

DATE <u>11/28/11</u>	SUBSENE <u>12/14/11</u>	ENGINEER <u>WUJ</u>	LOGGED IN	TYPE <u>SWD</u>	APP NO. <u>1133255599</u>
----------------------	-------------------------	---------------------	-----------	-----------------	---------------------------

PTCW

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Mewbourne
14744

Delaware Ranch SWD#1

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office.
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

<u>Steven J. Smith</u>	<u>[Signature]</u>	<u>Senior Landman</u>	<u>11-22-11</u>
Print or Type Name	Signature	Title	Date
<u>ssmith@mewbourne.com</u>			
e-mail Address			

P-11-265-28E
 Eddy
 2011 NOV 28 P 1:53
 RECEIVED OOD

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

November 22, 2011

Certified Mail-Return Receipt No. 7658

New Mexico Oil Conservation Division
Attn: Mrs. Jami Bailey, Director
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: C-108 Application for SWD Well
Delaware Ranch SWD #1
SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 11, T-26-S, R-28-E
Eddy County, New Mexico

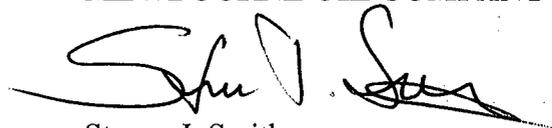
RECEIVED OGD
2011 NOV 28 P 1:53

Dear Mrs. Bailey:

Enclosed are an original and one copy of Mewbourne Oil Company's C-108 application for administrative approval of its proposed Delaware Ranch SWD #1. This will be a re-entry salt water disposal well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 11, Township 26 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Please feel free to contact me at (432) 682-3715 or via email at ssmith@mewbourne.com if there are any questions.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Enclosure

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: **Drew Robison** PHONE: **432-682-3715**
- 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: **Drew Robison** TITLE: **Reservoir Engineer**
SIGNATURE:  DATE: 11-22-11
- E-MAIL ADDRESS: **drobison@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: Delaware Ranch SWD #1 (Originally: Clark Land & Development Co. #1)

WELL LOCATION: 660' FSL & 660' FEL FOOTAGE LOCATION P UNIT LETTER 11 SECTION 26S TOWNSHIP 28E RANGE

WELLBORE SCHEMATIC (See Attached)

WELL CONSTRUCTION DATA
Surface Casing

Hole Size: 12 1/2" Casing Size: 10 3/4" @ 306'
Cement with: 100 sx or _____ ft³

Top of Cement: Surface (circulated) Method Determined: Visual

Production Casing

Hole Size: 7-7/8" Casing Size: 5 1/2" 17#
Cement with: 1350 sx total (DV tool @ +/- 2500') or _____ ft³

Top of Cement: Surface Method Determined: Visual

Total Depth: 4700'

Injection Interval

2670' - 4700'

INJECTION WELL DATA SHEET

Tubing Size: **3 1/2" 9.3#** Lining Material: **TK99 IPC**

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

Packer Setting Depth: **+/-2570'**

Other Type of Tubing/Casing Seal (if applicable): **None**

Additional Data

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

If no, for what purpose was the well originally drilled? **Cherry Canyon / Bell Canyon Test**

2. Name of the Injection Formation: **Bell Canyon / Cherry Canyon (Delaware)**

3. Name of Field or Pool (if applicable): **Brushy Draw North Delaware**

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.

No. D&A-plugs @ 3593 (25sx), 2500-2600 (25 sx), 1750-1850 (25 sx), 1525-1625 (35 sx), 250-350 (40 sx), surface (10 sx).

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 (approx. 6300')**

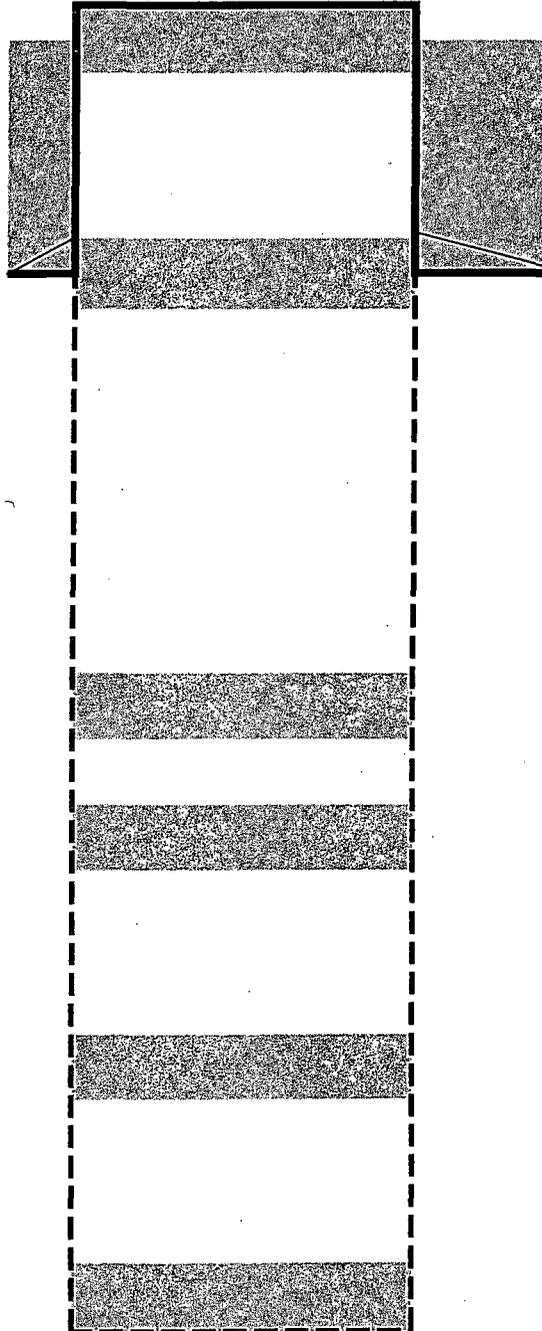
Delaware Ranch SWD #1 C-108
Additional Details

- VI.** There are no wells within the ½ mile area of review that penetrated the Delaware.
- 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 534 psig (0.2 psi/ft x 2670 ft).
 4. Injection fluid will be formation water from the Mewbourne Oil Company operated Bone Spring producing wells in the area. See attached water analysis for the Bone Spring formation from the Mewbourne Brushy Draw 1 #1H (1-26S-29E) which is the nearest current Mewbourne operated producer.
 5. We will be injecting into the Upper Cherry Canyon and Bell Canyon of the Delaware. See attached water analysis for the Delaware formation in the area.
- VIII.**
1. The proposed injection interval is within the Delaware formation which is a porous sandstone from 2670' – 6300'. However, the well will only be perforated between 2670-4700 which is the Upper Cherry Canyon and Bell Canyon.
 2. The underground fresh water aquifers (unnamed) are present at shallow depths down to about 300'. 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.
- X.** All logs will be filed after the well is re-entered and deepened.
- XI.** There is a water well located approximately 210 'FNL & 2300' FEL of section 14-T26S-R28E. See attached water analysis.
- XII.** 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.
- XIII.** See attached Proof of Notice

Mewbourne Oil Company
Clark Land & Development #1 (originally)
660 FSL & 660 FEL Section 11-26S-28E
3001522734
Current Schematic
Date Updated: 10/12/11

Spud 12/23/78

12 1/2" hole
10 3/4" 40.5#
Set @ 306'
Pumped 100 sx
Circulated to surface



Surface Plug
Spot 10 sx

Plug @ 250-350
Spot 40 sx

Plug @ 1525-1625
Spot 35 sx

Plug @ 1750-1850
Spot 25 sx

Plug @ 2500-2600
Spot 25 sx

Spot 25 sx @ TD

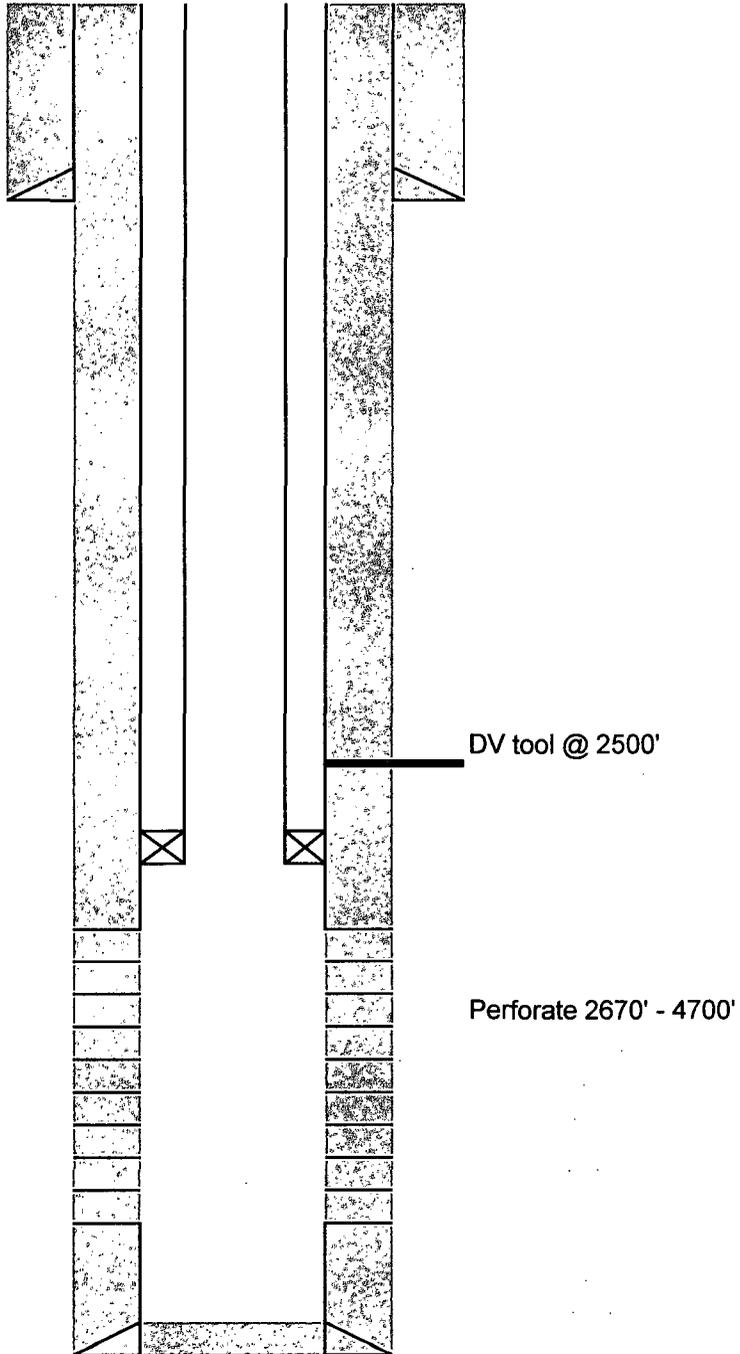
8" hole
TD @ 3593

Mewbourne Oil Company
Delaware Ranch SWD #1
660 FSL & 660 FEL Section 11-26S-28E
3001522734
Proposed Schematic
Date Updated: 10/26/11

10 3/4"
Set @ 306'
Pumped 100sx
circ to surface

3 1/2" J-55 9.3# IPC tbg
T2 O/O tool
2 7/8" x 5 1/2" Arrowset pkr
Set @ 2570'

7 7/8" Hole
5 1/2" 17# J-55
Set @ 4700'
Cmt 1st Stage w/650 sx
Cmt 2nd Stage w/700 sx



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

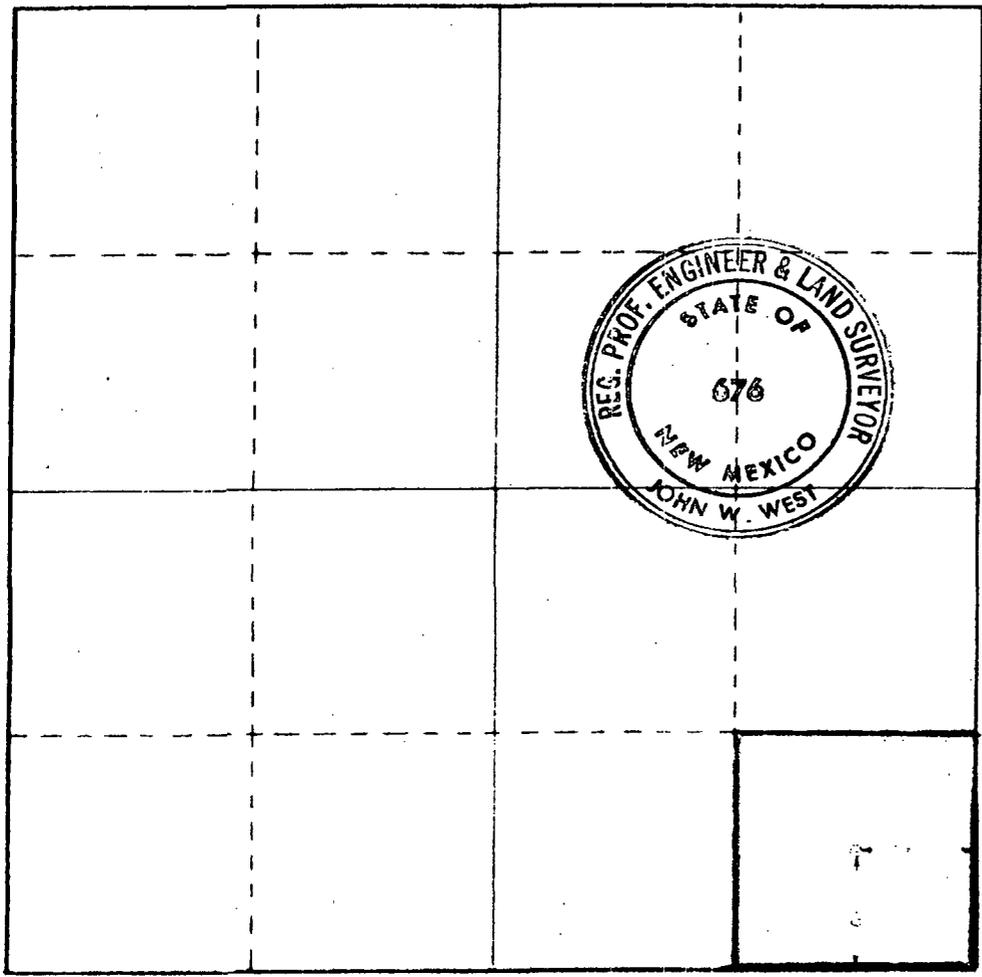
Operator Ford Chapman & Assoc.		Lease Clark Land Development Co.			Well No. 1
Grid Letter P	Section 11	Township 26 South	Range 28 East	County Eddy	
Actual Footage Location of Well. 660 feet from the South line and 660 feet from the East line					
Ground Level Elev. 2949.5	Producing Formation Delaware		Pool Wildcat <i>Del.</i>	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Name
John W. West
Position
Agent
Company
Ford Chapman
Date
November 6, 1978

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 knowledge and belief.

Date Approved
November 3, 1978
Registered Professional Engineer
and/or Land Surveyor

John W. West

NO. OF COPIES RECEIVED	5
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.S.	2
LAND OFFICE	
OPERATOR	

Form C-105
Revised 11-1-78

NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.

10. TYPE OF WELL
OIL WELL GAS WELL DRY OTHER

b. TYPE OF COMPLETION
NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESVY. OTHER

7. Unit Agreement Name

8. Farm or Lease Name
Clark Land & Development Company

9. Well No.
1

2. Name of Operator
Ford Chapman & Associates

3. Address of Operator
P. O. Box 763, Hobbs, New Mexico 88240

10. Field and Pool, or Wildcat
Wildcat

4. Location of Well
UNIT LETTER **P** LOCATED **660** FEET FROM THE **South** LINE AND **660** FEET FROM THE **East** LINE OF SEC. **11** TWP. **26S** RGE. **28E** NMPM

12. County
Eddy

15. Date Spudded **12/23/78** 16. Date T.D. Reached **2/22/79** 17. Date Compl. (Ready to Prod.) **P&A 3-2-79** 18. Elevations (DF, RMB, R₁, GR, etc.) **2959.5 KB** 19. Elev. Casinghead

20. Total Depth **3593** 21. Plug Back T.D. 22. If Multiple Compl., How Many 23. Intervals Drilled By Rotary Tools Cable Tools **O-TD**

24. Producing Interval(s), of this completion - Top, Bottom, Name **P&A 3/2/79** 25. Was Directional Survey Made **No**

26. Type Electric and Other Logs Run **Gamma Ray, Acoustic Velocity** 27. Was Well Cored **No**

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10 3/4	40.5	306	12 1/2	100	None
7	22	1595	8	None	1596

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET

31. Perforation Record (Interval, size and number) 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

33. PRODUCTION
Date First Production Production Method (Flowing, gas lift, pumping - Size and type pump) Well Status (Prod. or Shut-in) **Plugged**

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio

34. Disposition of Gas (Sold, used for fuel, vented, etc.) Test Witnessed By

35. List of Attachments

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED **Donna Walker** TITLE **Agent** DATE **6/12/79**

30015-22734

NO. OF COPIES RECEIVED	3
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	1

NEW MEXICO OPERATIVE COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

JAN 8 1979

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.

G.C.C.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

7. Unit Agreement Name

8. Farm or Lease Name
Clark Land & Development Co.

9. Well No.
1

10. Field and Pool, or Wildcat
Wildcat

11. Location of Well

OIL WELL GAS WELL OTHER

Name of Operator
Ford Chapman & Associates

Address of Operator
c/o Oil Reports & Gas Services, Inc., Box 763, Hobbs, NM 88240

UNIT LETTER **P** **660** FEET FROM THE **South** LINE AND **660** FEET FROM
THE **East** LINE, SECTION **11** TOWNSHIP **26S** RANGE **28E** N.M.P.M.

15. Elevation (Show whether DF, RT, GR, etc.)
2949.5 GR

12. County
Eddy

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON
TEMPORARILY ABANDON CHANGE PLANS
PULL OR ALTER CASING OTHER

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
CASING TEST AND CEMENT JOB OTHER

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spud 12/23/78. Cemented 10 3/4" 40.5# casing at 306 feet with 100 sacks 2% calcium chloride. Cement circulated. Plug down 2:05 PM 1/3/78. WOC 18 hours, bailed hole dry, no fill up.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED *Hanna H. H. H.* TITLE Agent DATE 1/4/79

APPROVED BY *W.A. Gressitt* TITLE SUPERVISOR, DISTRICT II DATE JAN 10 1979

CONDITIONS OF APPROVAL, IF ANY:

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

NO. OF COPIES RECEIVED	3
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	1

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Ford Chapman & Associates	8. Farm or Lease Name Clark Land & Development Company
3. Address of Operator c/o Oil Reports & Gas Services, Inc., Box 763, Hobbs, N M 88240	9. Well No. 1
4. Location of Well UNIT LETTER P 660 FEET FROM THE South LINE AND 660 FEET FROM THE East LINE, SECTION 11 TOWNSHIP 26S 24E RANGE 28E N.M.P.M.	10. Field and Pool, or Wildcat Wildcat Delaware
15. Elevation (Show whether DF, RT, GR, etc.) 2949.5 GR	12. County Eddy

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Run tubing, loaded hole with mud.

Spotted 25 sack plug at total depth 3593.

Spotted 25 sack plug 2500 to 2600

Spotted 25 sack plug 1750 to 1850

Spotted 35 sack plug 1525 to 1625

Spotted 40 sack plug 250 to 350 *Tagged @ 320 - spotted 50 SK + Tag @ 240*

Set 10 sack plug at surface with regulation marker.

Work complete 3/2/79.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED *Dennis Walker* TITLE Agent DATE 6/12/79

APPROVED BY *Michael Stappfield* TITLE OIL AND GAS INSPECTOR DATE JUN 15 1979

CONDITIONS OF APPROVAL, IF ANY:

Memo

From

M.C. STUBBLEFIELD
DEPUTY OIL & GAS INSPECTOR

P-11-26-28

To Ford Chapman + Ass. Clark Hunt + Dev. Co. #1

2/27/79

Ran tubing to 3244' pumped 45 sr class H

Pulled tubing to 2606. pumped 25 sr plug

Pulled tubing to 1865. pumped 25 sr plug.

Operator will come out of hole + pull 7" set @ 1596'

2/28/79

Ran tubing to 1625' + pumped 35 sr plug

3/1/79

Set tubing @ 350 + pumped 40 sr plug.

3/2/79

Ran tubing tagged TOC @ 320'

pumped 50 sr plug

waited 3 hrs + tagged TOC @ 240'

Operator will set surface plug + erect dry
hole marker.

OIL CONSERVATION DIVISION-ARTESIA

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	<input checked="" type="checkbox"/>
FILE	<input checked="" type="checkbox"/>
U.S.G.S.	<input checked="" type="checkbox"/>
LAND OFFICE	<input checked="" type="checkbox"/>
OPERATOR	<input checked="" type="checkbox"/>

RECEIVED BY
P. O. BOX 2088
MAR 23 1984
O. C. D.
ARTESIA, OFFICE

SANTA FE, NEW MEXICO 87501

5A. Indicate Type of Lease
STATE REC

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
DRILL DEEPEN PLUG BACK

b. Type of Well
OIL WELL GAS WELL OTHER *Re-entry* SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
WAYNE MOORE

3. Address of Operator
403 N. MARIENFELD *Midland TX 79701*

4. Location of Well UNIT LETTER P LOCATED 660 FEET FROM THE S LINE

AND 660 FEET FROM THE E LINE OF SEC. 11 TWP. 26S RGE. 28E

7. Unit Agreement Name

8. Farm or Lease Name
Clark/Chapman

9. Well No.
1

10. Field and Pool, or Wildcat
DELAWARE WILDCAT

17. County
EDDY

18. Proposed Depth 5300 19A. Formation DELAWARE 20. Rotary or C.T. ROTARY

21. Elevations (Show whether DF, KT, etc.) 2951.5 KB 21A. Kind & Status Plug. Bond MULTIWELL 21B. Drilling Contractor MARC 22. Approx. Date Work will start MARCH 30, 1984

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
7 7/8	5 1/2	15.5	5300	Sufficient to reach 2600'	to be determined by caliper

Well was plugged and abandoned 3-2-79. 10 3/4" surface pipe was set at 306' and cement circulated to surface. 8" hole was drilled to a depth of 3593'. Well was plugged and abandoned with 25 sacks Plugs spotted at: 3593', 2500' - 2600', and a 3T sx plug at 1525' - 1625'. A 40 sx plug was set at 240 - 350. We will drill these plugs and drill a 7 7/8" hole to 5300'.

Form: Ford & Assoc. - Clark Land Serv Co. #1
OTD-3593

APPROVED FOR 180 DAYS
4-27-84
WELLS UNDERWAY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed [Signature] Title Co-Owner Date 3-16-84

(This space for State Use)

APPROVED BY [Signature] TITLE OIL AND GAS INSPECTOR DATE MAR 28 1984

CONDITIONS OF APPROVAL, IF ANY:
*Post. 90¢
e & FBK.
3-30-84*



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

P.O. DRAWER DD
ARTESIA, NEW MEXICO 88210
(505) 748-1283

March 6, 1989

Wayne Moore
403 N. Marienfeld
Midland, TX 79701

RE: Clark/Chapman #1
11-26S-28E
Wildcat Delaware

Dear Sir:

In updating our records we find that the above captioned well's permit expired. If we do not hear from you within the next 10 days, we will consider this to be an abandoned location. No drilling operations are to be initiated or continued without further notice to and approval by the Division.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Mike Williams".

Mike Williams
Supervisor, District II

MW/cw



Water Analysis

Date: 23-Aug-11

2708 West County Road, Hobbs NM 88240
 Phone (575) 392-5556 Fax (575) 392-7307

Analyzed For

Brushy Draw 1#1

Company	Well Name	County	State
Mewbourne	BD	Lea	New Mexico

Sample Source	Swab Sample	Sample #
		<i>Eddy</i> 1

Formation	Depth
-----------	-------

Specific Gravity	1.170	SG @ 60 °F	1.172
pH	6.30	Sulfides	Absent
Temperature (°F)	70	Reducing Agents	

Cations

Sodium (Calc)	in Mg/L	77,962	in PPM	66,520
Calcium	in Mg/L	4,000	in PPM	3,413
Magnesium	in Mg/L	1,200	in PPM	1,024
Soluable Iron (FE2)	in Mg/L	10.0	in PPM	9

Anions

Chlorides	in Mg/L	130,000	in PPM	110,922
Sulfates	in Mg/L	250	in PPM	213
Bicarbonates	in Mg/L	127	in PPM	108
Total Hardness (as CaCO3)	in Mg/L	15,000	in PPM	12,799
Total Dissolved Solids (Calc)	in Mg/L	213,549	in PPM	182,209
Equivalent NaCl Concentration	in Mg/L	182,868	in PPM	156,031

Scaling Tendencies

*Calcium Carbonate Index	507,520
<i>Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable</i>	
*Calcium Sulfate (Gyp) Index	1,000,000
<i>Below 500,000 Remote / 500,000 - 10,000,00 Possible / Above 10,000,000 Probable</i>	

**This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.*

Remarks RW=.048@70F

Report # 3188

Delaware Water Sample

NIM WAIDS



Water Samples for Well HOPI FEDERAL 001

API = 3001529367

Formation = DEL

Field = WILLOW LAKE

Current Water Production Information

Instructions:

Click

For general information about this sample.

Click

For scale calculation pages (Stiff-Davis or Odco Tomson methods).

Click

To select this water sample for water mixing. It will lead to the main page, and add the sample ID to the mixing table.

Click 664

Click the hyperlinked sample number to make a .csv for that sample, or select several check boxes and click Submit for multiple samples

The ions are in (mg/L) units.



5869

25S 28E 01 84

221998 0

74

746 109024 25348 2749

SELECT/DESELECT ALL



Freshwater Well
Water Analysis

Date: 02-Nov-11

2708 West County Road, Hobbs NM 88240
 Phone (575) 392-5556 Fax (575) 392-7307

Analyzed For

Company	Well Name	County	State
Mewbourne	Delaware Basin	Lea	New Mexico

Sample Source Swab Sample **Sample #** 1

Formation **Depth**

Specific Gravity	1.000	SG @ 60 °F	1.002
pH	7.73	Sulfides	Absent
Temperature (°F)	70	Reducing Agents	

Cations

Sodium (Calc)	in Mg/L	353	in PPM	352
Calcium	in Mg/L	320	in PPM	319
Magnesium	in Mg/L	31	in PPM	31
Soluable Iron (FE2)	in Mg/L	0.0	in PPM	0

Anions

Chlorides	in Mg/L	1,000	in PPM	998
Sulfates	in Mg/L	200	in PPM	200
Bicarbonates	in Mg/L	88	in PPM	88
Total Hardness (as CaCO3)	in Mg/L	930	in PPM	928
Total Dissolved Solids (Calc)	in Mg/L	1,992	in PPM	1,988
Equivalent NaCl Concentration	in Mg/L	1,839	in PPM	1,835

Scaling Tendencies

*Calcium Carbonate Index	28,109
<i>Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable</i>	
*Calcium Sulfate (Gyp) Index	64,000
<i>Below 500,000 Remote / 500,000 - 10,000,00 Possible / Above 10,000,000 Probable</i>	

**This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.*

Remarks RW=2.95@70F

Report # 3204

November 22, 2011

NOTICE

Newbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval to re-enter and develop the Clark Land & Development #1 well located 660 feet from the south line and 660 feet from the east line (the SE/4SE/4) of Section 11, Township 29 South, Range 78 East, NMPM, Eddy County, New Mexico, to the Bell Canyon, Cherry Canyon (Delaware) formation, and dispose of produced water into the Bell Canyon, Cherry Canyon (Delaware) formation. The completed disposal well would be called the Delaware Ranch SWD #1. Expected maximum injection rates are 16,000 BWPD and maximum injection pressures are 334 psi. If you object to the application you must file a written request for hearing with the Division within 15 days of the date this notice is published. The Division's address is 1200 South 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 application is Steve Smith, Newbourne Oil Company, Suite 100, 500 West Texas, Midland, Texas 79701, (432) 488-3715. The well is located approximately 12 miles south of Malaga, New Mexico.

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 22 2011

That the cost of publication is \$60.07 and that payment thereof has been made and will be assessed as court costs.

Kathy McCarroll

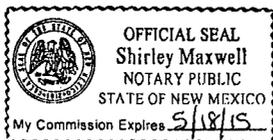
Subscribed and sworn to before me this

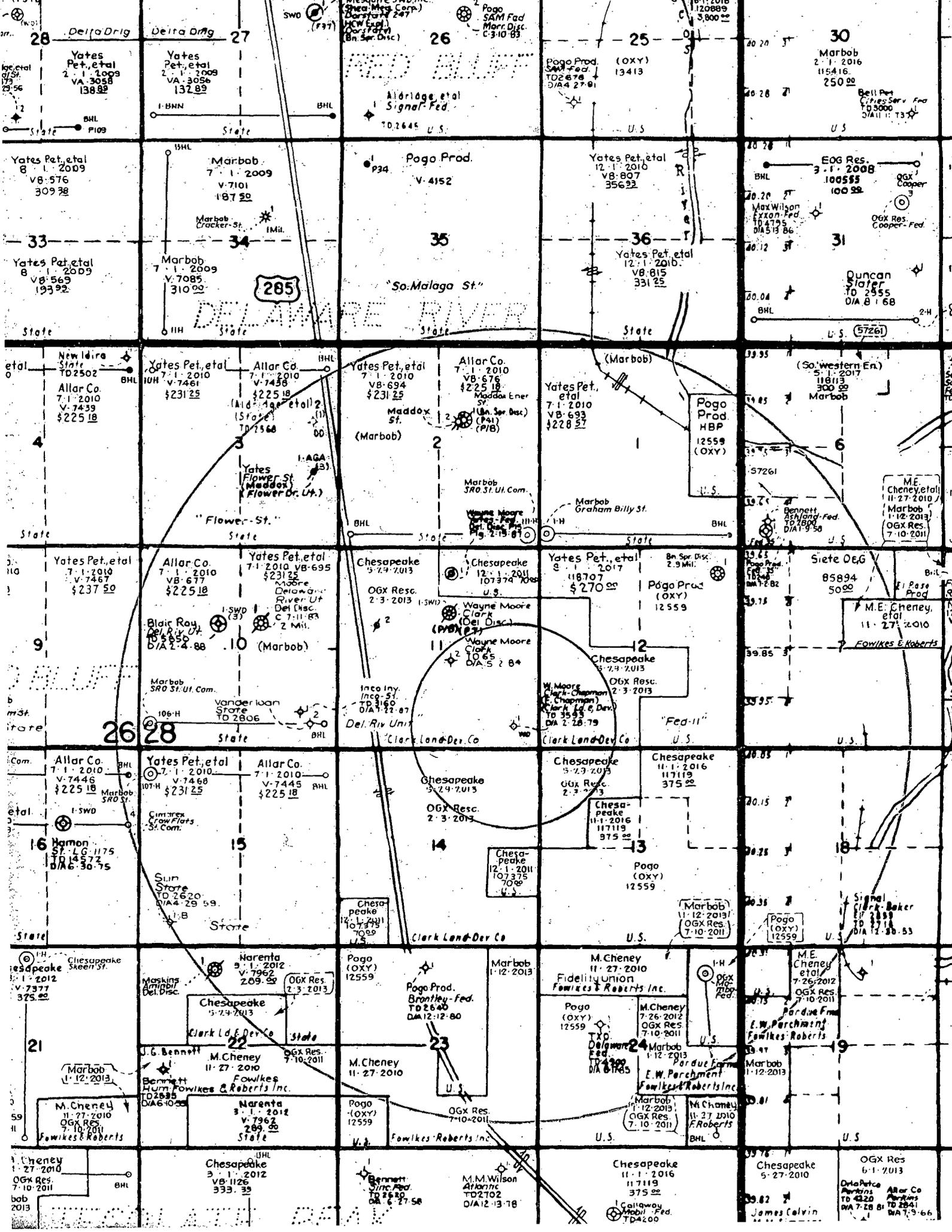
22nd day of November, 2011

Shirley Maxwell

My commission Expires on May 18, 2015

Notary Public





28 Delmar Driv
Yates Pet. et al
7-1-2009
VB-576
309.98

27 Delmar Driv
Yates Pet. et al
7-1-2009
VA-3058
138.89

26
Mesquite SWD, Inc.
Pogo SAM Fed
Marb. Disc.
C-3-10-83

25
Pogo Prod.
SAM Fed
TD 2678
D/A 4-27-01

30
Marbob
2-1-2016
1154.16
250.00

31
Bell Pet
C/O Ches. Serv. Fed
TD 3000
D/A 11-73

33
Yates Pet. et al
8-1-2009
VB-569
193.92

34
Marbob
7-1-2009
V-7085
310.00

35
Pogo Prod.
V-4152

36
Yates Pet. et al
12-1-2010
VB-807
356.32

30
EOG Res.
3-1-2008
1005.55
100.99

31
Duncan
C/O Jeter
TD 2555
D/A 8-1-68

285
DELAWARE RIVER
"So. Malaga St."

4
New Idira
State
TD 2502
Allar Co.
7-1-2010
V-7439
\$225.18

Yates Pet. et al
7-1-2010
V-7461
\$231.25

Yates Pet. et al
7-1-2010
VB-694
\$231.25

Allar Co.
7-1-2010
VB-676
\$225.18

Yates Pet. et al
7-1-2010
VB-693
\$228.57

6
Pogo Prod.
HBP
1255.9
(OXY)

9
Yates Pet. et al
7-1-2010
V-7467
\$237.50

Allar Co.
7-1-2010
VB-677
\$225.18

Chesapeake
5-23-2013
OGX Res.
2-3-2013

Chesapeake
12-1-2011
107374
U.S.

Yates Pet. et al
8-1-2017
11870
\$270.00

Siete OEG
85894
50.00

16
Allar Co.
7-1-2010
V-7446
\$225.18

Yates Pet. et al
7-1-2010
V-7468
\$231.25

Chesapeake
5-23-2013
OGX Res.
2-3-2013

Chesapeake
5-23-2013
OGX Res.
2-3-2013

Chesapeake
11-1-2016
117119
375.00

18
Signal
C/O Baker
TD 2889
D/A 12-88-83

21
Chesapeake
1-1-2012
V-7577
375.00

Chesapeake
5-23-2013

Pogo (OXY)
1255.9

M. Cheney
11-27-2010
Fidellity Union
Fowlkes & Roberts Inc.

M. Cheney
11-27-2010
OGX Res.
7-10-2011

M.E. Cheney et al
7-26-2012
OGX Res.
7-10-2011

M. Cheney
11-27-2010
OGX Res.
7-10-2011

Chesapeake
3-1-2012
VB-1126
333.33

Bennett
C/O Fowlkes & Roberts
TD 2680
D/A 6-27-58

M.M. Wilson
Atlantic
TD 2702
D/A 12-13-78

Chesapeake
11-1-2016
117119
375.00

Chesapeake
5-27-2010

**Parties To Be Noticed For C-108 Application
Delaware Ranch SWD #1 - SE/4SE/4 Section 11, T26S, R28E, Eddy County**

Working Interest Owners

Sections 11, 12, 13 & 14

Chesapeake Exploration LLC
Attn: Mr. Jerris Johnson
P. O. Box 18496
Oklahoma City, Oklahoma 73154-0496

Allar Development LLC and
EG3 Development LLC
735 Elm Street
Graham, Texas 76450-3018
Attn: Mr. Jack Graham

COG Operating, LLC &
Concho Oil & Gas, LLC
550 W. Texas, Suite 100
Midland, Texas 79701
Attn: Mr. William Fricker

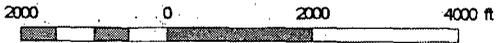
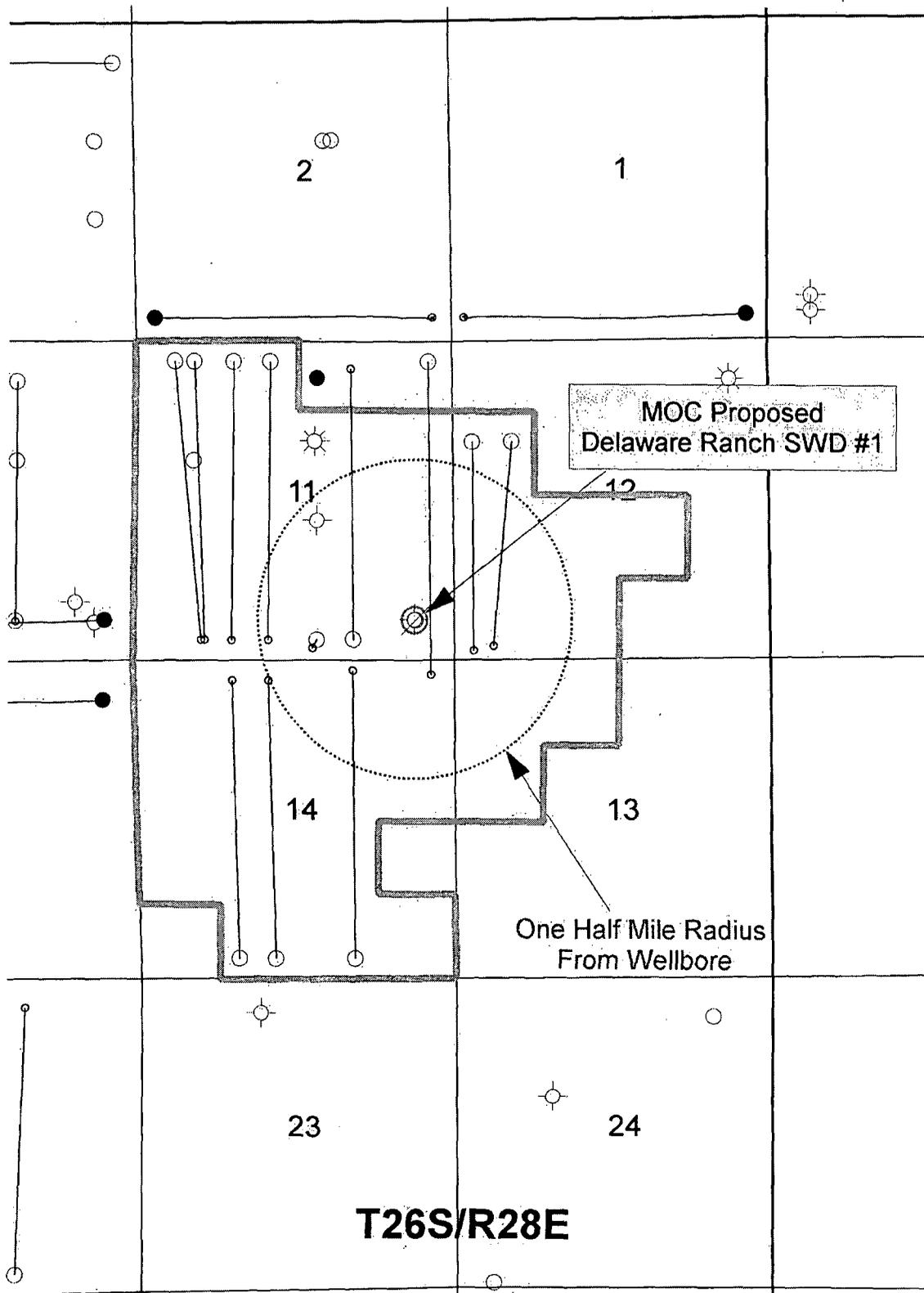
OXY USA Inc.
P. O. Box 4294
Houston, Texas 77210-4249
Attn: Mrs. Katie Almeida

OGX Resources, LLC &
OGX Acreage Fund, LP
P. O. Box 2064
Midland, Texas 79702
Attn: Mr. Gary Lang

Mrs. Catherine Ann Foley
10061 Fieldcrest Drive
Omaha, Nebraska 68124

Surface Owner SE/4SE/4 Section 11

Delaware Ranch, Inc.
1304 West Riverside
Carlsbad, NM 88220



Chesapeake Exploration LLC
 COG Operating LLC
 Concho Oil & Gas LLC
 OGX Resources LLC
 OGX Acreage Fund, LP
 Allar Development LLC
 EG3 Development LLC
 Oxy USA Inc.
 Mrs. Catherine Ann Foley



MOC Mewbourne Oil Company		
Delaware Ranch Prospect		
SWD Proposal Land Information Eddy County, NM		
Author: R. Townsend	Scale: 1" = 2000'	Date: 6 December, 2011
Gas Tech: V. Ramirez		8.5 x 14

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

November 22, 2011

Certified Mail-Return Receipt No. 7689

Delaware Ranch, Inc.
1304 West Riverside
Carlsbad, NM 88220

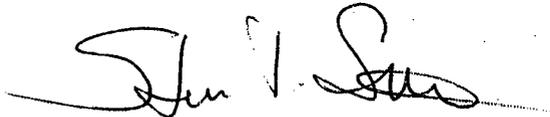
Re: C-108 Application for SWD Well
Delaware Ranch SWD #1
SE/4SE/4 Section 11, T-26-S, R-28-E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval for a salt water disposal well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 11, Township 26 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. As owner of the surface of the lands, 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 later.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Enclosure

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

November 22, 2011

Certified Mail-Return Receipt No. 7634

Mrs. Catherine Ann Foley
10061 Fieldcrest Drive
Omaha, Nebraska 68124

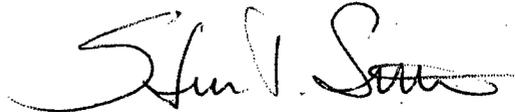
Re: C-108 Application for SWD Well
Delaware Ranch SWD #1
SE/4SE/4 Section 11, T-26-S, R-28-E
Eddy County, New Mexico

Dear Mrs. Foley:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval for a salt water disposal well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 11, Township 26 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 later.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Enclosure

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

November 22, 2011

Certified Mail-Return Receipt No. 7603

Allar Development LLC and
EG3 Development LLC
735 Elm Street
Graham, Texas 76450-3018
Attn: Mr. Jack Graham

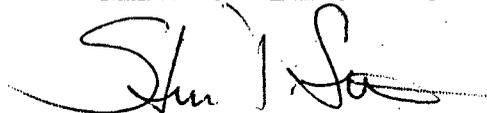
Re: C-108 Application for SWD Well
Delaware Ranch SWD #1
SE/4SE/4 Section 11, T-26-S, R-28-E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval for a salt water disposal well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 11, Township 26 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 later.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Enclosure: C-108 Application for Delaware Ranch SWD #1

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

November 22, 2011

Certified Mail-Return Receipt No. 7610

Chesapeake Exploration LLC
Attn: Mr. Jerris Johnson
P. O. Box 18496
Oklahoma City, Oklahoma 73154-0496

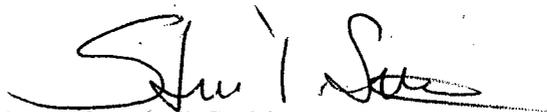
Re: C-108 Application for SWD Well
Delaware Ranch SWD #1
SE/4SE/4 Section 11, T-26-S, R-28-E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval for a salt water disposal well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 11, Township 26 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 later.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Enclosure

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

November 22, 2011

Certified Mail-Return Receipt No. 7627

COG Operating, LLC
Concho Oil & Gas, LLC
550 W. Texas, Suite 100
Midland, Texas 79701
Attn: Mr. William Fricker

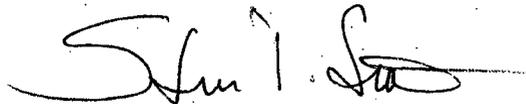
Re: C-108 Application for SWD Well
Delaware Ranch SWD #1
SE/4SE/4 Section 11, T-26-S, R-28-E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval for a salt water disposal well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 11, Township 26 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 later.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Enclosure

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

November 22, 2011

Certified Mail-Return Receipt No. 7665

OGX Resources, LLC &
OGX Acreage Fund, LP
P. O. Box 2064
Midland, Texas 79702
Attn: Mr. Gary Lang

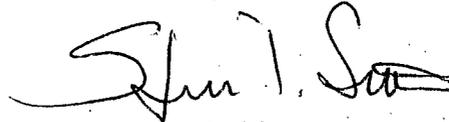
Re: C-108 Application for SWD Well
Delaware Ranch SWD #1
SE/4SE/4 Section 11, T-26-S, R-28-E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval for a salt water disposal well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 11, Township 26 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 later.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Enclosure

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

November 22, 2011

Certified Mail-Return Receipt No. 7672

OXY USA Inc.
P. O. Box 4294
Houston, Texas 77210-4249
Attn: Mrs. Katie Almeida

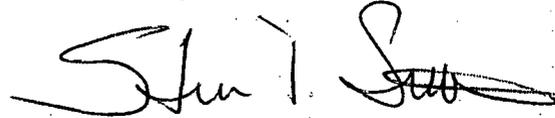
Re: C-108 Application for SWD Well
Delaware Ranch SWD #1
SE/4SE/4 Section 11, T-26-S, R-28-E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval for a salt water disposal well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 11, Township 26 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 later.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Enclosure

Delaware Ranch SWD Geologic Evaluation

Introduction

Mewbourne Oil Company proposes to convert the Clark Land and Development Company #1 well to SWD by deepening it to 4700 feet and utilizing the interval from 2670 to 4700 feet for SWD. The proposed interval includes Bell Canyon and Cherry Canyon members of the Delaware Formation correlative to zones approved in five SWD permits within 2 miles of this proposal.

Geology

The proposed SWD interval from 2670-4700 feet includes multiple Bell Canyon and Cherry Canyon sands that have good porosities and permeabilities. These sands are continuous across the area and have been established as excellent targets for water disposal (see X-section W-W'). Structurally, no faulting or closed structures are evident. The top of the Lamar/Delaware structure dips gently to the east and is reasonably predictable (see Structure Map).

Production

No production has been established within the ½ mile radius of the proposed SWD. Within the 2 mile radius, wells have produced from the Wolfcamp at approximately 10,500 feet, the Bone Spring at approximately 6850 feet, and the Delaware between 2600 and 6200 feet. Both the Wolfcamp and the Bone Spring producing intervals are too deep to be impacted by water disposal in the proposed interval. Also, even though the Delaware has produced in the area, all Delaware production has ceased within the 2 mile radius of the proposed SWD.

SWD Permits

Five SWD permits have been granted for disposal between 2522 and 5803 feet within 2 miles of the proposed SWD. Three have actually disposed of water. They are located at 3H, 10F, and 11G. The other two, located at 11F and 22C have not been converted for disposal. At 3H, disposal began in March, 1989 in the interval from 2552-2833 feet. This well was plugged in June of 2010. Disposal at 10F began in November of 2010 in the interval from 4300-5650 feet. Also, disposal at 11G began in September of 2010 at 2643-4054 feet. The proposed SWD will utilize the same Delaware intervals as those already permitted and is located more than ½ mile from the existing permitted wells.

Conclusion

There is no active Delaware production within 2 miles of the proposed SWD. There are five SWD permits for disposal in zones correlative to this proposal within 2 miles of this proposal. There is no production or disposal within ½ mile of this proposal. The Delaware interval from 2670-4700 feet at the proposed location is excellent for SWD and will not adversely impact any known productive zones in the area.

Roger Townsend
Mewbourne Geologist

Injection Permit Checklist (11/15/2010)

WFX PMX SWD 1310 Permit Date 12/14/11 UIC Qtr 0(N/D)
 # Wells 1 Well Name(s): Delaware Ranch SWD # 1 Retention Proposal Fee
 API Num: 30-015-22734 Spud Date: 12/23/78 New/Old: 0 (UIC primacy March 7, 1982)
 Footages 660 FSL/FEL Unit P Sec 11 Tsp 26S Rge 28E County EDDY
 General Location: JUST NW of Red Bluff Reservoir
 Operator: Marbourne OIL COMPANY Contact: Stacy J. SMITH / Drew ROBISON
 OGRID: 14744 RULE 5.9 Compliance (Wells) 2/6/11 (Finan Assur) OK IS 5.9 OK? OK
 Well File Reviewed PEA (No 5/2") Current Status: CSG all pulled
 Planned Work to Well: Drillout, Run PIPE open hole?
 Diagrams: Before Conversion After Conversion Elogs in Imaging File: will be filed

Well Details:	Sizes		Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
	Hole.....	Pipe				
New <input type="checkbox"/> Existing <input checked="" type="checkbox"/> Surface	12 1/2	10 3/4	306 4	—	100	CIRC
New <input type="checkbox"/> Existing <input type="checkbox"/> Intern						
New <input checked="" type="checkbox"/> Existing <input type="checkbox"/> LongSt	7 7/8	5 1/2	4700'	2500'	1350 (650/100)	CIRC (PLAN)
New <input type="checkbox"/> Existing <input type="checkbox"/> Liner						
New <input type="checkbox"/> Existing <input type="checkbox"/> OpenHole						

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above	2620 2670	Comanche Bell C.	<input checked="" type="checkbox"/>
Injection TOP:	2670'	Bell C.	Max. PSI <u>534</u> OpenHole <input type="checkbox"/> Perfs <input checked="" type="checkbox"/>
Injection BOTTOM:	4700'	Cherry C.	Tubing Size <u>3 1/2</u> Packer Depth <u>2570'</u>
Formation(s) Below	6300	B.S.	<input checked="" type="checkbox"/>

Capitan Reef? (Potash? Noticed? WIPR? Noticed? Salado Top/Bot 1890'-2430' Cliff House?
 Fresh Water: Depths: ~300' Formation — Wells? Yes Analysis? Affirmative Statement

Disposal Fluid Analysis? Sources: Bone Springs

Disposal Interval: Analysis? Production Potential/Testing: (Dry Hole) (See E-log writeup)

Notice: Newspaper Date 11/22/11 Surface Owner Delaware Ranch, INC Mineral Owner(s) where?

RULE 26.7(A) Affected Persons: Cherry C / COG / OEX / ALLAR / OXY / MS Foley

AOR: Maps? Well List? Producing in Interval? NO Wellbore Diagrams?

.....Active Wells Repairs? Which Wells?
P&A Wells Repairs? Which Wells?

Issues: _____ Request Sent _____ Reply: _____