

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8181 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 187110

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 313325		3. API Number 30-015-42406
5. Property Name Layla 35 B2MD Fee		6. Well No. 003H

7. Surface Location

UL - Lot M	Section 35	Township 23S	Range 28E	Lot Idn M	Feet From 135	N/S Line S	Feet From 470	E/W Line W	County Eddy
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	------------------	---------------	----------------

8. Proposed Bottom Hole Location

UL - Lot D	Section 35	Township 23S	Range 28E	Lot Idn D	Feet From 330	N/S Line N	Feet From 660	E/W Line W	County Eddy
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	------------------	---------------	----------------

9. Pool Information

CULEBRA BLUFF;BONE SPRING, SOUTH	15011
----------------------------------	-------

Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3019
16. Multiple N	17. Proposed Depth 12900	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 6/16/2014
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	500	0
Int1	12.25	9.625	36	2500	450	0
Prod	8.75	7	26	8530	650	2300
Liner1	6.125	4.5	13.5	12900	0	0

Casing/Cement Program: Additional Comments

MOC proposed to drill & test the Bone Springs formation. H2S rule 118 does not apply because MOC has researched the area & no high concentrations were found. Will have on location & working all H2S safety equipment before drilling the surface csg shoe for safety & insurance purposes. 4.5" production liner will be run & will utilize packer port system. No cmt. required. Will stimulate as needed for production.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1500	Schaffer
Double Ram	3000	2500	Schaffer
Annular	3000	1500	Schaffer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Monty Whetstone	Approved By: Randy Dade
Title: Vice President Operations	Title: District Supervisor
Email Address: prodmgr@mewbourne.com	Approved Date: 6/5/2014 Expiration Date: 6/5/2016
Date: 6/4/2014 Phone: 903-561-2900	Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-8161 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-102
 August 1, 2011
 Permit 187110

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42406	2. Pool Code 15011	3. Pool Name CULEBRA BLUFF;BONE SPRING, SOUTH
4. Property Code 313325	5. Property Name Layla 35 B2MD Fee	6. Well No. 003H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3019

10. Surface Location

UL - Lot M	Section 35	Township 23S	Range 28E	Lot Idn M	Feet From 135	N/S Line S	Feet From 470	E/W Line W	County Eddy
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	------------------	---------------	----------------

11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 35	Township 23S	Range 28E	Lot Idn D	Feet From 330	N/S Line N	Feet From 660	E/W Line W	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

<div style="border: 1px solid black; width: 100%; height: 100%; position: relative;"> <div style="position: absolute; top: 5px; left: 5px; width: 20px; height: 20px; background-color: #ccccff; border: 1px solid black;"></div> <div style="position: absolute; bottom: 5px; left: 5px; width: 20px; height: 20px; background-color: #ccffcc; border: 1px solid black;"></div> </div>	<div style="text-align: center; font-weight: bold; margin-bottom: 10px;">OPERATOR CERTIFICATION</div> <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: 6/4/2014</p> <hr/> <div style="text-align: center; font-weight: bold; margin-bottom: 10px;">SURVEYOR CERTIFICATION</div> <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: Robert Howett Date of Survey: 4/22/2014 Certificate Number: 19680</p>
---	---

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8181 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) 334-8178 Fax:(505) 334-8170
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 APD Comments

Permit 187110

PERMIT COMMENTS

Operator Name and Address: MEWBOURNE OIL CO [14744] PO Box 5270 Hobbs, NM 88241		API Number: 30-015-42406
		Well: Layla 35 B2MD Fee #003H
Created By	Comment	Comment Date
CSHAPARD	Land p/P	6/4/2014

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8181 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) 334-8178 Fax:(505) 334-8170
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 APD Conditions
Permit 187110

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MEWBOURNE OIL CO [14744] PO Box 5270 Hobbs, NM 88241		API Number: 30-015-42406
		Well: Layla 35 B2MD Fee #003H
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	