

**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 324968

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

|                                                                                      |                                                   |                               |
|--------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------|
| 1. Operator Name and Address<br>MEWBOURNE OIL CO<br>P.O. Box 5270<br>Hobbs, NM 88241 |                                                   | 2. OGRID Number<br>14744      |
|                                                                                      |                                                   | 3. API Number<br>30-015-49996 |
| 4. Property Code<br>333296                                                           | 5. Property Name<br>Rio Grande 2/1 B3MP State Com | 6. Well No.<br>001H           |

**7. Surface Location**

|               |              |                 |              |              |                  |               |                  |               |                |
|---------------|--------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot<br>M | Section<br>2 | Township<br>19S | Range<br>28E | Lot Idn<br>M | Feet From<br>760 | N/S Line<br>S | Feet From<br>220 | E/W Line<br>W | County<br>Eddy |
|---------------|--------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|

**8. Proposed Bottom Hole Location**

|               |              |                 |              |              |                  |               |                  |               |                |
|---------------|--------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot<br>P | Section<br>1 | Township<br>19S | Range<br>28E | Lot Idn<br>P | Feet From<br>660 | N/S Line<br>S | Feet From<br>100 | E/W Line<br>E | County<br>Eddy |
|---------------|--------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|

**9. Pool Information**

|                                 |       |
|---------------------------------|-------|
| PALMILLO;BONE SPRING, SOUTHWEST | 96413 |
|---------------------------------|-------|

**Additional Well Information**

|                           |                             |                                        |                         |                                    |
|---------------------------|-----------------------------|----------------------------------------|-------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>OIL        | 13. Cable/Rotary                       | 14. Lease Type<br>State | 15. Ground Level Elevation<br>3470 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>18528 | 18. Formation<br>1st Bone Spring Sand  | 19. Contractor          | 20. Spud Date<br>10/13/2022        |
| 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               | 325           | 290             | 0             |
| Int1   | 12.25     | 9.625       | 36               | 900           | 285             | 0             |
| Prod   | 8.75      | 7           | 26               | 7919          | 820             | 700           |
| Liner1 | 6.125     | 4.5         | 13.5             | 18528         | 430             | 7719          |

**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 Yates formation for safety & insurance purposes. Will stimulate as needed for production. |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**22. Proposed Blowout Prevention Program**

| Type       | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular    | 5000             | 2500          | Schaffer     |
| Double Ram | 5000             | 5000          | Schaffer     |
| Annular    | 5000             | 2500          | Schaffer     |

|                                                                                                                                                                                                                                                                                                      |                                  |                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>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. | <b>OIL CONSERVATION DIVISION</b> |                                 |
| Signature:                                                                                                                                                                                                                                                                                           |                                  |                                 |
| Printed Name: Electronically filed by Monty Whetstone                                                                                                                                                                                                                                                | Approved By: Katherine Pickford  |                                 |
| Title: Vice President Operations                                                                                                                                                                                                                                                                     | Title: Geoscientist              |                                 |
| Email Address: fking@mewbourne.com                                                                                                                                                                                                                                                                   | Approved Date: 9/21/2022         | Expiration Date: 9/21/2024      |
| Date: 9/14/2022                                                                                                                                                                                                                                                                                      | Phone: 903-561-2900              | Conditions of Approval Attached |

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                                |                                                                    |                                                                  |
|------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------|
| <sup>1</sup> API Number<br><b>30-015-49996</b> | <sup>2</sup> Pool Code<br><b>96413</b>                             | <sup>3</sup> Pool Name<br><b>PALMILLO; BONE SPRING SOUTHWEST</b> |
| <sup>4</sup> Property Code<br><b>333296</b>    | <sup>5</sup> Property Name<br><b>RIO GRANDE 2/1 B3MP STATE COM</b> |                                                                  |
| <sup>7</sup> OGRID NO.<br><b>14744</b>         | <sup>8</sup> Operator Name<br><b>MEWBOURNE OIL COMPANY</b>         | <sup>9</sup> Elevation<br><b>3470'</b>                           |

<sup>10</sup> Surface Location

| UL or lot no. | Section  | Township   | Range      | Lot Idn | Feet from the | North/South line | Feet From the | East/West line | County      |
|---------------|----------|------------|------------|---------|---------------|------------------|---------------|----------------|-------------|
| <b>M</b>      | <b>2</b> | <b>19S</b> | <b>28E</b> |         | <b>760</b>    | <b>SOUTH</b>     | <b>220</b>    | <b>WEST</b>    | <b>EDDY</b> |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no.                               | Section                       | Township                         | Range                   | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County      |
|---------------------------------------------|-------------------------------|----------------------------------|-------------------------|---------|---------------|------------------|---------------|----------------|-------------|
| <b>P</b>                                    | <b>1</b>                      | <b>19S</b>                       | <b>28E</b>              |         | <b>660</b>    | <b>SOUTH</b>     | <b>100</b>    | <b>EAST</b>    | <b>EDDY</b> |
| <sup>12</sup> Dedicated Acres<br><b>320</b> | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |         |               |                  |               |                |             |

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

|                                                                                                                                                                                                                                                                                       |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| <sup>16</sup><br><b>GEODETIC DATA</b><br>NAD 83 GRID - NM EAST<br><br><b>SURFACE LOCATION</b><br>N: 612855.0 - E: 596201.5<br><br>LAT: 32.6846557° N<br>LONG: 104.1550081° W<br><br><b>BOTTOM HOLE</b><br>N: 612883.2 - E: 606269.4<br><br>LAT: 32.6846823° N<br>LONG: 104.1222842° W |  |  | <b>CORNER DATA</b><br>NAD 83 GRID - NM EAST<br><br>A: FOUND BRASS CAP "1941"<br>N: 612093.1 - E: 595974.2<br><br>B: FOUND BRASS CAP "1941"<br>N: 614733.6 - E: 595999.8<br><br>C: FOUND BRASS CAP "1914"<br>N: 617384.0 - E: 596024.3<br><br>D: FOUND BRASS CAP "1914"<br>N: 617416.7 - E: 598612.6<br><br>E: FOUND BRASS CAP "1914"<br>N: 617450.3 - E: 601201.0<br><br>F: FOUND BRASS CAP "1914"<br>N: 617483.0 - E: 603789.7 |  |  | G: FOUND BRASS CAP "1914"<br>N: 617517.3 - E: 606378.0<br><br>H: FOUND BRASS CAP "1941"<br>N: 614873.3 - E: 606380.7<br><br>I: FOUND BRASS CAP "1941"<br>N: 612224.9 - E: 606365.7<br><br>J: FOUND BRASS CAP "1941"<br>N: 612183.7 - E: 603768.0<br><br>K: FOUND BRASS CAP "1941"<br>N: 612140.9 - E: 601171.0<br><br>L: FOUND BRASS CAP "1941"<br>N: 612118.4 - E: 598572.7<br><br>M: FOUND BRASS CAP "1941"<br>N: 614783.6 - E: 601186.0 |  |  |
| S 89°16'32" W 2589.20' D S 89°15'24" W 2589.25' E S 89°16'38" W 2589.57' F S 89°14'29" W 2589.17' G                                                                                                                                                                                   |  |  | LOT 4 LOT 3 LOT 2 LOT 1 LOT 4 LOT 3 LOT 2 LOT 1                                                                                                                                                                                                                                                                                                                                                                                 |  |  | N 00°19'23" E 2667.39' M N 00°19'30" E 2643.41' N 00°19'31" E 2649.05' H                                                                                                                                                                                                                                                                                                                                                                   |  |  |
| LOT 4 LOT 3 LOT 2 LOT 1                                                                                                                                                                                                                                                               |  |  | LOT 4 LOT 3 LOT 2 LOT 1                                                                                                                                                                                                                                                                                                                                                                                                         |  |  | N 00°19'31" E 2649.05' H                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
| S 89°26'34" W 2599.32' L S 89°30'12" W 2599.00' K S 89°03'21" W 2597.98' J S 89°05'29" W 2598.65' I                                                                                                                                                                                   |  |  | LOT 4 LOT 3 LOT 2 LOT 1                                                                                                                                                                                                                                                                                                                                                                                                         |  |  | N 00°19'31" E 2649.05' H                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
| S 89°16'32" W 2589.20' D S 89°15'24" W 2589.25' E S 89°16'38" W 2589.57' F S 89°14'29" W 2589.17' G                                                                                                                                                                                   |  |  | LOT 4 LOT 3 LOT 2 LOT 1                                                                                                                                                                                                                                                                                                                                                                                                         |  |  | N 00°19'31" E 2649.05' H                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
| S 89°26'34" W 2599.32' L S 89°30'12" W 2599.00' K S 89°03'21" W 2597.98' J S 89°05'29" W 2598.65' I                                                                                                                                                                                   |  |  | LOT 4 LOT 3 LOT 2 LOT 1                                                                                                                                                                                                                                                                                                                                                                                                         |  |  | N 00°19'31" E 2649.05' H                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |

220' S.L.  
 760'  
 PROJECT AREA  
 100' B.H.  
 660'

<sup>17</sup> 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 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.

Signature Bradley C. Bishop Date 8/10/22

Printed Name **BRADLEY BISHOP**

E-mail Address **BBISHOP@MEWBOURNE.COM**

<sup>18</sup> 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.

**07/21/2022**

Date of Survey

Signature and Seal of Professional Surveyor

**19680**

Certificate Number

**LS22070867**

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**State of New Mexico**  
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**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

## GAS CAPTURE PLAN

Date: 9/21/2022

☒ Original

Operator & OGRID No.: [14744] MEWBOURNE OIL CO

☐ Amended - Reason for  
Amendment: \_\_\_\_\_

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

*Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).*

### Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

| Well Name                           | API          | Well Location (ULSTR) | Footages    | Expected MCF/D | Flared or Vented | Comments          |
|-------------------------------------|--------------|-----------------------|-------------|----------------|------------------|-------------------|
| Rio Grande 2/1 B3MP State Com #001H | 30-015-49996 | M-2-19S-28E           | 0760S 0220W | 10             | Flared           | ONLINE AFTER FRAC |

### Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to LUCID ENERGY DELAWARE, LLC and will be connected to LUCID ENERGY DELAWARE, LLC High Pressure gathering system located in Eddy County, New Mexico. It will require 3400' of pipeline to connect the facility to High Pressure gathering system. MEWBOURNE OIL CO provides (periodically) to LUCID ENERGY DELAWARE, LLC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, MEWBOURNE OIL CO and LUCID ENERGY DELAWARE, LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at LUCID ENERGY DELAWARE, LLC Processing Plant located in Sec. 25, Twn. 18S, Rng. 25E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

### Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on LUCID ENERGY DELAWARE, LLC system at that time. Based on current information, it is MEWBOURNE OIL CO's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

### Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
  - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

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Form APD Conditions

Permit 324968

**PERMIT CONDITIONS OF APPROVAL**

|                                                                                            |                                              |
|--------------------------------------------------------------------------------------------|----------------------------------------------|
| Operator Name and Address:<br>MEWBOURNE OIL CO [14744]<br>P.O. Box 5270<br>Hobbs, NM 88241 | API Number:<br>30-015-49996                  |
|                                                                                            | Well:<br>Rio Grande 2/1 B3MP State Com #001H |

| OCD<br>Reviewer | Condition                                                                                                                                                                                                                                                            |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| kpickford       | Notify OCD 24 hours prior to casing & cement                                                                                                                                                                                                                         |
| kpickford       | Will require a File As Drilled C-102 and a Directional Survey with the C-104                                                                                                                                                                                         |
| kpickford       | The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud                                                                                                                                                                   |
| kpickford       | 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 |
| kpickford       | Cement is required to circulate on both surface and intermediate1 strings of casing                                                                                                                                                                                  |
| kpickford       | Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system                  |

Intent ☐ As Drilled ☐

|                |                |             |
|----------------|----------------|-------------|
| API #          |                |             |
| Operator Name: | Property Name: | Well Number |

## Kick Off Point (KOP)

|          |         |          |       |     |           |          |      |          |        |
|----------|---------|----------|-------|-----|-----------|----------|------|----------|--------|
| UL       | Section | Township | Range | Lot | Feet      | From N/S | Feet | From E/W | County |
| Latitude |         |          |       |     | Longitude |          |      |          | NAD    |

## First Take Point (FTP)

|          |         |          |       |     |           |          |      |          |        |
|----------|---------|----------|-------|-----|-----------|----------|------|----------|--------|
| UL       | Section | Township | Range | Lot | Feet      | From N/S | Feet | From E/W | County |
| Latitude |         |          |       |     | Longitude |          |      |          | NAD    |

## Last Take Point (LTP)

|          |         |          |       |     |           |          |      |          |        |
|----------|---------|----------|-------|-----|-----------|----------|------|----------|--------|
| UL       | Section | Township | Range | Lot | Feet      | From N/S | Feet | From E/W | County |
| Latitude |         |          |       |     | Longitude |          |      |          | NAD    |

Is this well the defining well for the Horizontal Spacing Unit? ☐Is this well an infill well? ☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

|                |                |             |
|----------------|----------------|-------------|
| API #          |                |             |
| Operator Name: | Property Name: | Well Number |

KZ 06/29/2018

# **Mewbourne Oil Company**

**Eddy County, New Mexico NAD 83**

**Rio Grande 2/1 B3LI State Com #1H**

**Sec 2, T19S, R28E**

**SHL: 780' FSL & 220' FWL, Sec 2**

**BHL: 1950' FSL & 100' FEL, Sec 1**

**Plan: Design #1**

## **Standard Planning Report**

**10 August, 2022**

## Planning Report

|                  |                                   |                                     |                                        |
|------------------|-----------------------------------|-------------------------------------|----------------------------------------|
| <b>Database:</b> | Hobbs                             | <b>Local Co-ordinate Reference:</b> | Site Rio Grande 2/1 B3LI State Com #1H |
| <b>Company:</b>  | Mewbourne Oil Company             | <b>TVD Reference:</b>               | WELL @ 3497.0usft (Original Well Elev) |
| <b>Project:</b>  | Eddy County, New Mexico NAD 83    | <b>MD Reference:</b>                | WELL @ 3497.0usft (Original Well Elev) |
| <b>Site:</b>     | Rio Grande 2/1 B3LI State Com #1H | <b>North Reference:</b>             | Grid                                   |
| <b>Well:</b>     | Sec 2, T19S, R28E                 | <b>Survey Calculation Method:</b>   | Minimum Curvature                      |
| <b>Wellbore:</b> | BHL: 1950' FSL & 100' FEL, Sec 1  |                                     |                                        |
| <b>Design:</b>   | Design #1                         |                                     |                                        |

|                    |                                |                      |              |
|--------------------|--------------------------------|----------------------|--------------|
| <b>Project</b>     | Eddy County, New Mexico NAD 83 |                      |              |
| <b>Map System:</b> | US State Plane 1983            | <b>System Datum:</b> | Ground Level |
| <b>Geo Datum:</b>  | North American Datum 1983      |                      |              |
| <b>Map Zone:</b>   | New Mexico Eastern Zone        |                      |              |

|                              |                                   |                     |                 |
|------------------------------|-----------------------------------|---------------------|-----------------|
| <b>Site</b>                  | Rio Grande 2/1 B3LI State Com #1H |                     |                 |
| <b>Site Position:</b>        |                                   | <b>Northing:</b>    | 612,875.00 usft |
| <b>From:</b>                 | Map                               | <b>Easting:</b>     | 596,201.70 usft |
| <b>Position Uncertainty:</b> | 0.0 usft                          | <b>Slot Radius:</b> | 13-3/16 "       |
|                              |                                   | <b>Latitude:</b>    | 32.6847106      |
|                              |                                   | <b>Longitude:</b>   | -104.1550074    |

|                             |                   |                            |                                  |
|-----------------------------|-------------------|----------------------------|----------------------------------|
| <b>Well</b>                 | Sec 2, T19S, R28E |                            |                                  |
| <b>Well Position</b>        | <b>+N/-S</b>      | 0.0 usft                   | <b>Northing:</b> 612,875.00 usft |
|                             | <b>+E/-W</b>      | 0.0 usft                   | <b>Easting:</b> 596,201.70 usft  |
| <b>Position Uncertainty</b> | 0.0 usft          | <b>Wellhead Elevation:</b> | 3,497.0 usft                     |
| <b>Grid Convergence:</b>    | 0.10 °            | <b>Ground Level:</b>       | 3,469.0 usft                     |

|                  |                                  |                    |                        |                      |                            |
|------------------|----------------------------------|--------------------|------------------------|----------------------|----------------------------|
| <b>Wellbore</b>  | BHL: 1950' FSL & 100' FEL, Sec 1 |                    |                        |                      |                            |
| <b>Magnetics</b> | <b>Model Name</b>                | <b>Sample Date</b> | <b>Declination (°)</b> | <b>Dip Angle (°)</b> | <b>Field Strength (nT)</b> |
|                  | IGRF2010                         | 12/31/2014         | 7.45                   | 60.43                | 48,449.59530340            |

|                          |                                |                     |                      |                      |  |
|--------------------------|--------------------------------|---------------------|----------------------|----------------------|--|
| <b>Design</b>            | Design #1                      |                     |                      |                      |  |
| <b>Audit Notes:</b>      |                                |                     |                      |                      |  |
| <b>Version:</b>          | <b>Phase:</b>                  | PROTOTYPE           | <b>Tie On Depth:</b> | 0.0                  |  |
| <b>Vertical Section:</b> | <b>Depth From (TVD) (usft)</b> | <b>+N/-S (usft)</b> | <b>+E/-W (usft)</b>  | <b>Direction (°)</b> |  |
|                          | 0.0                            | 0.0                 | 0.0                  | 82.66                |  |

|                                 |                        |                          |                                 |                |  |
|---------------------------------|------------------------|--------------------------|---------------------------------|----------------|--|
| <b>Plan Survey Tool Program</b> | <b>Date</b>            | 8/10/2022                |                                 |                |  |
| <b>Depth From (usft)</b>        | <b>Depth To (usft)</b> | <b>Survey (Wellbore)</b> | <b>Tool Name</b>                | <b>Remarks</b> |  |
| 1                               | 0.0                    | 18,596.5                 | Design #1 (BHL: 1950' FSL & 100 |                |  |

|                              |                        |                    |                              |                     |                     |                                |                               |                              |                |                       |
|------------------------------|------------------------|--------------------|------------------------------|---------------------|---------------------|--------------------------------|-------------------------------|------------------------------|----------------|-----------------------|
| <b>Plan Sections</b>         |                        |                    |                              |                     |                     |                                |                               |                              |                |                       |
| <b>Measured Depth (usft)</b> | <b>Inclination (°)</b> | <b>Azimuth (°)</b> | <b>Vertical Depth (usft)</b> | <b>+N/-S (usft)</b> | <b>+E/-W (usft)</b> | <b>Dogleg Rate (°/100usft)</b> | <b>Build Rate (°/100usft)</b> | <b>Turn Rate (°/100usft)</b> | <b>TFO (°)</b> | <b>Target</b>         |
| 0.0                          | 0.00                   | 0.00               | 0.0                          | 0.0                 | 0.0                 | 0.00                           | 0.00                          | 0.00                         | 0.00           |                       |
| 950.0                        | 0.00                   | 0.00               | 950.0                        | 0.0                 | 0.0                 | 0.00                           | 0.00                          | 0.00                         | 0.00           |                       |
| 1,473.4                      | 10.47                  | 350.35             | 1,470.5                      | 47.0                | -8.0                | 2.00                           | 2.00                          | 0.00                         | 350.35         |                       |
| 7,469.2                      | 10.47                  | 350.35             | 7,366.5                      | 1,121.0             | -190.7              | 0.00                           | 0.00                          | 0.00                         | 0.00           |                       |
| 7,992.7                      | 0.00                   | 0.00               | 7,887.0                      | 1,168.0             | -198.7              | 2.00                           | -2.00                         | 0.00                         | 180.00         | KOP: 1950' FSL & 10'  |
| 8,881.0                      | 88.81                  | 89.28              | 8,460.0                      | 1,175.1             | 362.5               | 10.00                          | 10.00                         | 0.00                         | 89.28          |                       |
| 18,596.5                     | 88.81                  | 89.28              | 8,661.0                      | 1,297.8             | 10,075.1            | 0.00                           | 0.00                          | 0.00                         | 0.00           | BHL: 1950' FSL & 100' |

## Planning Report

|                  |                                   |                                     |                                        |
|------------------|-----------------------------------|-------------------------------------|----------------------------------------|
| <b>Database:</b> | Hobbs                             | <b>Local Co-ordinate Reference:</b> | Site Rio Grande 2/1 B3LI State Com #1H |
| <b>Company:</b>  | Mewbourne Oil Company             | <b>TVD Reference:</b>               | WELL @ 3497.0usft (Original Well Elev) |
| <b>Project:</b>  | Eddy County, New Mexico NAD 83    | <b>MD Reference:</b>                | WELL @ 3497.0usft (Original Well Elev) |
| <b>Site:</b>     | Rio Grande 2/1 B3LI State Com #1H | <b>North Reference:</b>             | Grid                                   |
| <b>Well:</b>     | Sec 2, T19S, R28E                 | <b>Survey Calculation Method:</b>   | Minimum Curvature                      |
| <b>Wellbore:</b> | BHL: 1950' FSL & 100' FEL, Sec 1  |                                     |                                        |
| <b>Design:</b>   | Design #1                         |                                     |                                        |

| Planned Survey               |                 |             |                       |              |              |                         |                         |                        |                       |
|------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft)        | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 0.0                          | 0.00            | 0.00        | 0.0                   | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| SHL: 780' FSL & 220' FWL (2) |                 |             |                       |              |              |                         |                         |                        |                       |
| 100.0                        | 0.00            | 0.00        | 100.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 200.0                        | 0.00            | 0.00        | 200.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 300.0                        | 0.00            | 0.00        | 300.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 400.0                        | 0.00            | 0.00        | 400.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 500.0                        | 0.00            | 0.00        | 500.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 600.0                        | 0.00            | 0.00        | 600.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 700.0                        | 0.00            | 0.00        | 700.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 800.0                        | 0.00            | 0.00        | 800.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 900.0                        | 0.00            | 0.00        | 900.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 950.0                        | 0.00            | 0.00        | 950.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 1,000.0                      | 1.00            | 350.35      | 1,000.0               | 0.4          | -0.1         | 0.0                     | 2.00                    | 2.00                   | 0.00                  |
| 1,100.0                      | 3.00            | 350.35      | 1,099.9               | 3.9          | -0.7         | -0.2                    | 2.00                    | 2.00                   | 0.00                  |
| 1,200.0                      | 5.00            | 350.35      | 1,199.7               | 10.7         | -1.8         | -0.4                    | 2.00                    | 2.00                   | 0.00                  |
| 1,300.0                      | 7.00            | 350.35      | 1,299.1               | 21.1         | -3.6         | -0.9                    | 2.00                    | 2.00                   | 0.00                  |
| 1,400.0                      | 9.00            | 350.35      | 1,398.2               | 34.8         | -5.9         | -1.4                    | 2.00                    | 2.00                   | 0.00                  |
| 1,473.4                      | 10.47           | 350.35      | 1,470.5               | 47.0         | -8.0         | -1.9                    | 2.00                    | 2.00                   | 0.00                  |
| 1,500.0                      | 10.47           | 350.35      | 1,496.7               | 51.8         | -8.8         | -2.1                    | 0.00                    | 0.00                   | 0.00                  |
| 1,600.0                      | 10.47           | 350.35      | 1,595.0               | 69.7         | -11.9        | -2.9                    | 0.00                    | 0.00                   | 0.00                  |
| 1,700.0                      | 10.47           | 350.35      | 1,693.3               | 87.6         | -14.9        | -3.6                    | 0.00                    | 0.00                   | 0.00                  |
| 1,800.0                      | 10.47           | 350.35      | 1,791.7               | 105.5        | -17.9        | -4.3                    | 0.00                    | 0.00                   | 0.00                  |
| 1,900.0                      | 10.47           | 350.35      | 1,890.0               | 123.4        | -21.0        | -5.1                    | 0.00                    | 0.00                   | 0.00                  |
| 2,000.0                      | 10.47           | 350.35      | 1,988.3               | 141.3        | -24.0        | -5.8                    | 0.00                    | 0.00                   | 0.00                  |
| 2,100.0                      | 10.47           | 350.35      | 2,086.7               | 159.2        | -27.1        | -6.5                    | 0.00                    | 0.00                   | 0.00                  |
| 2,200.0                      | 10.47           | 350.35      | 2,185.0               | 177.2        | -30.1        | -7.3                    | 0.00                    | 0.00                   | 0.00                  |
| 2,300.0                      | 10.47           | 350.35      | 2,283.3               | 195.1        | -33.2        | -8.0                    | 0.00                    | 0.00                   | 0.00                  |
| 2,400.0                      | 10.47           | 350.35      | 2,381.7               | 213.0        | -36.2        | -8.7                    | 0.00                    | 0.00                   | 0.00                  |
| 2,500.0                      | 10.47           | 350.35      | 2,480.0               | 230.9        | -39.3        | -9.5                    | 0.00                    | 0.00                   | 0.00                  |
| 2,600.0                      | 10.47           | 350.35      | 2,578.3               | 248.8        | -42.3        | -10.2                   | 0.00                    | 0.00                   | 0.00                  |
| 2,700.0                      | 10.47           | 350.35      | 2,676.7               | 266.7        | -45.4        | -10.9                   | 0.00                    | 0.00                   | 0.00                  |
| 2,800.0                      | 10.47           | 350.35      | 2,775.0               | 284.6        | -48.4        | -11.7                   | 0.00                    | 0.00                   | 0.00                  |
| 2,900.0                      | 10.47           | 350.35      | 2,873.3               | 302.5        | -51.5        | -12.4                   | 0.00                    | 0.00                   | 0.00                  |
| 3,000.0                      | 10.47           | 350.35      | 2,971.7               | 320.5        | -54.5        | -13.1                   | 0.00                    | 0.00                   | 0.00                  |
| 3,100.0                      | 10.47           | 350.35      | 3,070.0               | 338.4        | -57.6        | -13.9                   | 0.00                    | 0.00                   | 0.00                  |
| 3,200.0                      | 10.47           | 350.35      | 3,168.4               | 356.3        | -60.6        | -14.6                   | 0.00                    | 0.00                   | 0.00                  |
| 3,300.0                      | 10.47           | 350.35      | 3,266.7               | 374.2        | -63.7        | -15.3                   | 0.00                    | 0.00                   | 0.00                  |
| 3,400.0                      | 10.47           | 350.35      | 3,365.0               | 392.1        | -66.7        | -16.1                   | 0.00                    | 0.00                   | 0.00                  |
| 3,500.0                      | 10.47           | 350.35      | 3,463.4               | 410.0        | -69.8        | -16.8                   | 0.00                    | 0.00                   | 0.00                  |
| 3,600.0                      | 10.47           | 350.35      | 3,561.7               | 427.9        | -72.8        | -17.5                   | 0.00                    | 0.00                   | 0.00                  |
| 3,700.0                      | 10.47           | 350.35      | 3,660.0               | 445.8        | -75.8        | -18.3                   | 0.00                    | 0.00                   | 0.00                  |
| 3,800.0                      | 10.47           | 350.35      | 3,758.4               | 463.8        | -78.9        | -19.0                   | 0.00                    | 0.00                   | 0.00                  |
| 3,900.0                      | 10.47           | 350.35      | 3,856.7               | 481.7        | -81.9        | -19.7                   | 0.00                    | 0.00                   | 0.00                  |
| 4,000.0                      | 10.47           | 350.35      | 3,955.0               | 499.6        | -85.0        | -20.5                   | 0.00                    | 0.00                   | 0.00                  |
| 4,100.0                      | 10.47           | 350.35      | 4,053.4               | 517.5        | -88.0        | -21.2                   | 0.00                    | 0.00                   | 0.00                  |
| 4,200.0                      | 10.47           | 350.35      | 4,151.7               | 535.4        | -91.1        | -21.9                   | 0.00                    | 0.00                   | 0.00                  |
| 4,300.0                      | 10.47           | 350.35      | 4,250.0               | 553.3        | -94.1        | -22.7                   | 0.00                    | 0.00                   | 0.00                  |
| 4,400.0                      | 10.47           | 350.35      | 4,348.4               | 571.2        | -97.2        | -23.4                   | 0.00                    | 0.00                   | 0.00                  |
| 4,500.0                      | 10.47           | 350.35      | 4,446.7               | 589.1        | -100.2       | -24.1                   | 0.00                    | 0.00                   | 0.00                  |
| 4,600.0                      | 10.47           | 350.35      | 4,545.1               | 607.0        | -103.3       | -24.9                   | 0.00                    | 0.00                   | 0.00                  |
| 4,700.0                      | 10.47           | 350.35      | 4,643.4               | 625.0        | -106.3       | -25.6                   | 0.00                    | 0.00                   | 0.00                  |
| 4,800.0                      | 10.47           | 350.35      | 4,741.7               | 642.9        | -109.4       | -26.3                   | 0.00                    | 0.00                   | 0.00                  |
| 4,900.0                      | 10.47           | 350.35      | 4,840.1               | 660.8        | -112.4       | -27.1                   | 0.00                    | 0.00                   | 0.00                  |
| 5,000.0                      | 10.47           | 350.35      | 4,938.4               | 678.7        | -115.5       | -27.8                   | 0.00                    | 0.00                   | 0.00                  |

## Planning Report

|                  |                                   |                                     |                                        |
|------------------|-----------------------------------|-------------------------------------|----------------------------------------|
| <b>Database:</b> | Hobbs                             | <b>Local Co-ordinate Reference:</b> | Site Rio Grande 2/1 B3LI State Com #1H |
| <b>Company:</b>  | Mewbourne Oil Company             | <b>TVD Reference:</b>               | WELL @ 3497.0usft (Original Well Elev) |
| <b>Project:</b>  | Eddy County, New Mexico NAD 83    | <b>MD Reference:</b>                | WELL @ 3497.0usft (Original Well Elev) |
| <b>Site:</b>     | Rio Grande 2/1 B3LI State Com #1H | <b>North Reference:</b>             | Grid                                   |
| <b>Well:</b>     | Sec 2, T19S, R28E                 | <b>Survey Calculation Method:</b>   | Minimum Curvature                      |
| <b>Wellbore:</b> | BHL: 1950' FSL & 100' FEL, Sec 1  |                                     |                                        |
| <b>Design:</b>   | Design #1                         |                                     |                                        |

| Planned Survey                           |                 |             |                       |              |              |                         |                         |                        |                       |
|------------------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft)                    | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 5,100.0                                  | 10.47           | 350.35      | 5,036.7               | 696.6        | -118.5       | -28.5                   | 0.00                    | 0.00                   | 0.00                  |
| 5,200.0                                  | 10.47           | 350.35      | 5,135.1               | 714.5        | -121.6       | -29.3                   | 0.00                    | 0.00                   | 0.00                  |
| 5,300.0                                  | 10.47           | 350.35      | 5,233.4               | 732.4        | -124.6       | -30.0                   | 0.00                    | 0.00                   | 0.00                  |
| 5,400.0                                  | 10.47           | 350.35      | 5,331.7               | 750.3        | -127.6       | -30.7                   | 0.00                    | 0.00                   | 0.00                  |
| 5,500.0                                  | 10.47           | 350.35      | 5,430.1               | 768.3        | -130.7       | -31.5                   | 0.00                    | 0.00                   | 0.00                  |
| 5,600.0                                  | 10.47           | 350.35      | 5,528.4               | 786.2        | -133.7       | -32.2                   | 0.00                    | 0.00                   | 0.00                  |
| 5,700.0                                  | 10.47           | 350.35      | 5,626.7               | 804.1        | -136.8       | -32.9                   | 0.00                    | 0.00                   | 0.00                  |
| 5,800.0                                  | 10.47           | 350.35      | 5,725.1               | 822.0        | -139.8       | -33.7                   | 0.00                    | 0.00                   | 0.00                  |
| 5,900.0                                  | 10.47           | 350.35      | 5,823.4               | 839.9        | -142.9       | -34.4                   | 0.00                    | 0.00                   | 0.00                  |
| 6,000.0                                  | 10.47           | 350.35      | 5,921.7               | 857.8        | -145.9       | -35.1                   | 0.00                    | 0.00                   | 0.00                  |
| 6,100.0                                  | 10.47           | 350.35      | 6,020.1               | 875.7        | -149.0       | -35.9                   | 0.00                    | 0.00                   | 0.00                  |
| 6,200.0                                  | 10.47           | 350.35      | 6,118.4               | 893.6        | -152.0       | -36.6                   | 0.00                    | 0.00                   | 0.00                  |
| 6,300.0                                  | 10.47           | 350.35      | 6,216.8               | 911.6        | -155.1       | -37.3                   | 0.00                    | 0.00                   | 0.00                  |
| 6,400.0                                  | 10.47           | 350.35      | 6,315.1               | 929.5        | -158.1       | -38.1                   | 0.00                    | 0.00                   | 0.00                  |
| 6,500.0                                  | 10.47           | 350.35      | 6,413.4               | 947.4        | -161.2       | -38.8                   | 0.00                    | 0.00                   | 0.00                  |
| 6,600.0                                  | 10.47           | 350.35      | 6,511.8               | 965.3        | -164.2       | -39.5                   | 0.00                    | 0.00                   | 0.00                  |
| 6,700.0                                  | 10.47           | 350.35      | 6,610.1               | 983.2        | -167.3       | -40.3                   | 0.00                    | 0.00                   | 0.00                  |
| 6,800.0                                  | 10.47           | 350.35      | 6,708.4               | 1,001.1      | -170.3       | -41.0                   | 0.00                    | 0.00                   | 0.00                  |
| 6,900.0                                  | 10.47           | 350.35      | 6,806.8               | 1,019.0      | -173.4       | -41.7                   | 0.00                    | 0.00                   | 0.00                  |
| 7,000.0                                  | 10.47           | 350.35      | 6,905.1               | 1,036.9      | -176.4       | -42.5                   | 0.00                    | 0.00                   | 0.00                  |
| 7,100.0                                  | 10.47           | 350.35      | 7,003.4               | 1,054.9      | -179.5       | -43.2                   | 0.00                    | 0.00                   | 0.00                  |
| 7,200.0                                  | 10.47           | 350.35      | 7,101.8               | 1,072.8      | -182.5       | -43.9                   | 0.00                    | 0.00                   | 0.00                  |
| 7,300.0                                  | 10.47           | 350.35      | 7,200.1               | 1,090.7      | -185.5       | -44.7                   | 0.00                    | 0.00                   | 0.00                  |
| 7,400.0                                  | 10.47           | 350.35      | 7,298.4               | 1,108.6      | -188.6       | -45.4                   | 0.00                    | 0.00                   | 0.00                  |
| 7,469.2                                  | 10.47           | 350.35      | 7,366.5               | 1,121.0      | -190.7       | -45.9                   | 0.00                    | 0.00                   | 0.00                  |
| 7,500.0                                  | 9.85            | 350.35      | 7,396.8               | 1,126.3      | -191.6       | -46.1                   | 2.00                    | -2.00                  | 0.00                  |
| 7,600.0                                  | 7.85            | 350.35      | 7,495.6               | 1,141.5      | -194.2       | -46.8                   | 2.00                    | -2.00                  | 0.00                  |
| 7,700.0                                  | 5.85            | 350.35      | 7,594.9               | 1,153.3      | -196.2       | -47.2                   | 2.00                    | -2.00                  | 0.00                  |
| 7,800.0                                  | 3.85            | 350.35      | 7,694.5               | 1,161.6      | -197.6       | -47.6                   | 2.00                    | -2.00                  | 0.00                  |
| 7,900.0                                  | 1.85            | 350.35      | 7,794.4               | 1,166.5      | -198.4       | -47.8                   | 2.00                    | -2.00                  | 0.00                  |
| 7,992.7                                  | 0.00            | 0.00        | 7,887.0               | 1,168.0      | -198.7       | -47.9                   | 2.00                    | -2.00                  | 0.00                  |
| <b>KOP: 1950' FSL &amp; 10' FWL (2)</b>  |                 |             |                       |              |              |                         |                         |                        |                       |
| 8,000.0                                  | 0.73            | 89.28       | 7,894.4               | 1,168.0      | -198.7       | -47.8                   | 10.00                   | 10.00                  | 0.00                  |
| 8,050.0                                  | 5.73            | 89.28       | 7,944.3               | 1,168.0      | -195.8       | -45.0                   | 10.00                   | 10.00                  | 0.00                  |
| 8,100.0                                  | 10.73           | 89.28       | 7,993.8               | 1,168.1      | -188.7       | -37.9                   | 10.00                   | 10.00                  | 0.00                  |
| 8,150.0                                  | 15.73           | 89.28       | 8,042.4               | 1,168.3      | -177.2       | -26.5                   | 10.00                   | 10.00                  | 0.00                  |
| 8,200.0                                  | 20.73           | 89.28       | 8,089.9               | 1,168.5      | -161.6       | -11.0                   | 10.00                   | 10.00                  | 0.00                  |
| 8,250.0                                  | 25.73           | 89.28       | 8,135.8               | 1,168.7      | -141.9       | 8.6                     | 10.00                   | 10.00                  | 0.00                  |
| 8,300.0                                  | 30.73           | 89.28       | 8,179.9               | 1,169.0      | -118.2       | 32.1                    | 10.00                   | 10.00                  | 0.00                  |
| 8,318.4                                  | 32.57           | 89.28       | 8,195.5               | 1,169.1      | -108.6       | 41.7                    | 10.00                   | 10.00                  | 0.00                  |
| <b>FTP: 1950' FSL &amp; 100' FWL (2)</b> |                 |             |                       |              |              |                         |                         |                        |                       |
| 8,350.0                                  | 35.73           | 89.28       | 8,221.7               | 1,169.4      | -90.9        | 59.3                    | 10.00                   | 10.00                  | 0.00                  |
| 8,400.0                                  | 40.73           | 89.28       | 8,260.9               | 1,169.8      | -59.9        | 90.0                    | 10.00                   | 10.00                  | 0.00                  |
| 8,450.0                                  | 45.72           | 89.28       | 8,297.4               | 1,170.2      | -25.7        | 124.0                   | 10.00                   | 10.00                  | 0.00                  |
| 8,500.0                                  | 50.72           | 89.28       | 8,330.7               | 1,170.7      | 11.6         | 161.0                   | 10.00                   | 10.00                  | 0.00                  |
| 8,550.0                                  | 55.72           | 89.28       | 8,360.6               | 1,171.2      | 51.6         | 200.8                   | 10.00                   | 10.00                  | 0.00                  |
| 8,600.0                                  | 60.72           | 89.28       | 8,386.9               | 1,171.7      | 94.1         | 243.0                   | 10.00                   | 10.00                  | 0.00                  |
| 8,650.0                                  | 65.72           | 89.28       | 8,409.4               | 1,172.3      | 138.7        | 287.3                   | 10.00                   | 10.00                  | 0.00                  |
| 8,700.0                                  | 70.72           | 89.28       | 8,428.0               | 1,172.8      | 185.1        | 333.4                   | 10.00                   | 10.00                  | 0.00                  |
| 8,750.0                                  | 75.72           | 89.28       | 8,442.4               | 1,173.5      | 233.0        | 381.0                   | 10.00                   | 10.00                  | 0.00                  |
| 8,800.0                                  | 80.72           | 89.28       | 8,452.6               | 1,174.1      | 281.9        | 429.6                   | 10.00                   | 10.00                  | 0.00                  |
| 8,850.0                                  | 85.72           | 89.28       | 8,458.5               | 1,174.7      | 331.5        | 478.9                   | 10.00                   | 10.00                  | 0.00                  |
| 8,881.0                                  | 88.81           | 89.28       | 8,460.0               | 1,175.1      | 362.5        | 509.7                   | 9.99                    | 9.99                   | 0.00                  |

## Planning Report

|                  |                                   |                                     |                                        |
|------------------|-----------------------------------|-------------------------------------|----------------------------------------|
| <b>Database:</b> | Hobbs                             | <b>Local Co-ordinate Reference:</b> | Site Rio Grande 2/1 B3LI State Com #1H |
| <b>Company:</b>  | Mewbourne Oil Company             | <b>TVD Reference:</b>               | WELL @ 3497.0usft (Original Well Elev) |
| <b>Project:</b>  | Eddy County, New Mexico NAD 83    | <b>MD Reference:</b>                | WELL @ 3497.0usft (Original Well Elev) |
| <b>Site:</b>     | Rio Grande 2/1 B3LI State Com #1H | <b>North Reference:</b>             | Grid                                   |
| <b>Well:</b>     | Sec 2, T19S, R28E                 | <b>Survey Calculation Method:</b>   | Minimum Curvature                      |
| <b>Wellbore:</b> | BHL: 1950' FSL & 100' FEL, Sec 1  |                                     |                                        |
| <b>Design:</b>   | Design #1                         |                                     |                                        |

| Planned Survey               |                 |             |                       |              |              |                         |                         |                        |                       |
|------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft)        | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| LP: 1950' FSL & 572' FWL (2) |                 |             |                       |              |              |                         |                         |                        |                       |
| 8,900.0                      | 88.81           | 89.28       | 8,460.4               | 1,175.3      | 381.5        | 528.5                   | 0.00                    | 0.00                   | 0.00                  |
| 9,000.0                      | 88.81           | 89.28       | 8,462.5               | 1,176.6      | 481.5        | 627.8                   | 0.00                    | 0.00                   | 0.00                  |
| 9,100.0                      | 88.81           | 89.28       | 8,464.5               | 1,177.9      | 581.4        | 727.1                   | 0.00                    | 0.00                   | 0.00                  |
| 9,200.0                      | 88.81           | 89.28       | 8,466.6               | 1,179.1      | 681.4        | 826.4                   | 0.00                    | 0.00                   | 0.00                  |
| 9,300.0                      | 88.81           | 89.28       | 8,468.7               | 1,180.4      | 781.4        | 925.8                   | 0.00                    | 0.00                   | 0.00                  |
| 9,400.0                      | 88.81           | 89.28       | 8,470.7               | 1,181.6      | 881.3        | 1,025.1                 | 0.00                    | 0.00                   | 0.00                  |
| 9,500.0                      | 88.81           | 89.28       | 8,472.8               | 1,182.9      | 981.3        | 1,124.4                 | 0.00                    | 0.00                   | 0.00                  |
| 9,600.0                      | 88.81           | 89.28       | 8,474.9               | 1,184.2      | 1,081.3      | 1,223.7                 | 0.00                    | 0.00                   | 0.00                  |
| 9,700.0                      | 88.81           | 89.28       | 8,476.9               | 1,185.4      | 1,181.2      | 1,323.0                 | 0.00                    | 0.00                   | 0.00                  |
| 9,800.0                      | 88.81           | 89.28       | 8,479.0               | 1,186.7      | 1,281.2      | 1,422.3                 | 0.00                    | 0.00                   | 0.00                  |
| 9,900.0                      | 88.81           | 89.28       | 8,481.1               | 1,188.0      | 1,381.2      | 1,521.6                 | 0.00                    | 0.00                   | 0.00                  |
| 10,000.0                     | 88.81           | 89.28       | 8,483.2               | 1,189.2      | 1,481.2      | 1,621.0                 | 0.00                    | 0.00                   | 0.00                  |
| 10,100.0                     | 88.81           | 89.28       | 8,485.2               | 1,190.5      | 1,581.1      | 1,720.3                 | 0.00                    | 0.00                   | 0.00                  |
| 10,200.0                     | 88.81           | 89.28       | 8,487.3               | 1,191.7      | 1,681.1      | 1,819.6                 | 0.00                    | 0.00                   | 0.00                  |
| 10,300.0                     | 88.81           | 89.28       | 8,489.4               | 1,193.0      | 1,781.1      | 1,918.9                 | 0.00                    | 0.00                   | 0.00                  |
| 10,400.0                     | 88.81           | 89.28       | 8,491.4               | 1,194.3      | 1,881.0      | 2,018.2                 | 0.00                    | 0.00                   | 0.00                  |
| 10,500.0                     | 88.81           | 89.28       | 8,493.5               | 1,195.5      | 1,981.0      | 2,117.5                 | 0.00                    | 0.00                   | 0.00                  |
| 10,600.0                     | 88.81           | 89.28       | 8,495.6               | 1,196.8      | 2,081.0      | 2,216.8                 | 0.00                    | 0.00                   | 0.00                  |
| 10,700.0                     | 88.81           | 89.28       | 8,497.6               | 1,198.1      | 2,181.0      | 2,316.1                 | 0.00                    | 0.00                   | 0.00                  |
| 10,800.0                     | 88.81           | 89.28       | 8,499.7               | 1,199.3      | 2,280.9      | 2,415.5                 | 0.00                    | 0.00                   | 0.00                  |
| 10,900.0                     | 88.81           | 89.28       | 8,501.8               | 1,200.6      | 2,380.9      | 2,514.8                 | 0.00                    | 0.00                   | 0.00                  |
| 11,000.0                     | 88.81           | 89.28       | 8,503.8               | 1,201.9      | 2,480.9      | 2,614.1                 | 0.00                    | 0.00                   | 0.00                  |
| 11,100.0                     | 88.81           | 89.28       | 8,505.9               | 1,203.1      | 2,580.8      | 2,713.4                 | 0.00                    | 0.00                   | 0.00                  |
| 11,200.0                     | 88.81           | 89.28       | 8,508.0               | 1,204.4      | 2,680.8      | 2,812.7                 | 0.00                    | 0.00                   | 0.00                  |
| 11,300.0                     | 88.81           | 89.28       | 8,510.0               | 1,205.6      | 2,780.8      | 2,912.0                 | 0.00                    | 0.00                   | 0.00                  |
| 11,400.0                     | 88.81           | 89.28       | 8,512.1               | 1,206.9      | 2,880.7      | 3,011.3                 | 0.00                    | 0.00                   | 0.00                  |
| 11,500.0                     | 88.81           | 89.28       | 8,514.2               | 1,208.2      | 2,980.7      | 3,110.6                 | 0.00                    | 0.00                   | 0.00                  |
| 11,600.0                     | 88.81           | 89.28       | 8,516.3               | 1,209.4      | 3,080.7      | 3,210.0                 | 0.00                    | 0.00                   | 0.00                  |
| 11,700.0                     | 88.81           | 89.28       | 8,518.3               | 1,210.7      | 3,180.7      | 3,309.3                 | 0.00                    | 0.00                   | 0.00                  |
| 11,800.0                     | 88.81           | 89.28       | 8,520.4               | 1,212.0      | 3,280.6      | 3,408.6                 | 0.00                    | 0.00                   | 0.00                  |
| 11,900.0                     | 88.81           | 89.28       | 8,522.5               | 1,213.2      | 3,380.6      | 3,507.9                 | 0.00                    | 0.00                   | 0.00                  |
| 12,000.0                     | 88.81           | 89.28       | 8,524.5               | 1,214.5      | 3,480.6      | 3,607.2                 | 0.00                    | 0.00                   | 0.00                  |
| 12,100.0                     | 88.81           | 89.28       | 8,526.6               | 1,215.7      | 3,580.5      | 3,706.5                 | 0.00                    | 0.00                   | 0.00                  |
| 12,200.0                     | 88.81           | 89.28       | 8,528.7               | 1,217.0      | 3,680.5      | 3,805.8                 | 0.00                    | 0.00                   | 0.00                  |
| 12,300.0                     | 88.81           | 89.28       | 8,530.7               | 1,218.3      | 3,780.5      | 3,905.1                 | 0.00                    | 0.00                   | 0.00                  |
| 12,400.0                     | 88.81           | 89.28       | 8,532.8               | 1,219.5      | 3,880.5      | 4,004.5                 | 0.00                    | 0.00                   | 0.00                  |
| 12,500.0                     | 88.81           | 89.28       | 8,534.9               | 1,220.8      | 3,980.4      | 4,103.8                 | 0.00                    | 0.00                   | 0.00                  |
| 12,600.0                     | 88.81           | 89.28       | 8,536.9               | 1,222.1      | 4,080.4      | 4,203.1                 | 0.00                    | 0.00                   | 0.00                  |
| 12,700.0                     | 88.81           | 89.28       | 8,539.0               | 1,223.3      | 4,180.4      | 4,302.4                 | 0.00                    | 0.00                   | 0.00                  |
| 12,800.0                     | 88.81           | 89.28       | 8,541.1               | 1,224.6      | 4,280.3      | 4,401.7                 | 0.00                    | 0.00                   | 0.00                  |
| 12,900.0                     | 88.81           | 89.28       | 8,543.1               | 1,225.9      | 4,380.3      | 4,501.0                 | 0.00                    | 0.00                   | 0.00                  |
| 13,000.0                     | 88.81           | 89.28       | 8,545.2               | 1,227.1      | 4,480.3      | 4,600.3                 | 0.00                    | 0.00                   | 0.00                  |
| 13,100.0                     | 88.81           | 89.28       | 8,547.3               | 1,228.4      | 4,580.2      | 4,699.6                 | 0.00                    | 0.00                   | 0.00                  |
| 13,200.0                     | 88.81           | 89.28       | 8,549.4               | 1,229.6      | 4,680.2      | 4,799.0                 | 0.00                    | 0.00                   | 0.00                  |
| 13,300.0                     | 88.81           | 89.28       | 8,551.4               | 1,230.9      | 4,780.2      | 4,898.3                 | 0.00                    | 0.00                   | 0.00                  |
| 13,400.0                     | 88.81           | 89.28       | 8,553.5               | 1,232.2      | 4,880.2      | 4,997.6                 | 0.00                    | 0.00                   | 0.00                  |
| 13,500.0                     | 88.81           | 89.28       | 8,555.6               | 1,233.4      | 4,980.1      | 5,096.9                 | 0.00                    | 0.00                   | 0.00                  |
| 13,600.0                     | 88.81           | 89.28       | 8,557.6               | 1,234.7      | 5,080.1      | 5,196.2                 | 0.00                    | 0.00                   | 0.00                  |
| 13,700.0                     | 88.81           | 89.28       | 8,559.7               | 1,236.0      | 5,180.1      | 5,295.5                 | 0.00                    | 0.00                   | 0.00                  |
| 13,800.0                     | 88.81           | 89.28       | 8,561.8               | 1,237.2      | 5,280.0      | 5,394.8                 | 0.00                    | 0.00                   | 0.00                  |
| 13,900.0                     | 88.81           | 89.28       | 8,563.8               | 1,238.5      | 5,380.0      | 5,494.2                 | 0.00                    | 0.00                   | 0.00                  |
| 14,000.0                     | 88.81           | 89.28       | 8,565.9               | 1,239.7      | 5,480.0      | 5,593.5                 | 0.00                    | 0.00                   | 0.00                  |

## Planning Report

|                  |                                   |                                     |                                        |
|------------------|-----------------------------------|-------------------------------------|----------------------------------------|
| <b>Database:</b> | Hobbs                             | <b>Local Co-ordinate Reference:</b> | Site Rio Grande 2/1 B3LI State Com #1H |
| <b>Company:</b>  | Mewbourne Oil Company             | <b>TVD Reference:</b>               | WELL @ 3497.0usft (Original Well Elev) |
| <b>Project:</b>  | Eddy County, New Mexico NAD 83    | <b>MD Reference:</b>                | WELL @ 3497.0usft (Original Well Elev) |
| <b>Site:</b>     | Rio Grande 2/1 B3LI State Com #1H | <b>North Reference:</b>             | Grid                                   |
| <b>Well:</b>     | Sec 2, T19S, R28E                 | <b>Survey Calculation Method:</b>   | Minimum Curvature                      |
| <b>Wellbore:</b> | BHL: 1950' FSL & 100' FEL, Sec 1  |                                     |                                        |
| <b>Design:</b>   | Design #1                         |                                     |                                        |

| Planned Survey                |                    |                |                             |                 |                 |                               |                               |                              |                             |  |
|-------------------------------|--------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|--|
| Measured<br>Depth<br>(usft)   | Inclination<br>(°) | Azimuth<br>(°) | Vertical<br>Depth<br>(usft) | +N/-S<br>(usft) | +E/-W<br>(usft) | Vertical<br>Section<br>(usft) | Dogleg<br>Rate<br>(°/100usft) | Build<br>Rate<br>(°/100usft) | Turn<br>Rate<br>(°/100usft) |  |
| 14,100.0                      | 88.81              | 89.28          | 8,568.0                     | 1,241.0         | 5,580.0         | 5,692.8                       | 0.00                          | 0.00                         | 0.00                        |  |
| 14,200.0                      | 88.81              | 89.28          | 8,570.0                     | 1,242.3         | 5,679.9         | 5,792.1                       | 0.00                          | 0.00                         | 0.00                        |  |
| 14,300.0                      | 88.81              | 89.28          | 8,572.1                     | 1,243.5         | 5,779.9         | 5,891.4                       | 0.00                          | 0.00                         | 0.00                        |  |
| 14,400.0                      | 88.81              | 89.28          | 8,574.2                     | 1,244.8         | 5,879.9         | 5,990.7                       | 0.00                          | 0.00                         | 0.00                        |  |
| 14,500.0                      | 88.81              | 89.28          | 8,576.2                     | 1,246.1         | 5,979.8         | 6,090.0                       | 0.00                          | 0.00                         | 0.00                        |  |
| 14,600.0                      | 88.81              | 89.28          | 8,578.3                     | 1,247.3         | 6,079.8         | 6,189.3                       | 0.00                          | 0.00                         | 0.00                        |  |
| 14,700.0                      | 88.81              | 89.28          | 8,580.4                     | 1,248.6         | 6,179.8         | 6,288.7                       | 0.00                          | 0.00                         | 0.00                        |  |
| 14,800.0                      | 88.81              | 89.28          | 8,582.5                     | 1,249.8         | 6,279.7         | 6,388.0                       | 0.00                          | 0.00                         | 0.00                        |  |
| 14,900.0                      | 88.81              | 89.28          | 8,584.5                     | 1,251.1         | 6,379.7         | 6,487.3                       | 0.00                          | 0.00                         | 0.00                        |  |
| 15,000.0                      | 88.81              | 89.28          | 8,586.6                     | 1,252.4         | 6,479.7         | 6,586.6                       | 0.00                          | 0.00                         | 0.00                        |  |
| 15,100.0                      | 88.81              | 89.28          | 8,588.7                     | 1,253.6         | 6,579.7         | 6,685.9                       | 0.00                          | 0.00                         | 0.00                        |  |
| 15,200.0                      | 88.81              | 89.28          | 8,590.7                     | 1,254.9         | 6,679.6         | 6,785.2                       | 0.00                          | 0.00                         | 0.00                        |  |
| 15,300.0                      | 88.81              | 89.28          | 8,592.8                     | 1,256.2         | 6,779.6         | 6,884.5                       | 0.00                          | 0.00                         | 0.00                        |  |
| 15,400.0                      | 88.81              | 89.28          | 8,594.9                     | 1,257.4         | 6,879.6         | 6,983.8                       | 0.00                          | 0.00                         | 0.00                        |  |
| 15,500.0                      | 88.81              | 89.28          | 8,596.9                     | 1,258.7         | 6,979.5         | 7,083.2                       | 0.00                          | 0.00                         | 0.00                        |  |
| 15,600.0                      | 88.81              | 89.28          | 8,599.0                     | 1,260.0         | 7,079.5         | 7,182.5                       | 0.00                          | 0.00                         | 0.00                        |  |
| 15,700.0                      | 88.81              | 89.28          | 8,601.1                     | 1,261.2         | 7,179.5         | 7,281.8                       | 0.00                          | 0.00                         | 0.00                        |  |
| 15,800.0                      | 88.81              | 89.28          | 8,603.1                     | 1,262.5         | 7,279.5         | 7,381.1                       | 0.00                          | 0.00                         | 0.00                        |  |
| 15,900.0                      | 88.81              | 89.28          | 8,605.2                     | 1,263.7         | 7,379.4         | 7,480.4                       | 0.00                          | 0.00                         | 0.00                        |  |
| 16,000.0                      | 88.81              | 89.28          | 8,607.3                     | 1,265.0         | 7,479.4         | 7,579.7                       | 0.00                          | 0.00                         | 0.00                        |  |
| 16,100.0                      | 88.81              | 89.28          | 8,609.4                     | 1,266.3         | 7,579.4         | 7,679.0                       | 0.00                          | 0.00                         | 0.00                        |  |
| 16,200.0                      | 88.81              | 89.28          | 8,611.4                     | 1,267.5         | 7,679.3         | 7,778.3                       | 0.00                          | 0.00                         | 0.00                        |  |
| 16,300.0                      | 88.81              | 89.28          | 8,613.5                     | 1,268.8         | 7,779.3         | 7,877.7                       | 0.00                          | 0.00                         | 0.00                        |  |
| 16,400.0                      | 88.81              | 89.28          | 8,615.6                     | 1,270.1         | 7,879.3         | 7,977.0                       | 0.00                          | 0.00                         | 0.00                        |  |
| 16,500.0                      | 88.81              | 89.28          | 8,617.6                     | 1,271.3         | 7,979.2         | 8,076.3                       | 0.00                          | 0.00                         | 0.00                        |  |
| 16,600.0                      | 88.81              | 89.28          | 8,619.7                     | 1,272.6         | 8,079.2         | 8,175.6                       | 0.00                          | 0.00                         | 0.00                        |  |
| 16,700.0                      | 88.81              | 89.28          | 8,621.8                     | 1,273.8         | 8,179.2         | 8,274.9                       | 0.00                          | 0.00                         | 0.00                        |  |
| 16,800.0                      | 88.81              | 89.28          | 8,623.8                     | 1,275.1         | 8,279.2         | 8,374.2                       | 0.00                          | 0.00                         | 0.00                        |  |
| 16,900.0                      | 88.81              | 89.28          | 8,625.9                     | 1,276.4         | 8,379.1         | 8,473.5                       | 0.00                          | 0.00                         | 0.00                        |  |
| 17,000.0                      | 88.81              | 89.28          | 8,628.0                     | 1,277.6         | 8,479.1         | 8,572.8                       | 0.00                          | 0.00                         | 0.00                        |  |
| 17,100.0                      | 88.81              | 89.28          | 8,630.0                     | 1,278.9         | 8,579.1         | 8,672.2                       | 0.00                          | 0.00                         | 0.00                        |  |
| 17,200.0                      | 88.81              | 89.28          | 8,632.1                     | 1,280.2         | 8,679.0         | 8,771.5                       | 0.00                          | 0.00                         | 0.00                        |  |
| 17,300.0                      | 88.81              | 89.28          | 8,634.2                     | 1,281.4         | 8,779.0         | 8,870.8                       | 0.00                          | 0.00                         | 0.00                        |  |
| 17,400.0                      | 88.81              | 89.28          | 8,636.2                     | 1,282.7         | 8,879.0         | 8,970.1                       | 0.00                          | 0.00                         | 0.00                        |  |
| 17,500.0                      | 88.81              | 89.28          | 8,638.3                     | 1,284.0         | 8,979.0         | 9,069.4                       | 0.00                          | 0.00                         | 0.00                        |  |
| 17,600.0                      | 88.81              | 89.28          | 8,640.4                     | 1,285.2         | 9,078.9         | 9,168.7                       | 0.00                          | 0.00                         | 0.00                        |  |
| 17,700.0                      | 88.81              | 89.28          | 8,642.5                     | 1,286.5         | 9,178.9         | 9,268.0                       | 0.00                          | 0.00                         | 0.00                        |  |
| 17,800.0                      | 88.81              | 89.28          | 8,644.5                     | 1,287.7         | 9,278.9         | 9,367.3                       | 0.00                          | 0.00                         | 0.00                        |  |
| 17,900.0                      | 88.81              | 89.28          | 8,646.6                     | 1,289.0         | 9,378.8         | 9,466.7                       | 0.00                          | 0.00                         | 0.00                        |  |
| 18,000.0                      | 88.81              | 89.28          | 8,648.7                     | 1,290.3         | 9,478.8         | 9,566.0                       | 0.00                          | 0.00                         | 0.00                        |  |
| 18,100.0                      | 88.81              | 89.28          | 8,650.7                     | 1,291.5         | 9,578.8         | 9,665.3                       | 0.00                          | 0.00                         | 0.00                        |  |
| 18,200.0                      | 88.81              | 89.28          | 8,652.8                     | 1,292.8         | 9,678.7         | 9,764.6                       | 0.00                          | 0.00                         | 0.00                        |  |
| 18,300.0                      | 88.81              | 89.28          | 8,654.9                     | 1,294.1         | 9,778.7         | 9,863.9                       | 0.00                          | 0.00                         | 0.00                        |  |
| 18,400.0                      | 88.81              | 89.28          | 8,656.9                     | 1,295.3         | 9,878.7         | 9,963.2                       | 0.00                          | 0.00                         | 0.00                        |  |
| 18,500.0                      | 88.81              | 89.28          | 8,659.0                     | 1,296.6         | 9,978.7         | 10,062.5                      | 0.00                          | 0.00                         | 0.00                        |  |
| 18,596.5                      | 88.81              | 89.28          | 8,661.0                     | 1,297.8         | 10,075.1        | 10,158.3                      | 0.00                          | 0.00                         | 0.00                        |  |
| BHL: 1950' FSL & 100' FEL (1) |                    |                |                             |                 |                 |                               |                               |                              |                             |  |

## Planning Report

|                  |                                   |                                     |                                        |
|------------------|-----------------------------------|-------------------------------------|----------------------------------------|
| <b>Database:</b> | Hobbs                             | <b>Local Co-ordinate Reference:</b> | Site Rio Grande 2/1 B3LI State Com #1H |
| <b>Company:</b>  | Mewbourne Oil Company             | <b>TVD Reference:</b>               | WELL @ 3497.0usft (Original Well Elev) |
| <b>Project:</b>  | Eddy County, New Mexico NAD 83    | <b>MD Reference:</b>                | WELL @ 3497.0usft (Original Well Elev) |
| <b>Site:</b>     | Rio Grande 2/1 B3LI State Com #1H | <b>North Reference:</b>             | Grid                                   |
| <b>Well:</b>     | Sec 2, T19S, R28E                 | <b>Survey Calculation Method:</b>   | Minimum Curvature                      |
| <b>Wellbore:</b> | BHL: 1950' FSL & 100' FEL, Sec 1  |                                     |                                        |
| <b>Design:</b>   | Design #1                         |                                     |                                        |

| Design Targets                                                  |                  |                 |               |                 |                 |                    |                   |            |              |
|-----------------------------------------------------------------|------------------|-----------------|---------------|-----------------|-----------------|--------------------|-------------------|------------|--------------|
| Target Name<br>- hit/miss target<br>- Shape                     | Dip Angle<br>(°) | Dip Dir.<br>(°) | TVD<br>(usft) | +N/-S<br>(usft) | +E/-W<br>(usft) | Northing<br>(usft) | Easting<br>(usft) | Latitude   | Longitude    |
| SHL: 780' FSL & 220' FV<br>- plan hits target center<br>- Point | 0.00             | 0.00            | 0.0           | 0.0             | 0.0             | 612,875.00         | 596,201.70        | 32.6847106 | -104.1550074 |
| KOP: 1950' FSL & 10' FV<br>- plan hits target center<br>- Point | 0.00             | 0.00            | 7,887.0       | 1,168.0         | -198.7          | 614,043.00         | 596,003.00        | 32.6879220 | -104.1556469 |
| FTP: 1950' FSL & 100' F<br>- plan hits target center<br>- Point | 0.00             | 0.00            | 8,195.5       | 1,169.1         | -108.6          | 614,044.14         | 596,093.10        | 32.6879247 | -104.1553540 |
| LP: 1950' FSL & 572' FV<br>- plan hits target center<br>- Point | 0.00             | 0.00            | 8,460.0       | 1,175.1         | 362.5           | 614,050.09         | 596,564.20        | 32.6879389 | -104.1538227 |
| BHL: 1950' FSL & 100' F<br>- plan hits target center<br>- Point | 0.00             | 0.00            | 8,661.0       | 1,297.8         | 10,075.1        | 614,172.80         | 606,276.80        | 32.6882270 | -104.1222519 |

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State of New Mexico  
Energy, Minerals and Natural Resources Department

Submit Electronically  
Via E-permitting

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

## NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

### Section 1 – Plan Description Effective May 25, 2021

**I. Operator:** Mewbourne Oil Co. **OGRID:** 14744 **Date:** 5/2/22

**II. Type:** ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: \_\_\_\_\_

**III. Well(s):** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name                        | API | ULSTR       | Footages             | Anticipated Oil BBL/D | Anticipated Gas MCF/D | Anticipated Produced Water BBL/D |
|----------------------------------|-----|-------------|----------------------|-----------------------|-----------------------|----------------------------------|
| Rio Grande 2/1 B3LI State Com 1H |     | E 2 19S 28E | 2080' FNL x 210' FWL | 1500                  | 3500                  | 2500                             |
|                                  |     |             |                      |                       |                       |                                  |

**IV. Central Delivery Point Name:** Rio Grande 2/1 B3LI State Com 1H [See 19.15.27.9(D)(1) NMAC]

**V. Anticipated Schedule:** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name                        | API | Spud Date | TD Reached Date | Completion Commencement Date | Initial Flow Back Date | First Production Date |
|----------------------------------|-----|-----------|-----------------|------------------------------|------------------------|-----------------------|
| Rio Grande 2/1 B3LI State Com 1H |     | 7/2/22    | 8/2/22          | 9/2/22                       | 9/17/22                | 9/17/22               |
|                                  |     |           |                 |                              |                        |                       |

**VI. Separation Equipment:** ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

**VII. Operational Practices:** ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

**VIII. Best Management Practices:** ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

**Section 2 – Enhanced Plan**  
**EFFECTIVE APRIL 1, 2022**

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

**IX. Anticipated Natural Gas Production:**

| Well | API | Anticipated Average Natural Gas Rate MCF/D | Anticipated Volume of Natural Gas for the First Year MCF |
|------|-----|--------------------------------------------|----------------------------------------------------------|
|      |     |                                            |                                                          |
|      |     |                                            |                                                          |

**X. Natural Gas Gathering System (NGGS):**

| Operator | System | ULSTR of Tie-in | Anticipated Gathering Start Date | Available Maximum Daily Capacity of System Segment Tie-in |
|----------|--------|-----------------|----------------------------------|-----------------------------------------------------------|
|          |        |                 |                                  |                                                           |
|          |        |                 |                                  |                                                           |

**XI. Map.** ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

**XII. Line Capacity.** The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

**XIII. Line Pressure.** Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

**XIV. Confidentiality:** ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

**Section 3 - Certifications****Effective May 25, 2021**

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

***If Operator checks this box, Operator will select one of the following:***

**Well Shut-In.** ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

**Venting and Flaring Plan.** ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

**Section 4 - Notices**

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

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I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

|                                                                                                  |                       |
|--------------------------------------------------------------------------------------------------|-----------------------|
| Signature:                                                                                       | <i>Bradley Bishop</i> |
| Printed Name:                                                                                    | BRADLEY BISHOP        |
| Title:                                                                                           | REGULATORY MANAGER    |
| E-mail Address:                                                                                  | BBISHOP@MEWBOURNE.COM |
| Date:                                                                                            | 5/2/22                |
| Phone:                                                                                           | 575-393-5905          |
| <b>OIL CONSERVATION DIVISION</b><br><b>(Only applicable when submitted as a standalone form)</b> |                       |
| Approved By:                                                                                     |                       |
| Title:                                                                                           |                       |
| Approval Date:                                                                                   |                       |
| Conditions of Approval:                                                                          |                       |

## Mewbourne Oil Company

## Natural Gas Management Plan – Attachment

- VI. Separation equipment will be sized by construction engineering staff based on stated manufacturer daily throughput capacities and anticipated daily production rates to ensure adequate capacity. Closed vent system piping, compression needs, and VRUs will be sized utilizing ProMax modelling software to ensure adequate capacity for anticipated production volumes and conditions.
- VII. Mewbourne Oil Company (MOC) will take following actions to comply with the regulations listed in 19.15.27.8 :
- A. MOC will maximize the recovery of natural gas by minimizing the waste, as defined by 19.15.2 NMAC, of natural gas through venting and flaring. MOC will ensure that well(s) will be connected to a natural gas gathering system with sufficient capacity to transport natural gas. If there is no adequate takeaway for the gas, well(s) will be shut in until the natural gas gathering system is available.
  - B. All drilling operations will be equipped with a rig flare located at least 100 ft from the nearest surface hole. Rig flare will be utilized to combust any natural gas that is brought to surface during normal drilling operations. In the case of emergency venting or flaring the volumes will be estimated and reported appropriately.
  - C. During completion operations any natural gas brought to surface will be flared. Immediately following the finish of completion operations, all well flow will be directed to permanent separation equipment. Produced natural gas from separation equipment will be sent to sales. It is not anticipated that gas will not meet pipeline standards. However, if natural gas does not meet gathering pipeline quality specifications, MOC will flare the natural gas for 60 days or until the natural gas meets the pipeline quality specifications, whichever is sooner. MOC will ensure that the flare is sized properly and is equipped with automatic igniter or continuous pilot. The gas sample will analyzed twice per week and the gas will be routed into a gathering system as soon as pipeline specifications are met.
  - D. Natural gas will not be flared with the exceptions and provisions listed in the 19.15.27.8 D.(1) through (4). If there is no adequate takeaway for the separator gas, well(s) will be shut in until the natural gas gathering system is available with exception of emergency or malfunction situations. Venting and/or flaring volumes will be estimated and reported appropriately.
  - E. MOC will comply with the performance standards requirements and provisions listed in 19.15.27.8 E.(1) through (8). All equipment will be designed and sized to handle maximum anticipated pressures and throughputs in order to minimize the waste. Production storage tanks constructed after May 25, 2021 will be equipped with automatic gauging system. Flares constructed after May 25, 2021 will be equipped with automatic igniter or continuous pilot. Flares will be located at least 100' from the well and storage tanks unless otherwise approved by the division. MOC will conduct AVO inspections as described in 19.15.27.8 E (5) (a) with frequencies specified in 19.15.27.8 E (5) (b) and (c). All emergencies will be resolved as quickly and safely as feasible to minimize waste.
  - F. The volume of natural gas that is vented or flared as the result of malfunction or emergency during drilling and completions operations will be estimated. The volume of natural gas that is vented, flared or beneficially used during production operations, will be measured or estimated. MOC will install equipment to measure

the volume of natural gas flared from existing process piping or a flowline piped from equipment such as high pressure separators, heater treaters, or vapor recovery units associated with a well or facility associated with a well authorized by an APD issued after May 25, 2021 that has an average daily production greater than 60 Mcf/day. If metering is not practicable due to circumstances such as low flow rate or low pressure venting and flaring, MOC will estimate the volume of vented or flared natural gas. Measuring equipment will conform to industry standards and will not be designed or equipped with a manifold that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measurement equipment.

- VIII. For maintenance activities involving production equipment and compression, venting will be limited to the depressurization of the subject equipment to ensure safe working conditions. For maintenance of production and compression equipment the associated producing wells will be shut in to eliminate venting. For maintenance of VRUs all gas normally routed to the VRU will be routed to flare to eliminate venting.