District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr , Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

MAY – 5 2008
OCD ARTESIA

Form C-101
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

[1] Operator Name and Address	[2] OGRID Number
Mewbourne Oil Company Po Box 5270 Hobbs, NM 88241	14744 [3] API Number 30-015-26037

[5] Property Code	[5] Property Name	[6] Well No.
	Anderson 10J	2

[9] Proposed Pool 1	[10] Proposed Pool 2
Undesignated Yeso	

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	10	20S	25E		1980	S	1980	E	Eddy

No[8] Proposed 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

Additional Well Information

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
RE		R	P	3416'
[16] Multiple	[17] Proposed Depth	[18] Formation	[19] Contractor	[20] Spud Date
No	3200'	Yeso	TBA	ASAP

Depth to Groundwater	Distance from nearest fresh water well	Distance from nearest surface water
125' = 0 pts	More than 1000' from all other wtr sources: 0 pts	1000' or more 0 pts

Pit: Liner: Synthetic ☐ ____mils thick Clay ☐ Pit Volume: 1000 bbls Drilling Method: Production

Closed-Loop System ☒ Fresh Water ☒ Brine ☒ Diesel/Oil-based ☐ Gas/Air ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 ½" & 12 ¼"	8 ⅝"	24#	1360'	1250	Surface (actual)
7 ⅞"	4 ½"	10.5#	3200'	800	Surface (Planned)

[22] Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary

This is a re-entry. The above captioned well was drilled by Nearburg Producing Co. to 9708' TD. Well was P&A'd 01/29/2002.

Procedure, before & after well bore schematics included.

BOP Program: Schaffer LWS or equivalent (Double-Ram Manual) 9" 3000#.

Fresh Water 8.4 #/g. Starch and LCM as needed.

[23] I hereby certify that the information given above is true and complete to the best of my knowledge and belief. **I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**

Printed name: Jackie Lathan

Title: Hobbs Production

E-mail Address: jlathan@mewbourne.com

Date: 05/01/08 Phone: (575) 393-5905

OIL CONSERVATION DIVISION

Approved by: Jim W. Gum

Title: District II Supervisor

Approval Date: 5/12/08 Expiration Date: 5/12/10

Conditions of Approval Attached ☐

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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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-015-30233		Undesignated Yeso

[4] Property Code	[5] Property Name	[6] Well Number
	Anderson 10J	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
14744	Mewbourne Oil Company	3416'

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	10	20S	35E		1980'	S	1980'	E	Eddy

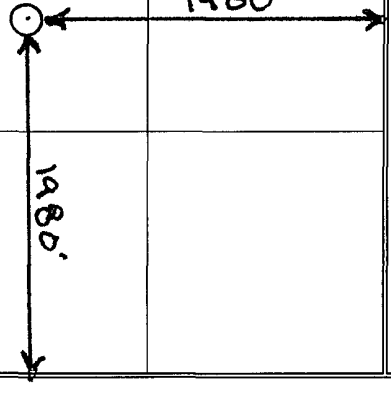
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			

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.

16



[17] OPERATOR CERTIFICATION

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 unleased 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

Jackie Lathan — 05/01/08
Signature — Date

Jackie Lathan
Printed Name

[18] SURVEYOR CERTIFICATION

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.

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number

Hydrogen Sulfide Drilling Operations Plan

Mewbourne Oil Company
Anderson 10J #2
1980' FSL & 1980' FEL
Section 10-T20S-R25E
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 re-entry begins 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 know 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 intermediate casing.

1. Well Control Equipment
   - A. Flare line with automatic igniter or continuous ignition source.
   - B. Choke manifold with minimum of one adjustable choke.
   - C. Blowout preventers equipped with blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
   - D. Auxiliary equipment including rotating head and annular type blowout preventer.

2. Protective Equipment for Essential Personnel
   Thirty minute self contained work unit located at briefing area as indicated on wellsite diagram.

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 wellsite 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, it will be conducted with a minimum number of personnel in the immediate vicinity. The test will be conducted during daylight hours only.

Mewbourne Oil Company
BOP Scematic for
8 5/8" or 7 7/8" Hole

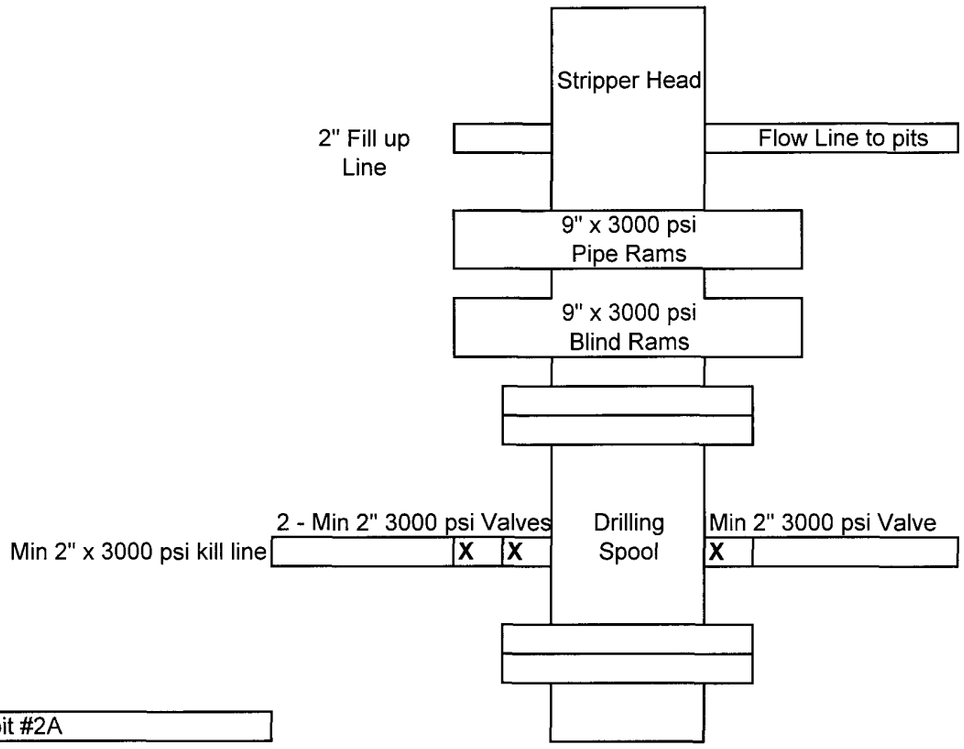


Exhibit #2A

Anderson 10J #2
1980' FSL & 1980' FEL
Sec 10-T20S-R25E
Eddy, County
New Mexico

RE-ENTRY PROCEDURE

Submitted By: L Jackson

Wellname: **Anderson 10 J #2 (Quick Draw "10" Fee #1)**

Location: 1980' FSL & 1980' FEL
Sec 10, T20S, R25E
Eddy Co, NM

Date: 3/5/08

Csg Set:	1,360'	**Packer Type:**	NA
PBTD:	+/- 4,575'	**Packer Depth:**	NA
Csg Size:	8 5/8" 24# ST&C	**Min ID:**	7.972"
Tbg Size:	NA	**Existing Perfs:**	None
DV Tool:	NA	**New Perfs:**	Yeso @ +/-2520-2700

Procedure:

1) Clean and drag location. Set anchors.
2) Cut off dry hole marker. Weld on 8 5/8" Larkin starting head.
3) MIRU WS rig. Screw on 8 5/8" x 9" adapter flange. NU 9" BOP.
4) MIRU drilling & rental equipment.
5) RIH w/ 7 7/8" bit, 6 – 4 ¾' DC's, & 3 ½" 8rd N-80 tbg.
6) Drill out cmt plug @ surface w/ fresh water. Circulate hole clean.
7) RIH & tag cmt plug @ +/-1226. Circulate hole clean. Test 8 5/8" csg to 300#. Drill out cmt plug f/ +/-1226' - 1410'. Circulate hole clean.
8) RIH & tag plug @ +/-2335'. Circulate hole clean.Drill out plug f/ +/-2335' – 2480'. Circulate hole clean.
9) RIH to 3300'. Circulate hole clean.
10) POOH & LD BHA. RIH open ended w/ 3 ½" tbg. Set 50 sk cmt plug from 3300' – 3200'. Pull tbg to 3200'. Circulate hole clean.
11) POOH & LD 3 ½" tbg.
12) MIRU casing crew. RIH w/ 4 ½" csg shoe, 4 ½" csg shoe jt, 4 ½" float collar, & 4 ½" 10.5# J-55 ST&C csg & tag cmt plug @ +/-3200'. Circulate hole clean. MIRU cmt pump. Cmt 4 ½" csg w/ Class C cmt + additives.
13) ND BOP & 9" adapter flange. Set 4 ½" csg in slips & pack off. Cut off 4 ½" csg & weld on 4 ½" slip x thread collar.
14) Screw in 4 ½" full opening frac valve.
15) Set American 228 pumping unit. Start building pipeline, electricity, and battery.
16) MIRU WL. RIH w/ 3.81" gauge ring & junk basket to PBTD. RIH w/ CCL/CBL/gamma ray to PBTD. Run bond log to 200' above TOC.
17) RIH w/ 3 1/8" slick guns & perf Yeso @ +/-2520'-2700'. RD WL.
18) MIRU pump truck. Break down perfs & establish injection rate w/ +/-12 bbls 2% KCL water.
19) MIRU Frac equipment. Frac Yeso perfs down 4 1/2" csg w/ 30,000 gals 30# linear gel carrying 50,000# white sand. Flow back until well dies.
20) Screw in 4 ½" csg head. Screw on 8 5/8" x 7 1/16" flange & NU 3k BOP.
21) RIH w/ RIH w/ 3" slotted MH, 2 3/8" SN, 7 jts 2 3/8" J-55 tbg, 2 3/8" x 4 1/2" TAC & 2 3/8" J-55 tbg. Set TAC w/ 10 pts tension w/ SN @ 2700'.
22) ND BOP. Land tbg & set slips.
23) RIH w/ 2" x 1 ½" RHBC pump & ¾" KD rods.
24) Seat pump. Hang well on.
25) Load tbg & test to 500#. Check pump action.
26) PWOL for evaluation.

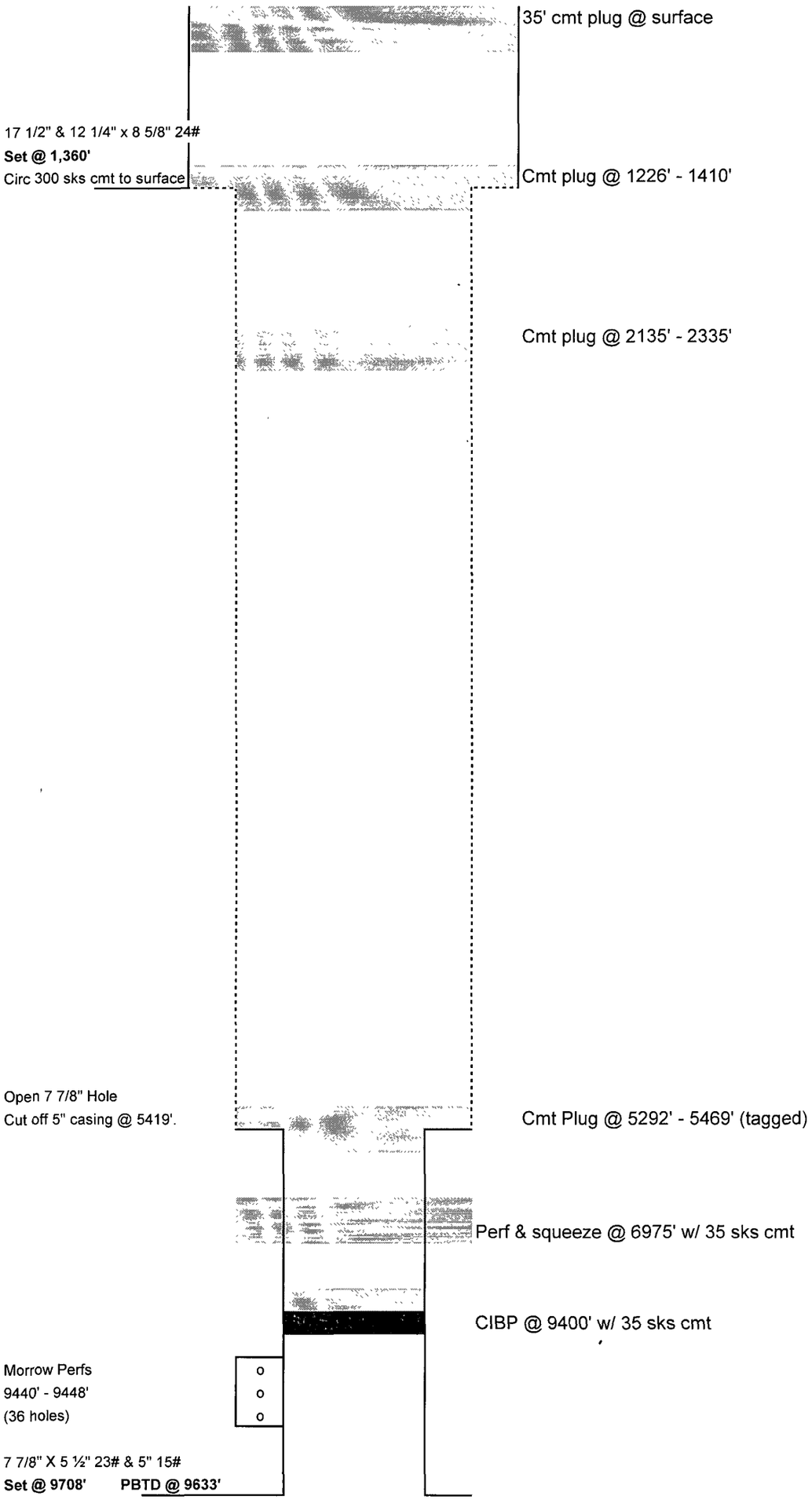
Mewbourne Oil Company

Anderson 10 J #2

(Quick Draw 10 Fee #1)

Spud Date: 1989

Updated by: L. Jackson Date Updated: 5/1/08



Mewbourne Oil Company

Anderson 10 J #2

(Quick Draw 10 Fee #1)

Spud Date: 1989

Updated by: L. Jackson Date Updated: 5/1/08