

Carlsbad Field Office OCD Artesia

NM OIL CONSERVATION
ARTESIA DISTRICT

ATS-14-628

Form 3160-3
(March 2012)

**UNORTHODOX
LOCATION**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCT 24 2014

RECEIVED

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

TLS
10-29-2014

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 111528, NMLC 0065421
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Mewbourne Oil Company		7. If Unit or CA Agreement, Name and No.
3a. Address PO Box 5270 Hobbs, NM 88241	3b. Phone No. (include area code) 575-393-5905	8. Lease Name and Well No. Maverick 13 B2CN Fed Com #1H <313835>
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 145' FSL & 1980' FWL, Sec 12 T24S R26E At proposed prod. zone 330' FSL & 1980' FWL Sec 13 T24S R26E		9. API Well No. 30-015-42765
14. Distance in miles and direction from nearest town or post office* 12.5 miles from Malaga, NM		10. Field and Pool, or Exploratory Willow Lake West <964153>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 145'	16. No. of acres in lease 360 - NM 111528 1120 - NMLC 0065421	11. Sec., T. R. M. or Bk. and Survey or Area Sec 12 T24S R26E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1450' Maverick 13 DM Fed Com #1H	19. Proposed Depth 44,791' MD 11,971' 7,087.0' - TVD	12. County or Parish Eddy
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3257'	22. Approximate date work will start* 04/28/2014	13. State NM
17. Spacing Unit dedicated to this well 160		
20. BLM/BIA Bond No. on file NM-1693 Nationwide, NMB-000919		
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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature <i>Bradley Bishop</i>	Name (Printed/Typed) Bradley Bishop	Date 03/18/2014
--	--	--------------------

Title

Approved by (Signature) Steve Caffey	Name (Printed/Typed)	Date OCT 20 2014
--	----------------------	---------------------

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)

Carlsbad Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
611 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-2765		2 Post Code 96415		3 Well Name WILLOW LARK WILDCAT-BONE SPRING, West	
4 Property Code 313835		5 Property Name MAVERICK 13 B2CN FEDERAL COM			6 Well Number 1H
7 Operator Name MEWBOURNE OIL COMPANY		8 Elevation 3257'			

9 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	12	24-S	26-E		145	SOUTH	1980	WEST	EDDY

10 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	13	24-S	26-E		330	SOUTH	1980	WEST	EDDY

11 Dedicated Acres 160	12 Joint or Infill	13 Consolidation Code	14 Order No.
---------------------------	--------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

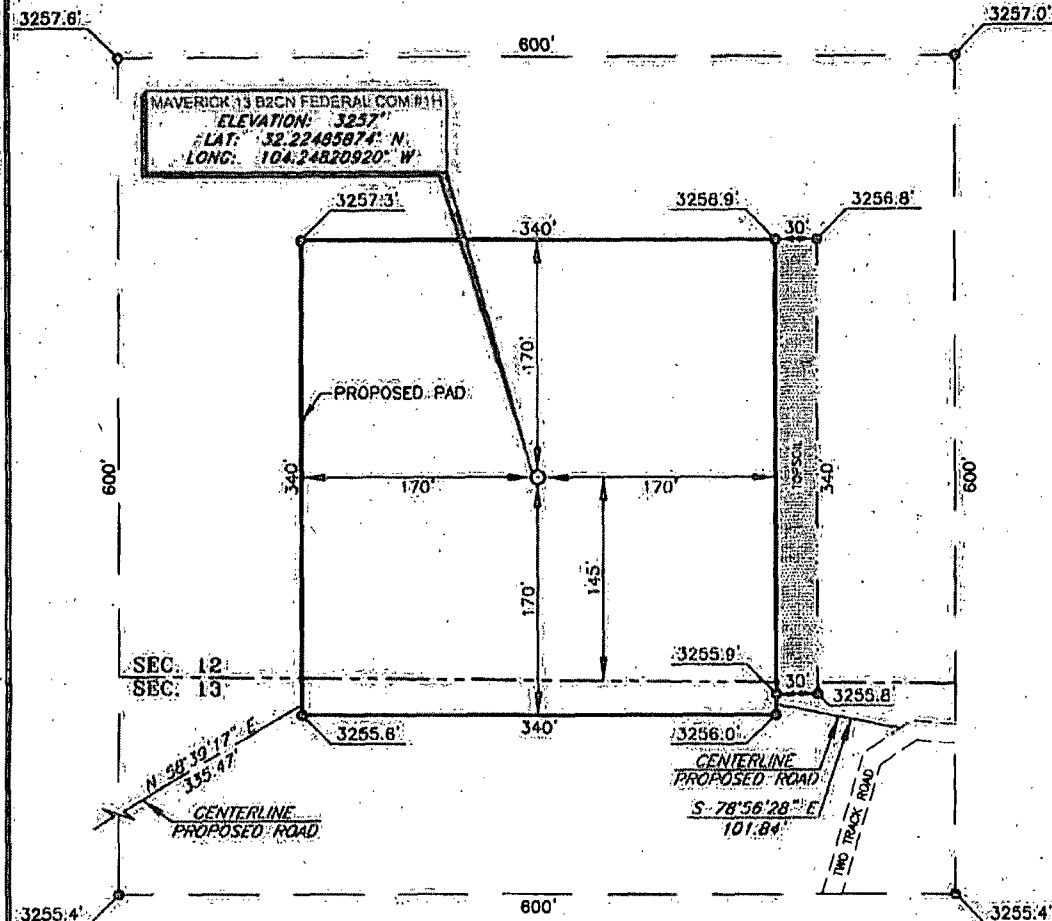
	<p>GEODETIC DATA NAD 27 GRID - NM EAST</p> <p>SURFACE LOCATION N 445533.0 E 526323.4</p> <p>LAT: 32.22485874° N LONG: 104.24820920° W</p> <p>CORNER DATA NAD 27 GRID - NM EAST</p> <p>A: CALCULATED CORNER N 440103.0 - E 524398.9</p> <p>B: FND BRASS CAP 1968 N 445406.1 - E 524345.7</p> <p>C: FND BRASS CAP 1968 N 448059.9 - E 524313.9</p> <p>D: FND BRASS CAP 1968 N 450713.2 - E 524282.8</p> <p>E: FND BRASS CAP 1968 N 450685.5 - E 526973.3</p> <p>F: FND BRASS CAP 1968 N 450657.8 - E 529663.2</p> <p>G: FND BRASS CAP 1968 N 448007.7 - E 529643.0</p> <p>H: FND BRASS CAP 1968 N 445357.0 - E 529642.0</p> <p>I: FND BRASS CAP 1968 N 442707.4 - E 529641.5</p> <p>J: FND BRASS CAP 1968 N 440057.9 - E 529639.7</p> <p>K: FND BRASS CAP 1968 N 440078.7 - E 527019.8</p> <p>L: FND BRASS CAP 1968 N 445382.0 - E 526994.0</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Bradley Bishop</i> Date: 4-1-14</p> <p>Printed Name: Bradley Bishop</p> <p>Email Address:</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>2/8/14</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>ROBERT M. HOWE NEW MEXICO 19680 PROFESSIONAL SURVEYOR</p> <p>19680</p> <p>Certificate Number</p> <p>RETAKE: 2/18/14</p>	

1131

MEWBOURNE OIL COMPANY

MAVERICK 13 B2CN FEDERAL COM #1H
(145' FSL & 1980' FWL)

Section 12, T-24-S, R-26-E,
N. M. P. M., Eddy Co., New Mexico



DIRECTIONS TO LOCATION

At the intersection of CR-720 (Black River Village) and CR-763:
Go Northeast approx. 1.1 mile on CR-763 to a lease road.
Turn right and go East approx. 0.1 mile to the two track road.
Turn right and go Southeast approx. 0.5 mile.
Turn left and go East approx. 0.1 mile.
Turn right and go Southeast approx. 250 feet.
Turn left and go East approx. 0.3 mile to proposed road.
Turn left and go Northeast following proposed road
approx. 550 feet to this location.

SCALE: 1" = 100'
0 50 100
BEARINGS ARE
NAD 83 GRID - NM EAST
DISTANCES ARE
GROUND

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NO.	REVISION	DATE
JOB NO.:	LS140084	
DWG. NO.:	140084PAD	

PROSPERITY CONSULTANTS, LLC

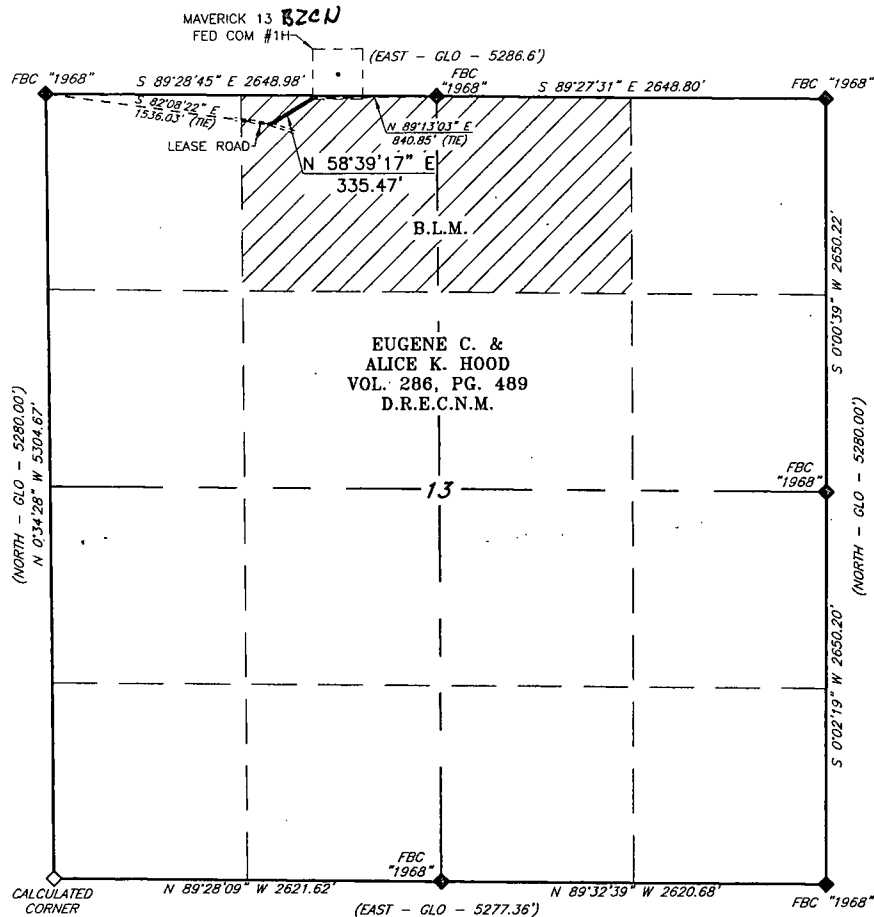


SCALE: 1"=100'
DATE: 2/6/14
SURVEYED BY: BK/SM
DRAWN BY: AF
APPROVED BY: LWB
SHEET: 1 OF 1

308 W. Broadway St., Hobbs, NM 88240 | Firm No.: TX 10193836 NM 4653491 | (575) 964-8200

3A

MEWBOURNE OIL COMPANY
ROAD EASEMENT FOR MAVERICK 13 B2CN FED COM #1H
SECTION 13, T24S, R26E, N.M.P.M., EDDY CO., N.M.



DESCRIPTION

A strip of land being 30 feet wide, 335.47 feet or 20.332 rods in length lying in Section 13, Township 24 South, Range 26 East, N. M. P. M., Eddy County, New Mexico, being 15 feet left and 15 feet right of the following described survey of a centerline across B.L.M. lands:

Beginning at a point in the Northwest quarter of said Section 13, which bears S 82°08'22" E, 1536.03 feet from a brass cap, stamped "1968", found for the Northwest corner of said Section 13;

Thence N 58°39'17" E, 335.47 feet to a point in the Northwest quarter of said Section 13, which bears S 89°13'03" W, 840.85 feet from a brass cap, stamped "1968", found for the North quarter corner of said Section 13.

Said strip of land contains 0.231 acres, more or less and is allocated by forties as follows:

NE $\frac{1}{4}$ NW $\frac{1}{4}$ 0.231 Acres

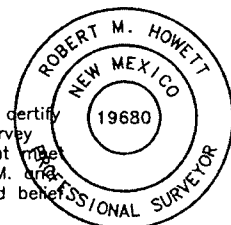
SCALE: 1" = 1000'
 0 500 1000

BEARINGS: NAD 27 GRID-NM EAST
 DISTANCES: HORIZ. GROUND

LEGEND
 () RECORD DATA
 ◆ FBC**** FOUND BRASS CAP "YEAR"
 — C/L PROPOSED ROAD

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that this plat was prepared from an actual ground survey made under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M. Howett
 Robert M. Howett NM PS 19680



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NO.	REVISION	DATE
JOB NO.:	LS140084	
DWG. NO.:	140084RD	

PROSPERITY CONSULTANTS, LLC



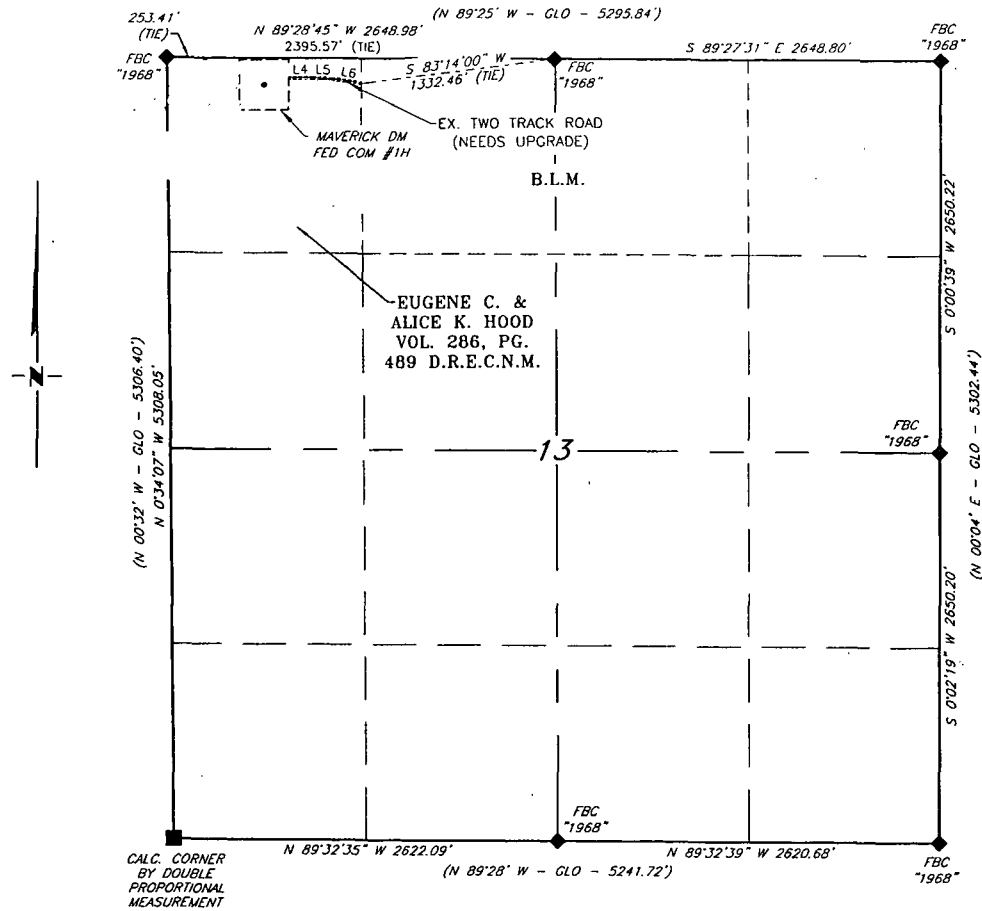
2251 Double Creek Drive, Suite 602, Round Rock, Texas 78664

o (512) 992-2087 f (512) 251-2518

SCALE: 1"=1000'
DATE: 2/6/14
SURVEYED BY: BK/SM
DRAWN BY: AF
APPROVED BY: LWB
SHEET : 1 OF 1

3A-1

MEWBOURNE OIL COMPANY
PROPOSED ACCESS ROADS FOR MAVERICK
SEC. 13, T24S, R26E, N.M.P.M., EDDY CO., N.M.



LINE TABLE FOR TWO TRACK ROAD
(NEEDS UPGRADE)

LINE	BEARING	DISTANCE
L4	S 89°59'16" E	155.68'
L5	S 86°55'49" E	141.88'
L6	S 81°34'56" E	198.66'

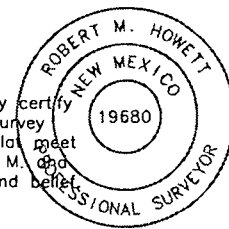
SCALE: 1" = 1000'
0 500 1000

BEARINGS: NAD 27 GRID-NM EAST
DISTANCES: HORIZ. GROUND

LEGEND
() RECORD DATA
◆ FBC**** FOUND BRASS CAP "YEAR"
— CENTERLINE PROPOSED ROAD
■ CALC. CORNER
--- EXISTING TWO TRACK ROAD (NEEDS UPGRADE)
D.R.E.C.N.M. DEED RECORDS OF EDDY CO., N.M.

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that this plat was prepared from an actual ground survey made under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M. Howett
NM PS 19680



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NO.	REVISION	DATE
JOB NO.:	LS130519	
DWG. NO.:	130519RD	

PROSPERITY CONSULTANTS, LLC



2251 Double Creek Drive, Suite 602, Round Rock, Texas 78664

o (512) 992-2087 f (512) 251-2518

SCALE: 1" = 1000'
DATE: 11/1/13
SURVEYED BY: BK/IE
DRAWN BY: AF
APPROVED BY: LWB
SHEET : 1 OF 2

MEWBOURNE OIL COMPANY
PROPOSED ACCESS ROADS FOR MAVERICK
 SEC. 13, T24S, R26E, N.M.P.M., EDDY CO., N.M.

DESCRIPTION

A strip of land being 20 feet wide, 965.78 feet or 58.532 rods in length lying in Section 13, Township 24 South, Range 26 East, N. M. P. M., Eddy County, New Mexico, being 10 feet left and 10 feet right of the following described survey of a centerline across the lands of Eugene C. & Alice K. Hood, as recorded in Vol. 286, Pg. 489 Deed Records of Eddy County, New Mexico:

Beginning at a point on the North line of said Section 13, which bears N 89°28'45" W, 253.41 feet from a brass cap, stamped "1968", found for the Northwest corner of said Section 13;

Thence S 27°02'25" E, 92.97 feet;

Thence S 01°52'58" W, 74.84 feet;

Thence S 51°40'57" E, 38.71 feet;

Thence S 31°32'41" E, 199.01 feet;

Thence S 89°58'14" E, 64.03 feet to a point in the Northwest quarter of the Northwest quarter of said Section 13, the Point of Ending, which bears S 81°18'58" W, 2182.16 from a brass cap, stamped "1968", found for the North quarter corner of Section 13.

Thence beginning again at a point in the Northwest quarter of the Northwest quarter, from which a found brass cap bears S 80°09'14" E, 844.25 feet;

Thence S 89°59'16" E, 155.68 feet;

Thence S 86°55'49" E, 141.88 feet;

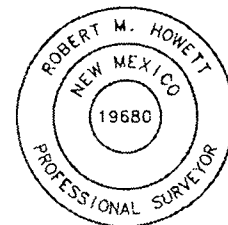
Thence S 81°34'56" E, 198.66 feet to a point on the East Line of the Northwest quarter of the Northwest quarter of said Section 13, the Point of Ending, which bears S 83°14'00" W 1332.46 feet from a brass cap, stamped "1968", found for the North quarter corner.

Said strip of land contains 0.443 acres, more or less and is allocated by forties as follows:

NW $\frac{1}{4}$ NW $\frac{1}{4}$ 0.443 Acres

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that this plat was prepared from an actual ground survey made under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M. Howett
 Robert M. Howett NM PS 19680

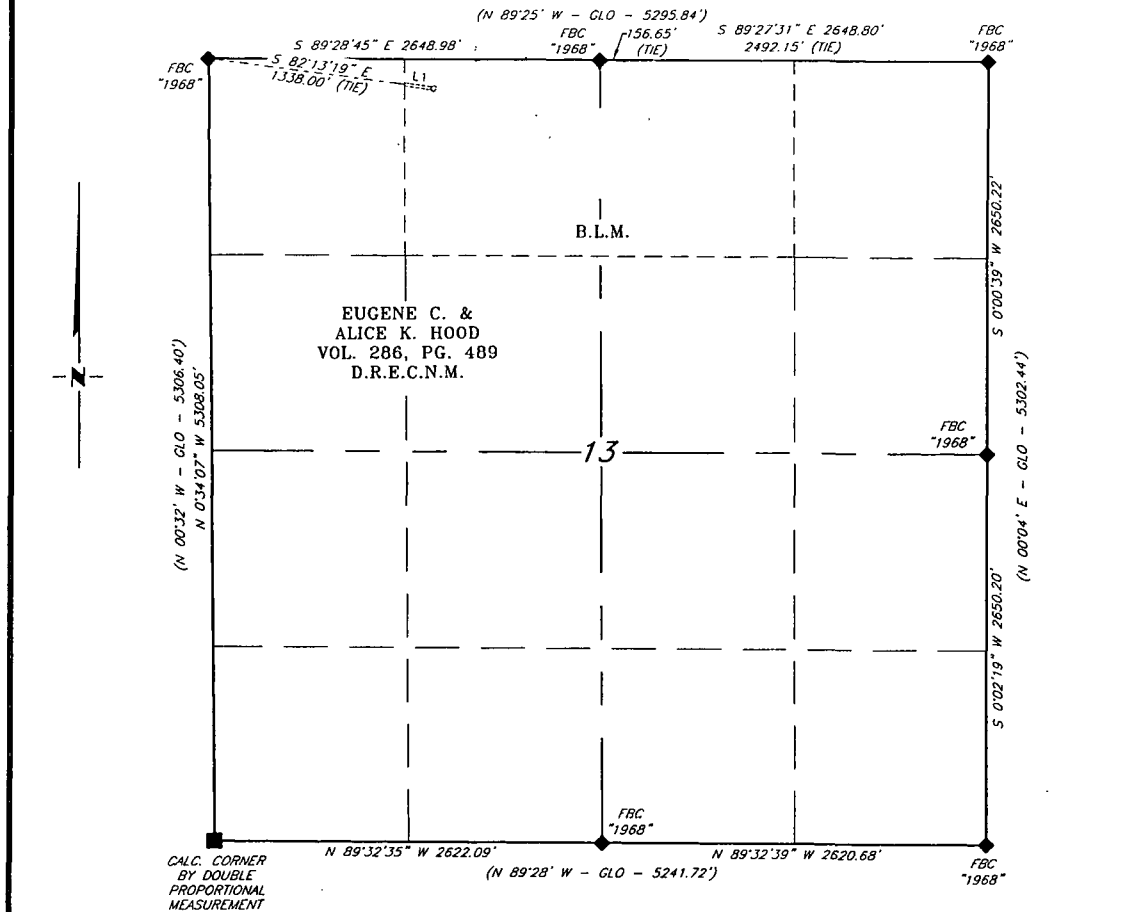


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			PROSPERITY CONSULTANTS, LLC	SCALE: 1" = 1000' DATE: 11/1/13 SURVEYED BY: BK/IE DRAWN BY: AF APPROVED BY: LWB SHEET : 2 OF 2
NO.	REVISION	DATE		
JOB NO.: LS130519				
DWG. NO.: 130519RD			2251 Double Creek Drive, Suite 602, Round Rock, Texas 78664	o (512) 992-2087 f (512) 251-2518

3A-2

MEWBOURNE OIL COMPANY
PROPOSED ACCESS ROADS FOR MAVERICK
SEC. 13, T24S, R26E, N.M.P.M., EDDY CO., N.M.



LINE TABLE

LINE	BEARING	DISTANCE	DESCRIPTION
L1	S 81°34'56\"	198.03'	EX. TWO TRACK (NEEDS UPGRADE)

SCALE: 1" = 1000'
0 500 1000
BEARINGS: NAD 27 GRID-NM EAST
DISTANCES: HORIZ. GROUND
LEGEND
() RECORD DATA
◆ FBC**** FOUND BRASS CAP "YEAR"
— CENTERLINE PROPOSED ROAD
■ CALC. CORNER
--- EXISTING TWO TRACK ROAD (NEEDS UPGRADE)
D.R.E.C.N.M. DEED RECORDS OF EDDY CO., N.M. Robert M.J. Howett NM PS 19680

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that this plat was prepared from an actual ground survey made under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

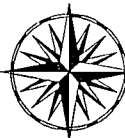
Robert M. Howett
Robert M. Howett



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NO.	REVISION	DATE
JOB NO.:	LS130519	
DWG. NO.:	130519RD	

PROSPERITY CONSULTANTS, LLC



2251 Double Creek Drive, Suite 602, Round Rock, Texas 78664

o (512) 992-2087 f (512) 251-2518

SCALE: 1" = 1000'
DATE: 11/1/13
SURVEYED BY: BK/IE
DRAWN BY: AF
APPROVED BY: LWB
SHEET : 1 OF 2

MEWBOURNE OIL COMPANY
PROPOSED ACCESS ROADS FOR MAVERICK
SEC. 13, T24S, R26E, N.M.P.M., EDDY CO., N.M.

DESCRIPTION

A strip of land being 30 feet wide, 1175.74 feet or 71.257 rods in length lying in Section 13, Township 24 South, Range 26 East, N. M. P. M., Eddy County, New Mexico, being 15 feet left and 15 feet right of the following described survey of a centerline across B.L.M. lands:

Beginning at a point on the West line of the Northeast quarter of the Northwest quarter of said Section 13, which bears S 82°13'19" E, 1338.00 feet from a brass cap, stamped "1968", found for the Northwest corner of said Section 13;

Thence S 81°34'56" E, 198.03 feet;

Thence N 62°42'25" E, 107.19 feet;

Thence S 72°52'19" E, 202.29 feet to a point in the Northwest quarter of said Section 13, the Point of Ending, which bears S 76°49'10" W, 861.39 from a brass cap, stamped "1968", found for the North quarter corner of Section 13.

Thence beginning again at a point in the Northeast quarter of the Northwest quarter which bears S 88°43'21" E, 2150.84 feet from a brass cap stamped "1968", found for the Northwest corner of said section 13;

Thence S 85°48'52" E, 98.14 feet;

Thence S 85°16'51" E, 126.98 feet;

Thence S 87°59'27" E, 327.07 feet;

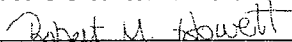
Thence N 62°36'48" E, 92.99 feet;

Thence N 67°49'29" E, 23.05 feet to a point on the North line of said Section 13, the Point of Ending; which bears N 89°27'31" W 2492.15 feet from a brass cap, stamped "1968", found for the Northeast corner of said Section 13.

Said strip of land contains 0.810 acres, more or less and is allocated by forties as follows:


NE ¼ NW ¼	0.694 Acres
NW ¼ NE ¼	0.116 Acres

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that this plat was prepared from an actual ground survey made under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.


 Robert M. Howett NM PS 19680

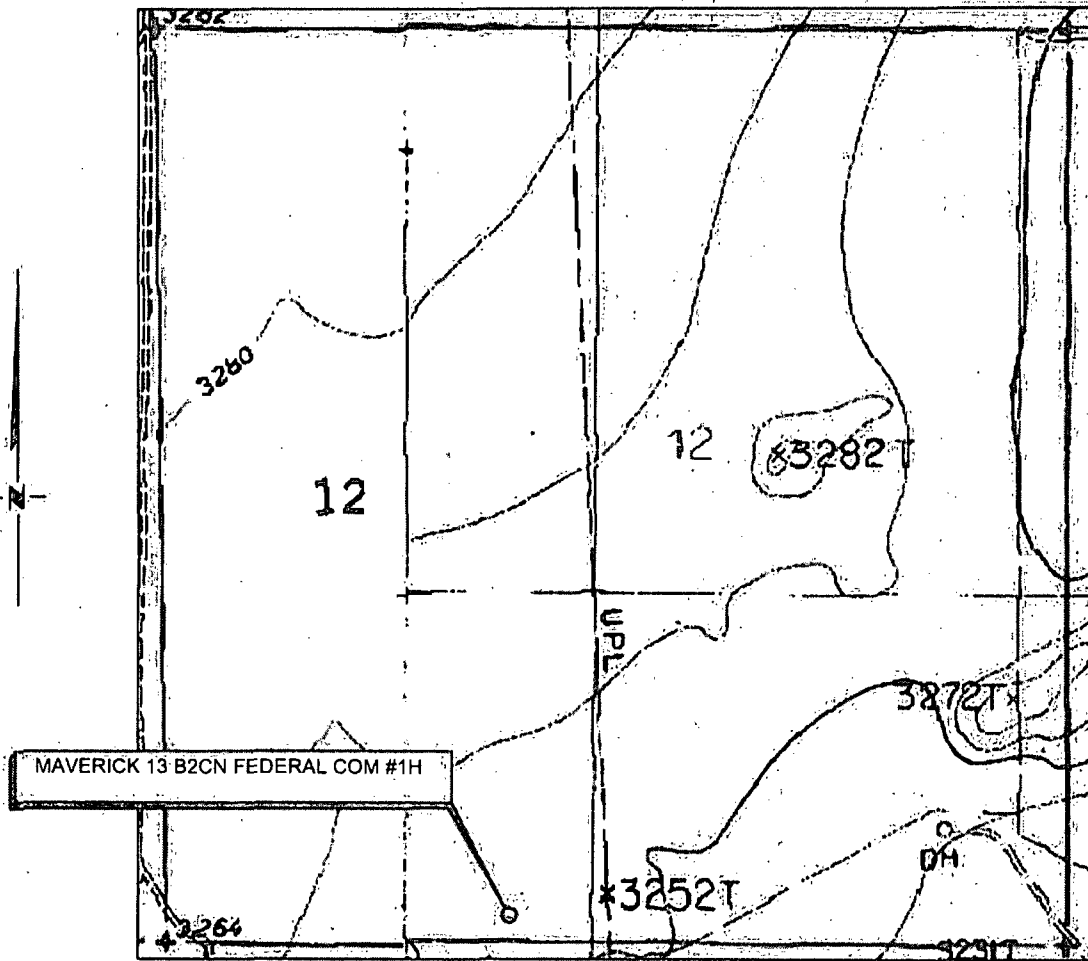


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			PROSPERITY CONSULTANTS, LLC 	SCALE: 1" = 1000' DATE: 11/1/13 SURVEYED BY: BK/IE DRAWN BY: AF APPROVED BY: LWB SHEET : 2 OF 2
NO.	REVISION	DATE		
JOB NO.: LS130519				
DWG. NO.: 130519RD			2251 Double Creek Drive, Suite 602, Round Rock, Texas 78664	o (512) 992-2087 f (512) 251-2518

"3B"

LOCATION VERIFICATION MAP



**SECTION 12, TWP. 24 SOUTH, RGE. 26 EAST,
N. M. P. M., EDDY COUNTY, NEW MEXICO**

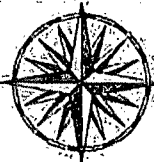
OPERATOR: Mewbourne Oil Company
LEASE: MAVERICK 13 B2CN FEDERAL COM
WELL NO.: 1H
ELEVATION: 3257'

LOCATION: 145' FSL & 1980' FWL
CONTOUR INTERVAL: 10'
USGS TOPO. SOURCE MAP:
Bond Draw, NM (P.E. 1985)

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NO.	REVISION	DATE
JOB NO.:	LS140084	
DWG. NO.:	140084LVM	

PROSPERITY CONSULTANTS, LLC



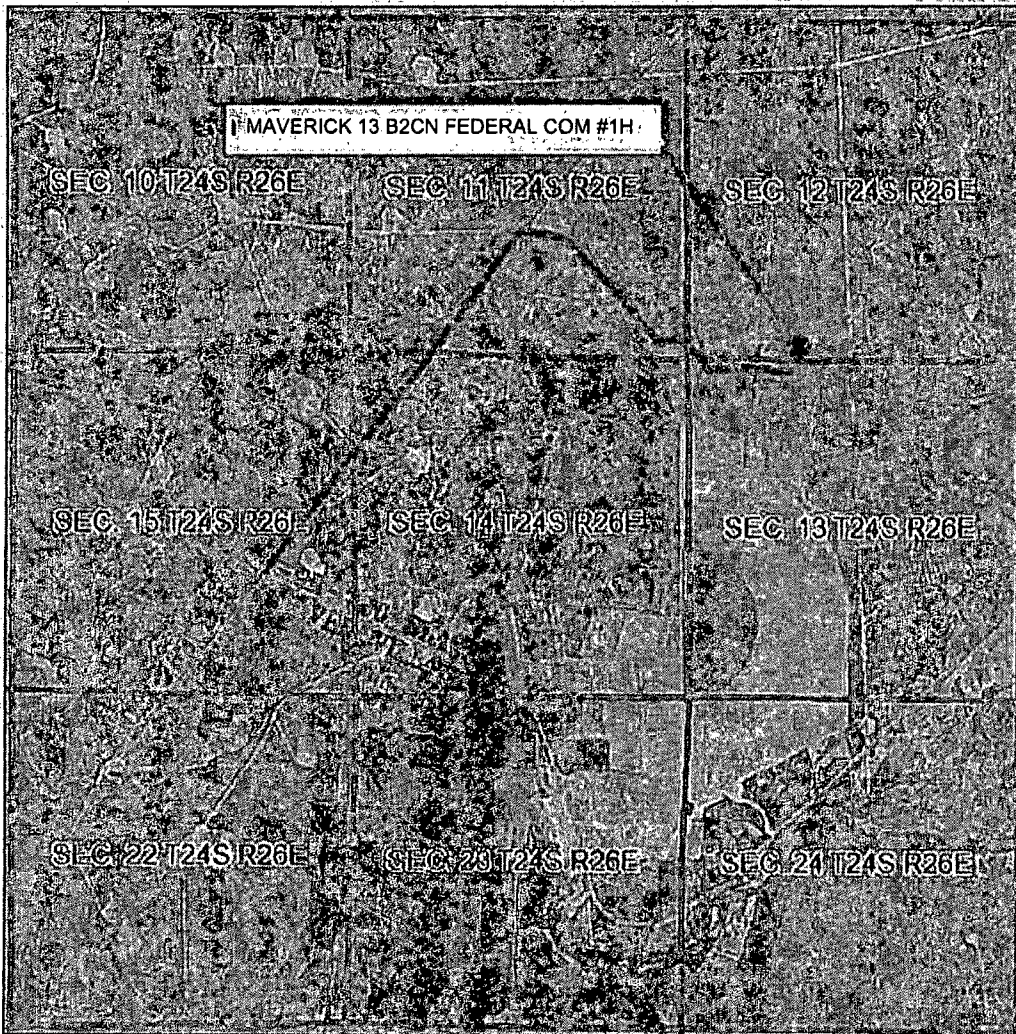
308 W. Broadway St., Hobbs, NM 88240 | Firm No. TX 10193838 NM 4655451 | (575) 964-8200

SCALE: 1"=1000'
DATE: 2/6/14
SURVEYED BY: BK/SM
DRAWN BY: AF
APPROVED BY: LWB
SHEET : 1 OF 1

136"

VICINITY MAP

NOT TO SCALE



**SECTION 12, TWP. 24 SOUTH, RGE. 26 EAST,
N. M. P. M., EDDY COUNTY, NEW MEXICO**

OPERATOR: Mewbourne Oil Company
LEASE: MAVERICK 13 B2CN FEDERAL COM
WELL NO.: 1H

LOCATION: 145' FSL & 1980' FWL
ELEVATION: 3257'

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NO.	REVISION	DATE
JOB. NO.: LS140084		
DWG. NO.: 140084VM		

PROSPERITY CONSULTANTS, LLC



308 W. Broadway St., Hobbs, NM 88240 | Firm No. TX 10193838 NM 4655451 | (575) 964-8200

SCALE: N.T.S.
DATE: 2/6/14
SURVEYED BY: BK/SM
DRAWN BY: AF
APPROVED BY: LWB
SHEET : 1 OF 1

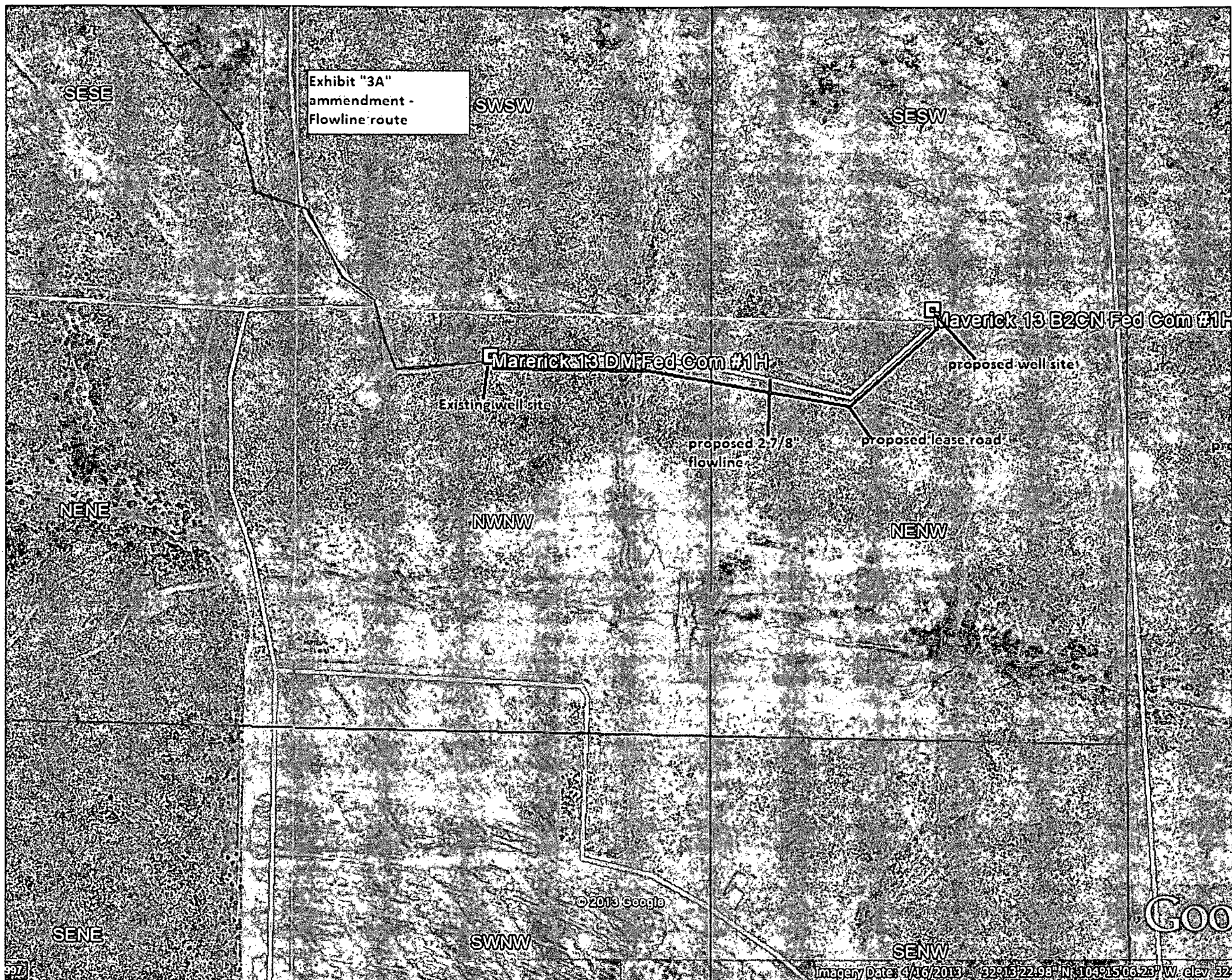
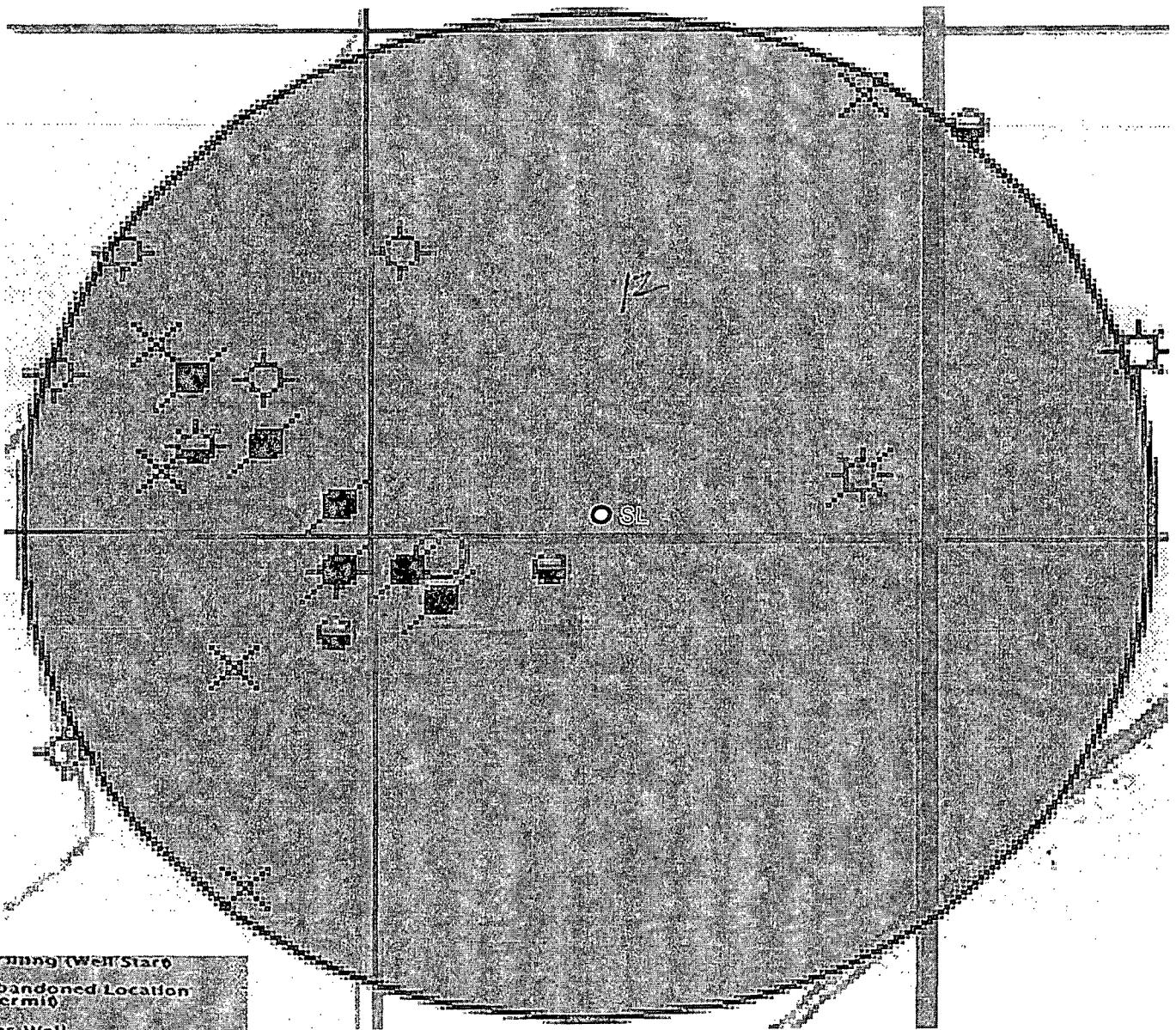


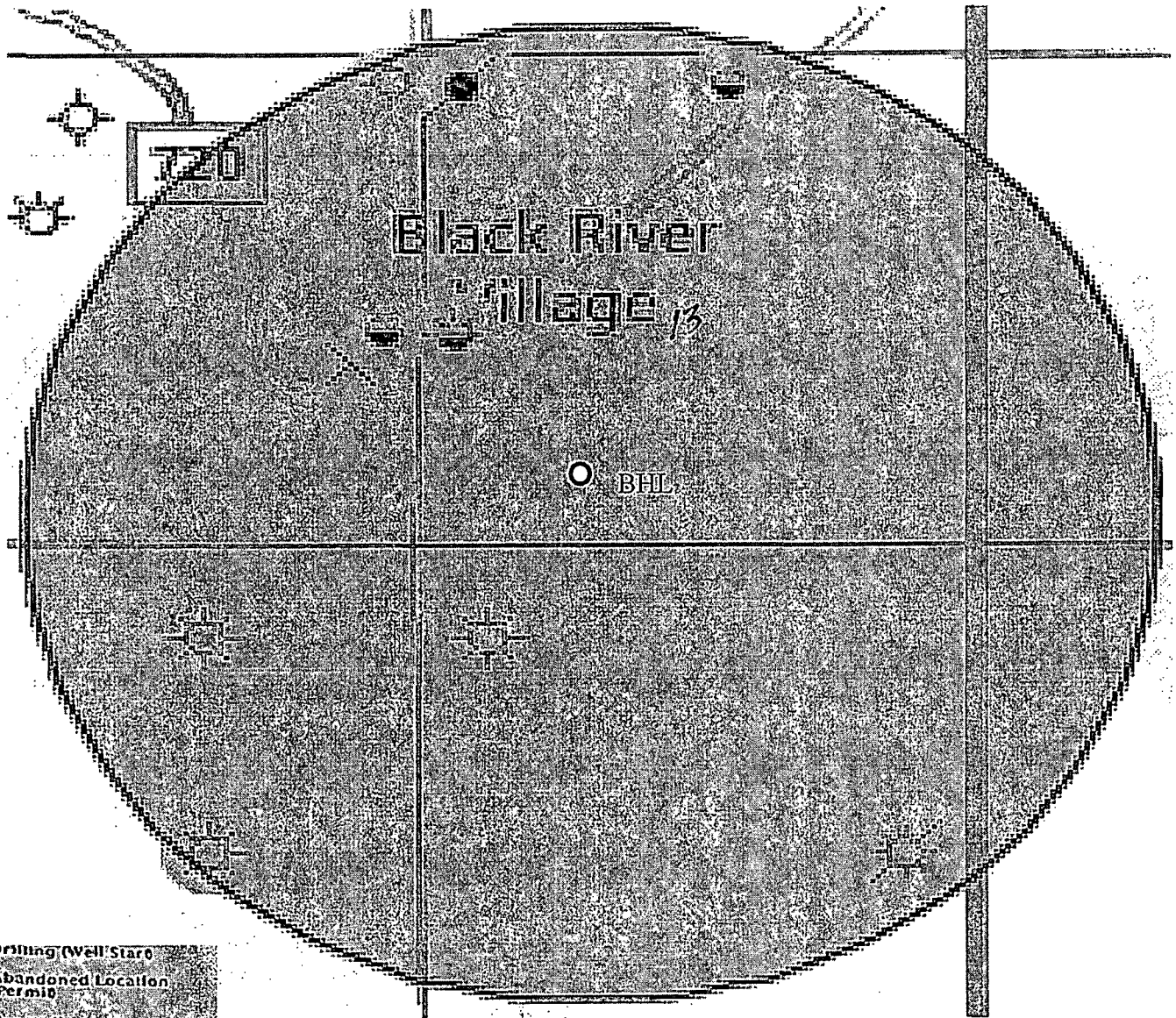
Exhibit 4



○	Drilling (Well Start)
×	Abandoned Location (Permit)
◇	Gas Well
●	Oil Well
✱	Oil and Gas Well
◐	Other (Observation, etc)
✕	Injection Well
◊	Suspended
✱	Plugged Gas Well
✕	Plugged Oil Well
✱	Plugged Oil and Gas
◊	Dry Hole (No Shows)
✕	Dry Hole w/Gas Show
◊	Dry Hole w/Oil Show
✕	Dry Hole w/Oil and Gas Show

Surface Location
Maverick 13 B2CN Fed Com #1H
Sec 12 T24S R26E

Exhibit "4A"



○	Drilling (Well Start)
×	Abandoned Location (Permit)
○	Gas Well
●	Oil Well
✱	Oil and Gas Well
○	Other (Observation, etc)
✱	Injection Well
○	Suspended
✱	Plugged Gas Well
✱	Plugged Oil Well
✱	Plugged Oil and Gas
◆	Dry Hole (No Show)
✱	Dry Hole w/Gas Show
✱	Dry Hole w/Oil Show
✱	Dry Hole w/Oil and Gas Show

Bottom Hole Location
Maverick 13 B2CN Fed Com #1H
Sec 12 T24S R26E

Drilling Program
Mewbourne Oil Company
Maverick 13 B2CN Fed Com #1H
145' FSL & 1980' FWL
Sec 12, T24S, R26E
Eddy County, New Mexico

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

Rustler	105'
Top Salt	540'
Base Salt	1870'
*Yates	NA
Seven Rivers	NA
*Queen	NA
Grayburg	NA
San Andres	NA
*Lamar/Delaware	1990'
*Bone Springs	5400'
*1 st Bone Springs	6390'
*2 nd Bone Springs	6930'
*Wolfcamp	Will not penetrate

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

Water	Fresh water is anticipated @ 60' and will be protected by setting surface casing at 400' and 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. BOPs 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 13 3/8" annular to 1500# and the 9 5/8" & 7" BOPE to 3000# and 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 6580' & kick off to horizontal @ 7057' TVD. The well will be drilled to 11971' MD (7087' TVD). See attached directional plan.

5. Proposed casing and cementing program:

A. Casing Program:

<u>Hole Size</u>	<u>Casing</u>	<u>Wt/Ft.</u>	<u>Grade</u>	<u>Depth</u>	<u>Jt Type</u>
17 1/2"	13 3/8" (new)	48#	H40	0' - 400'	ST&C
12 1/4"	9 5/8" (new)	36#	J55	0' - 1935' MD	LT&C
8 3/4"	7" (new)	26#	P110	0'-6580' MD	LT&C
8 3/4"	7" (new)	26#	P110	6580'-7326' MD	BT&C
6 1/8"	4 1/2" (new)	13.5#	P110	7126'-11971' MD	LT&C

Minimum casing design factors: Collapse 1.125, Burst 1.0, Tensile strength 1.8.
*Subject to availability of casing.

B. Cementing Program:

- i. Surface Casing: 300 sks Class C cement containing 1% CaCl₂. Yield at 1.33 cuft/sk. Mix water @ 6.34 gal/sk. Cmt circulated to surface w/100% excess.
- ii. Intermediate Casing: 260 sacks Class C light cement with salt & LCM. Yield at 2.15 cuft/sk. Mix water @ 11.29 gal/sk. 200 sacks Class C cement. Yield at 1.33 cuft/sk. Mix water @ 6.34 gal/sk. Cmt circulated to surface w/25% excess.
- iii. Production Casing: 400 sacks *Lite "C" (35:65:4) cement w/salt and fluid loss additives. Yield at 2.12 cuft/sk. Mix water @ 11.32 gal/sk. 350 sacks Class "H" cement w/ salt & FLA additives. Yield at 1.18 cuft/sk. Mix water @ 5.22 gal/sk. Calculated to tie back inside 9 5/8" csg 200' w/25% excess.
- iv. 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: (65% fly ash : 35% cement : 4% 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:

Interval	Type System	Weight	Viscosity	Fluid Loss
0' - 400'	FW spud mud	8.6-9.0	32-34	NA
400' - 1935'	Brine water	10.0-10.2	28-30	NA
1935' - 6580' (KOP)	FW	8.5-8.7	28-30	NA
6580' - TD	FW w/Polymer	8.5-8.7	32-35	15

*Visual mud monitoring system shall be in place to detect volume changes indicating loss or gain of circulation fluid volume. Sufficient mud materials will be kept on location at all times to combat abnormal conditions.

7. Evaluation Program:

Samples: 10' samples from KOP to TD
Logging: GR, CN & Gyro 100' above KOP (6480') to surface. GR from 6480' 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 (.43668 x 7087'=3095 psi)
MOC does not anticipate H₂S, however H₂S contingency plan is attached.

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 20 days involved in completion operations on the project.



Mewbourne Oil Company .

Eddy County, New Mexico

Section 12/13-24S-26E Maverick 13 B2CN Fed #1H

Maverick 13 B2CN Fed Com #1H

Original Hole

Plan: Plan#1

Standard Planning Report

12 March, 2014





Stryker Directional Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Maverick 13 B2CN Fed Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Project:	Eddy County, New Mexico	MD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Site:	Section 12/13-24S-26E Maverick 13 B2CN Fed #1H	North Reference:	Grid
Well:	Maverick 13 B2CN Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan#1		

Project:	Eddy County, New Mexico		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site:	Section 12/13-24S-26E : Maverick 13 B2CN Fed #1H		
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Site Position:		Northing:	445,533.00 usft	Latitude:	32° 13' 29.491 N
From:	Map	Easting:	526,323.40 usft	Longitude:	104° 14' 53.554 W
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.05 °

Well:	Maverick 13 B2CN Fed Com #1H				
Well Position	+N/-S	0.0 usft	Northing:	445,533.00 usft	Latitude: 32° 13' 29.491 N
	+E/-W	0.0 usft	Easting:	526,323.40 usft	Longitude: 104° 14' 53.554 W
Position Uncertainty	0.0 usft		Wellhead Elevation:		Ground Level: 3,257.0 usft

Wellbore:	Original Hole				
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Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	3/12/2014	7.56	60.00	48,270

Design:	Plan#1				
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Audit Notes:					
Version:		Phase:	PROTOTYPE	Tie On Depth:	0.0

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	179.41

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
6,579.5	0.00	0.00	6,579.5	0.0	0.0	0.00	0.00	0.00	0.00	
7,326.4	89.63	179.41	7,057.0	-474.4	4.9	12.00	12.00	24.02	179.41	
11,970.7	89.63	179.41	7,087.0	-5,118.3	52.5	0.00	0.00	0.00	0.00	PBHL Maverick 13



Stryker Directional Planning Report



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Company:	Mewbourne Oil Company	TVD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Project:	Eddy County, New Mexico	MD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Site:	Section 12/13-24S-26E · Maverick 13 B2CN Fed #1H	North Reference:	Grid
Well:	Maverick 13 B2CN Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan#1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00



Stryker Directional Planning Report



Database:	EDM 5000.1 Single User-Db	Local Co-ordinate Reference:	Well Maverick 13 B2CN Fed Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Project:	Eddy County New Mexico	MD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Site:	Section 12/13-24S-26E Maverick 13 B2CN Fed #1H	North Reference:	Grid
Well:	Maverick 13 B2CN Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan #1		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
5,100.0	0.00	0.00	5,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,300.0	0.00	0.00	5,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,400.0	0.00	0.00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,500.0	0.00	0.00	5,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,700.0	0.00	0.00	5,700.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,800.0	0.00	0.00	5,800.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,900.0	0.00	0.00	5,900.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,000.0	0.00	0.00	6,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,100.0	0.00	0.00	6,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,200.0	0.00	0.00	6,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,300.0	0.00	0.00	6,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,400.0	0.00	0.00	6,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,500.0	0.00	0.00	6,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,579.5	0.00	0.00	6,579.5	0.0	0.0	0.0	0.00	0.00	0.00	
6,579.5 MD KOP										
6,600.0	2.46	179.41	6,600.0	-0.4	0.0	0.4	12.00	12.00	0.00	
6,625.0	5.46	179.41	6,624.9	-2.2	0.0	2.2	12.00	12.00	0.00	
6,650.0	8.46	179.41	6,649.7	-5.2	0.1	5.2	12.00	12.00	0.00	
6,675.0	11.46	179.41	6,674.4	-9.5	0.1	9.5	12.00	12.00	0.00	
6,700.0	14.46	179.41	6,698.7	-15.1	0.2	15.1	12.00	12.00	0.00	
6,725.0	17.46	179.41	6,722.8	-22.0	0.2	22.0	12.00	12.00	0.00	
6,750.0	20.46	179.41	6,746.4	-30.1	0.3	30.1	12.00	12.00	0.00	
6,775.0	23.46	179.41	6,769.6	-39.5	0.4	39.5	12.00	12.00	0.00	
6,800.0	26.46	179.41	6,792.2	-50.0	0.5	50.0	12.00	12.00	0.00	
6,825.0	29.46	179.41	6,814.3	-61.7	0.6	61.7	12.00	12.00	0.00	
6,850.0	32.46	179.41	6,835.8	-74.6	0.8	74.6	12.00	12.00	0.00	
6,875.0	35.46	179.41	6,856.5	-88.6	0.9	88.6	12.00	12.00	0.00	
6,900.0	38.46	179.41	6,876.5	-103.6	1.1	103.6	12.00	12.00	0.00	
6,925.0	41.46	179.41	6,895.6	-119.6	1.2	119.6	12.00	12.00	0.00	
6,950.0	44.46	179.41	6,913.9	-136.7	1.4	136.7	12.00	12.00	0.00	
6,975.0	47.46	179.41	6,931.3	-154.6	1.6	154.6	12.00	12.00	0.00	
7,000.0	50.46	179.41	6,947.7	-173.5	1.8	173.5	12.00	12.00	0.00	
7,025.0	53.46	179.41	6,963.1	-193.2	2.0	193.2	12.00	12.00	0.00	
7,050.0	56.46	179.41	6,977.5	-213.6	2.2	213.7	12.00	12.00	0.00	
7,075.0	59.46	179.41	6,990.7	-234.8	2.4	234.8	12.00	12.00	0.00	
7,100.0	62.46	179.41	7,002.9	-256.7	2.6	256.7	12.00	12.00	0.00	
7,125.0	65.46	179.41	7,013.8	-279.1	2.9	279.2	12.00	12.00	0.00	
7,150.0	68.46	179.41	7,023.6	-302.1	3.1	302.2	12.00	12.00	0.00	
7,175.0	71.46	179.41	7,032.2	-325.6	3.3	325.6	12.00	12.00	0.00	
7,200.0	74.46	179.41	7,039.5	-349.5	3.6	349.5	12.00	12.00	0.00	
7,225.0	77.46	179.41	7,045.6	-373.8	3.8	373.8	12.00	12.00	0.00	
7,250.0	80.46	179.41	7,050.4	-398.3	4.1	398.3	12.00	12.00	0.00	
7,275.0	83.46	179.41	7,053.9	-423.1	4.3	423.1	12.00	12.00	0.00	
7,300.0	86.46	179.41	7,056.1	-448.0	4.6	448.0	12.00	12.00	0.00	
7,326.4	89.63	179.41	7,057.0	-474.3	4.9	474.4	12.00	12.00	0.00	
7,326.4 MD LP										
7,400.0	89.63	179.41	7,057.4	-547.9	5.6	548.0	0.00	0.00	0.00	
7,500.0	89.63	179.41	7,058.1	-647.9	6.6	648.0	0.00	0.00	0.00	
7,600.0	89.63	179.41	7,058.7	-747.9	7.7	748.0	0.00	0.00	0.00	



Stryker Directional Planning Report



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Site:	Section 12/13-24S-26E Maverick 13 B2CN Fed #1H	North Reference:	Grid
Well:	Maverick 13 B2CN Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan#1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
7,700.0	89.63	179.41	7,059.4	-847.9	8.7	848.0	0.00	0.00	0.00
7,800.0	89.63	179.41	7,060.0	-947.9	9.7	948.0	0.00	0.00	0.00
7,900.0	89.63	179.41	7,060.7	-1,047.9	10.7	1,048.0	0.00	0.00	0.00
8,000.0	89.63	179.41	7,061.3	-1,147.9	11.8	1,148.0	0.00	0.00	0.00
8,100.0	89.63	179.41	7,062.0	-1,247.9	12.8	1,247.9	0.00	0.00	0.00
8,200.0	89.63	179.41	7,062.6	-1,347.9	13.8	1,347.9	0.00	0.00	0.00
8,300.0	89.63	179.41	7,063.3	-1,447.9	14.8	1,447.9	0.00	0.00	0.00
8,400.0	89.63	179.41	7,063.9	-1,547.9	15.9	1,547.9	0.00	0.00	0.00
8,500.0	89.63	179.41	7,064.5	-1,647.9	16.9	1,647.9	0.00	0.00	0.00
8,600.0	89.63	179.41	7,065.2	-1,747.8	17.9	1,747.9	0.00	0.00	0.00
8,700.0	89.63	179.41	7,065.8	-1,847.8	18.9	1,847.9	0.00	0.00	0.00
8,800.0	89.63	179.41	7,066.5	-1,947.8	20.0	1,947.9	0.00	0.00	0.00
8,900.0	89.63	179.41	7,067.1	-2,047.8	21.0	2,047.9	0.00	0.00	0.00
9,000.0	89.63	179.41	7,067.8	-2,147.8	22.0	2,147.9	0.00	0.00	0.00
9,100.0	89.63	179.41	7,068.4	-2,247.8	23.0	2,247.9	0.00	0.00	0.00
9,200.0	89.63	179.41	7,069.1	-2,347.8	24.1	2,347.9	0.00	0.00	0.00
9,300.0	89.63	179.41	7,069.7	-2,447.8	25.1	2,447.9	0.00	0.00	0.00
9,400.0	89.63	179.41	7,070.4	-2,547.8	26.1	2,547.9	0.00	0.00	0.00
9,500.0	89.63	179.41	7,071.0	-2,647.8	27.1	2,647.9	0.00	0.00	0.00
9,600.0	89.63	179.41	7,071.7	-2,747.8	28.2	2,747.9	0.00	0.00	0.00
9,700.0	89.63	179.41	7,072.3	-2,847.8	29.2	2,847.9	0.00	0.00	0.00
9,800.0	89.63	179.41	7,073.0	-2,947.8	30.2	2,947.9	0.00	0.00	0.00
9,900.0	89.63	179.41	7,073.6	-3,047.8	31.2	3,047.9	0.00	0.00	0.00
10,000.0	89.63	179.41	7,074.3	-3,147.7	32.3	3,147.9	0.00	0.00	0.00
10,100.0	89.63	179.41	7,074.9	-3,247.7	33.3	3,247.9	0.00	0.00	0.00
10,200.0	89.63	179.41	7,075.5	-3,347.7	34.3	3,347.9	0.00	0.00	0.00
10,300.0	89.63	179.41	7,076.2	-3,447.7	35.3	3,447.9	0.00	0.00	0.00
10,400.0	89.63	179.41	7,076.8	-3,547.7	36.4	3,547.9	0.00	0.00	0.00
10,500.0	89.63	179.41	7,077.5	-3,647.7	37.4	3,647.9	0.00	0.00	0.00
10,600.0	89.63	179.41	7,078.1	-3,747.7	38.4	3,747.9	0.00	0.00	0.00
10,700.0	89.63	179.41	7,078.8	-3,847.7	39.4	3,847.9	0.00	0.00	0.00
10,800.0	89.63	179.41	7,079.4	-3,947.7	40.5	3,947.9	0.00	0.00	0.00
10,900.0	89.63	179.41	7,080.1	-4,047.7	41.5	4,047.9	0.00	0.00	0.00
11,000.0	89.63	179.41	7,080.7	-4,147.7	42.5	4,147.9	0.00	0.00	0.00
11,100.0	89.63	179.41	7,081.4	-4,247.7	43.5	4,247.9	0.00	0.00	0.00
11,200.0	89.63	179.41	7,082.0	-4,347.7	44.6	4,347.9	0.00	0.00	0.00
11,300.0	89.63	179.41	7,082.7	-4,447.6	45.6	4,447.9	0.00	0.00	0.00
11,400.0	89.63	179.41	7,083.3	-4,547.6	46.6	4,547.9	0.00	0.00	0.00
11,500.0	89.63	179.41	7,084.0	-4,647.6	47.6	4,647.9	0.00	0.00	0.00
11,600.0	89.63	179.41	7,084.6	-4,747.6	48.7	4,747.9	0.00	0.00	0.00
11,700.0	89.63	179.41	7,085.2	-4,847.6	49.7	4,847.9	0.00	0.00	0.00
11,800.0	89.63	179.41	7,085.9	-4,947.6	50.7	4,947.9	0.00	0.00	0.00
11,900.0	89.63	179.41	7,086.5	-5,047.6	51.7	5,047.9	0.00	0.00	0.00
11,970.7	89.63	179.41	7,087.0	-5,118.3	52.5	5,118.6	0.00	0.00	0.00
11970.7' MD PBHL									



Stryker Directional Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Maverick 13 B2CN Fed Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Project:	Eddy County, New Mexico	MD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Site:	Section 12/13-24S-26E, Maverick 13 B2CN Fed #1H	North Reference:	Grid
Well:	Maverick 13 B2CN Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan #1		

Design Targets									
Target Name	hit/miss target	Dip Angle	Dip Dir.	TVD	+N/S	+E/W	Northing	Easting	
Shape		(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)	Latitude Longitude
LP Maverick 13 B2CN		0.00	0.00	7,057.0	-475.0	5.9	445,058.04	526,329.29	32° 13' 24.791 N 104° 14' 53.489 W
- plan misses target center by 1.0usft at 7327.0usft MD (7057.0 TVD, -475.0 N, 4.9 E)									
- Point									
PBHL Maverick 13 B2		0.00	0.00	7,087.0	-5,118.3	52.5	440,414.68	526,375.87	32° 12' 38.838 N 104° 14' 52.990 W
- plan hits target center									
- Point									

Plan Annotations				
Measured Depth	Vertical Depth	Local Coordinates		Comment
(usft)	(usft)	+N/S	+E/W	
(usft)	(usft)	(usft)	(usft)	
6,579.5	6,579.5	0.0	0.0	6579.5' MD KOP
7,326.4	7,057.0	-474.3	4.9	7326.4' MD LP
11,970.7	7,087.0	-5,118.3	52.5	11970.7' MD PBHL



Mewbourne Oil Company .

Eddy County, New Mexico

Section 12/13-24S-26E Maverick 13 B2CN Fed #1H

Maverick 13 B2CN Fed Com #1H

Original Hole

Plan: Plan#1

Standard Planning Report - Geographic

12 March, 2014





Stryker Directional Planning Report - Geographic



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Maverick 13 B2CN Fed Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Project:	Eddy County, New Mexico	MD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Site:	Section 12/13-24S-26E Maverick 13 B2CN Fed #1H	North Reference:	Grid
Well:	Maverick 13 B2CN Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan#1		

Project	Eddy County, New Mexico
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Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site	Section 12/13-24S-26E Maverick 13 B2CN Fed #1H
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Site Position:		Northing:	445,533.00 usft	Latitude:	32° 13' 29.491 N
From:	Map	Easting:	526,323.40 usft	Longitude:	104° 14' 53.554 W
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.05 °

Well	Maverick 13 B2CN Fed Com #1H
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Well Position	+N/-S	0.0 usft	Northing:	445,533.00 usft	Latitude:	32° 13' 29.491 N
	+E/-W	0.0 usft	Easting:	526,323.40 usft	Longitude:	104° 14' 53.554 W
Position Uncertainty		0.0 usft	Wellhead Elevation:		Ground Level:	3,257.0 usft

Wellbore	Original Hole
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Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	3/12/2014	7.56	60.00	48,270

Design	Plan#1
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Audit Notes:	
Version:	Phase: PROTOTYPE Tie On Depth: 0.0

Vertical Section:	Depth From (TVD)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	179.41

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
6,579.5	0.00	0.00	6,579.5	0.0	0.0	0.00	0.00	0.00	0.00	
7,326.4	89.63	179.41	7,057.0	-474.4	4.9	12.00	12.00	24.02	179.41	
11,970.7	89.63	179.41	7,087.0	-5,118.3	52.5	0.00	0.00	0.00	0.00	PBHL Maverick 13



Stryker Directional Planning Report - Geographic



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Maverick 13 B2CN Fed Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Project:	Eddy County, New Mexico	MD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Site:	Section 12/13-24S-26E - Maverick 13 B2CN Fed #1H	North Reference:	Grid
Well:	Maverick 13 B2CN Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan #1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
0.0	0.00	0.00	0.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
100.0	0.00	0.00	100.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
200.0	0.00	0.00	200.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
300.0	0.00	0.00	300.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
400.0	0.00	0.00	400.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
500.0	0.00	0.00	500.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
600.0	0.00	0.00	600.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
700.0	0.00	0.00	700.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
800.0	0.00	0.00	800.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
900.0	0.00	0.00	900.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
1,000.0	0.00	0.00	1,000.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
1,100.0	0.00	0.00	1,100.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
1,200.0	0.00	0.00	1,200.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
1,300.0	0.00	0.00	1,300.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
1,400.0	0.00	0.00	1,400.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
1,500.0	0.00	0.00	1,500.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
1,600.0	0.00	0.00	1,600.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
1,700.0	0.00	0.00	1,700.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
1,800.0	0.00	0.00	1,800.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
1,900.0	0.00	0.00	1,900.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
2,000.0	0.00	0.00	2,000.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
2,100.0	0.00	0.00	2,100.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
2,200.0	0.00	0.00	2,200.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
2,300.0	0.00	0.00	2,300.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
2,400.0	0.00	0.00	2,400.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
2,500.0	0.00	0.00	2,500.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
2,600.0	0.00	0.00	2,600.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
2,700.0	0.00	0.00	2,700.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
2,800.0	0.00	0.00	2,800.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
2,900.0	0.00	0.00	2,900.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
3,000.0	0.00	0.00	3,000.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
3,100.0	0.00	0.00	3,100.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
3,200.0	0.00	0.00	3,200.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
3,300.0	0.00	0.00	3,300.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
3,400.0	0.00	0.00	3,400.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
3,500.0	0.00	0.00	3,500.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
3,600.0	0.00	0.00	3,600.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
3,700.0	0.00	0.00	3,700.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
3,800.0	0.00	0.00	3,800.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
3,900.0	0.00	0.00	3,900.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
4,000.0	0.00	0.00	4,000.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
4,100.0	0.00	0.00	4,100.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
4,200.0	0.00	0.00	4,200.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
4,300.0	0.00	0.00	4,300.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
4,400.0	0.00	0.00	4,400.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
4,500.0	0.00	0.00	4,500.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
4,600.0	0.00	0.00	4,600.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
4,700.0	0.00	0.00	4,700.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
4,800.0	0.00	0.00	4,800.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
4,900.0	0.00	0.00	4,900.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
5,000.0	0.00	0.00	5,000.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
5,100.0	0.00	0.00	5,100.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W



Stryker Directional Planning Report - Geographic



Database:	EDM 5000.1 Single-User Db	Local Co-ordinate Reference:	Well Maverick 13 B2CN Fed Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Project:	Eddy County, New Mexico	MD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Site:	Section 12/13-24S-26E - Maverick 13 B2CN Fed #1H	North Reference:	Grid
Well:	Maverick 13 B2CN Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan#1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
5,200.0	0.00	0.00	5,200.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
5,300.0	0.00	0.00	5,300.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
5,400.0	0.00	0.00	5,400.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
5,500.0	0.00	0.00	5,500.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
5,600.0	0.00	0.00	5,600.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
5,700.0	0.00	0.00	5,700.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
5,800.0	0.00	0.00	5,800.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
5,900.0	0.00	0.00	5,900.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
6,000.0	0.00	0.00	6,000.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
6,100.0	0.00	0.00	6,100.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
6,200.0	0.00	0.00	6,200.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
6,300.0	0.00	0.00	6,300.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
6,400.0	0.00	0.00	6,400.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
6,500.0	0.00	0.00	6,500.0	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
6,579.5	0.00	0.00	6,579.5	0.0	0.0	445,533.00	526,323.40	32° 13' 29.491 N	104° 14' 53.554 W
6579.5' MD KOP									
6,600.0	2.46	179.41	6,600.0	-0.4	0.0	445,532.56	526,323.41	32° 13' 29.487 N	104° 14' 53.553 W
6,625.0	5.46	179.41	6,624.9	-2.2	0.0	445,530.83	526,323.42	32° 13' 29.470 N	104° 14' 53.553 W
6,650.0	8.46	179.41	6,649.7	-5.2	0.1	445,527.80	526,323.46	32° 13' 29.440 N	104° 14' 53.553 W
6,675.0	11.46	179.41	6,674.4	-9.5	0.1	445,523.48	526,323.50	32° 13' 29.397 N	104° 14' 53.552 W
6,700.0	14.46	179.41	6,698.7	-15.1	0.2	445,517.88	526,323.56	32° 13' 29.341 N	104° 14' 53.552 W
6,725.0	17.46	179.41	6,722.8	-22.0	0.2	445,511.00	526,323.63	32° 13' 29.273 N	104° 14' 53.551 W
6,750.0	20.46	179.41	6,746.4	-30.1	0.3	445,502.88	526,323.71	32° 13' 29.193 N	104° 14' 53.550 W
6,775.0	23.46	179.41	6,769.6	-39.5	0.4	445,493.53	526,323.81	32° 13' 29.101 N	104° 14' 53.549 W
6,800.0	26.46	179.41	6,792.2	-50.0	0.5	445,482.99	526,323.91	32° 13' 28.996 N	104° 14' 53.548 W
6,825.0	29.46	179.41	6,814.3	-61.7	0.6	445,471.27	526,324.03	32° 13' 28.880 N	104° 14' 53.547 W
6,850.0	32.46	179.41	6,835.8	-74.6	0.8	445,458.41	526,324.17	32° 13' 28.753 N	104° 14' 53.545 W
6,875.0	35.46	179.41	6,856.5	-88.6	0.9	445,444.44	526,324.31	32° 13' 28.615 N	104° 14' 53.544 W
6,900.0	38.46	179.41	6,876.5	-103.6	1.1	445,429.42	526,324.46	32° 13' 28.466 N	104° 14' 53.542 W
6,925.0	41.46	179.41	6,895.6	-119.6	1.2	445,413.36	526,324.63	32° 13' 28.307 N	104° 14' 53.540 W
6,950.0	44.46	179.41	6,913.9	-136.7	1.4	445,396.33	526,324.80	32° 13' 28.139 N	104° 14' 53.538 W
6,975.0	47.46	179.41	6,931.3	-154.6	1.6	445,378.36	526,324.99	32° 13' 27.961 N	104° 14' 53.536 W
7,000.0	50.46	179.41	6,947.7	-173.5	1.8	445,359.51	526,325.18	32° 13' 27.774 N	104° 14' 53.534 W
7,025.0	53.46	179.41	6,963.1	-193.2	2.0	445,339.82	526,325.38	32° 13' 27.579 N	104° 14' 53.532 W
7,050.0	56.46	179.41	6,977.5	-213.6	2.2	445,319.35	526,325.59	32° 13' 27.377 N	104° 14' 53.530 W
7,075.0	59.46	179.41	6,990.7	-234.8	2.4	445,298.17	526,325.81	32° 13' 27.167 N	104° 14' 53.528 W
7,100.0	62.46	179.41	7,002.9	-256.7	2.6	445,276.31	526,326.03	32° 13' 26.951 N	104° 14' 53.525 W
7,125.0	65.46	179.41	7,013.8	-279.1	2.9	445,253.85	526,326.26	32° 13' 26.729 N	104° 14' 53.523 W
7,150.0	68.46	179.41	7,023.6	-302.1	3.1	445,230.85	526,326.50	32° 13' 26.501 N	104° 14' 53.520 W
7,175.0	71.46	179.41	7,032.2	-325.6	3.3	445,207.37	526,326.74	32° 13' 26.269 N	104° 14' 53.518 W
7,200.0	74.46	179.41	7,039.5	-349.5	3.6	445,183.47	526,326.99	32° 13' 26.032 N	104° 14' 53.515 W
7,225.0	77.46	179.41	7,045.6	-373.8	3.8	445,159.22	526,327.23	32° 13' 25.792 N	104° 14' 53.512 W
7,250.0	80.46	179.41	7,050.4	-398.3	4.1	445,134.69	526,327.49	32° 13' 25.549 N	104° 14' 53.510 W
7,275.0	83.46	179.41	7,053.9	-423.1	4.3	445,109.94	526,327.74	32° 13' 25.304 N	104° 14' 53.507 W
7,300.0	86.46	179.41	7,056.1	-448.0	4.6	445,085.04	526,327.99	32° 13' 25.058 N	104° 14' 53.504 W
7,326.4	89.63	179.41	7,057.0	-474.3	4.9	445,058.66	526,328.26	32° 13' 24.797 N	104° 14' 53.501 W
7326.4' MD LP									
7,400.0	89.63	179.41	7,057.4	-547.9	5.6	444,985.07	526,329.02	32° 13' 24.068 N	104° 14' 53.493 W
7,500.0	89.63	179.41	7,058.1	-647.9	6.6	444,885.07	526,330.04	32° 13' 23.079 N	104° 14' 53.482 W
7,600.0	89.63	179.41	7,058.7	-747.9	7.7	444,785.08	526,331.07	32° 13' 22.089 N	104° 14' 53.471 W
7,700.0	89.63	179.41	7,059.4	-847.9	8.7	444,685.09	526,332.09	32° 13' 21.100 N	104° 14' 53.460 W
7,800.0	89.63	179.41	7,060.0	-947.9	9.7	444,585.09	526,333.12	32° 13' 20.110 N	104° 14' 53.449 W



Stryker Directional Planning Report - Geographic



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Maverick 13 B2CN Fed Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Project:	Eddy County, New Mexico	MD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Site:	Section 12/13-24S-26E - Maverick 13 B2CN Fed #1H	North Reference:	Grid
Well:	Maverick 13 B2CN Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan#1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
7,900.0	89.63	179.41	7,060.7	-1,047.9	10.7	444,485.10	526,334.14	32° 13' 19.121 N	104° 14' 53.438 W
8,000.0	89.63	179.41	7,061.3	-1,147.9	11.8	444,385.11	526,335.17	32° 13' 18.131 N	104° 14' 53.427 W
8,100.0	89.63	179.41	7,062.0	-1,247.9	12.8	444,285.12	526,336.20	32° 13' 17.141 N	104° 14' 53.416 W
8,200.0	89.63	179.41	7,062.6	-1,347.9	13.8	444,185.12	526,337.22	32° 13' 16.152 N	104° 14' 53.405 W
8,300.0	89.63	179.41	7,063.3	-1,447.9	14.8	444,085.13	526,338.25	32° 13' 15.162 N	104° 14' 53.394 W
8,400.0	89.63	179.41	7,063.9	-1,547.9	15.9	443,985.14	526,339.27	32° 13' 14.173 N	104° 14' 53.383 W
8,500.0	89.63	179.41	7,064.5	-1,647.9	16.9	443,885.15	526,340.30	32° 13' 13.183 N	104° 14' 53.372 W
8,600.0	89.63	179.41	7,065.2	-1,747.8	17.9	443,785.15	526,341.32	32° 13' 12.194 N	104° 14' 53.361 W
8,700.0	89.63	179.41	7,065.8	-1,847.8	18.9	443,685.16	526,342.35	32° 13' 11.204 N	104° 14' 53.350 W
8,800.0	89.63	179.41	7,066.5	-1,947.8	20.0	443,585.17	526,343.37	32° 13' 10.214 N	104° 14' 53.339 W
8,900.0	89.63	179.41	7,067.1	-2,047.8	21.0	443,485.18	526,344.40	32° 13' 9.225 N	104° 14' 53.328 W
9,000.0	89.63	179.41	7,067.8	-2,147.8	22.0	443,385.18	526,345.42	32° 13' 8.235 N	104° 14' 53.317 W
9,100.0	89.63	179.41	7,068.4	-2,247.8	23.0	443,285.19	526,346.45	32° 13' 7.246 N	104° 14' 53.306 W
9,200.0	89.63	179.41	7,069.1	-2,347.8	24.1	443,185.20	526,347.47	32° 13' 6.256 N	104° 14' 53.295 W
9,300.0	89.63	179.41	7,069.7	-2,447.8	25.1	443,085.20	526,348.50	32° 13' 5.267 N	104° 14' 53.284 W
9,400.0	89.63	179.41	7,070.4	-2,547.8	26.1	442,985.21	526,349.52	32° 13' 4.277 N	104° 14' 53.273 W
9,500.0	89.63	179.41	7,071.0	-2,647.8	27.1	442,885.22	526,350.55	32° 13' 3.287 N	104° 14' 53.262 W
9,600.0	89.63	179.41	7,071.7	-2,747.8	28.2	442,785.23	526,351.57	32° 13' 2.298 N	104° 14' 53.251 W
9,700.0	89.63	179.41	7,072.3	-2,847.8	29.2	442,685.23	526,352.60	32° 13' 1.308 N	104° 14' 53.240 W
9,800.0	89.63	179.41	7,073.0	-2,947.8	30.2	442,585.24	526,353.62	32° 13' 0.319 N	104° 14' 53.229 W
9,900.0	89.63	179.41	7,073.6	-3,047.8	31.2	442,485.25	526,354.65	32° 12' 59.329 N	104° 14' 53.218 W
10,000.0	89.63	179.41	7,074.3	-3,147.7	32.3	442,385.26	526,355.67	32° 12' 58.340 N	104° 14' 53.207 W
10,100.0	89.63	179.41	7,074.9	-3,247.7	33.3	442,285.26	526,356.70	32° 12' 57.350 N	104° 14' 53.196 W
10,200.0	89.63	179.41	7,075.5	-3,347.7	34.3	442,185.27	526,357.72	32° 12' 56.360 N	104° 14' 53.185 W
10,300.0	89.63	179.41	7,076.2	-3,447.7	35.3	442,085.28	526,358.75	32° 12' 55.371 N	104° 14' 53.174 W
10,400.0	89.63	179.41	7,076.8	-3,547.7	36.4	441,985.29	526,359.77	32° 12' 54.381 N	104° 14' 53.163 W
10,500.0	89.63	179.41	7,077.5	-3,647.7	37.4	441,885.29	526,360.80	32° 12' 53.392 N	104° 14' 53.152 W
10,600.0	89.63	179.41	7,078.1	-3,747.7	38.4	441,785.30	526,361.82	32° 12' 52.402 N	104° 14' 53.141 W
10,700.0	89.63	179.41	7,078.8	-3,847.7	39.4	441,685.31	526,362.85	32° 12' 51.413 N	104° 14' 53.130 W
10,800.0	89.63	179.41	7,079.4	-3,947.7	40.5	441,585.32	526,363.87	32° 12' 50.423 N	104° 14' 53.119 W
10,900.0	89.63	179.41	7,080.1	-4,047.7	41.5	441,485.32	526,364.90	32° 12' 49.433 N	104° 14' 53.108 W
11,000.0	89.63	179.41	7,080.7	-4,147.7	42.5	441,385.33	526,365.92	32° 12' 48.444 N	104° 14' 53.097 W
11,100.0	89.63	179.41	7,081.4	-4,247.7	43.5	441,285.34	526,366.95	32° 12' 47.454 N	104° 14' 53.086 W
11,200.0	89.63	179.41	7,082.0	-4,347.7	44.6	441,185.34	526,367.97	32° 12' 46.465 N	104° 14' 53.075 W
11,300.0	89.63	179.41	7,082.7	-4,447.6	45.6	441,085.35	526,369.00	32° 12' 45.475 N	104° 14' 53.064 W
11,400.0	89.63	179.41	7,083.3	-4,547.6	46.6	440,985.36	526,370.02	32° 12' 44.486 N	104° 14' 53.053 W
11,500.0	89.63	179.41	7,084.0	-4,647.6	47.6	440,885.37	526,371.05	32° 12' 43.496 N	104° 14' 53.042 W
11,600.0	89.63	179.41	7,084.6	-4,747.6	48.7	440,785.37	526,372.07	32° 12' 42.506 N	104° 14' 53.031 W
11,700.0	89.63	179.41	7,085.2	-4,847.6	49.7	440,685.38	526,373.10	32° 12' 41.517 N	104° 14' 53.020 W
11,800.0	89.63	179.41	7,085.9	-4,947.6	50.7	440,585.39	526,374.12	32° 12' 40.527 N	104° 14' 53.009 W
11,900.0	89.63	179.41	7,086.5	-5,047.6	51.7	440,485.40	526,375.15	32° 12' 39.538 N	104° 14' 52.998 W
11,970.7	89.63	179.41	7,087.0	-5,118.3	52.5	440,414.70	526,375.87	32° 12' 38.838 N	104° 14' 52.990 W

11970.7' MD PBHL



Stryker Directional Planning Report - Geographic



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Maverick 13 B2CN Fed Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Project:	Eddy County, New Mexico	MD Reference:	GL 3257 + 20 @ 3277.0usft (Original Well Elev)
Site:	Section 12/13-24S-26E Maverick 13 B2CN Fed #1H	North Reference:	Grid
Well:	Maverick 13 B2CN Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan#1		

Design Targets

Target Name

- hit/miss target	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- Shape	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)		
LP Maverick 13 B2CN	0.00	0.00	7,057.0	-475.0	5.9	445,058.04	526,329.29	32° 13' 24.791 N	104° 14' 53.489 W
- plan misses target center by 1.0usft at 7327.0usft MD (7057.0 TVD, -475.0 N, 4.9 E)									
- Point									
PBHL Maverick 13 B2	0.00	0.00	7,087.0	-5,118.3	52.5	440,414.68	526,375.87	32° 12' 38.838 N	104° 14' 52.990 W
- plan hits target center									
- Point									

Plan Annotations

Measured Depth	Vertical Depth	Local Coordinates		Comment
(usft)	(usft)	+N/-S (usft)	+E/-W (usft)	
6,579.5	6,579.5	0.0	0.0	6579.5' MD KOP
7,326.4	7,057.0	-474.3	4.9	7326.4' MD LP
11,970.7	7,087.0	-5,118.3	52.5	11970.7' MD PBHL



COMPANY: Mewbourne Oil Company
WELL: Maverick 13 B2CN Fed Com #1H
COUNTY: Eddy County, New Mexico
DATUM: NAD 1927 (NADCON CONUS)
RIG: Original Well Elev

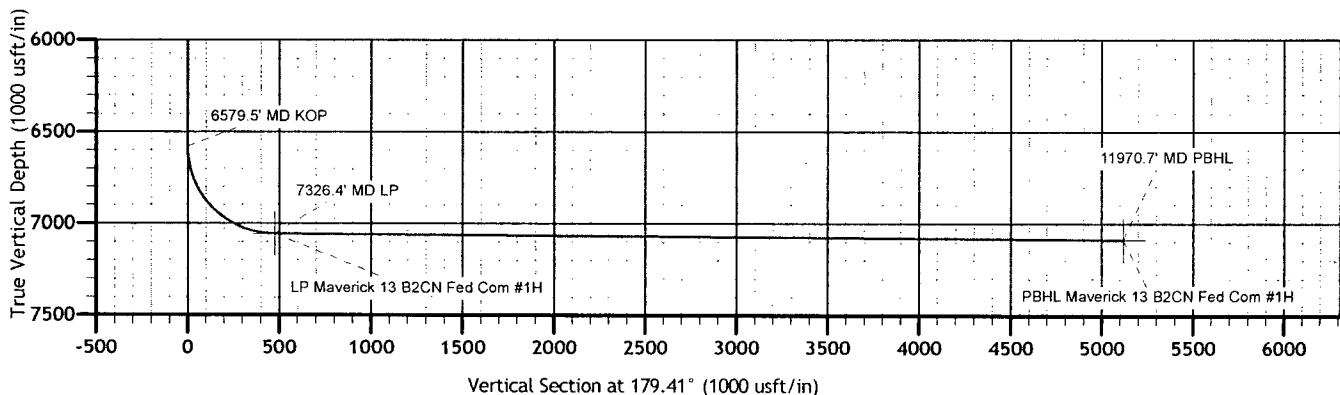
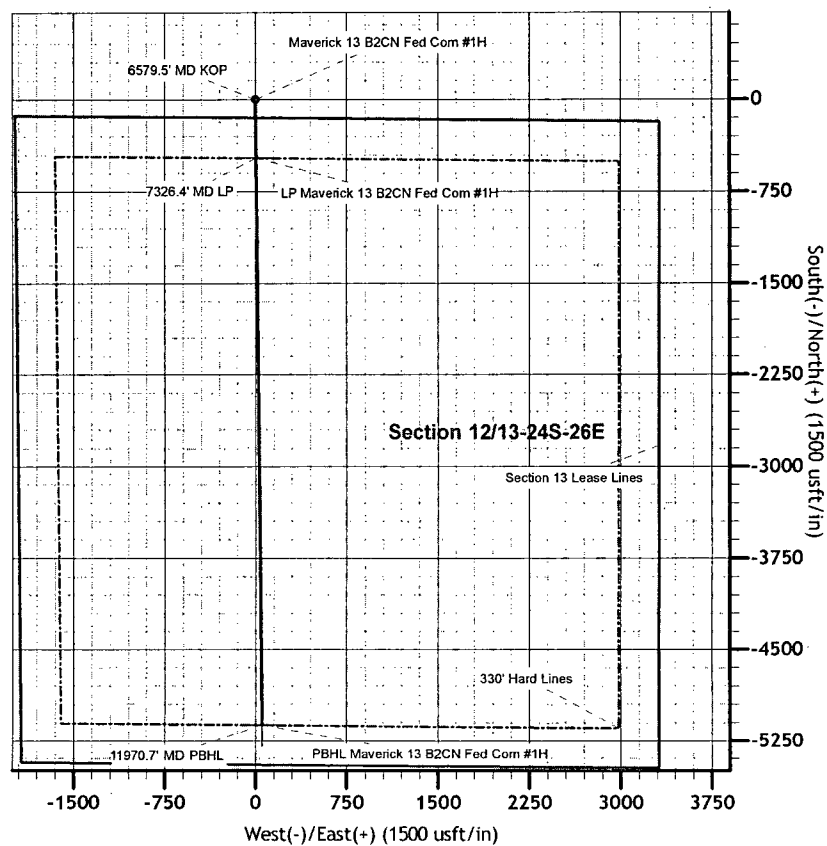
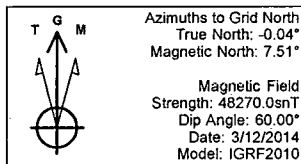


GRID CORRECTION: To convert a Magnetic Direction to a Grid Direction, Add 7.51°

GEODETIC ZONE: New Mexico East 3001
GL 3257 + 20 @ 3277.0usft (Original Well Elev)
GROUND ELEVATION: 3257.0

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.0	0.0	445533.00	526323.40	32° 13' 29.491 N	104° 14' 53.554 W	

PLAN SECTIONS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	6579.5	0.00	0.00	6579.5	0.0	0.0	0.00	0.00	0.0	
3	7326.4	89.63	179.41	7057.0	-474.4	4.9	12.00	179.41	474.4	
4	11970.7	89.63	179.41	7087.0	-5118.3	52.5	0.00	0.00	5118.6	PBHL Maverick 13 B2CN Fed Com #1H



13 5/8" 2M BOPE & Closed Loop Equipment Schematic

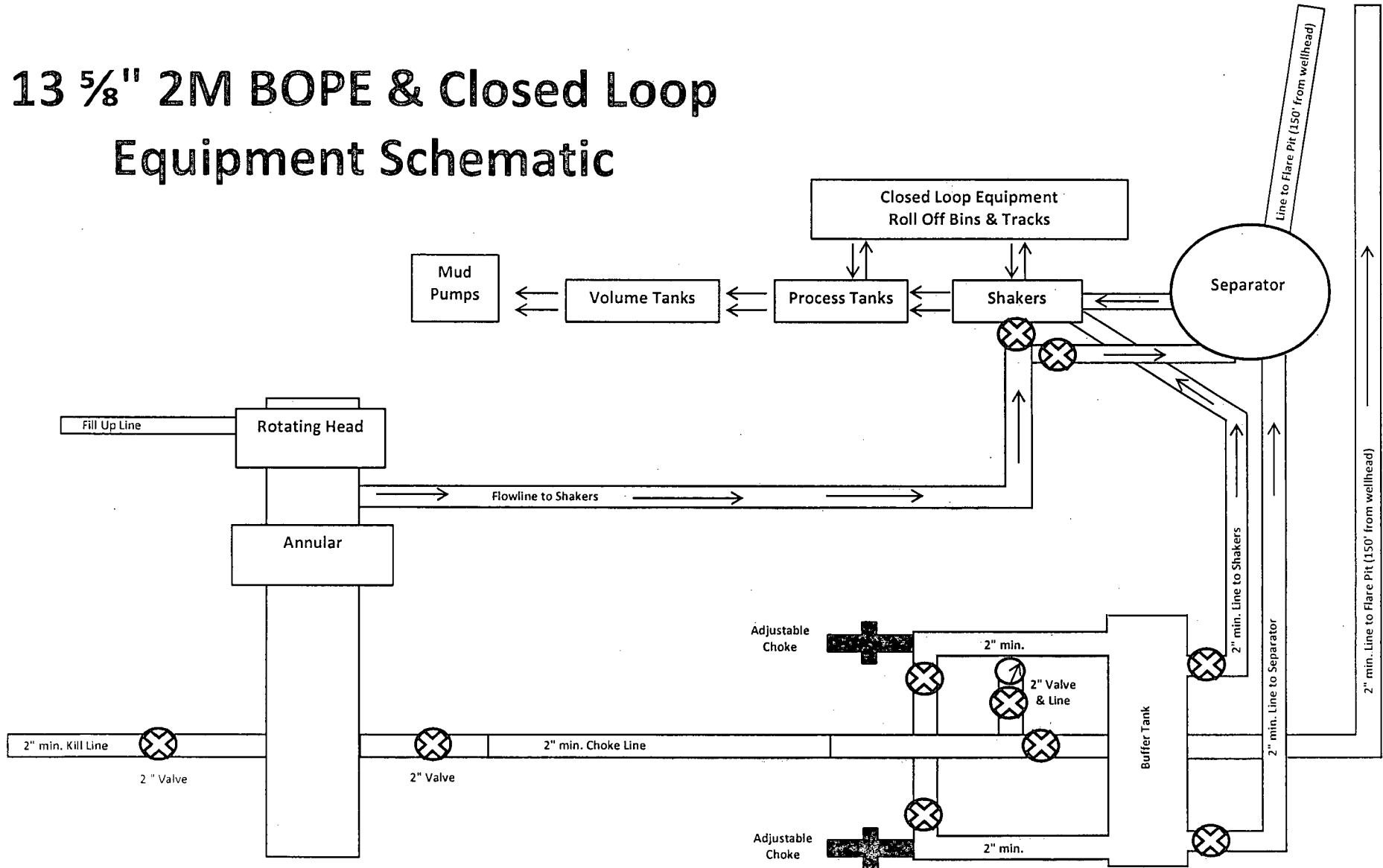


EXHIBIT "2"

Maverick 13 B2CN Fed Com #1H

11" 3M BOPE & Closed Loop Equipment Schematic

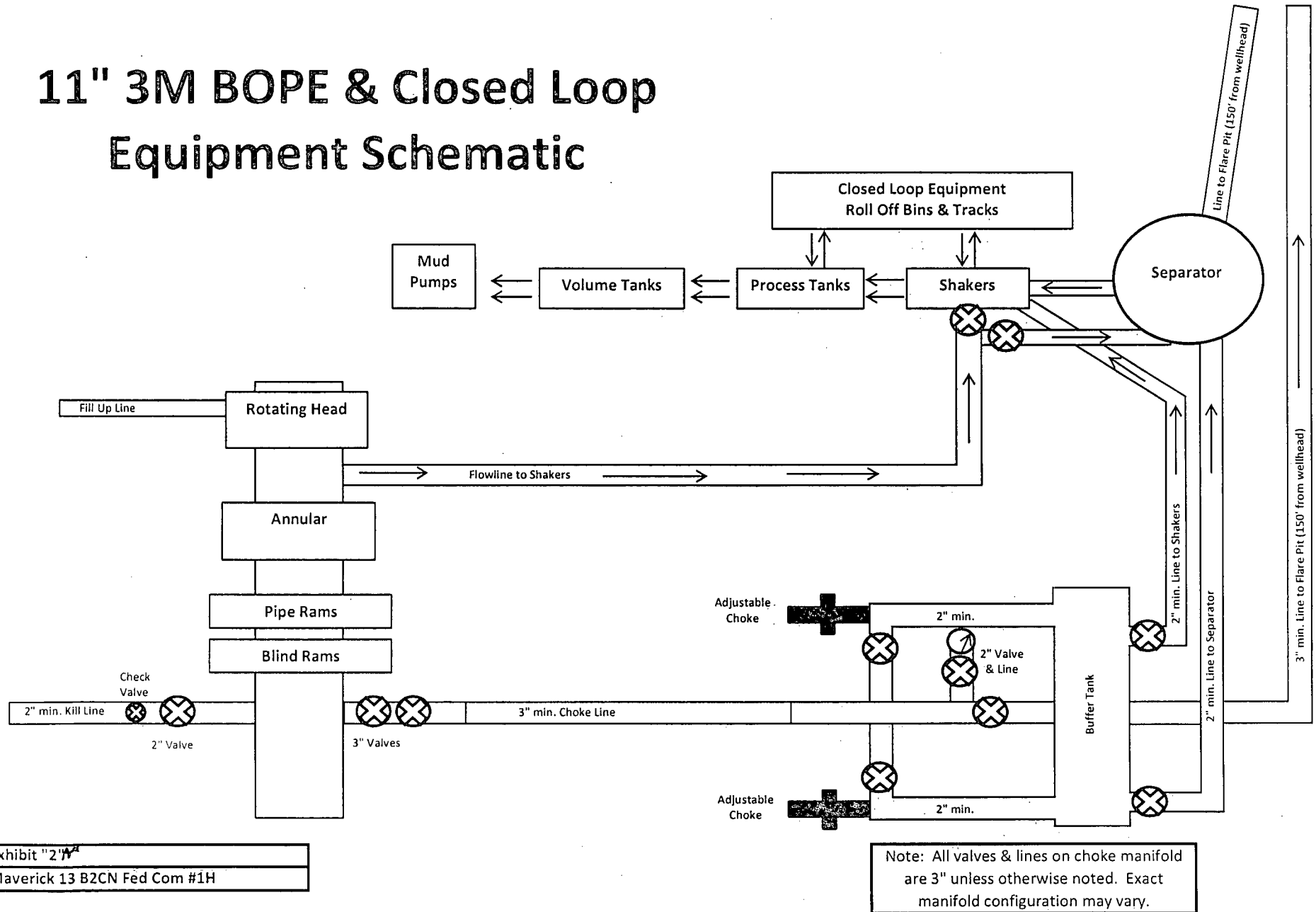


Exhibit "2"
Maverick 13 B2CN Fed Com #1H

Notes Regarding Blowout Preventer

Mewbourne Oil Company

Maverick 13 B2CN Federal Com #1H

145' FSL & 1980' FWL (SHL)

Sec 12-T24S-R26E

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 3000 psi working pressure on 9 5/8" and 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.

H2S Diagram
Closed Loop Pad Dimensions 340' x 340'

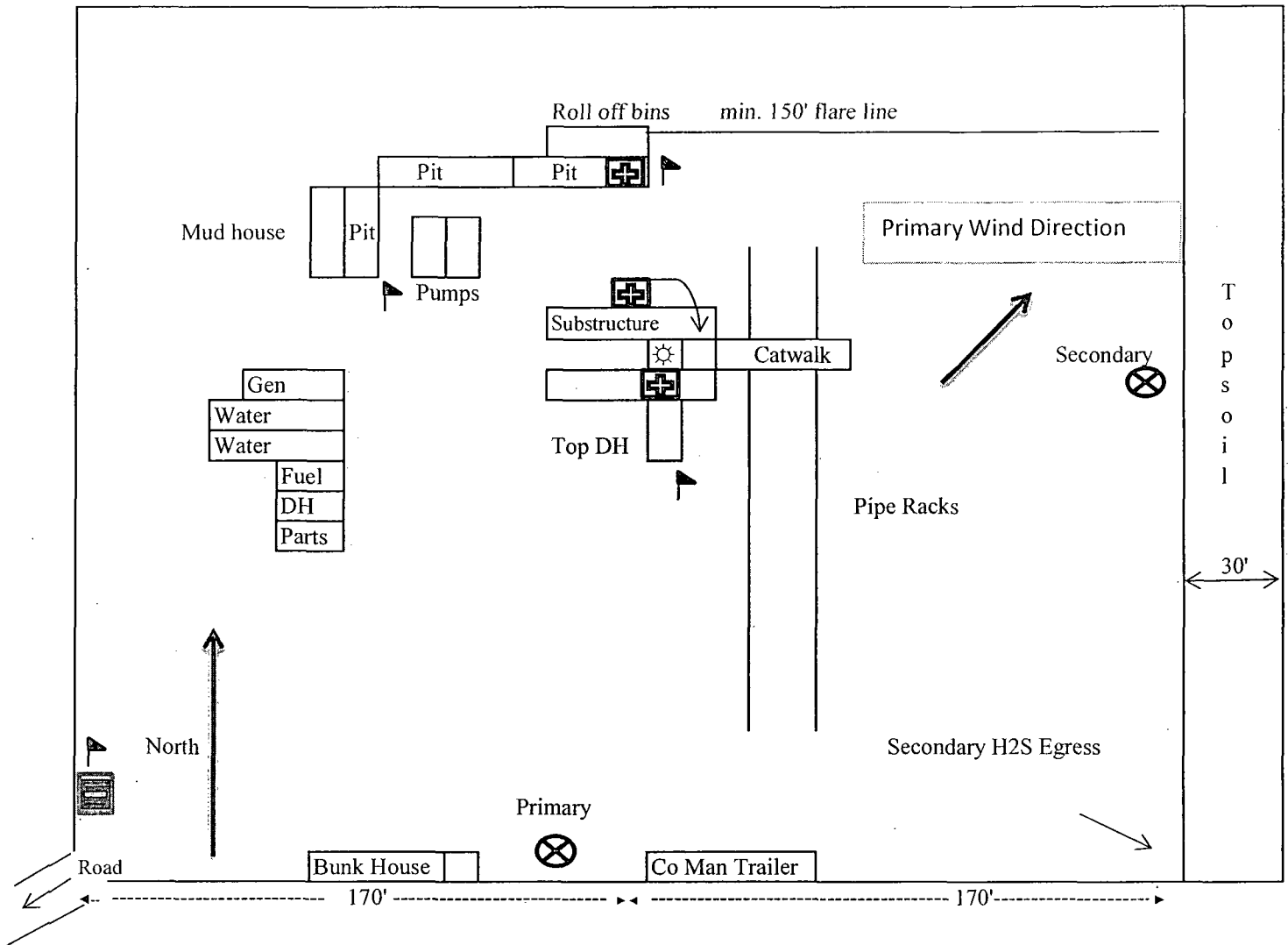


Exhibit 5



= Safety Stations



= Wind Markers



= H2S Monitors



= Warning Signs

Mewbourne Oil Company
Maverick 13 B2CN Fed Com #1H
145' FSL & 1980' FWL
Sec. 12 T24S R26E
Eddy County, NM

Hydrogen Sulfide Drilling Operations Plan
Mewbourne Oil Company
Maverick 13 B2CN Federal Com #1H
145' FSL & 1980' FWL (SL)
Sec 12-T24S-R26E
Eddy County, New Mexico

1. General Requirements

Rule 118 does not apply to this well because MOC has researched this area and no high concentrations of H₂S were found. MOC will have on location and working all H₂S safety equipment before the Delaware formation for purposes of safety and insurance requirements.

2. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will have received training from a qualified instructor in the following areas prior to entering the drilling pad area of the well:

1. The hazards and characteristics of hydrogen sulfide gas.
2. The proper use of personal protective equipment and life support systems.
3. The proper use of hydrogen sulfide detectors, alarms, warning systems, briefing areas, evacuation procedures.
4. The proper techniques for first aid and rescue operations.

Additionally, supervisory personnel will be trained in the following areas:

1. The effects of hydrogen sulfide on metal components. If high tensile tubular systems are utilized, supervisory personnel will be trained in their special maintenance requirements.
2. Corrective action and shut in procedures, blowout prevention, and well control procedures while drilling a well.
3. The contents of the Hydrogen Sulfide Drilling Operations Plan.

There will be an initial training session prior to encountering a known hydrogen sulfide source. The initial training session shall include a review of the site specific Hydrogen Sulfide Drilling Operations Plan.

3. Hydrogen Sulfide Safety Equipment and Systems

All hydrogen sulfide safety equipment and systems will be installed, tested, and operational prior to drilling below the 9 5/8" intermediate casing.

1. Well Control Equipment

- A. Choke manifold with minimum of one adjustable choke/remote choke.
- B. Blowout preventers equipped with blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
- C. Auxiliary equipment including annular type blowout preventer.

2. Protective Equipment for Essential Personnel

Thirty minute self contained work unit located in the dog house and at briefing areas.

Additionally: If H₂S is encountered in concentrations less than 10 ppm, fans will be placed in work areas to prevent the accumulation of hazardous amounts of poisonous gas. If higher concentrations of H₂S are detected the well will be shut in MOC will follow Onshore Order 6 and install a rotating head, mud/gas separator, remote choke and flare line with igniter will be installed.

3. Hydrogen Sulfide Protection and Monitoring Equipment

Two portable hydrogen sulfide monitors positioned on location for optimum coverage and detection. The units shall have audible sirens to notify personnel when hydrogen sulfide levels exceed 20 PPM.

4. Visual Warning Systems

A. Wind direction indicators as indicated on the well site diagram.

B. Caution signs shall be posted on roads providing access to location. Signs shall be painted a high visibility color with lettering of sufficient size to be readable at reasonable distances from potentially contaminated areas.

4. **Mud Program**

The mud program has been designed to minimize the amount of hydrogen sulfide entrained in the mud system. Proper mud weight, safe drilling practices, and the use of hydrogen sulfide scavengers will minimize hazards while drilling the well.

5. **Metallurgy**

All tubular systems, wellheads, blowout preventers, drilling spools, kill lines, choke manifolds, and valves shall be suitable for service in a hydrogen sulfide environment when chemically treated.

6. **Communications**

State & County officials' phone numbers are posted on rig floor and supervisors trailer. Communications in company vehicles and toolpushers are either two way radios or cellular phones.

7. **Well Testing**

Drill stem testing is not an anticipated requirement for evaluation of this well. A drill stem test is required and will be conducted with a minimum number of personnel in the immediate vicinity. The test will be conducted during daylight hours only.

8. **Emergency Phone Numbers**

Lea County Sheriff's Office	911 or 575-396-3611
Ambulance Service	911 or 575-885-2111
Carlsbad Fire Dept	911 or 575-885-2111
Closest Medical Facility - Columbia Medical Center of Carlsbad	575-492-5000

Mewbourne Oil Company	Hobbs District Office	575-393-5905
	Fax	575-397-6252
	2 nd Fax	575-393-7259

District Manager	Micky Young	575-390-0999
Drilling Superintendent	Frosty Lathan	575-390-4103
	Bradley Bishop	575-390-6838
Drilling Foreman	Wesley Noseff	575-441-0729

Closed Loop Pad Dimensions 340' x 340'

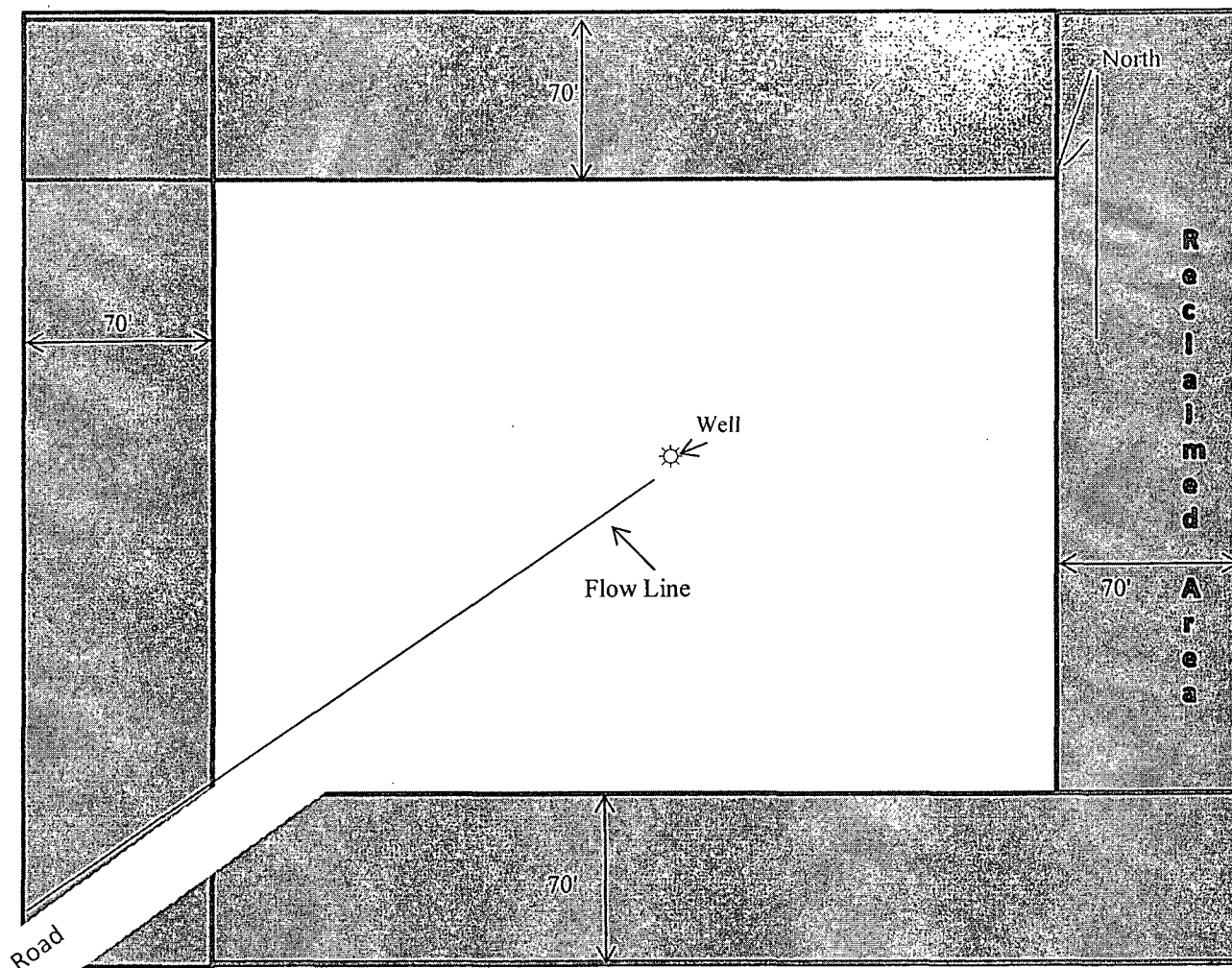


Exhibit 6

Mewbourne Oil Company
Maverick 13 B2CN Fed Com #1H
145' FSL & 1980' FWL
Sec. 12 T24S R26E
Eddy County, NM

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Maverick 13 B2CN Federal Com #1H

145' FSL & 1980' FWL

Sec 12-T24S-R26E

Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, Covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved, and the procedures to be followed in restoring the surface so that a complete appraisal can be made of the environmental impact associated with the proposed operations.

1. Existing Roads:

- A. Exhibit #3 is a road map showing the location of the proposed well. Existing roads are highlighted in black. Exhibits #3-#3C are maps showing the location of the proposed well and access road. Existing and proposed roads are highlighted in black.
- B. Directions to location: At intersection of Cr-720 & Cr-763, go NE approx.. 1.1 mile on CR-763 to a lease road. Turn right and go East approx.. .1 mile to the two track road. Turn right and go SE approx.. .5 mile, turn left and go east .1 mile. Turn right and go SE 250', turn left and go east .3 mile, turn left and go NE following proposed road 550' to this location.
- C. Existing roads will be maintained in a condition the same as or better than before operations begin.

2. Proposed Access Road:

- A. Approx. 355.47' feet of new road construction will be needed. (Will need to upgrade 695.25' of two-track road will need to be upgraded, Exhibit 3A-3A2.)
- B. The maximum width of the driving surface will be 14 feet. The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1 foot deep with 3:1 slopes. The road will be surfaced with 6" of rolled and compacted caliche.
- C. Mewbourne Oil Co. will cooperate with other operators in the maintenance of lease roads.

3. Location of Existing Wells:

There are producing wells within the immediate vicinity of the well site. Exhibit #4 shows existing wells within a one mile radius.

4. Location of Existing and/or Proposed Facilities:

- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, production facilities will be at the Maverick 13 DM Fed Com #1H battery. A low pressure (under 125#) steel 2 7/8" surface flow line will follow new & upgraded two track roads from Maverick 13 B2CN Fed Com #1H to MOC's Maverick 13 DM Fed Com #1H battery. This line will be within 5' of the lease road approximately 1050.72' in length (route is shown in Exhibit 3A-3A2).
- C. All production vessels left on location will be painted to conform to BLM painting stipulations within 180 days of installation.

5. Location and Type of Water Supply

The well will be drilled with a combination of fresh water and brine water based mud systems. The water will be obtained from commercial suppliers in the area and/or hauled to the location by transport trucks over existing and proposed roads as indicated in Exhibit #3.

6. Source of Construction Materials

All material required for construction of the drill pad and access roads will be obtained from private, state, or federal pits. The construction contractor will be solely responsible for securing construction materials required for this operation and paying any royalties that may be required on those materials.

7. Methods of Handling Waste Disposal:

- A. Drill cuttings not retained for evaluation purposed will be hauled to an off-site permitted facility.
- B. Water produced during operations will be hauled to an off-site permitted SWD in the area.
- C. MOC will use a closed-loop system during drilling operations.
- D. If any liquid hydrocarbons are produced during operations, those liquids will be stored in suitable tanks until sold.
- E. Sewage and gray water will be safely contained on-site, and then waste will be disposed at an approved off-site facility.
- F. All trash, junk, and other waste materials will be stored in proper containers to prevent dispersal and will be removed to an appropriate facility within one week of cessation of drilling and completion activities.

8. Ancillary Facilities

There are no ancillary facilities within the immediate vicinity of the proposed well site.

9. Well Site Layout

- A. A diagram of the drill pad is shown in Exhibit #5. Dimensions of the pad and location of major rig components are shown.
- B. The pad dimension of 340' x 340' has been staked and flagged.

10. Plans for Restoration of Surface

- A. Within 120 days of cessation of drilling and completion operations, all equipment not necessary for production operations will be removed. The location and surrounding area will be cleaned of all trash and junk to assure the well site is left as esthetically pleasing as reasonably possible.
- B. Interim reclamation:

- i. All areas not needed for production operations will be reclaimed as shown in the interim reclamation layout, exhibit #6.
 - ii. In these areas, caliche will be removed, the land will be recontoured to match the surrounding area, and the topsoil from the stockpile will be spread over these areas.
 - iii. The disturbed area will be restored by seeding during the proper growing season.
 - iv. Any additional caliche required for production facilities will be obtained from the reclaimed areas.
- C. Final Reclamation:
- i. Upon cessation of the proposed operations, if the well is abandoned, all equipment and trash will be removed and taken to a proper facility.
 - ii. The location and road surfacing material will be removed and used to patch area lease roads.
 - iii. The entire location will be restored to the original contour as much as reasonable possible.
 - iv. The topsoil used for interim reclamation will be spread over the entire location.
 - v. The disturbed area will be restored by seeding during the proper growing season.

All restoration work will be completed within 180 days of cessation of activities.

11. Surface Ownership:

The surface of the upgraded two track road is owned by Eugene C. & Alice K. Hood, 1142 Black River Village Road, Carlsbad, NM 88220. Mewbourne has reached an agreement with the land owner and a surface use agreement is in place. A copy of this plan has been sent to the Hood's.

12. Other Information:

- A. The primary use of the surface at the location is for grazing of livestock.

13. Operators Representative:

- A. Through APD approval, drilling, completion and production operations:

N.M. Young, District Manager
Mewbourne Oil Company
PO Box 5270
Hobbs, NM 88241
575-393-5905

Mewbourne Oil Company

PO Box 5270
Hobbs, NM 88241
(575) 393-5905

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 18 day of March, 2014.

Name: NM Young

Signature: Bradley Birley FOR NM Young

Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: myoung@mewbourne.com

ASSIGNMENT AND BILL OF SALE AGREEMENT

This ASSIGNMENT AND BILL OF SALE AGREEMENT ("Agreement") dated effective November 1, 2013 ("Effective Date") is made by and between Chevron U.S.A. Inc., a Pennsylvania corporation with an address at P. O. Box 2100, Houston, Texas 77252-2100 ("Assignor") and Mewbourne Oil Company, a Delaware corporation, with an address at P.O. Box 7698, Tyler, Texas 75711 ("Assignee").

RECITALS

- A. Subject to the reservation of overriding royalty interest and the other terms and conditions in this Agreement, Assignor wishes to assign to Assignee, without warranty of any kind, either express or implied, all of Assignor's right, title and interest in that certain oil and gas lease described in Exhibit A attached hereto.
- B. Assignee wishes to accept from Assignor the assignment described in Recital A.

AGREEMENT

1. DEFINITIONS, INTERPRETATION AND EXHIBITS

- 1.1 Definitions. As used in this Agreement, these words or expressions have the following meanings:

"Affiliate" of a Party shall mean any Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with such Party. For purposes of this definition, "control" means ownership of fifty percent (50%) or greater of the voting interest (stock or otherwise) of such entity.

"Agreement" has the meaning given in the introductory paragraph of this Agreement.

"Assignee" means the Person defined as "Assignee" in the introductory paragraph of this Agreement.

"Assigned Lease" means the Oil and Gas Lease described in Exhibit A and the lands covered thereby.

"Assigned Property Agreements" means all covenants, terms, and provisions, express or implied, contained in the agreements, leases, easements, permits, commingling authorizations (if applicable), operating agreements, and all other agreements pertaining to Assignor's interest in the Assigned Lease.

"Assignor" means the Person defined as "Assignor" in the introductory paragraph of this Agreement.

"Assignor Group" means Assignor, Assignor's Affiliates, Joint Interest Owners and their Affiliates, and the directors, officers and employees of all of them.

"Claim" means any claim, liability, loss, demand, damages, Lien, cause of action of any kind, obligation, costs, judgment, interest and award (including recoverable legal counsel fees and costs of litigation of the Person asserting the Claim), whether arising by law, contract, tort, voluntary settlement or otherwise.

ATTN JULIE SCHEUBER
MEWBOURNE OIL CO
P O BOX 7698
TYLER TX 75711

"Effective Date" means the date/time defined as "Effective Date" in the introductory paragraph of this Agreement.

"Exhibit" means a document referred to in Section 1.3.

"Indemnitee(s)" means each Person who is a member of Assignor Group.

"Joint Interest Owner" means a Person (including a co-interest owner, joint venturer, partner or co-lessee of Assignor) who shares an economic interest in common with Assignor or an Affiliate of Assignor.

"Laws" has the meaning set forth in Section 7.7.

"Lien" means charge, encumbrance or similar right available to creditors at law to secure debts owed to them.

"NORM" means naturally occurring radioactive material.

"Party" means Assignee or Assignor and "Parties" mean both of them.

"Person" means an individual, corporation, company, state, statutory corporation, government entity or any other legal entity.

"Personal Property" means Assignor's personal property or equipment associated with any Wells.

"Wells" means all oil wells, gas wells, salt water disposal wells, injection wells and other wells (whether plugged or unplugged) located on and currently or formerly used in connection with operations on the Assigned Lease or any wells which are drilled in the future on the Assigned Lease.

1.2. **Interpretation.** Unless the context expressly requires otherwise, all of the following apply to the interpretation of this Agreement:

- (A) The plural and singular words each include the other.
- (B) The masculine, feminine and neuter genders each include the others.
- (C) The word "or" is not exclusive.
- (D) The word "includes" and "including" are not limiting, but are terms of enlargement so other items or components are includable although not specifically expressed.
- (E) References to matters "arising" (or which "arise" or "arises"), "out of this Agreement" include matters which arise in connection with this Agreement or have a causal connection with or which flow from this Agreement or which would not have arisen or occurred but for the entering into this Agreement or the performance of or failure to perform obligations under this Agreement.

- (F) The headings in this Agreement are included for convenience and do not affect the construction or interpretation of any provision of, or the rights or obligations of a Party under, this Agreement.
- (G) If a conflict exists between any provisions of this Agreement as they apply to Assignee, the provision that imposes the more onerous obligation on Assignee prevails to the extent of the conflict.

1.3 Exhibits

- (A) Exhibits A and B attached to the body of this Agreement is an integral part of this Agreement and is incorporated by reference into this Agreement.
- (B) If a conflict exists between the body of this Agreement and Exhibits A and B, the body prevails to the extent of the conflict.

2. CONVEYANCE

- 2.1 **Assignment.** Assignor assigns to Assignee, and Assignee accepts from Assignor, without warranty of any kind, either express or implied, all of Assignor's right, title and interest in the Assigned Lease, subject to Assignor's reservation of the overriding royalty interest described below and all of the other provisions of this Agreement. Assignor further assigns, without warranty of any kind, either express or implied, all of Assignor's right, title and interest in the Assigned Property Agreements.
- 2.2 **Bill of Sale.** Assignor sells to Assignee, and Assignee accepts from Assignor, without warranty of any kind, either express or implied, all of Assignor's right, title and interest in and to all Wells and Personal Property.
- 2.3 **Overriding Royalty Reservation.**
 - (A) Assignor hereby excepts and reserves an overriding royalty interest equal to the difference between (i) 25% and (ii) the aggregate amount of all lessors' royalties, overriding royalty interests, production payment interests and similar burdens on the Assigned Lease existing as of the Effective Date, of all oil, gas, liquid hydrocarbons and other minerals produced, saved and marketed from the Assigned Lease. Such share of production shall be delivered to Assignor, its successors and assigns, free and clear of all costs and expenses of drilling, development, production, operation, and marketing thereof (including costs and expenses of dehydrating, treating, transporting, boosting, compressing or otherwise processing such oil, gas, liquid hydrocarbons and other minerals in order to make the same marketable) except the taxes on or attributable to production or income therefrom.
 - (B) If Assignee or any Affiliate of Assignee or related party secures an extension or renewal of the Assigned Lease prior to the termination of the Assigned Lease or within 1 year thereafter, or if Assignee or any Affiliate of Assignee or related party secures a new lease covering any or all of the lands covered by the Assigned Lease prior to termination of the Assigned Lease or within 1 year thereafter:

- (1) The overriding royalty interest excepted and reserved by Assignor will attach to such extension, renewal or new lease.
 - (2) Assignee will execute and deliver to Assignor a recordable instrument, on a form acceptable to Assignor, which evidences Assignor's ownership of such overriding royalty interest in the extension, renewal or new lease.
- (C) If the Assigned Lease covers less than all of the oil and gas in and under the lands covered thereby, or if Assignor owns or is assigning to Assignee less than the full interest of the original lessee in the Assigned Lease, the overriding royalty interest reserved by Assignor herein shall be proportionately reduced. The overriding royalty interest shall be subject to any governmentally approved cooperative or unit plan of development or operation or communitization or other agreement or designation forming a well spacing or proration unit under the rules or regulations of the governmental authority having jurisdiction to which the Assigned Lease is now committed or may hereafter be committed, and in such event the overriding royalty interest shall be computed and paid on the basis of the oil and gas allocated to the lands pursuant to the terms of the plan or agreement.
- 2.4 **Assignee Agrees to Comply with Established Contracts.** Assignee will observe and comply with all covenants, terms, and provisions, express or implied, contained in the Assigned Property Agreements. This Agreement is made expressly subject to all of the Assigned Property Agreements whether or not the same are specifically identified in this Agreement. Assignee will assume and be responsible for all obligations of Assignor accruing under the Assigned Property Agreements on and after the Effective Date. Assignee, by its execution of this Agreement, adopts, ratifies and confirms any Assigned Property Agreement in all respects; and from the Effective Date, agrees to be substituted for the Assignor as a party to such Assigned Property Agreement and agrees to assume all of Assignor's liability and responsibility under same.
- 2.5 **Right to Audit.** Assignor shall have the right to audit Assignee's books and records once per year to determine whether Assignee has complied with all the terms and conditions of this Agreement, including without limitation the payment and calculation of Assignor's reserved overriding royalty interest.
3. **LOGS AND DATA**
- 3.1 Within 30 days after drilling and completing any Well on the Assigned Lease, Assignee agrees to deliver to Assignor the well logs and well data more particularly described on Exhibit B (the "Well Data") for such completed Well.
- 3.2 The Well Data shall be delivered to the following address:
- Chevron U.S.A. Inc.
P. O. Box 2100
Houston, Texas 77252-2100
Attention: MCBU NOJV

4. NO WARRANTY OR REPRESENTATION BY ASSIGNOR

- 4.1 This Agreement is made on an "AS IS, WHERE IS" basis, "WITH ALL FAULTS," and WITHOUT WARRANTIES WHATSOEVER WITH RESPECT TO ANY INTEREST TRANSFERRED, EITHER EXPRESS OR IMPLIED, it being expressly agreed by Assignor and Assignee that ASSIGNOR MAKES NO WARRANTIES OR REPRESENTATIONS WITH RESPECT TO ORIGIN, QUANTITY, QUALITY, CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, SAFETY OF EQUIPMENT, COMPLIANCE WITH GOVERNMENTAL REGULATIONS, TITLE TO PERSONAL PROPERTY, TITLE TO REAL PROPERTY, THE QUANTITY, VALUE OR EXISTENCE OF RESERVES OF OIL, GAS OR OTHER MINERALS PRODUCIBLE OR RECOVERABLE FROM THE ASSIGNED LEASE, OR OF TITLE TO OR CONDITION OF THE ASSIGNED LEASE, WELLS AND PERSONAL PROPERTY.
- 4.2 All descriptions set forth in this Agreement and all information furnished to Assignee by Assignor before or after the Effective Date concerning the Assigned Lease and the operation of same, have been and will be furnished solely for Assignee's convenience and have not constituted and will not constitute a representation or warranty of any kind by Assignor, and any reliance on same by Assignee will be at Assignee's sole risk and liability.

5. ASSIGNEE'S ASSUMPTION OF RESPONSIBILITY FOR ASSIGNED LEASE.

- 5.1 Assignee acknowledges that the Assigned Lease has been used in connection with oil, gas, and/or water production, transportation, treatment, storage, disposal or other operations and may contain NORM, asbestos, and other substances, pollutants or contaminants as a result of such operations, and unknown, abandoned or unproductive oil and/or gas wells, pits, landfills, flowlines, pipelines, water wells, sumps, and other materials and equipment.
- 5.2 Assignee assumes responsibility for NORM, asbestos, and other substances, pollutants or contaminants, and known and unknown oil and/or gas wells, pits, landfills, flowlines, pipelines, water wells, sumps, and other materials and equipment located on the Assigned Lease.
- 5.3 Expenses and Recording:
- (A) Except as otherwise specifically provided, all fees, costs and expenses incurred by Assignor or Assignee in negotiating this Agreement or in consummating the transactions contemplated by this Agreement will be paid by the Party incurring the same, including legal and accounting fees, costs and expenses.
- (B) Assignee will be responsible for the filing and recording of this Agreement, conveyances, or other instruments required to convey title to the Assigned Lease to Assignee, and Assignee will bear all required documentary, filing and recording fees and expenses incurred in connection with same. Assignee shall furnish to Assignor a certified copy of this Agreement, conveyances or other instruments so recorded.

6. **PLUGGING AND ABANDONMENT OF WELLS, REMOVAL OF STRUCTURES AND EQUIPMENT, TREATING AND BACKFILLING PITS, RESTORATION OF SURFACE.**

6.1 Assignee agrees to assume all responsibility for the following:

- (A) plugging and abandonment of existing and/or future Wells,
- (B) the removal of structures, facilities, foundations, wellheads, tanks, pipelines, flowlines, pumps, compressors, separators, heater treaters, valves, fittings, machinery and other materials and equipment of any nature located on the Assigned Lease,
- (C) treating and backfilling all pits located on the Assigned Lease, and
- (D) restoration of the surface as nearly as practicable to its original condition or as may otherwise be required by applicable agreements or by law.

7. **CLAIMS, LIABILITIES, AND INDEMNITIES**

7.1 **INTENT OF INDEMNITY PROVISIONS.** The Parties agree to allocate between them responsibility for all Claims as set out below.

7.2 **COMPLIANCE WITH EXPRESS NEGLIGENCE RULE.** All of Assignee's release, defense, indemnification, hold harmless and assumption obligations in this Agreement apply whether or not the underlying claims arose solely or in part from the gross, active, passive, sole or concurrent negligence, strict liability, regulatory liability, statutory liability or fault of Assignor or other Indemnitees. Assignee acknowledges that this statement complies with the express negligence rule and is conspicuous.

7.3 **ACTS OF INDEMNITEES PRIOR TO EFFECTIVE DATE.** All of Assignee's release, defense and indemnity obligations apply without limitation to acts and omissions of Indemnitees on or relating to the Assigned Lease and Assigned Property Agreements occurring before the Effective Date.

7.4 **PLUGGING AND ABANDONMENT OF WELLS, REMOVAL OF STRUCTURES AND EQUIPMENT, TREATING AND BACKFILLING PITS, RESTORATION OF SURFACE.** Assignee agrees to release, discharge, defend, indemnify and hold harmless Indemnitees against all Claims arising from Assignee's breach or failure to comply with the requirements of Section 6.

7.5 **TAXES.** Assignee agrees to release, discharge, defend, indemnify and hold harmless Indemnitees against all Claims arising from any sales or use taxes assessed against Assignor by any taxing authority with respect of the sale of the Assigned Lease.

7.6 **GENERAL INDEMNITY.** Assignee agrees to release, discharge, defend, indemnify and hold harmless Indemnitees against all Claims relating to the Assigned Lease and the Assigned Property Agreements pertaining to same that may be asserted or filed on or after the Effective Date.

7.7 **ENVIRONMENTAL CLAIMS.** Assignee agrees to release, discharge, defend, indemnify and hold harmless Indemnitees against all Claims relating to the physical and

environmental condition of the Assigned Lease, including claims involving NORM, asbestos, and other substances, pollutants or contaminants, claims involving known and unknown oil and/or gas wells, pits, landfills, flowlines, pipelines, water wells, sumps, and other materials and equipment located thereon, and claims arising under any federal, state, tribal, or local law or regulation ("Laws"). The Laws include The Comprehensive Environmental Response, Compensation, And Liability Act, The Resource Conservation and Recovery Act, The Clean Water Act, The Safe Drinking Water Act, The Hazardous Materials Transportation Act, The Toxic Substance Control Act, and all amendments to such acts.

8. **CONFLICT OF INTEREST.** No director, employee, or agent of either Party will give or receive any commission, fee, rebate, gift, or entertainment of significant cost or value in connection with this Agreement. For two years after execution of this Agreement, any representatives authorized by either Party may audit the applicable records of the other Party solely for the purpose of determining whether there has been compliance with this provision. The provisions of this Section will survive termination of this Agreement.
9. **GOVERNING LAW.** This Agreement is governed by and interpreted under the laws of the State of New Mexico, without regard to its choice of law rules.
10. **NOTICES.** All notices required or permitted under this Agreement must be in writing and delivered by mail (postage prepaid) or by hand delivery to the address of the Party receiving the notice set out in the signature page to this Agreement.
11. **PUBLIC ANNOUNCEMENTS.** Except as otherwise expressly required by law, a Party shall not issue any public announcement or statement concerning this Agreement without obtaining the other Party's prior written consent.
12. **THIRD PARTY RIGHTS.** Except as otherwise expressly stated herein, no Person who is not a party to this Agreement has any rights under this Agreement or may enforce any provision of this Agreement.
13. **ASSIGNMENT.** The rights of either Party may be assigned in whole or in part. The terms of this Agreement will be binding upon and inure to the benefit of the Parties and their heirs, successors and assigns. The obligations and responsibilities of Assignee to Assignor under this Agreement will run with the Assigned Lease. Assignee will cause all subsequent assignees of the Assigned Lease to expressly acknowledge and agree to be bound by all of Assignee's obligations to Assignor under this Agreement, so that all such assignees will likewise be bound to Assignor for performance of Assignee's obligations under this Agreement. Any future assignments of the Assigned Lease will not in any way diminish, compromise, extinguish, or effect a release of Assignor's rights against Assignee, its successors or assigns, or the obligations of Assignee, its successors or assigns, to Assignor.
14. **GENERAL PROVISIONS**
 - 14.1 **Prior Agreements.** This Agreement comprises the complete and exclusive agreement between the Parties regarding the subject matter of this Agreement, and supersedes all oral and written communications, negotiations, representations or agreements in relation to that subject matter made or entered into before the Effective Date.

- 14.2 **Amendment.** This Agreement may not be amended orally or by performance. No amendment to this Agreement is effective unless made in writing and signed by authorized representatives of both Parties.
- 14.3 **Waiver.** Assignor's failure to pursue remedies for breach of this Agreement, or payment by Assignor of invoices, does not constitute a waiver by Assignor of any breach of this Agreement by Assignee or raise any defense against Claims against Assignee for breach of this Agreement. The waiver or failure to require the performance of any covenant or obligation contained in this Agreement or pursue remedies for breach of this Agreement does not waive a later breach of that covenant or obligation.
- 14.4 **Severability.** Each provision of this Agreement is severable and if any provision is determined to be invalid, unenforceable or illegal under any existing or future law by a court, arbitrator of competent jurisdiction or by operation of any applicable law, this invalidity, unenforceability or illegality does not impair the operation of or affect those portions of this Agreement that are valid, enforceable and legal unless the deletion of such provision or provisions would result in such a material change so as to cause completion of the transactions contemplated herein to be unreasonable.
- 14.5 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original of this Agreement, and which together will constitute one and the same instrument, provided that neither Party will be bound to this Agreement unless and until both Parties have executed a counterpart.
- 14.6 **Topical Headings.** The topical headings used in this Agreement are for convenience only and will not be construed as having any substantive significance or as indicating that all of the provisions of this Agreement relating to any topic are to be found in any particular section.
- 14.7 **Survival.** Despite termination of this Agreement for any reason, all provisions in this Agreement containing representations, warranties, releases and indemnities, and all provisions relating to audit, confidentiality, insurance, disclaimer of certain remedies, limitations of liability, retention and inspection of records, dispute resolution and governing law, and all causes of action which arose prior to completion or termination, survive indefinitely until, by their respective terms, they are no longer operative or are otherwise limited by an applicable statute of limitations.
- 14.8 **Authorized Representatives.** Each Party represents and warrants that the Agreement has been duly executed and delivered by its authorized officer or other representative and constitutes its legal, valid and binding obligation enforceable in accordance with its terms, and no consent or approval of any other Person is required in connection with its execution, delivery, and performance of the Agreement.
- 14.9 **Further Assurances.** The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement or to show the ability to carry out the intent and purposes of this Agreement. The provisions of this Section will survive termination of this Agreement.
- 14.10 **Governmental Forms.** Separate forms shall be executed contemporaneously by the Parties with this Agreement on the appropriate United States Department of Interior,

Bureau of Land Management Form in sufficient counterparts to satisfy applicable statutory and regulatory requirements. Those forms shall be deemed to contain all of the exceptions, reservations, warranties, rights, titles, power and privileges set forth herein as fully as though they were set forth in each such form. The interests conveyed by such separate forms are the same, and not in addition to, the interest in the Assigned Leases assigned herein.

IMPORTANT NOTICE: THIS AGREEMENT CONTAINS PROVISIONS REGARDING INDEMNITIES AND WARRANTIES THAT EXPRESS THE AGREEMENT OF THE PARTIES CONCERNING CLAIMS ARISING OUT OF THIS AGREEMENT.

The Parties have executed this Agreement in triplicate as evidenced by the following signatures of authorized representatives of the Parties:

ASSIGNOR:
Chevron U.S.A. Inc.

ASSIGNEE:
Mewbourne Oil Company

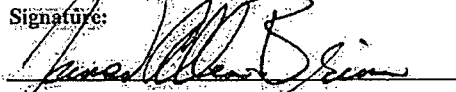
Signature:



Name: D.L. Sleeper

Title: Attorney-in-fact

Signature:



Name: James Allen Brinson

Title: Attorney-in-Fact

ADDRESS FOR NOTICES:

P. O. Box 2100
Houston, Texas 77252-2100

ADDRESS FOR NOTICES:

500 W. Texas, Suite 1020
Midland, Texas 79701

Attention: Land Manager

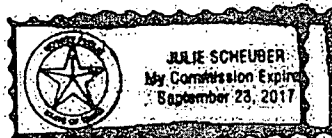
Attention: Land Manager

STATE OF TEXAS §
COUNTY OF SMITH §

This instrument was acknowledged before me on the 16th day of December, 2013 by James Allen Brinson, as Attorney-in-Fact of Mewbourne Oil Company, a Delaware corporation on behalf of said corporation.

Julie Scheuber
Notary Public, State of Texas

My Commission Expires: 9-23-2017



STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 10th day of December, 2013 by D.L. Sleeper, as Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation on behalf of said corporation.

Angela Renee Harmon
Notary Public, State of Texas

My Commission Expires: May 01 2017

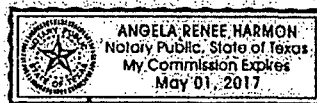


EXHIBIT A - ASSIGNED LEASE

Attached to and made a part of that certain ASSIGNMENT AND BILL OF SALE dated effective November 1, 2013, by and between Chevron U.S.A. Inc., as Assignor and Mewbourne Oil Company as Assignee.

ASSIGNED LEASE

All of Assignor's right, title, and interest in and to the following Oil and Gas Lease:

LEASE SERIAL NO.: NMNM111528
LEASE DATE: May 1, 2004
LESSOR: United States of America
LESSEE: Chalfant Properties Inc.
RECORDED: Book 549, Page 1224, Eddy County Records
DESCRIPTION: N/2NE/4, SW/4, N/2SE/4, SW/4SE/4 of Section 13, Township 24S, Range 26E, Eddy County, New Mexico, containing 360 acres, more or less.

END OF EXHIBIT A

EXHIBIT B - WELL DATA

1. Daily drilling reports
2. Daily MWD logs and/or borehole steering plot
3. Mudlogs (MD & TVD)
4. Wireline logs (MD & TVD)
5. Core reports (if applicable)
6. Directional survey
7. Completion reports including flowback reports along with any production logs
8. DST's and/or RFT's (Final)

END OF EXHIBIT B



RECEPTION NO. 1402897 STATE OF
NEW MEXICO, COUNTY OF EDDY
RECORDED 03/21/2014 08:16 AM
BOOK 0971 PAGE 1083
DARLENE ROSPRIM, COUNTY CLERK

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ASSIGNMENT OF RECORD TITLE INTEREST IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

FORM APPROVED
OMB NO. 1004-0034
Expires: July 31, 2015

Lease Serial No.
NMNM 111528

Lease Effective Date
(Anniversary Date)
May 1, 2004

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* Mewbourne Oil Company
Street P.O. Box 7698
City, State, Zip Code Tyler, Texas 75701

1a. Assignor Chevron U.S.A. Inc.

*If more than one assignee, check here ☐ and list the name(s) and address(es) of all additional assignees on page 2 of this form or on a separate attached sheet of paper.

This record title assignment is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: (Check one or both, as appropriate) ☒ Record Title, ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This assignment conveys the following interest:

Land Description <small>Additional space of page 2, if needed. Do not submit documents or agreements other than this form, such documents or agreements shall only be referenced herein.</small>	Percent of Interest			Percent of Overriding Royalty Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a.	b.	c.	d.	e.	f.
Township 24 South, Range 26 East, N.M.P.M., Eddy County, New Mexico Section 13: N/2NE/4, SW/4, N/2SE/4, SW/4SE/4 containing 360.00 acres, more or less.	100%	100%	-0-	ORI equal to the difference between 25% and existing burdens as referenced in the county assignment.	

FOR BLM USE ONLY - DO NOT WRITE BELOW THIS LINE
UNITED STATES OF AMERICA

This assignment is approved solely for administrative purposes. Approval does not warrant that either party to this assignment holds legal or equitable title to this lease.

☐ Assignment approved for above described lands;

☐ Assignment approved for attached land description

Assignment approved effective: _____

☐ Assignment approved for land description indicated on reverse of this form

By _____
Bureau of Land Management (BLM) (Title) (Date)

PART B - CERTIFICATION AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.
2. Assignee certifies as follows: (a) Assignee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Assignee is not considered a minor under the laws of the State in which the lands covered by this assignment are located; (c) Assignee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options); or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Minerals Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; (d) All parties holding an interest in the assignment are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Assignee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Assignee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Assignee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

For geothermal assignments, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 10th day of December, 2013

Executed this _____ day of December, 2013

Name of Assignor as shown on current lease Chevron U.S.A. Inc.

(Please type or print)

Assignor _____
(Signature)

Assignee _____
(Signature)

or _____
(Title)
Attorney-in-fact [Signature]
(Signature)

or _____
(Title)
Attorney-in-fact _____
(Signature)

1400 Smith Street
(Assignor's Address)

Houston Texas 77002
(City) (State) (Zip Code)

Title U.S.C. Sec. 1001 makes 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.

PART C – GENERAL INSTRUCTIONS

1. Assignor/Assignee must complete Parts A1 and A2 and Part B. All parties to assignment must sign as follows. The assignor(s) must manually sign 3 original copies and the assignee(s) must manually sign at least 1 of the 3 original copies. File three (3) completed copies of this form in the proper BLM office for each assignment of record title. For a transfer of overriding royalty interest, payment out of production or other similar interest or payment, file one (1) manually signed copy of this form. The required filing fee (nonrefundable) must accompany the assignment. File assignment within ninety (90) days after date of execution of assignor.
2. Separate form must be used for each lease being affected by this assignment and for each type of interest conveyed.
3. In Item No. 2 of Part A, describe lands affected. (See 43 CFR 3106, 3135 or 3241). For columns b, c, d, and e, enter the interest expressed as a percentage of total interest in the lease, e.g., if assign or assigns one quarter of a 20% interest, enter 20% in column b, 5% in column c, and 15% in column d.
4. If assignment is to more than one assignee, enter each assignee's name across columns d, e, and f next to the respective interest being conveyed. Also, list names and addresses of any additional assignee(s) on reverse of this form or on a separate attached sheet of paper.
5. If any payment out of production or similar interest, arrangements or payments have previously been created out of the interest being assigned, or if any such payments or interests are reserved under this assignment, include a statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106, 3135, or 3241.
6. The lease account must be in good standing before this assignment can be approved as provided under 43 CFR 3106 and 3241.
7. Assignment, if approved, takes effect on the first day of the month following the date of filing in the proper BLM office. If a bond is necessary it must be furnished prior to approval of the assignment.
8. Approval of assignment of record title to 100% of a portion of the leased lands creates separate leases of the retained and the assigned portions, but does not change the terms and conditions of the lease anniversary date for purposes of payment of annual rental.
9. Overriding royalty, payment out of production or other similar types of transfers must be filed with BLM, but will be accepted for record purpose only. No official approval will be given.

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Mewbourne Oil Company
LEASE NO.:	NMNM-111528
WELL NAME & NO.:	Maverick 13 B2CN Fed Com 1H
SURFACE HOLE FOOTAGE:	0145' FSL & 1980' FWL
BOTTOM HOLE FOOTAGE:	0330' FSL & 1980' FWL Sec. 13, T. 24 S., R 26 E.
LOCATION:	Section 12, T. 24 S., R 26 E., NMPM
COUNTY:	Eddy County, New Mexico

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
 - Watershed Protection Requirements
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- ☐ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
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- ☐ **Road Section Diagram**
- ☒ **Drilling**
 - Cement Requirements
 - Medium Cave/Karst
 - Logging Requirements
 - Waste Material and Fluids
- ☒ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
- ☐ **Interim Reclamation**
- ☐ **Final Abandonment & Reclamation**

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Watershed Protection Requirements:

1. Berming of the Well Pad

The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.

- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g. caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised. (Any access road crossing the berm cannot be lower than the berm height.)

2. Erosion Control

- Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion.

Drilling:

Communitization Agreement

A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales. In addition, the well sign shall include the surface and bottom hole lease numbers. If the Communitization Agreement number is known, it shall also be on the sign. If not, it shall be placed on the sign when the sign is replaced.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS**Road Width**

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

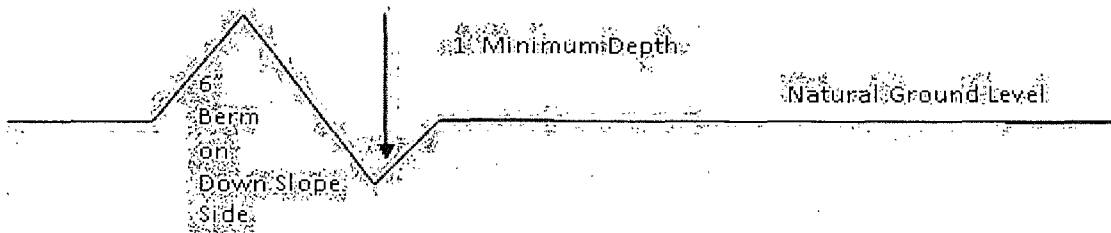
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outslowing and inslaping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Cattleguards

An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

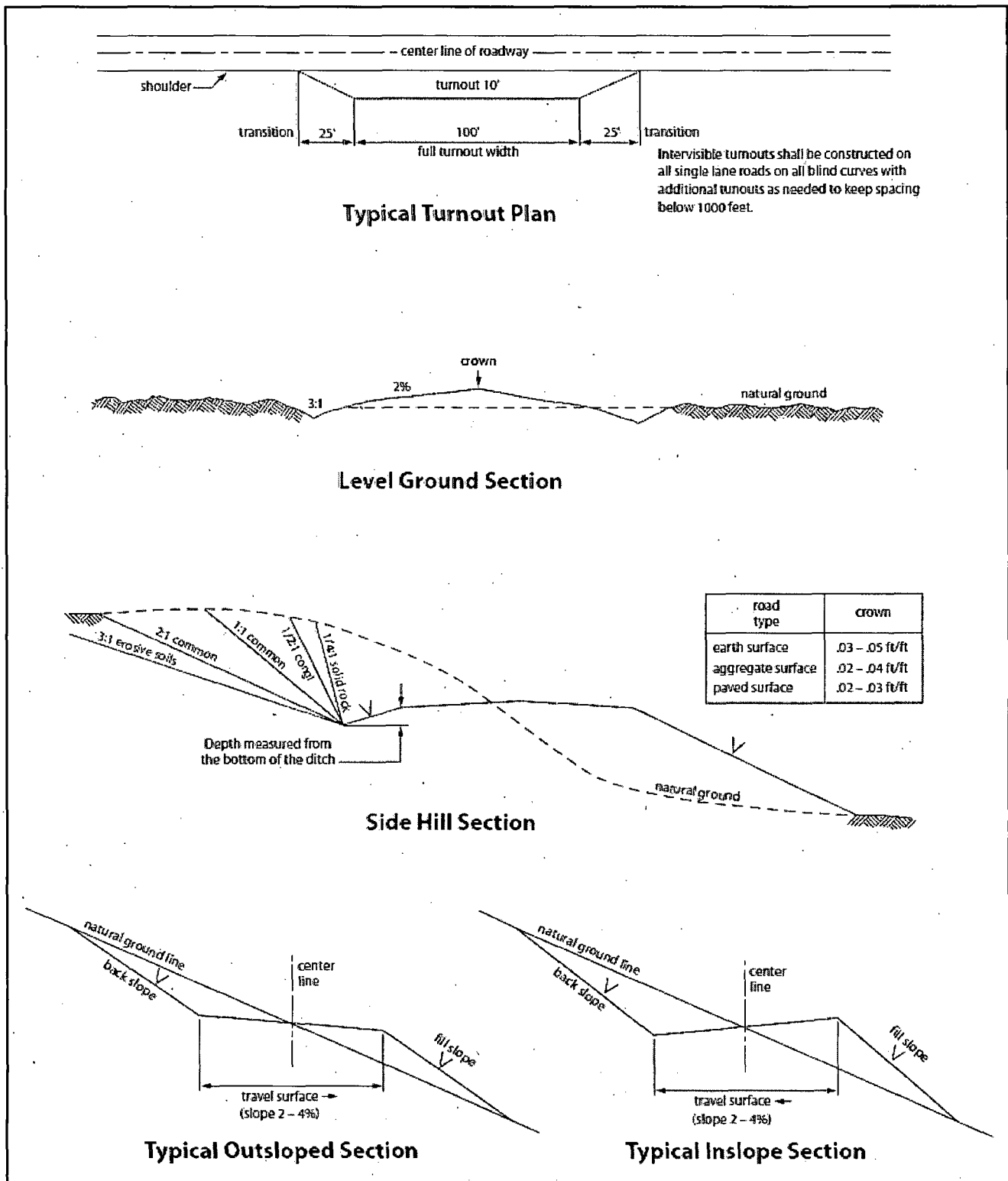


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. DRILLING

A. DRILLING OPERATIONS 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)

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

1. **Although Hydrogen Sulfide has not been reported in the area, it is always a potential hazard. If Hydrogen Sulfide is encountered, report measured amounts and formations to the BLM.**
2. 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. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
3. 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 is located, this does not include the dog house or stairway area.
4. **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 top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

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.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. See individual casing strings for details regarding lead cement slurry requirements.

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

Medium Cave/Karst

Possibility of water flows in the Salado and Castile.

Possibility of lost circulation in the Salado and Delaware.

1. The 13-3/8 inch surface casing shall be set at approximately 400 feet and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt. Excess calculates to 20% - Additional cement may be required.**
 - 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 is to include the lead cement slurry.**
 - 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 **9-5/8** inch intermediate casing is:

☒ Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.**

If 75% or greater lost circulation occurs while drilling the intermediate casing hole, the cement on the production casing must come to surface.

Centralizers required through the curve and a minimum of one every other joint.

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

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

4. Cement not required on the **4-1/2"** casing. **Packer system being used.**
5. 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.

C. 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. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M) psi (2M annular being used).**
 - a. **For surface casing only:** If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.
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 **3000 (3M) psi.**

4. 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. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (18 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - c. 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.
 - d. The results of the test shall be reported to the appropriate BLM office.
 - 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 if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. 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.

JAM 101714

VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the

largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Grant, Sundry Notice, APD) and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

- a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
- b. Activities of other parties including, but not limited to:
 - (1) Land clearing.
 - (2) Earth-disturbing and earth-moving work.
 - (3) Blasting.
 - (4) Vandalism and sabotage.
- c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of 20 feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline must be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline will be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation.

measures will be made by the authorized officer after consulting with the holder.

16. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, powerline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.

IX. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory

revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Seed Mixture 1, for Loamy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains lovegrass (<i>Eragrostis intermedia</i>)	0.5
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sideoats grama (<i>Bouteloua curtipendula</i>)	5.0
Plains bristlegrass (<i>Setaria macrostachya</i>)	2.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed