

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

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

1. Operator Name and Address MEWBOURNE OIL CO PO BOX 5270 HOBBS , NM 88241		2. OGRID Number 14744
		3. API Number 30-025-38625
4. Property Code 36647	5. Property Name PALOMA 20 STATE COM	6. Well No. 002

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	20	20S	36E	P	660	S	660	E	LEA

**8. Pool Information**

OSUDO, MORROW, NORTH (GAS)	82160
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**Additional Well Information**

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3622
14. Multiple N	15. Proposed Depth 11500	16. Formation Morrow	17. Contractor	18. Spud Date
Depth to Ground water 35		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 24000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	600	600	0
Int1	12.25	9.625	40	5300	1800	0
Prod	8.75	5.5	17	11500	1000	8000

**Casing/Cement Program: Additional Comments**

MOC proposes to drill & test the Morrow & intermediate formations. H2S rule 118 does not apply because MOC has researched this area & no high concentrations were found. Will have on location & working all H2S safety equipment before Yates formation for safety & insurance purposes. If commercial, production casing will be run & cemented. Will perforate & stimulate as needed for production.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Schaffer or equivalent

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 <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Electronically filed by Monty Whetstone	Approved By: Paul Kautz	
Title: Vice President Operations	Title: Geologist	
Email Address: prodmgr@mewbourne.com	Approved Date: 12/7/2007	Expiration Date: 12/7/2008
Date: 12/5/2007	Phone: 903-561-2900	Conditions of Approval Attached

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(505) 393-6161 Fax:(505) 393-0720

**District II**  
 1301 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102  
 Permit 65372

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-38625	2. Pool Code 82160	3. Pool Name OSUDO;MORROW, NORTH (GAS)
4. Property Code 36647	5. Property Name PALOMA 20 STATE COM	6. Well No. 002
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3622

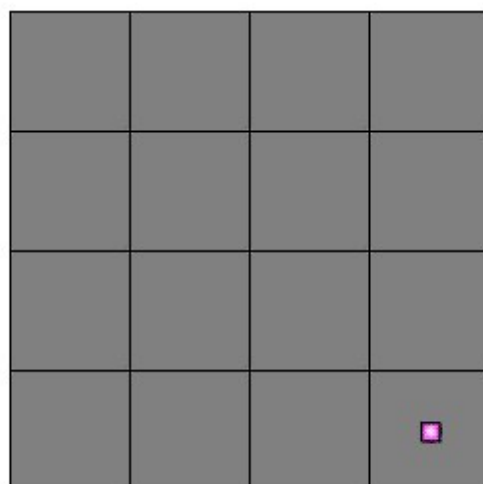
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	20	20S	36E		660	S	660	E	LEA

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 640.00		13. Joint or Infill		14. Consolidation Code		15. 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**



**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(s) 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.*

E-Signed By: Monty Whetstone  
 Title: Vice President Operations  
 Date: 12/5/2007

**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.*

Surveyed By: Gary Jones  
 Date of Survey: 11/30/2007  
 Certificate Number: 7977

## Permit Comments

Operator: MEWBOURNE OIL CO , 14744

Well: PALOMA 20 STATE COM #002

API: 30-025-38625

Created By	Comment	Comment Date
NMYOUNG	Mud program: 0-600' Fresh water, spud mud, lime for PH & LCM as needed. 600-5300' Brine water, lime for PH & LCM as needed. 5300'-10500' Fresh water & cut brine. LCM as needed & caustic for PH. 10500'-TD Cut brine, 9.3#g, caustic for PH, starch for WL control & LCM as needed.	12/4/2007

# Permit Conditions of Approval

Operator: MEWBOURNE OIL CO , 14744

Well: PALOMA 20 STATE COM #002

API: 30-025-38625

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
pkautz	Depth to GW 35 according to Operator. Contents of pit must be removed.