

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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

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

Form C-101
August 1, 2011
Permit 144151

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 39064		3. API Number 30-015-39929
5. Property Name ZIRCON 2 LI STATE		6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	2	19S	29E	L	2030	S	310	W	EDDY

8. Pool Information

WILDCAT; BONE SPRING	96403
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3385
14. Multiple N	15. Proposed Depth 12400	16. Formation Bone Spring	17. Contractor	18. Spud Date 4/15/2012
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

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	270	300	0
Int1	12.25	9.625	36	1300	600	0
Int2	8.75	7	26	8350	1000	0
Prod	6.125	4.5	11.6	12400	0	0

Casing/Cement Program: Additional Comments

MOC proposes to drill & test Bone Springs 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 & will utilize packer/port system. No cmt is required. Will stimulate as needed for production.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1500	Schaffer
DoubleRam	3000	3000	Schaffer
Annular	3000	1500	Schaffer

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 type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Monty Whetstone Title: Vice President Operations Email Address: prodmgr@mewbourne.com Date: 2/10/2012	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 2/14/2012 Expiration Date: 2/14/2014 Conditions of Approval Attached
Phone: 903-561-2900	

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Santa Fe, NM 87505

Form C-102
August 1, 2011
Permit 144151

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39929	2. Pool Code 96403	3. Pool Name WILDCAT; BONE SPRING
4. Property Code 39064	5. Property Name ZIRCON 2 LI STATE	6. Well No. 001H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3385

10. Surface Location

UL - Lot L	Section 2	Township 19S	Range 29E	Lot Idn	Feet From 2030	N/S Line S	Feet From 310	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

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UL - Lot I	Section 2	Township 19S	Range 29E	Lot Idn I	Feet From 2030	N/S Line S	Feet From 330	E/W Line E	County EDDY
12. Dedicated Acres 160.00		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

<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;">●</td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;">■</td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> </table>									●			■					<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>E-Signed By: Monty Whetstone Title: Vice President Operations Date: 2/10/2012</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Gary Jones Date of Survey: 2/8/2012 Certificate Number: 7977</p>
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Permit Comments

Operator: MEWBOURNE OIL CO , 14744

Well: ZIRCON 2 LI STATE #001H

API: 30-015-39929

Created By	Comment	Comment Date
NMYOUNG	Mud Program: 0-270' FW spud mud w/ lime for pH & LCM as needed. 270-1300' Brine water w/lime for pH & LCM as needed. 1300-8350' Cut brine. 8350-12400' Cut brine.	2/10/2012
CSHAPARD	Land s/S	2/10/2012

Permit Conditions of Approval

Operator: MEWBOURNE OIL CO , 14744

Well: ZIRCON 2 LI STATE #001H

API: 30-015-39929

OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string