

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance Disposal _____ Storage
Application qualifies for administrative approval? Yes _____ No
- II. OPERATOR: **Mewbourne Oil Company**
ADDRESS: **500 W. Texas Suite 1020
Midland, TX 79701**
CONTACT PARTY: **Travis Cude** PHONE: **580-571-7442**
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? _____ Yes No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: **Travis Cude** TITLE: **Reservoir Engineer**
SIGNATURE: Travis Cude DATE: 10/21/13
E-MAIL ADDRESS: **tcude@mewbourne.com**
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

OPERATOR: Mewbourne Oil Company

WELL NAME & NUMBER: **Black Lake 7 SWD #1** (Originally: Kimber State #1) API 30-015-35558

WELL LOCATION: 660' FNL & 1980' FWL C 7 25S 28E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC (See Attached)WELL CONSTRUCTION DATASurface Casing

Hole Size: 17 1/2 "

Casing Size: 13 3/8" @ 531'

Cement with. 500 sx

Top of Cement: **Surface** ✓
(154 sx circulated to pit)Intermediate Casing

Hole Size: 12 1/4"

Casing Size: 9 5/8" @ 2409'

Cement with. 780 sx

Top of Cement: **Surface** ✓
(125 sx circulated to pit)Intermediate Casing

Hole Size: 8 3/4"

Casing Size: 7" @ 9512'

Cement with. 1060 sx

Top of Cement: 2260' (calculated
w/ 15% Leak-off) *cut*Production Casing

Hole Size: 6 1/8"

Casing Size: 5 1/2" @ 9072'-12293'

Cement with. 190 sx

Top of Cement: N/A

Production Casing

Hole Size: 4 3/4"

Casing Size: 3 1/2" @ 11986'-
12697'

Cement with. 190 sx

Top of Cement: N/A

CIBP @ 4,400', TD @ 12,697'

Injection Interval

Perforations @ 2430'-4350'

INJECTION WELL DATA SHEET

Tubing Size: **3 1/2"9.3# L80**

Lining Material: **TK99 IPC**

Type of Packer: **Arrowset 1X (nickel plated)**

Packer Setting Depth: **+/- 2400'**

Other Type of Tubing/Casing Seal (if applicable): **CIBP @ 4400'**

Additional Data

1. Is this a new well drilled for injection? **No**

If no, for what purpose was the well originally drilled? **Morrow Test**

2. Name of the Injection Formation: **Delaware, perforated**

3. Name of Field or Pool (if applicable): **Salt Draw Morrow**

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

4 perforated intervals in the Morrow: 12,350'-12,370', 12,388'-12,408', 12,484-12,504', 12,568'-12,574'.

CIBP @ 12,250' (3sx) & CIBP @ 11,900' (3 sx). Plug @ 9150' (30 sx). Perf & Sqz. Plugs @ 7150' (55 sx), 4150' (55 sx), 1600' (55 sx), 575' (100 sx), 200 to surface (35 sx).



sub. 5.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

Overlying producing zone – **N/A**

Underlying producing zone – **Bone Spring (6075')**

*Shown as
Proposed/
no record of sub.
C-103 for final*

Mewbourne Oil Company

Well Name: Kimber State #1

Updated by: J. Bryand

Spud Date: 5/21/2007

Date Updated: 2/4/2013

Surface

17 1/2" x 13 3/4" 61# J-55

Set @ 531'

500 sks (154 sks to pit)

1st Intermediate

12 1/4" x 9 5/8" 36# J-55

Set @ 2409'

780 sks (125 sks to pit)

2nd Intermediate

8 3/4" x 7" 26# P-110

Set @ 9512'

1060 sks (did not circulate cement)

Liner

8 3/4" x 5 1/2" 20# FL4S P-110 Liner

TOL @ 9072'

Set @ 12293'

(cmt liner w/190 sks class H)

Liner

4 1/2" x 3 1/2" 9.3# FL4S P-110 Liner

TOL @ 11986'

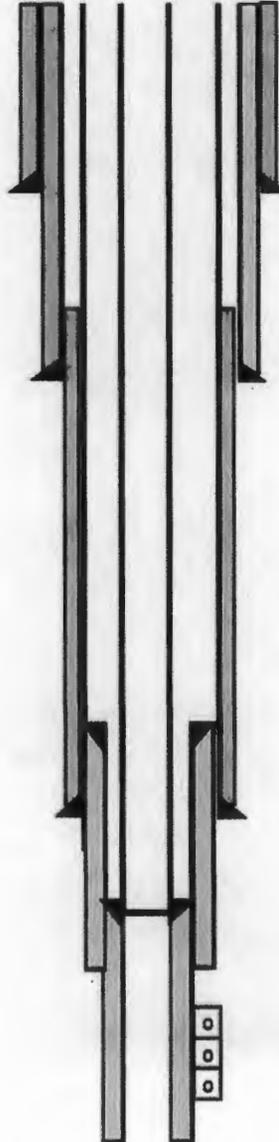
Set @ 12697'

(cmt liner w/70 sks class H)

TBG

2 1/2" 4.7# P-105

Set @ 12150'



Perfs

12350-370

12388-408

12484-504

12568-574

Mewbourne Oil Company

Well Name: Black Lake 7 SWD 1

Updated by: T Cude

Date Updated: 10/3/2013

Spud Date: 5/21/2007

Surface

17 1/2" x 13 3/4" 61# J-55

Set @ 531'

500 sks (154 sks to pit)

1st Intermediate

12 1/4" x 9 1/2" 36# J-55

Set @ 2409'

760 sks (125 sks to pit)

2nd Intermediate

8 1/2" x 7" 26# P-110

Set @ 9512'

1060 sks (did not circulate cement)

2260 calc.

Liner

6 1/2 x 5 1/2" 20# FL4S P-110 Liner

TOL @ 9072'

Set @ 12293'

(cmt liner w/180 sks class H)

Liner

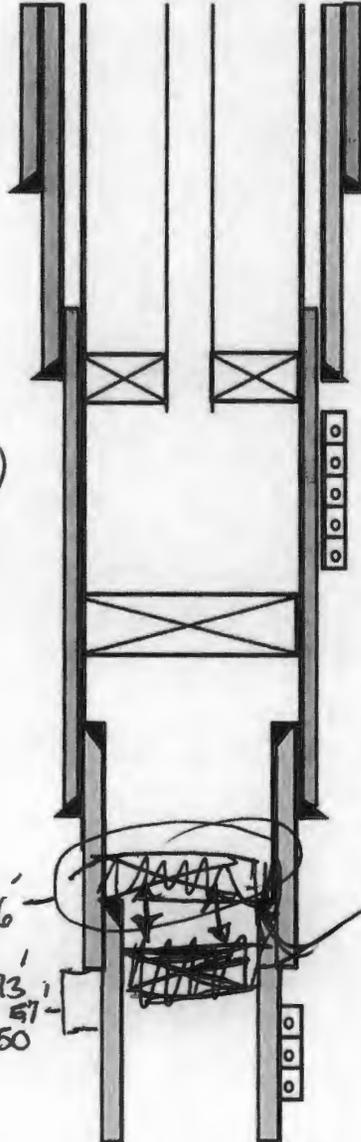
4 1/2 x 3 1/2" 9.3# FL4S P-110 Liner

TOL @ 11986'

Set @ 12697'

(cmt liner w/70 sks class H)

36ft [11986'
12293'
12350'
57'



Injection String

3 1/2" 9.3# L80 tbg lined with TK99 IPC

7" x 3 1/2" Arrowset 1x nickel plated plr

Pkr set @ 2400'

Parts

2430'

4360'

CIBP @ 4400'

Parts

12350-37

12388-408

12484-504

12568-574

Add CIBP & Cmt cap

100 ft of pipe

Black Lake 7 SWD #1 C-108
Additional Details

- VI.** Please see attached table for the three wells within the area of review.
- VII.**
1. Proposed average rate of 5000 bwpd and maximum rate of 10,000 bwpd.
 2. Closed system.
 3. Proposed average injection pressure is unknown and the maximum injection pressure is approximately 486 psi (0.2 psi/ft x 2430 ft).
 4. Injection fluid will be formation water from the Mewbourne Oil Company operated Bone Spring producing wells in the area. Attached is a water analysis from the San Lorenzo 9 NC Fee 1H (9-25S-28E) taken 8/31/2013. ✓
 5. We will be injecting into the Delaware formation. See attached water analysis for the Delaware formation in the area from Mewbourne's Pierce Crossing 36 St #2H in 36-24E-29S.
- VIII.**
1. The proposed injection interval is within the Delaware formation which is a porous sandstone from 2430' – 6075'. However, the well will only be perforated between 2430'- 4350'.
 2. The underground fresh water aquifers (unnamed) are present at shallow depths <150'. There are no known fresh water intervals underlying the injecting formation.
- IX.** The proposed stimulation is a cased-hole acid treatment of 10000 gallons of 7.5% HCL. If necessary, the well will be fracture stimulated.
- IX.** Well logs have been filed with the Division (11/15/2007).
- X.** There is one freshwater well location within 1 mile of the proposed SWD. It is located in the NW NW corner of section 7 approximately 1400' W of the proposed SWD location; however, it is out of service.
- XI.** Mewbourne Oil Company has examined geologic and engineering data and has found that there is no evidence of faulting between the proposed disposal zone and any underground sources of drinking water.
- XII.** See attached Proof of Notice

Application for Authorization to Inject (C108)

Mewbourne Oil Company

Black Lake 7 SWD #1

Tabulation of Wells within the Area of Review Penetrating the Injecting Zone (As of 9/2013)

Well Name	SEC	TWN	RGE	Footage			County	TYPE	Formation	Date Spud	MD (ft)	Csg Size	Depth (ft)	Cmt (sx)	Comp Date	Perfs (ft)	
Black Lake 7 NC St Com 1H 30015409840000 Mewbourne Oil Company	7	25S	28E	150	FSL	2150	FWL	EDDY	HZ	BONE SPRING	8/28/13	12540	13 3/8	613	650	8235	
													9 5/8	2367	700	12499	
													7	8162	800		
													4 1/2	12540	LNR		
State GQ #4H 30015414290000 Legend Nat Gas III LLP	7	25S	28E	200	FNL	1805	FEL	EDDY	HZ	BONE SPRING	6/30/13	12590	13 3/8	452	655	8/21/13	8408
													9 5/8	2529	1283	12347	
													5 1/2	12400	2540		
State GQ #5H 30015414280000 Legend Nat Gas III LLP	7	25S	28E	200	FNL	1775	FEL	EDDY	HZ	BONE SPRING	7/23/13	12700	13 3/8	379	585	8/22/13	8260
													9 5/8	2552	995	12666	
													5 1/2	12700	2819		

3 Active

φ P&A

Mewbourne Oil Company

Well Name: Black Lake 7 NC St Com 1H

Last Updated by: T Cude 10/17/2013

Spud Date: 8/28/13

17 1/2" x 13 3/8" 48# H40 ST&C

Set @ 613'

Cmt w/ 850 sx, circ 92 sx to pit

12 1/4" x 9 5/8" 36# J55 LT&C

Set @ 2367'

Cmt w/ 700 sx, circ 94 sx to pit

8 3/4" x 7" 26# P110

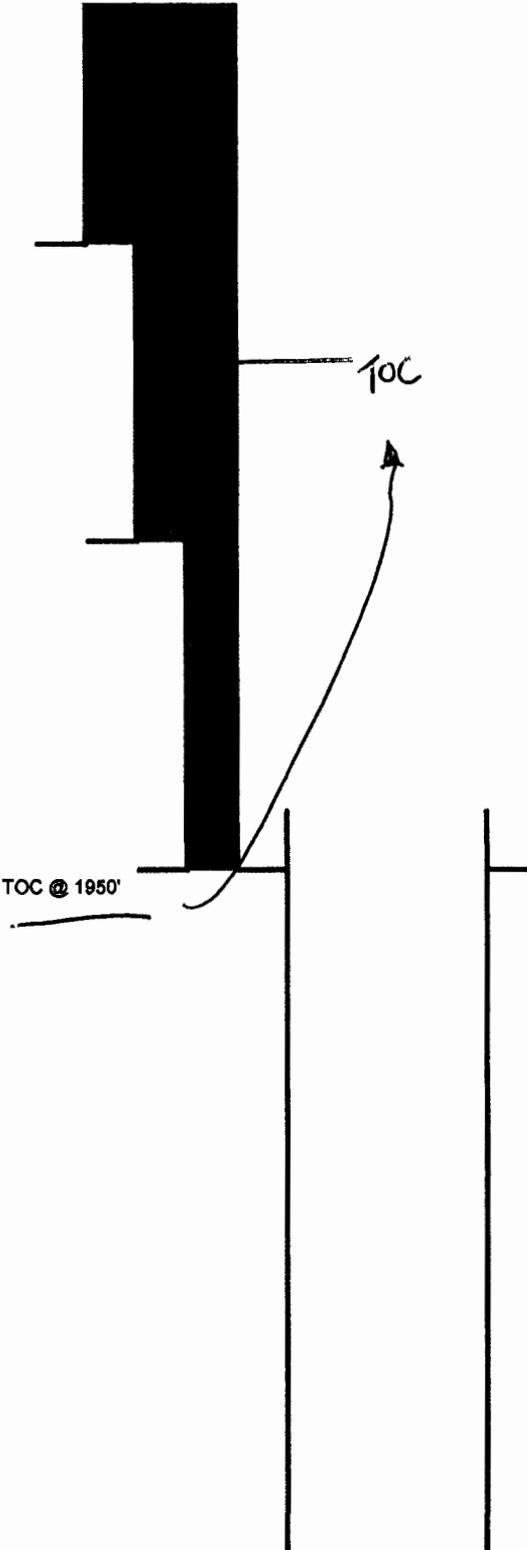
Set @ 8162'

Cmt w/ 800 sx, Temp survey shows TOC @ 1950'

8 1/4" x 4 1/2" 13.5# P110 Liner

Liner from 7949' to 12512' MD

TD Well 12450' MD, 7958' TVD



Legend Nat Gas III LLP

Well Name: State GQ 4H

Last Updated by: T Cude on 10/17/13

Spud Date: 6/30/13

17 1/2" x 13 3/8" 48# J-55

Set @ 452'

Cmt w/ 655 sx

12 1/4" x 9 5/8" 36# J55 LT&C

Set @ 2529'

Cmt w/ 1283 sx, circ 140 bbls to pit

8476' MD, 7966' TVD

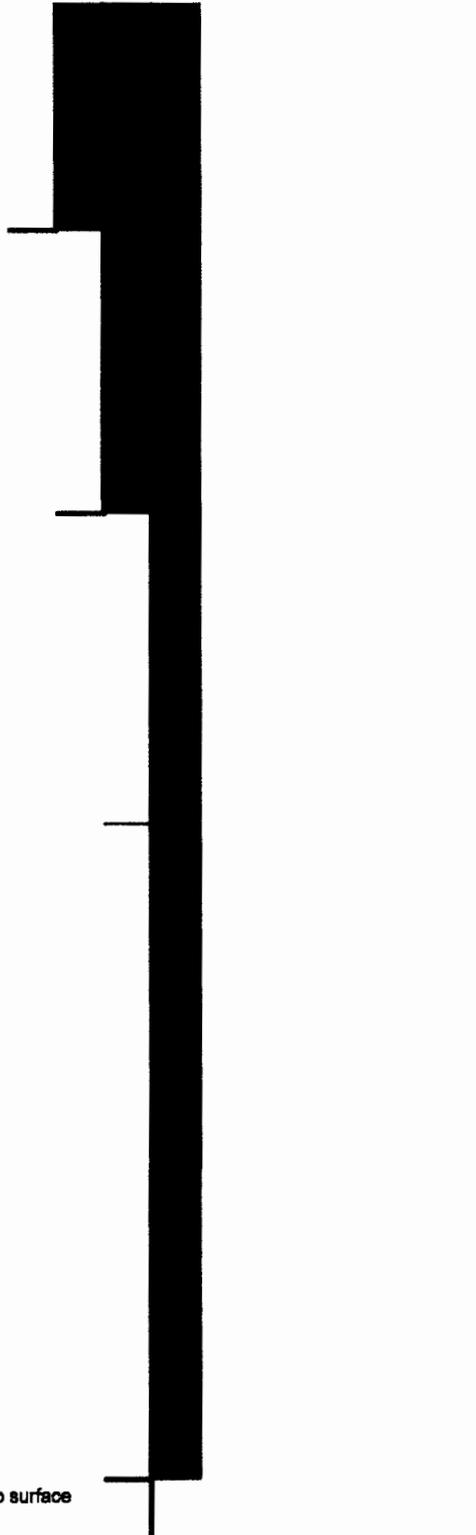
at 90° Inclination

8 3/4" x 5 1/2" 17# P110

Set @ 12400'

Cmt w/ 2540 sx cmt, circ 10 bbls cmt to surface

TD @ 12590' MD, 7994' TVD



Legend Nat Gas III LLP

Well Name: State GQ 5H

Last Updated by: T Cude on 10/17/13

Spud Date: 7/23/13

17 1/2" x 13 3/8" 46# J-55

Set @ 379'

Cmt w/ 565 sx, 67 bbls to surface

12 1/4" x 9 5/8" 36# J55 LT&C

Set @ 2552'

Cmt w/ 995 sx, circ 62 bbls to pit

8354' MD, 7982' TVD

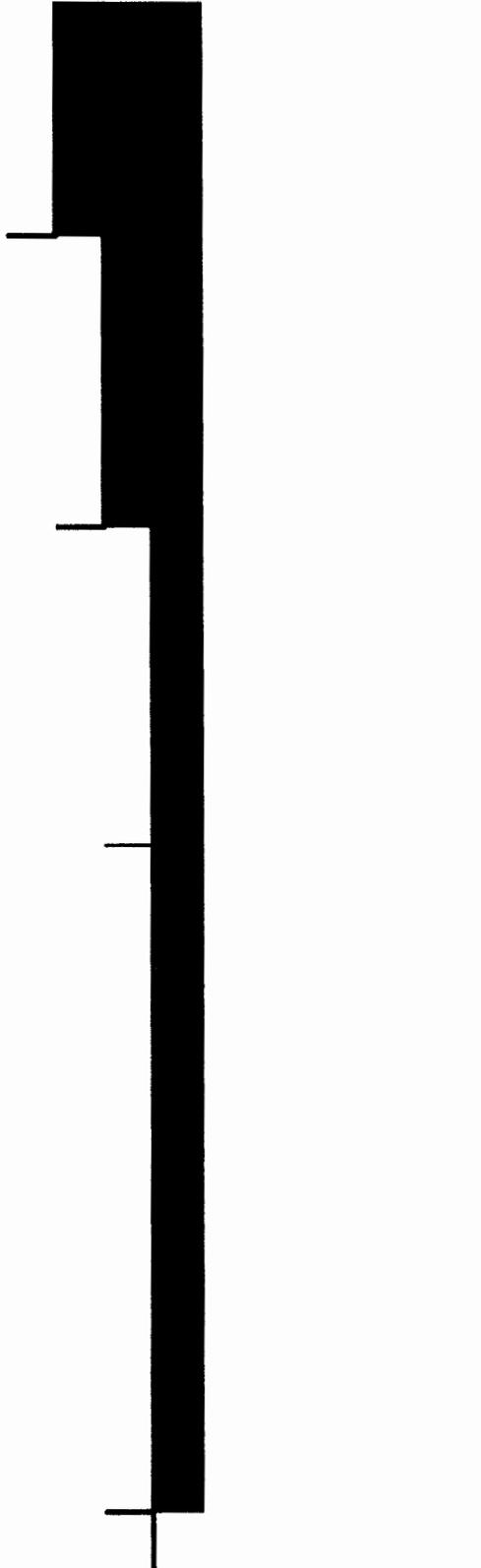
at 90° Inclinaton

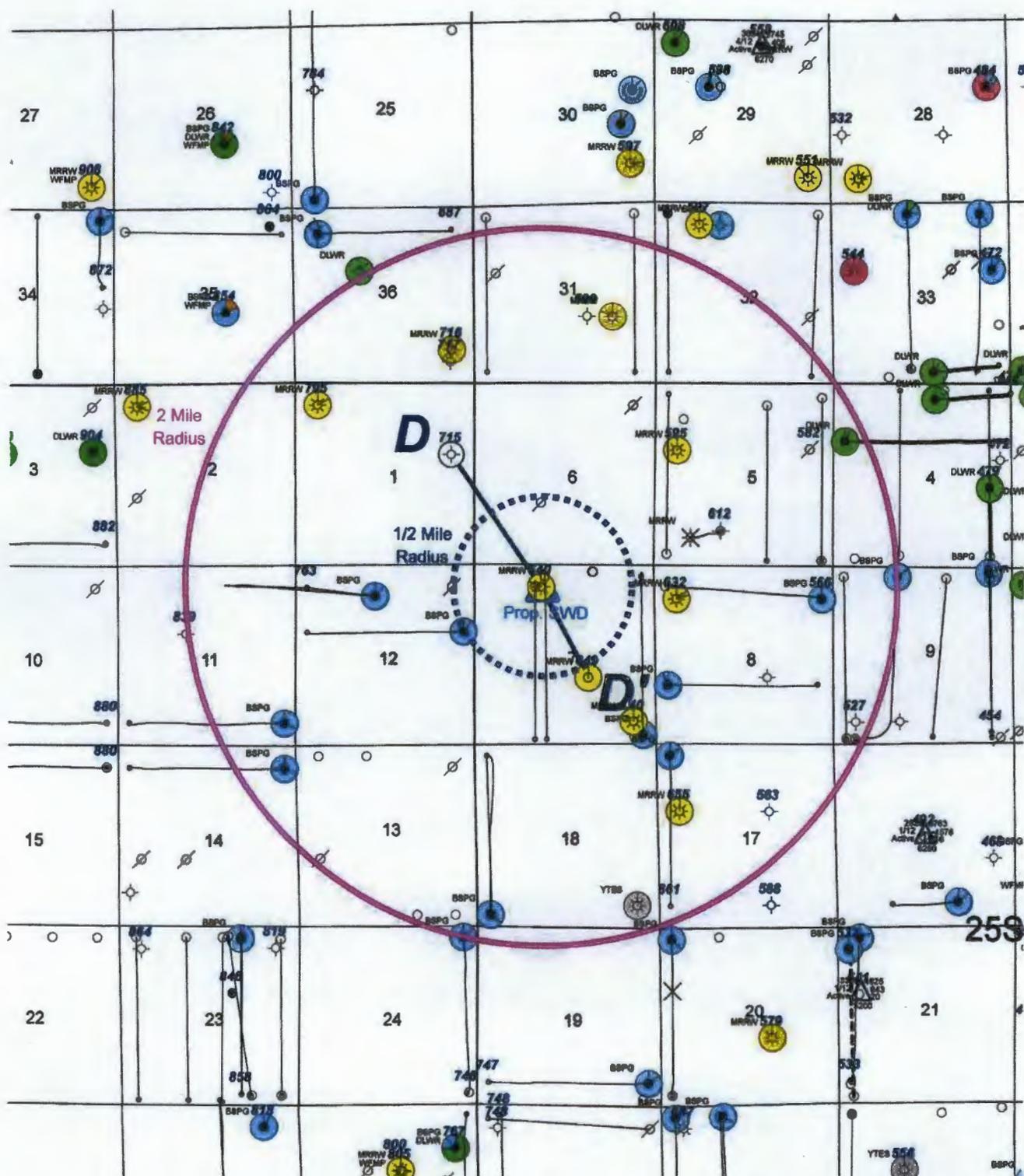
8 3/4" x 5 1/2" 17# P110

Set @ 12700'

Cmt w/ 2819 sx cmt to surface

TD @ 12700' MD, 7970' TVD





N

Newbourne Oil Company

Black Lake 7 SWD Proposal
 Top of Lemur Structure Map
 Eddy County, NM

Author: R. Townsend	Scale: 1" = 2000'	Date: 4 October, 2013
C.I. - 52'		17 x 23

MEWBOURNE OIL COMPANY
P. O. BOX 7698
TYLER, TEXAS 75711

Lease San Lorenzo "9" NC Fee Well No 1H Location 150' FSL & 660' FWL
County Eddy ST NM Section 9 TwnShp 25S Rng 28E
Section Blk Survey _____
Formerly San Lorenzo 9 MD #1H.
Filename _____ Page 1

API No. 30-015-40749

DATE	DAILY REPORTS
AUG 1 2013	Water analysis from 08/01/13: SG @ 1.180, Temp 70°, pH 6.57, Na 79857, Ca 8400, Mg 960, Fe 10, CL 140000, SO4 250, HCO3 73 (all in Mg/L).

NOTICE

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval to re-enter the Kimber State Well No. 1, to be re-named the Black Lake 7 SWD Well No. 1, located 660 feet from the north line and 1980 feet from the west line (the NE/4NW/4) of Section 7, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and dispose of produced water into the Delaware formation at depths of 2430-4350 feet subsurface. The expected maximum injection rate is 10,000 BWPD, and the maximum injection pressure is 486 psi. If you object to the application you must file a written objection or request for hearing with the Division within 15 days of the date this notice is published. The Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Failure to object will preclude you from contesting this matter at a later date. The name and address of the contact party for applicant is Corey Mitchell, Mewbourne Oil Company, Suite 1020, 500 West Texas, Midland, Texas 79701, (432)-682-3715. The well is located approximately 8 miles southeast of Black River Village, New Mexico.

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

November 26, 2013

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval of a salt water disposal well in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 7, Township 25 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 15 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

Exhibit A

Surface Owner

Oil, Gas and Minerals Division
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501 ✓

Offset Operators

Legend Natural Gas III LP
Suite 200
15021 Katy Freeway ✓
Katy, Texas 77094

Occidental Permian Limited Partnership ✓
5 Greenway Plaza
Houston, Texas 77046

Devon Energy Production Company, L.P.
333 West Sheridan
Oklahoma City, Oklahoma 73102 ✓

Yates Petroleum Corporation
105 South Fourth Street ✓
Artesia, New Mexico 88210

Exhibit A

Surface Owner

Oil, Gas and Minerals Division
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Offset Operators

Legend Natural Gas III LP
Suite 200
15021 Katy Freeway
Katy, Texas 77094

Occidental Permian Limited Partnership
5 Greenway Plaza
Houston, Texas 77046

Devon Energy Production Company, L.P.
333 West Sheridan
Oklahoma City, Oklahoma 73102

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

7012 3050 0000 6871 6943

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com.

POSTAL USE

Postage \$ 41.52
 Certified Fee \$3.10
 Return Receipt Fee (Endorsement Required) \$2.55
 Restricted Delivery Fee (Endorsement Required) \$0.00
 Total Postage & Fees \$ 47.17

Postmark Here
 MAY 24 9 11 AM '14
 SANTA FE, NM 87501

Send To Legend Natural Gas HR LP
 Suite 200
 15021 Katy Freeway
 Katy, Texas 77094

PS Form 3811, February 2004 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

1. Article Addressed To:
 Legend Natural Gas HR LP
 Suite 200
 15021 Katy Freeway
 Katy, Texas 77094

2. Article Number: PS Form 3811, February 2004
 (Reverse from services label)
 7012 3050 0000 6871 6943
 Domestic Return Receipt *M BL SUD* 10255-02-00-1500

3. Special Type:
 Certified Mail
 Registered Mail
 Insured Mail
 Signature Required for Merchandise

4. Restricted Delivery? (extra fee)
 Yes No

5. Delivery Point:
 Business Mail
 Registered Mail
 Signature Required for Merchandise
 G.O.D.

6. Delivery Address:
 Yes No

7. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: No

8. Signature: *[Signature]*

9. Date: *MAY 24 2014*

10. Post Office: *SANTA FE, NM 87501*

SENDER: COMPLETE THIS SECTION

1. Article Addressed To:
 Devon Energy Production Company, L.P.
 333 West Sheridan
 Oklahoma City, Oklahoma 73102

2. Article Number: PS Form 3811, February 2004
 (Reverse from services label)
 7012 3050 0000 6871 6929
 Domestic Return Receipt *M BL SUD* 10255-02-00-1500

3. Special Type:
 Certified Mail
 Registered Mail
 Insured Mail
 Signature Required for Merchandise
 G.O.D.

4. Restricted Delivery? (extra fee)
 Yes No

5. Delivery Point:
 Business Mail
 Registered Mail
 Signature Required for Merchandise
 G.O.D.

6. Delivery Address:
 Yes No

7. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: No

8. Signature: *[Signature]*

9. Date: *MAY 24 2014*

10. Post Office: *SANTA FE, NM 87501*

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com.

POSTAL USE

Postage \$ 41.52
 Certified Fee \$3.10
 Return Receipt Fee (Endorsement Required) \$2.55
 Restricted Delivery Fee (Endorsement Required) \$0.00
 Total Postage & Fees \$ 47.17

Postmark Here
 MAY 24 2014
 SANTA FE, NM 87501

Send To Devon Energy Production Company, L.P.
 333 West Sheridan
 Oklahoma City, Oklahoma 73102
 Okla. State 20144

PS Form 3811, August 2005 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3 below completely.
- Item 4: If the intended delivery is delayed, please note your return address on the envelope so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Petroleum Corporation
 105 South Fourth Street
 Artesia, New Mexico 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature: *[Signature]* Adult Minor

B. The recipient of this mailpiece is: A Family Member A Friend A Neighbor

C. Is delivery address different from item 1? Yes No

If YES, enter delivery address below:

Special type: Certified Mail Registered Mail Signature Mail

Insured Return Receipt for Merchandise Restricted Delivery (Extra Fee) Yes No

2. Article Number: 7012 3050 0000 6871 6912

Member from service list.

PS Form 3871, February 2004 Domestic Return Receipt **M AC SUD** 10296-02-01-100

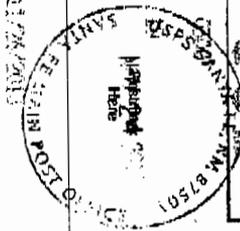
U.S. Postal Service
CERTIFIED MAIL - RECEIPT

(Domestic Mail Only. No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

**NO POSTAGE
 NECESSARY
 IF MAILED
 IN THE
 UNITED STATES**

Postage	\$ 41.52
Certified Fee	\$2.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 46.17



Sent to: **Yates Petroleum Corporation**
 105 South Fourth Street
 Artesia, New Mexico 88210

Street Addr. No. or PO Box No.
 City, State, ZIP+4

7012 3050 0000 6871 6912

PS Form 3871, February 2004 See reverse for instructions

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Kathy McCarroll, being first duly sworn,
on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

November 27 2013

That the cost of publication is **\$60.08** and that payment thereof has been made and will be assessed as court costs.

Kathy McCarroll

Subscribed and sworn to before me this

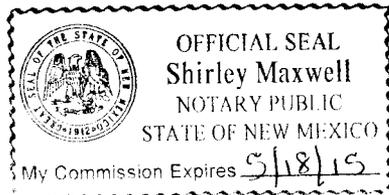
27th day of November, 2013

Shirley Maxwell

My commission Expires

May 18, 2015

Notary Public



November 27, 2013

NOTICE

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval to re-enter the Kimber State Well No. 1, to be re-named the Black Lake 7 SWD Well No. 1, located 660 feet from the north line and 1980 feet from the west line (the NE/4NW/4) of Section 7, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and dispose of produced water into the Delaware formation at depths of 2430-4350 feet subsurface. The expected maximum injection rate is 10,000 BWPD, and the maximum injection pressure is 486 psi. If you object to the application you must file a written objection or request for hearing with the Division within 15 days of the date this notice is published. The Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Failure to object will preclude you from contesting this matter at a later date. The name and address of the contact party for applicant is Corey Mitchell, Mewbourne Oil Company, Suite 1020, 500 West Texas, Midland, Texas 79701, (432)-682-3715. The well is located approximately 8 miles southeast of Black River Village, New Mexico.



C-108 Review Checklist: Received 12/03/13 Add. Request: — Reply Date: — Suspended: — [Ver 12]

PERMIT TYPE: WFX / PMX / SWD Number: 14164 Permit Date: 03/05/14 Legacy Permits/Orders: —

Well No. 1 Well Name(s): Kimber State [To Be Renamed: Black Lake 7 SWD #1]

API: 30-015-35558 Spud Date: 5/21/2007 New or Old: New (UIC Class II Primacy 03/07/1982)

Footages 1660 FNL / 1980 FWL Lot — or Unit C Sec 7 Tsp 253 Rge 28E County Eddy

General Location: north of Red Bluff Draw / 5 mi SW of Malaga Prod. Salt Draw, Morrow west Pool No.: 96819

BLM 100K Map: Cortisbad Operator: Mawbarne Oil Comp. OGRID: 14744 Contact: Travis Cude

COMPLIANCE RULE 5.9: Inactive Wells: 5 Total Wells: 744 Fincl Assur: Yes Compl. Order? No IS 5.9 OK? Date: Yes 03/05/14

WELL FILE REVIEWED Current Status: Previous Morrow producer; depleted Morrow; comments from SLO

WELL DIAGRAMS: NEW: Proposed or RE-ENTER: Before Conv. After Conv. Logs in Imaging: Dual LL/MU/GR & CNET/ Density/ GR

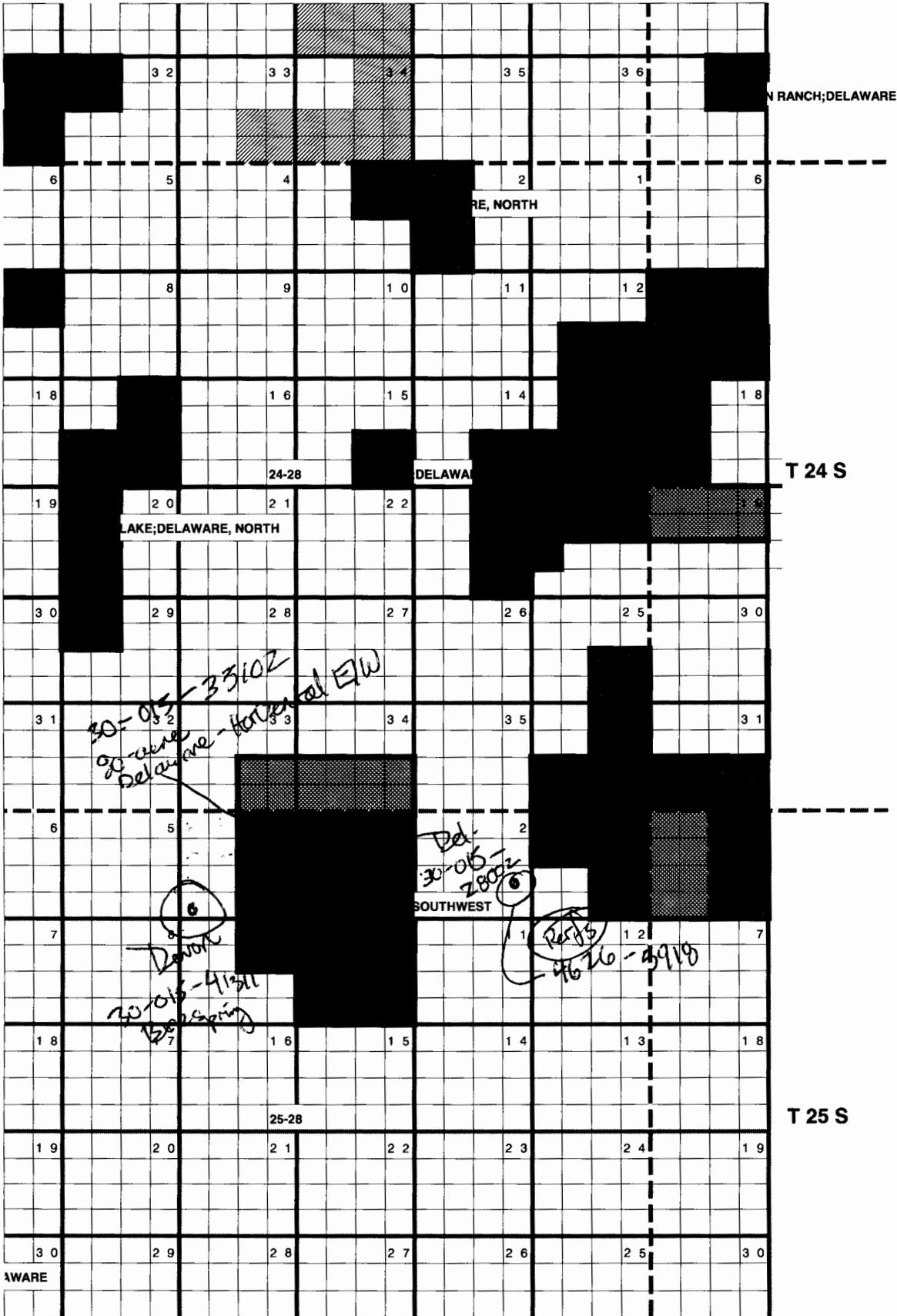
Planned Rehab Work to Well: Install CIBP at 4400 & perf interval from 2430 to 4350

Well Construction Details:	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement Size or Cf	Cement Top and Determination Method
Planned <input type="checkbox"/> or Existing <input type="checkbox"/> Conductor	—	—	—	—
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Surface	17 1/2 / 13 3/8	0 to 531	500	Cir to surf.
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Intern/Prod	12 1/4 / 9 5/8	0 to 2409	780	Cir to surf.
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Prod/Intern	8 3/4 / 7	0 to 9512	1060	Calc. / P/Flow
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/> Liner/Prod	6 1/2	9072 to 12293	180	Calc.
Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/> OH / PERP	4 3/4 / 3 1/2	11986 to 12697	180	Calc.
	Existing 12350-12574	2430-4350		
Injection Stratigraphic Units:				Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.	Depths (ft)	Injection or Confining Units	Tops?	Drilled TD <u>12,697</u> PBDT <u>12,697</u>
Confining Unit: Litho. Struc. Por.	± 0	Lamas 2 coil	2430	NEW TD <u>—</u> NEW PBDT <u>4400</u>
Proposed Inj Interval TOP:	2430	Bell Canyon one	2430	NEW Open Hole <input type="checkbox"/> or NEW Perfs <input checked="" type="checkbox"/>
Proposed Inj Interval BOTTOM:	4350	Bushy Canyon		Tubing Size <u>3 1/2</u> in. Inter Coated? <u>Yes</u>
Confining Unit: Litho. Struc. Por.	± 1730	Wellcamp Bene	6080	Proposed Packer Depth <u>2400</u> ft
Adjacent Unit: Litho. Struc. Por.		Wellcamp	91'	Min. Packer Depth <u>2330</u> (100-ft limit)
AOR: Hydrologic and Geologic Information				Proposed Max. Surface Press. <u>486</u> psi
POTASH: R-111-P <u>NA</u> Noticed? <u>NA</u> BLM Sec Ord <u>NA</u> WIPP <u>NA</u> Noticed? <u>NA</u> SALADO: T: <u>Devon</u> B: <u>Devon</u>	CLIFF HOUSE <u>NA</u>			Admin. Inj. Press. <u>486</u> (0.2 psi per ft)
FRESH WATER: Aquifer <u>Unamed</u> Max Depth <u>No</u> 1-Mile Wells? <u>No</u> FW Analysis <u>NA</u>	HYDRO AFFIRM STAT <u>By Qualified Person</u> <input checked="" type="checkbox"/>			
Disposal Fluid: Formation Source(s) <u>West of Pecos - shallow no sig production</u>	Analysis? <u>Yes</u> On Lease <input type="checkbox"/> Operator Only <input checked="" type="checkbox"/> or Commercial <input type="checkbox"/>			
Disposal Interval: Inject Rate (Avg/Max BWPD): <u>5000/10000</u>	Protectable Waters?: <u>Decided</u> CAPITAN REEF: thru <input type="checkbox"/> adj <input type="checkbox"/> NA <input checked="" type="checkbox"/>			
HC Potential: Producing Interval? <u>No</u> Formerly Producing? <u>No</u> Method: <u>Logs/DST/P&A/Other</u>	2-Mile Radius Pool Map <input checked="" type="checkbox"/>			
AOR Wells: 1/2-M Radius Map? <u>Yes</u> Well List? <u>Yes</u> Total No. Wells Penetrating Interval: <u>3</u>	Horizontals? <u>Yes - all 3</u>			
Penetrating Wells: No. Active Wells <u>3</u> Num Repairs? <u>0</u> on which well(s)? <u>Recent - all cont & casing</u>	Diagrams? <u>N</u>			
Penetrating Wells: No. P&A Wells <u>0</u> Num Repairs? <u>0</u> on which well(s)? <u>through BS</u>	Diagrams? <u>—</u>			
NOTICE: Newspaper Date <u>12/27/13</u> Mineral Owner <u>SLO</u> Surface Owner <u>SLO</u> N. Date <u>12/24/13</u>				
RULE 26.7(A): Identified Tracts? <u>Yes</u> Affected Persons: <u>Legend Nat. Gas/Occidental/Devon/Yates</u> N. Date <u>12/27/13</u>				

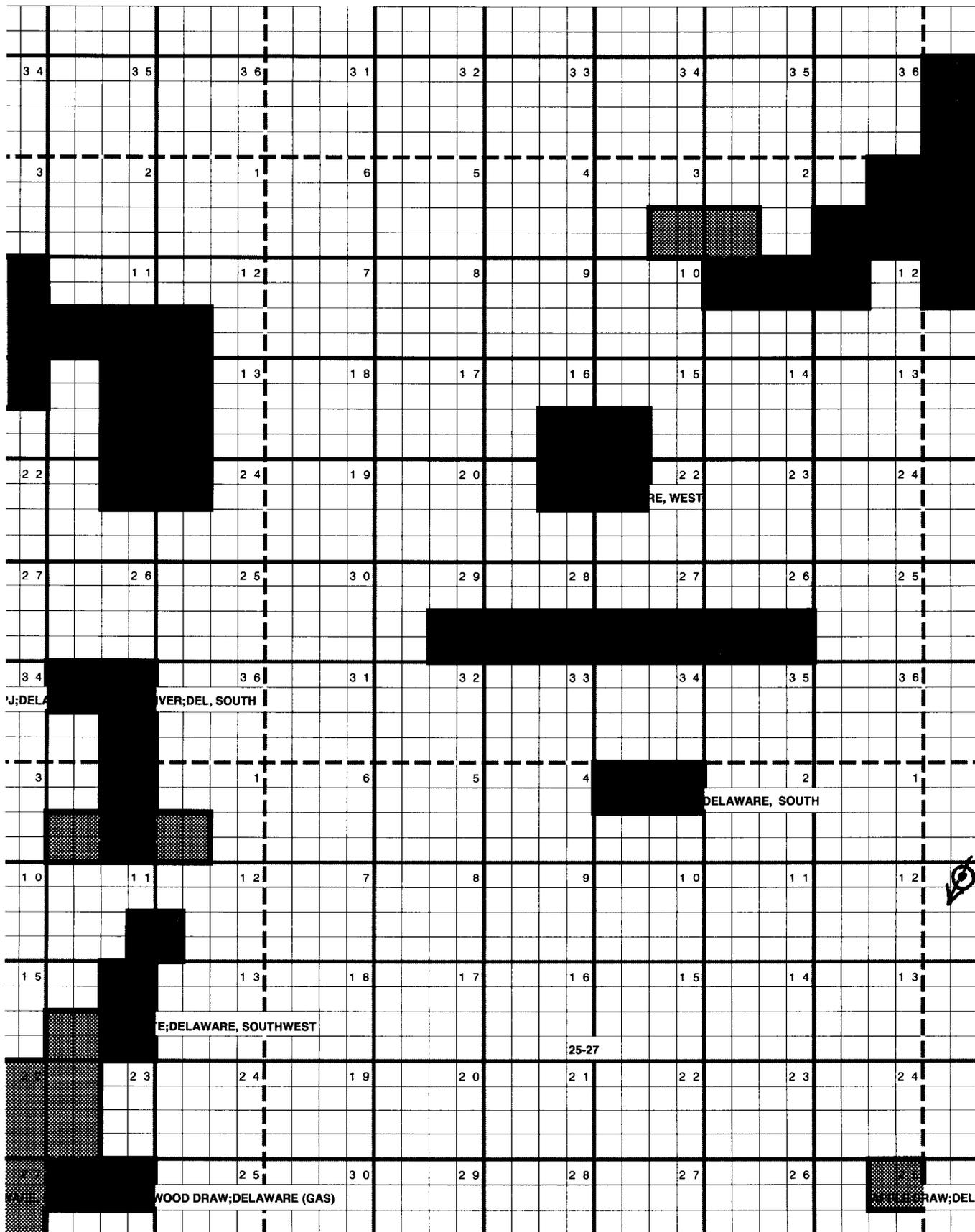
Permit Conditions: Issues: one CIBP between injection & Morrow + 8050' pipe / CBL for TOC

Add Permit Cond: Install CIBP & cont cap in 3 1/2 lines within 100' of top perf / CBL 17" 7.57102

Kimber State #1 SWO 1 of 2



Kimber State #1 SWD 2 of 2



D

300152395900
VATES PETROLEUM CORP
SOUTHLAND AKI, STA 1
SE NE
TWP: 25 S - Range: 27 E - Sec. 1

4922 ft

300153555800
OGX RESOURCES LLC
KIMBER STATE 1
C NE NW
TWP: 25 S - Range: 28 E - Sec. 7

3016 ft

300152289400
LEGEND NAT GAS III
STATE GO COM 1
C NW SE
TWP: 25 S - Range: 28 E - Sec. 7

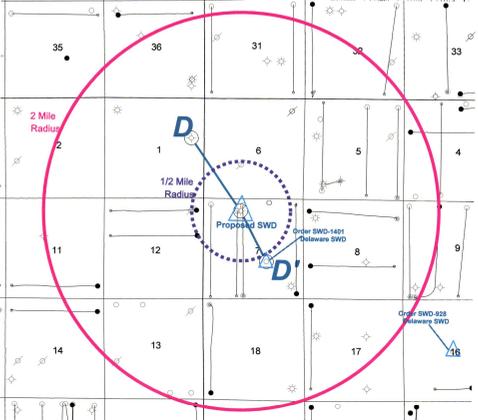
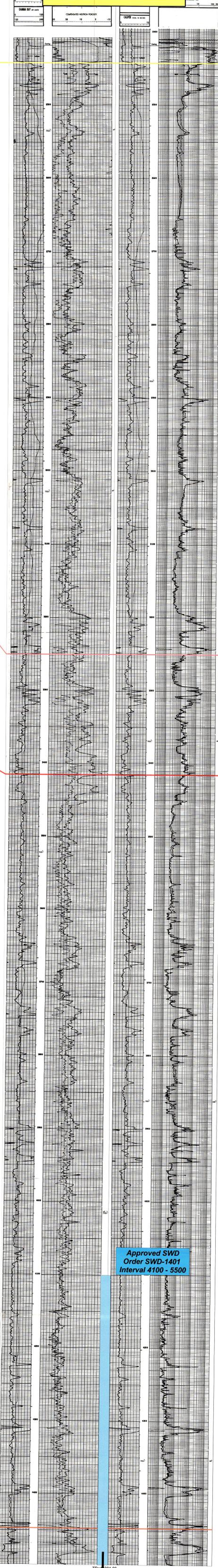
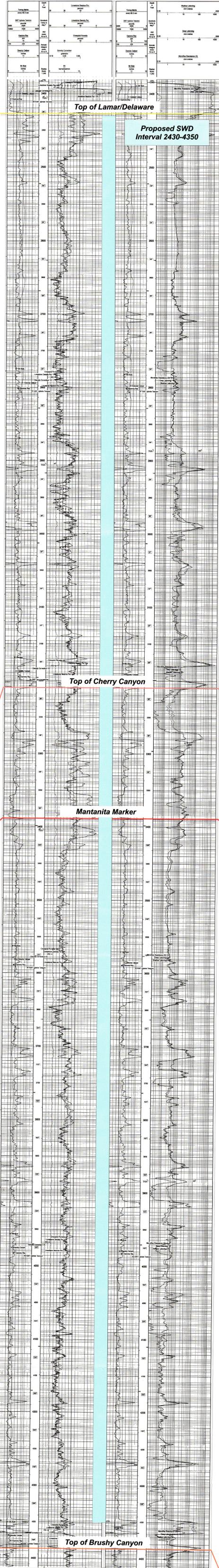
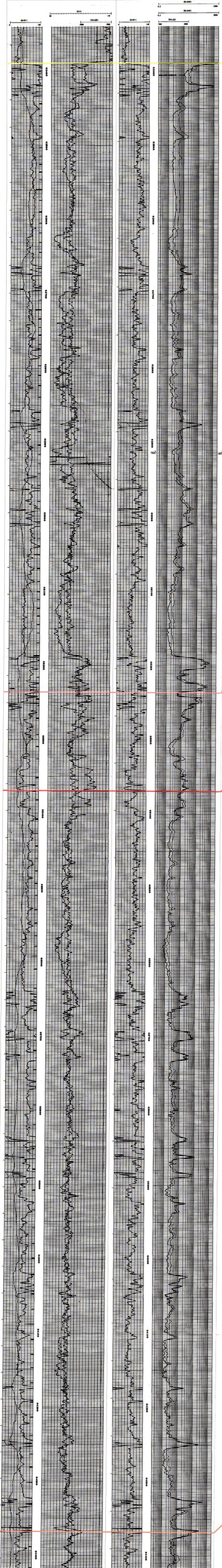
D'

1H

7C

7J

2/28/13 Order SWD - 1401
Proposed SWD Interval 4100 - 5500'
Maximum Wellhead Injection Pressure
no more than 820 psi



**Black Lake 7
SWD D-D'**