<u>District I</u> 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 197809

APPLICATION FOR PERMIT TO DRILL, RI	RE-ENTER, DEEPEN	, PLUGBACK,	OR ADD A ZONE
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ALL EIGH	thorriotti citi i o bidee, the entire open entire common of the b	ALONE
Operator Name and Address		2. OGRID Number
MEWBOURNE OIL CO		14744
4801 Business Park Blvd.	3. API Number	
Hobbs, NM 88240		30-025-43929
4. Property Code	5. Property Name	6. Well No.
319418	TORO 36 B3AP STATE	001H

7. Surface Location

UL - Lot	t	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	Α	36	23S	34E	Α	300	N	660	E	Lea

8. Proposed Bottom Hole Location

ſ	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	Р	36	23S	34E	Р	330	S	330	E	Lea

9. Pool Information

ANTELOPE RIDGE;BONE SPRING	2200

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
New Well	OIL		State	3401
16. Multiple	17. Proposed Depth	18. Formation	19. Contractor	20. Spud Date
N	16225	3rd Bone Spring Sand		9/4/2017
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

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Туре	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC			
Surf	17.5	13.375	48	900	670	0			
Int1	12.25	9.625	40	5125	1060	0			
Prod	8.75	7	26	11970	810	4925			
Liner1	6.125	4.5	13.5	16225	205	11220			

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 equiptment before Yates formation for safety & insurance purposes. Will stimulate as needed for production.

22. Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer					
Annular	2000	1500	Schaffer					
Double Ram 3000		3000	Schaffer					
Annular	3000	1500	Schaffer					

knowledge and b	Signature:			OIL CONSERVATIO	ON DIVISION	
Printed Name:	Electronically filed by Monty Whe	tstone	Approved By:	Paul Kautz		
Title:	Vice President Operations		Title:	Geologist		
Email Address:	Address: prodmgr@mewbourne.com			8/21/2017	Expiration Date: 8/21/2019	
Date: 8/18/2017 Phone: 903-561-2900			Conditions of Approval Attached			

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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 197809

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name
30-025-43929	2200	ANTELOPE RIDGE;BONE SPRING
4. Property Code	5. Property Name	6. Well No.
319418	TORO 36 B3AP STATE	001H
7. OGRID No.	8. Operator Name	9. Elevation
14744	MEWBOURNE OIL CO	3401

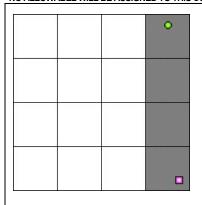
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
Α	36	23S	34E	Α	300	N	660	E	Lea

11. Bottom Hole Location If Different From Surface

	11. Bottom floic Eccation in Different 1 form carriace								
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
Р	36	23S	34E	Р	330	S	330	E	Lea
12. Dedicated Acres		13. Joint or Infill		14. Consolidation Cod	de		15. Order No.		
160.00									

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: 8/18/2017

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: Robert Howett

Date of Survey: 8/16/2017
Certificate Number: 19680

Form APD Comments

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

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

Permit 197809

PERMIT COMMENTS

Operator Name and Address:	API Number:
MEWBOURNE OIL CO [14744]	30-025-43929
4801 Business Park Blvd.	Well:
Hobbs, NM 88240	TORO 36 B3AP STATE #001H

Created By Comment Comment Date

Form APD Conditions

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

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Permit 197809

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
MEWBOURNE OIL CO [14744]	30-025-43929
4801 Business Park Blvd.	Well:
Hobbs, NM 88240	TORO 36 B3AP STATE #001H

OCD	Condition
Reviewer	
pkautz	Will require a directional survey with the C-104
pkautz	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
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface 2) PRODUCTION CASING - Cement must tie back into intermediate casing
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	Operator shall notify appropriate District office when setting conductor pipe.
pkautz	1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 20 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
pkautz	If an APD expires and if site construction has occurred, site remediation is required.
pkautz	Lost Circulation - Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186
pkautz	Stage Tool - 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.
pkautz	Gas Capture Plan - Operator to Submit Gas Capture Plan form prior spud