 49084 7 nT
Magnetic North is 7 92 degrees East of True North (at 5/24/2010)
Grid North is 0 27 degrees East of True North
To correct azimuth from True to Grid subtract 0 27 degrees
To correct azimuth from Magnetic to Grid add 7 65 degrees
For example if the Magnetic North Azimuth = 90 degs, then the Grid North Azimuth = 90 + 7.65 = 97.65

Plot reference wellpath is Plan #1	
True vertical depths are referenced to Rig on No. 1H SHL (KB)	Grid System: NAD27 / TM New Mexico State Planes, Eastern Zone (3001), US feet
Measured depths are referenced to Rig on No. 1H SHL (KB)	North Reference: Grid north
Rig on No. 1H SHL (KB) to Mean Sea Level: 3780 feet	Scale: True distance
Mean Sea Level to Mud line (Facility: Tamano 11 Fed Com No. 1H): -3762 feet	Depths are in feet
Coordinates are in feet referenced to Slot	Created by: Victor Hernandez on 5/25/2010



Planned Wellpath Report

 Mewbourne Oil Company

Plan #1
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REFERENCE WELLPATH IDENTIFICATION			
Operator	Mewbourne Oil Company	Slot	No. 1H SHL
Area	Eddy County, NM	Well	No. 1H
Field	(Tamano) Sec 11, T18S, R31E	Wellbore	No. 1H PWB
Facility	Tamano 11 Fed Com No. 1H		

REPORT SETUP INFORMATION			
Projection System	NAD27 / TM New Mexico State Planes, Eastern Zone (3001), US feet	Software System	WellArchitect® 2.0
North Reference	Grid	User	Victor Hernandez
Scale	0.999936	Report Generated	5/25/2010 at 2:01:46 PM
Convergence at slot	0.27° East	Database/Source file	WA_Midland/No._1H_PWB.xml

WELLPATH LOCATION						
	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	East[ft]	Easting[USft]	Northing[USft]	Latitude	Longitude
Slot Location	0.00	0.00	654049.35	643529.06	32°46'05.345"N	103°49'55.816"W
Facility Reference Pt			654049.35	643529.06	32°46'05.345"N	103°49'55.816"W
Field Reference Pt			654049.35	643529.06	32°46'05.345"N	103°49'55.816"W

WELLPATH DATUM			
Calculation method	Minimum curvature	Rig on No. 1H SHL (KB) to GL	18.00ft
Horizontal Reference Pt	Slot	Rig on No. 1H SHL (KB) to Mean Sea Level	3780.00ft
Vertical Reference Pt	Rig on No. 1H SHL (KB)	GL to Mud Line (Facility)	0.00ft
MD Reference Pt	Rig on No. 1H SHL (KB)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	269.57°

Planned Wellpath Report

Mewbourne Oil Company

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Field	(Tamano) Sec 11, T18S, R31E	Wellbore	No. 1H PWB
Facility	Tamano 11 Fed Com No. 1H		

WELLPATH DATA (53 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS [°/100ft]	Comments
0.00	0.000	269.574	0.00	0.00	0.00	0.00	654049.35	643529.06	32°46'05.345"N	103°49'55.816"W	0.00	Tie On
7950.00	0.000	269.574	7950.00	0.00	0.00	0.00	654049.35	643529.06	32°46'05.345"N	103°49'55.816"W	0.00	EST. KOP
8050.00†	9.999	269.574	8049.49	8.70	-0.06	-8.70	654040.65	643529.00	32°46'05.345"N	103°49'55.918"W	10.00	
8150.00†	19.998	269.574	8145.96	34.55	-0.26	-34.55	654014.80	643528.80	32°46'05.344"N	103°49'56.221"W	10.00	
8250.00†	29.997	269.574	8236.48	76.75	-0.57	-76.75	653972.60	643528.49	32°46'05.343"N	103°49'56.715"W	10.00	
8350.00†	39.996	269.574	8318.30	134.03	-1.00	-134.03	653915.33	643528.06	32°46'05.341"N	103°49'57.386"W	10.00	
8450.00†	49.995	269.574	8388.92	204.65	-1.52	-204.64	653844.72	643527.54	32°46'05.339"N	103°49'58.213"W	10.00	
8550.00†	59.994	269.574	8446.22	286.46	-2.13	-286.45	653762.92	643526.93	32°46'05.337"N	103°49'59.171"W	10.00	
8650.00†	69.993	269.574	8488.43	376.97	-2.80	-376.96	653672.42	643526.26	32°46'05.335"N	103°50'00.231"W	10.00	
8750.00†	79.992	269.574	8514.80	473.43	-3.52	-473.42	653575.96	643525.54	32°46'05.332"N	103°50'01.360"W	10.00	
8847.26	89.717	269.574	8523.01	570.19	-4.24	-570.17	653479.22	643524.82	32°46'05.330"N	103°50'02.493"W	10.00	END OF CURVE
8850.00†	89.717	269.574	8523.02	572.93	-4.26	-572.91	653476.48	643524.80	32°46'05.329"N	103°50'02.525"W	0.00	
8950.00†	89.717	269.574	8523.52	672.92	-5.00	-672.91	653376.49	643524.06	32°46'05.327"N	103°50'03.696"W	0.00	
9050.00†	89.717	269.574	8524.01	772.92	-5.75	-772.90	653276.50	643523.31	32°46'05.324"N	103°50'04.867"W	0.00	
9150.00†	89.717	269.574	8524.50	872.92	-6.49	-872.90	653176.51	643522.57	32°46'05.321"N	103°50'06.038"W	0.00	
9250.00†	89.717	269.574	8525.00	972.92	-7.23	-972.89	653076.52	643521.83	32°46'05.319"N	103°50'07.210"W	0.00	
9350.00†	89.717	269.574	8525.49	1072.92	-7.98	-1072.89	652976.53	643521.08	32°46'05.316"N	103°50'08.381"W	0.00	
9450.00†	89.717	269.574	8525.98	1172.92	-8.72	-1172.89	652876.54	643520.34	32°46'05.313"N	103°50'09.552"W	0.00	
9550.00†	89.717	269.574	8526.48	1272.92	-9.46	-1272.88	652776.55	643519.60	32°46'05.311"N	103°50'10.723"W	0.00	
9650.00†	89.717	269.574	8526.97	1372.92	-10.21	-1372.88	652676.56	643518.85	32°46'05.308"N	103°50'11.894"W	0.00	
9750.00†	89.717	269.574	8527.46	1472.91	-10.95	-1472.87	652576.57	643518.11	32°46'05.305"N	103°50'13.065"W	0.00	
9850.00†	89.717	269.574	8527.96	1572.91	-11.69	-1572.87	652476.58	643517.37	32°46'05.302"N	103°50'14.236"W	0.00	
9950.00†	89.717	269.574	8528.45	1672.91	-12.44	-1672.87	652376.59	643516.62	32°46'05.300"N	103°50'15.407"W	0.00	
10050.00†	89.717	269.574	8528.94	1772.91	-13.18	-1772.86	652276.61	643515.88	32°46'05.297"N	103°50'16.578"W	0.00	
10150.00†	89.717	269.574	8529.44	1872.91	-13.93	-1872.86	652176.62	643515.14	32°46'05.294"N	103°50'17.749"W	0.00	
10250.00†	89.717	269.574	8529.93	1972.91	-14.67	-1972.85	652076.63	643514.39	32°46'05.291"N	103°50'18.920"W	0.00	
10350.00†	89.717	269.574	8530.42	2072.91	-15.41	-2072.85	651976.64	643513.65	32°46'05.289"N	103°50'20.091"W	0.00	
10450.00†	89.717	269.574	8530.92	2172.91	-16.16	-2172.85	651876.65	643512.91	32°46'05.286"N	103°50'21.262"W	0.00	
10550.00†	89.717	269.574	8531.41	2272.90	-16.90	-2272.84	651776.66	643512.16	32°46'05.283"N	103°50'22.433"W	0.00	
10650.00†	89.717	269.574	8531.90	2372.90	-17.64	-2372.84	651676.67	643511.42	32°46'05.281"N	103°50'23.604"W	0.00	

Planned Wellpath Report

Mewbourne Oil Company

Plan #1
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REFERENCE WELLPATH IDENTIFICATION			
Operator	Mewbourne Oil Company	Slot	No. 1H SHL
Area	Eddy County, NM	Well	No. 1H
Field	(Tamano) Sec 11, T18S, R31E	Wellbore	No. 1H PWB
Facility	Tamano 11 Fed Com No. 1H		

WELLPATH DATA (53 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS [°/100ft]	Comments
10750.00†	89.717	269.574	8532.40	2472.90	-18.39	-2472.83	651576.68	643510.68	32°46'05.278"N	103°50'24.775"W	0.00	
10850.00†	89.717	269.574	8532.89	2572.90	-19.13	-2572.83	651476.69	643509.93	32°46'05.275"N	103°50'25.946"W	0.00	
10950.00†	89.717	269.574	8533.38	2672.90	-19.87	-2672.83	651376.70	643509.19	32°46'05.272"N	103°50'27.117"W	0.00	
11050.00†	89.717	269.574	8533.88	2772.90	-20.62	-2772.82	651276.71	643508.44	32°46'05.270"N	103°50'28.288"W	0.00	
11150.00†	89.717	269.574	8534.37	2872.90	-21.36	-2872.82	651176.72	643507.70	32°46'05.267"N	103°50'29.460"W	0.00	
11250.00†	89.717	269.574	8534.86	2972.90	-22.10	-2972.81	651076.73	643506.96	32°46'05.264"N	103°50'30.631"W	0.00	
11350.00†	89.717	269.574	8535.36	3072.89	-22.85	-3072.81	650976.74	643506.21	32°46'05.261"N	103°50'31.802"W	0.00	
11450.00†	89.717	269.574	8535.85	3172.89	-23.59	-3172.81	650876.75	643505.47	32°46'05.258"N	103°50'32.973"W	0.00	
11550.00†	89.717	269.574	8536.34	3272.89	-24.33	-3272.80	650776.76	643504.73	32°46'05.256"N	103°50'34.144"W	0.00	
11650.00†	89.717	269.574	8536.84	3372.89	-25.08	-3372.80	650676.77	643503.98	32°46'05.253"N	103°50'35.315"W	0.00	
11750.00†	89.717	269.574	8537.33	3472.89	-25.82	-3472.79	650576.78	643503.24	32°46'05.250"N	103°50'36.486"W	0.00	
11850.00†	89.717	269.574	8537.82	3572.89	-26.56	-3572.79	650476.80	643502.50	32°46'05.247"N	103°50'37.657"W	0.00	
11950.00†	89.717	269.574	8538.32	3672.89	-27.31	-3672.79	650376.81	643501.75	32°46'05.245"N	103°50'38.828"W	0.00	
12050.00†	89.717	269.574	8538.81	3772.89	-28.05	-3772.78	650276.82	643501.01	32°46'05.242"N	103°50'39.999"W	0.00	
12150.00†	89.717	269.574	8539.31	3872.88	-28.79	-3872.78	650176.83	643500.27	32°46'05.239"N	103°50'41.170"W	0.00	
12250.00†	89.717	269.574	8539.80	3972.88	-29.54	-3972.77	650076.84	643499.52	32°46'05.236"N	103°50'42.341"W	0.00	
12350.00†	89.717	269.574	8540.29	4072.88	-30.28	-4072.77	649976.85	643498.78	32°46'05.233"N	103°50'43.512"W	0.00	
12450.00†	89.717	269.574	8540.79	4172.88	-31.03	-4172.77	649876.86	643498.04	32°46'05.231"N	103°50'44.683"W	0.00	
12550.00†	89.717	269.574	8541.28	4272.88	-31.77	-4272.76	649776.87	643497.29	32°46'05.228"N	103°50'45.854"W	0.00	
12650.00†	89.717	269.574	8541.77	4372.88	-32.51	-4372.76	649676.88	643496.55	32°46'05.225"N	103°50'47.025"W	0.00	
12750.00†	89.717	269.574	8542.27	4472.88	-33.26	-4472.75	649576.89	643495.81	32°46'05.222"N	103°50'48.196"W	0.00	
12850.00†	89.717	269.574	8542.76	4572.88	-34.00	-4572.75	649476.90	643495.06	32°46'05.219"N	103°50'49.367"W	0.00	
12898.81	89.717	269.574	8543.00†	4621.68	-34.36	-4621.55	649428.10	643494.70	32°46'05.218"N	103°50'49.939"W	0.00	No. 1H PBHL

Planned Wellpath Report

Plan #1

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REFERENCE WELLPATH IDENTIFICATION			
Operator	Mewbourne Oil Company	Slot	No. 1H SHL
Area	Eddy County, NM	Well	No. 1H
Field	(Tamano) Sec 11, T18S, R31E	Wellbore	No. 1H PWB
Facility	Tamano 11 Fed Com No. 1H		

TARGETS

Name	MD [ft]	TVD [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	Shape
1) No. 1H PBHL	12898.81	8543.00	3436	4621.55	649428.10	643494.70	32°46'05.218"N	103°50'49.939"W	point

SURVEY PROGRAM Ref Wellbore: No. 1H PWB Ref Wellpath: Plan #1

Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
18.00	12898.81	NaviTrak (Standard)		No. 1H PWB

Mewbourne Oil Company
BOP Schematic for
12 1/4" Hole

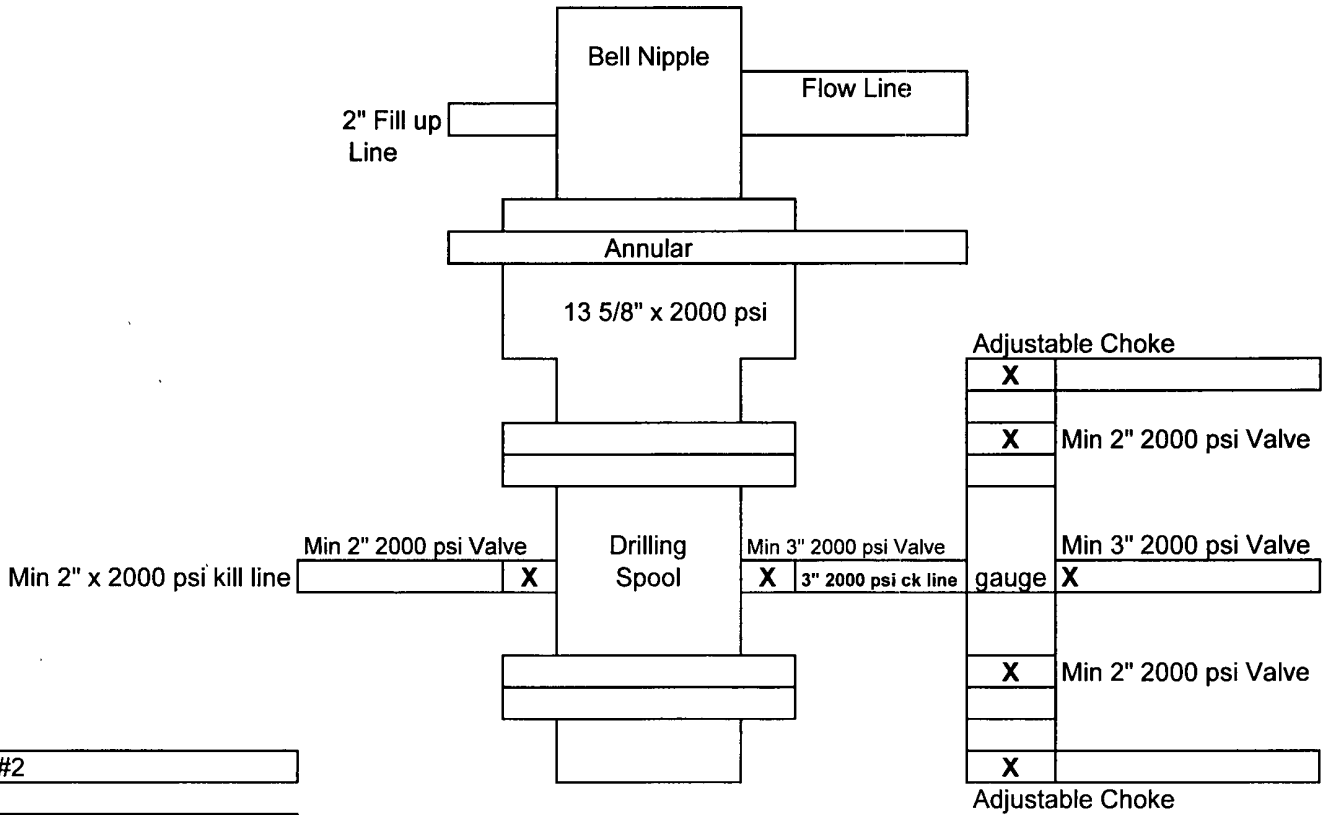


Exhibit #2

Tamano 11 Fed Com #1H
400' FNL & 330' FEL
Sec 11-T18S-R31E
Eddy, County
New Mexico

Mewbourne Oil Company
BOP Schematic for
8 3/4" & 6 1/8" Hole

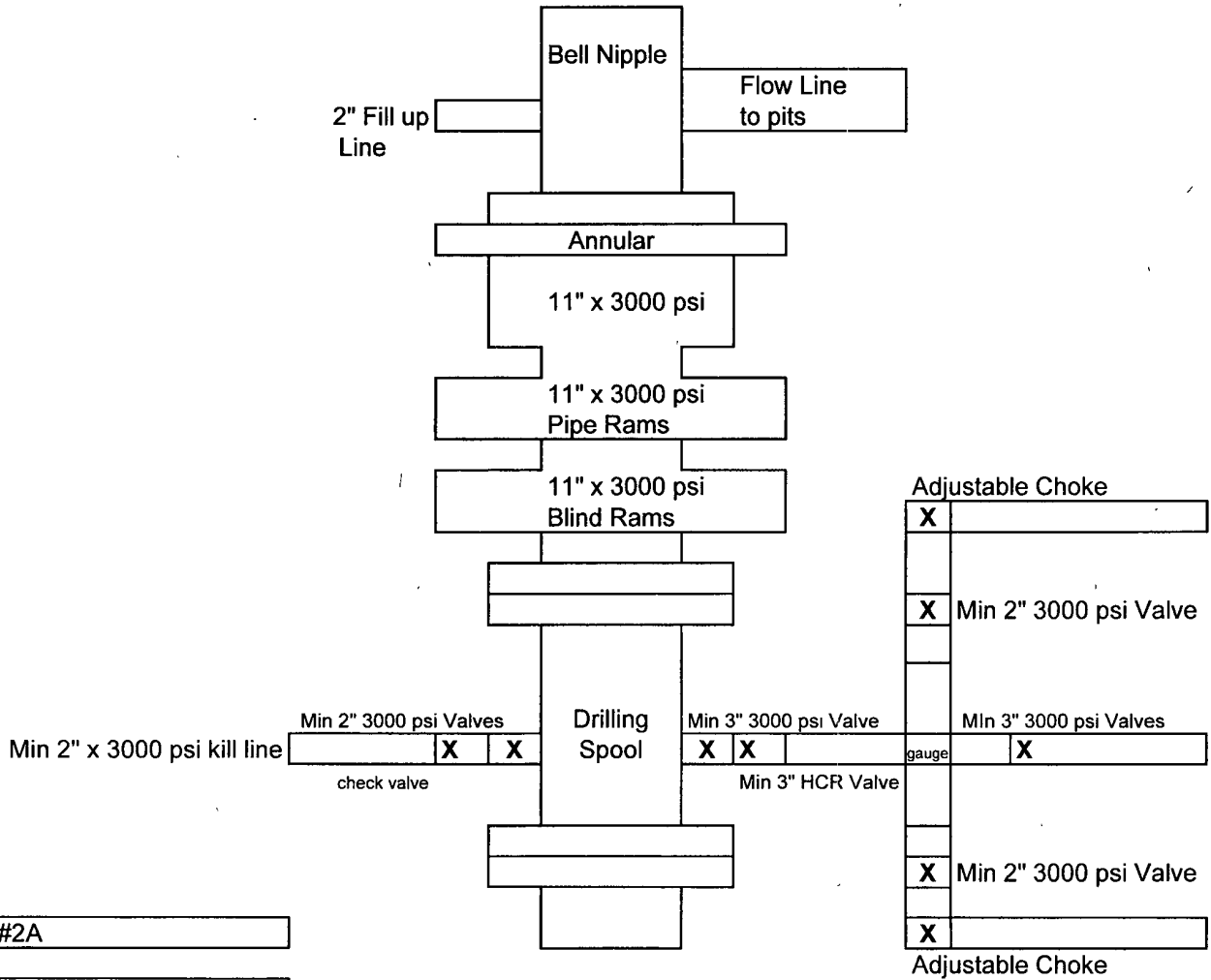


Exhibit #2A

Tamano 11 Fed Com #1H
400' FNL & 330' FEL
Sec 11-T18S-R31E
Eddy, County
New Mexico

Notes Regarding Blowout Preventer

Mewbourne Oil Company

Tamano "11" Fed Com #1H

400' FNL & 330' FEL (SHL)

Sec 11-T18S-R31E

Eddy County, New Mexico

- I. Drilling nipple (bell nipple) to be constructed so that it can be removed without the use of a welder through the opening of the rotary table, with minimum internal diameter equal to blowout preventer bore.
- II. Blowout preventer and all fittings must be in good condition with a minimum 2000 psi working pressure on 13 3/8" casing and 3000 psi working pressure on 9 5/8" & 7" casing.
- III. Safety valve must be available on the rig floor at all times with proper connections to install in the drill string. Valve must be full bore with minimum 3000 psi working pressure.
- IV. Equipment through which bit must pass shall be at least as large as internal diameter of the casing.
- V. A kelly cock shall be installed on the kelly at all times.

Blowout preventer closing equipment to include and accumulator of at least 40 gallon capacity, two independent sources of pressure on closing unit, and meet all other API specifications.

From
FLOWLINE

TO
STEEL
PITS

MANUAL
CHOKE

Choke LINE

MUD/GAS SEPARATOR

2-2"
VALVES

2-4"
VALVES

panic line

From BOP



2-2"
VALVES

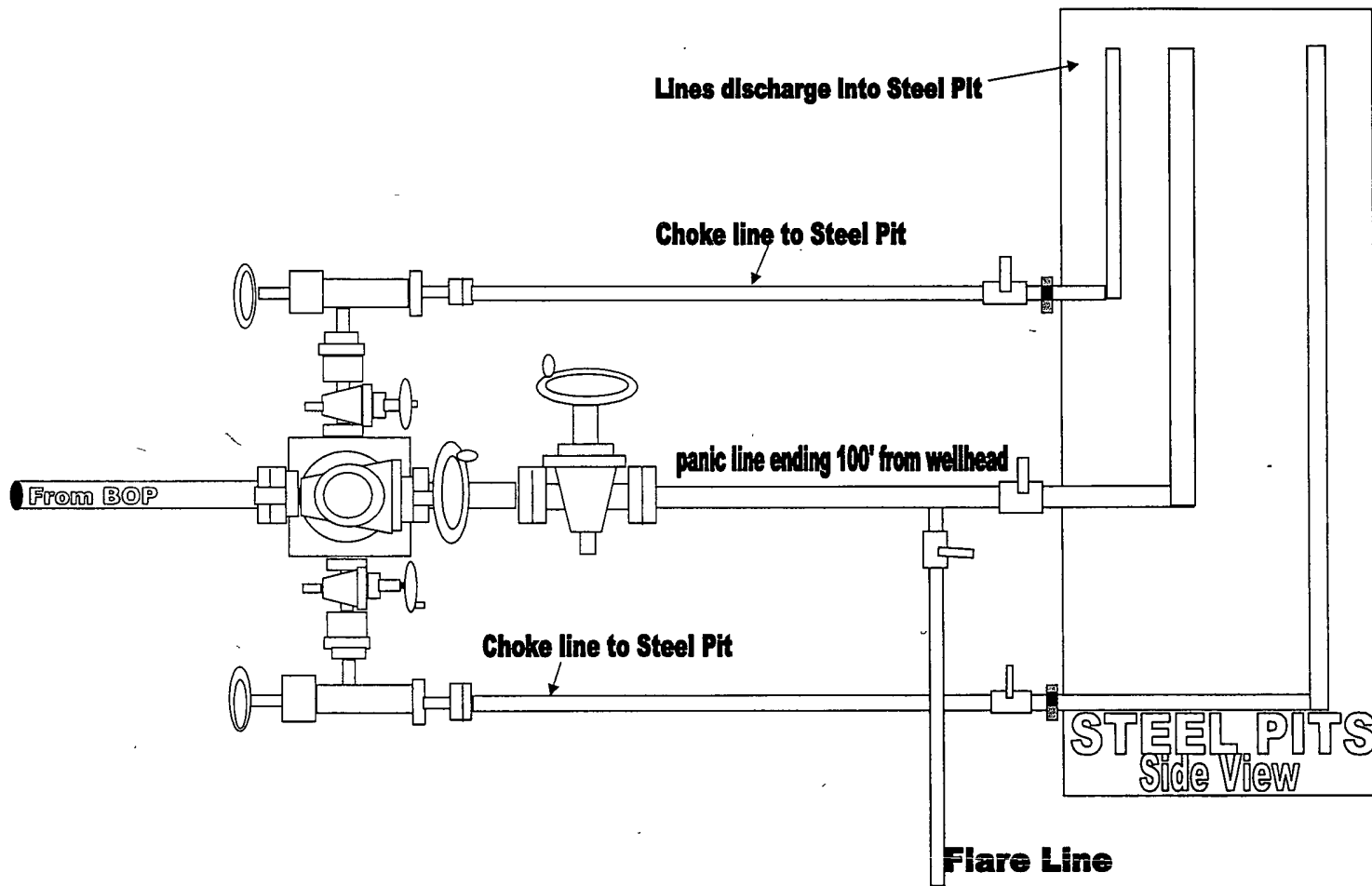
Choke LINE

BUFFER
TANK

HYDRAULIC
CHOKE

3000 # BOP manifold system

TO
FLARE
PIT
(150' FROM
WELL HEAD)
WITH ELECTRIC
OR PROPANE
IGNITER



3000# BOP manifold system for Exhibit 2 & 2A

DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

Operator Newbourne Oil OGRID # 141744
 Well Name & # TAMANO "11" F&D COM 114 Surface Type (F) (S) (P)
 Location: UL A, Sect 11, Township 18 s, RNG 31 e, Sub-surface Type (F) (S) (P)

A. Date C101 rec'd 9/30/2011 C101 reviewed 10/3/2011

B. 1. Check mark, Information is OK on Forms:

OGRID ☒, BONDING ☒, PROP CODE ☒, WELL # 114, SIGNATURE TOS
 2. Inactive Well list as of: 10/3/2011 # wells 607, # Inactive wells 5

a. District Grant APD but see number of inactive wells:

No letter required ☒; Sent Letter to Operator _____, to Santa Fe _____

3. Additional Bonding as of: 10/3/2011

TWEEDY SWD #001

a. District Denial because operator needs addition bonding:

No Letter required _____; Sent Letter to Operator _____, To Santa Fe _____

b. District Denial because of Inactive well list and Financial Assurance:

No Letter required _____; Sent Letter to Operator _____, To Santa Fe _____

C. C102 YES ☒, NO _____, Signature _____

1. Pool Tamano Bone Spring, Code 58040

a. Dedicated acreage 160, What Units A, B, C, D

b. SUR. Location Standard ☒; Non-Standard Location _____

c. Well shares acres: Yes _____, No ☒, # of wells _____ plus this well # _____

2. 2nd. Operator in same acreage, Yes _____, No ☒

Agreement Letter _____, Disagreement letter _____

3. Intent to Directional Drill Yes _____, No _____

a. Dedicated acreage _____, What Units _____

b. Bottomhole Location Standard _____, Non-Standard Bottomhole _____

4. Downhole Commingle: Yes _____, No _____

a. Pool #2 _____, Code _____, Acres _____

Pool #3 _____, Code _____, Acres _____

Pool #4 _____, Code _____, Acres _____

5. POTASH Area Yes _____, No _____

D. Blowout Preventer Yes ☒, No _____

E. H2S Yes ☒, No _____

F. C144 Pit Registration Yes _____, No _____

G. Does APD require Santa Fe Approval:

1. Non-Standard Location: Yes _____, No ☒, NSL # _____

2. Non-Standard Proration: Yes _____, No ☒, NSP # _____

3. Simultaneous Dedication: Yes _____, No ☒, SD # _____

Number of wells _____ Plus # _____

4. Injection order Yes _____, No ☒; PMX # _____ or WFX # _____

5. SWD order Yes _____, NO ☒; SWD # _____

6. DHC from SF _____; DHC-HOB _____; Holding _____

7. OCD Approval Date 10/5/2011

API #30-015-39471

8. Reviewers TOS