

**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
4. Property Code 37163		3. API Number 30-025-38908
5. Property Name PALOMA 28 ST 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
M	28	20S	36E	M	660	S	660	W	LEA

**8. Pool Information**

WILDCAT MORROW	0
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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 3600
14. Multiple N	15. Proposed Depth 11600	16. Formation Morrow	17. Contractor	18. Spud Date 6/1/2008
Depth to Ground water 125		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	500	600	0
Int1	12.25	9.625	40	3700	1000	0
Int2	8.75	7	26	10500	400	3500
Prod	6.125	4.5	11.6	11600	200	10000

**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
Annular	2000	2000	HydriL
DoubleRam	5000	5000	Schaffer
Annular	5000	2500	HydriL

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: 5/15/2008	Expiration Date: 5/15/2010
Date: 5/14/2008	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 74914

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-38908	2. Pool Code	3. Pool Name WILDCAT MORROW
4. Property Code 37163	5. Property Name PALOMA 28 ST COM	6. Well No. 002
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3600

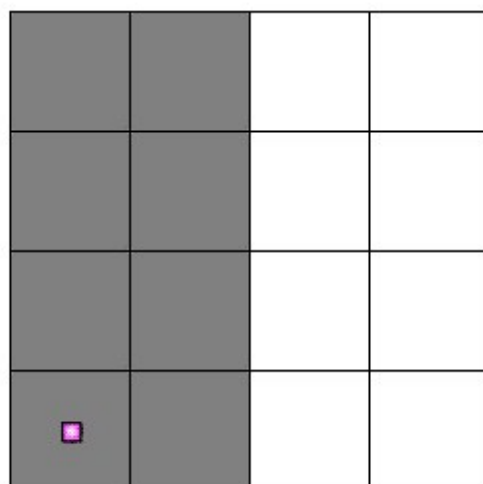
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	28	20S	36E		660	S	660	W	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 320.00		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: 5/14/2008

**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: 5/8/2008  
 Certificate Number: 7977

## Permit Comments

Operator: MEWBOURNE OIL CO , 14744

Well: PALOMA 28 ST COM #002

API: 30-025-38908

Created By	Comment	Comment Date
NMYOUNG	Mud Program: 0-500' FW, spud mud, lime for pH & LCM as needed. 500'-1600' FW spud mud with lime for pH & LCM as needed. 1600'-3700' BW w/lime for pH & LCM as needed. 3700'-10500' FW with LCM as needed & caustic for pH. 10500'-TD cut brine, 9.3#/g, caustic for pH, starch for WL control & LCM as needed.	5/14/2008

# Permit Conditions of Approval

Operator: MEWBOURNE OIL CO , 14744

Well: PALOMA 28 ST COM #002

API: 30-025-38908

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	intermed 2 casing must tie in with intermediate 1 casing