

DATE IN 12.27.11	SUSPENSE	ENGINEER DB	LOGGED IN 12.27.11	TYPE NSL	APP NO. 1136143519
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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

Sharps Fed Com 3H

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

6545

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.

James Bruce

Print or Type Name

Signature

Attorney

Title

Date

jamesbruc@aol.com

e-mail Address

3-205-296

RECEIVED OGD
201 DEC 27 A 8:55

Eddy

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

December 22, 2011

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Brooks:

Pursuant to NMAC 19.15.15.13, Mewbourne Oil Company applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Sharps 3 Fed. Com. Well No. 2
<u>Surface location:</u>	400 feet FSL & 150 feet FEL
<u>Bottom hole location:</u>	400 feet FNL & 330 feet FWL
<u>Well unit (project area):</u>	S½S½ of Section 3, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

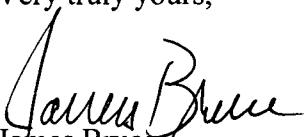
The well will be drilled to a depth sufficient to test the Bone Spring formation (Parkway-Bone Spring Pool). The pool is spaced on statewide rules, with 40 acre spacing, and wells to be located no closer than 330 feet to a quarter-quarter section line. An APD with a Form C-102 included is attached as **Exhibit A**.

The well will penetrate the top of the Bone Spring formation at the surface location. However, the completed and perforated portion of the wellbore will be at an orthodox location, at least 330 feet FEL. **Exhibit B**. The location is due to engineering reasons: The unorthodox surface location will maximize the productive length of the wellbore.

Due to the well's directional plan, the entry point in the Bone Spring formation encroaches on Sections 2 and 11, both operated by Yates Petroleum Corporation. **Exhibit C**. Notice has been mailed to the offset. **Exhibit D**.

Please contact me if you need any further information on this application.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

5. Lease Serial No.
NMNM 27801; NMNM 0209083, NMNM 1196

6. If Indian, Allottee or Tribe Name

1a. Type of work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Sharps "3" Fed Com #2H

2. Name of Operator Mewbourne Oil Company

9. API Well No.

3a. Address PO Box 5270
Hobbs, NM 88240

3b. Phone No. (include area code)
(575) 393-5905

10. Field and Pool, or Exploratory
Parkway Bone Spring

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface 400' FSL & 150' FEL (Unit P)

At proposed prod. zone 400' FSL & 330' FWL (Unit M)

11. Sec., T. R. M. or Blk. and Survey or Area
Sec 3, T20S, R29E

14. Distance in miles and direction from nearest town or post office*
15.7 miles NE of Carlsbad, NM

12. County or Parish
Eddy

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft.
(Also to nearest drig. unit line, if any)
150'

16. No. of acres in lease
160

17. Spacing Unit dedicated to this well
160

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
1660' SE of the Lambie Fed #1

19. Proposed Depth
12717' MD
8142' TVD

20. BLM/BIA Bond No. on file
NM 1693, Nationwide

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3319' GL

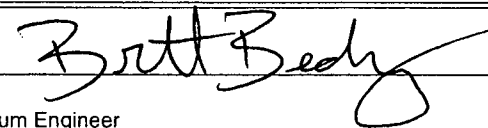
22. Approximate date work will start*
02/01/2012

23. Estimated duration
40 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature  Name (Printed/Typed) Brett Bednarz Date 11/02/2011

Title
Petroleum Engineer

Approved by (Signature) Name (Printed/Typed) Date

Title Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

EXHIBIT

A

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised July 16, 2010

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 49622	Pool Name <i>Undesignated</i> Parkway Bone Spring
Property Code	Property Name SHARPS "3" FEDERAL COM	Well Number 2H
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3319'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	3	20 S	29 E		400	SOUTH	150	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No. M	Section 3	Township 20S	Range 29E	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
					400	South	330	West	Eddy
Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	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. <i>Brett Bednarz</i> 11-2-11 Signature Date <i>Brett Bednarz</i> Printed Name Email Address
	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. Date Surveyed Signature & Seal of Professional Surveyor W.O. No. 23517
	Date Surveyed Signature & Seal of Professional Surveyor W.O. No. 23517
	Certificate No. Gary L. Jones 7977 BASIN SURVEYS 23517

Mewbourne Oil Co

Eddy County, New Mexico

Sec 3-20S-29E

Sharps 3 Fed Com #2H New SHL

Wellbore #1

Plan: Design #2

DDC Well Planning Report

27 October, 2011

EXHIBIT

B



DDC Well Planning Report



Database	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Sharps 3 Fed Com #2H New SHL
Company	Mewbourne Oil Co	TVD Reference	WELL @ 3337.0usft (Patterson UTI #47)
Project	Eddy County, New Mexico	MD Reference	WELL @ 3337.0usft (Patterson UTI #47)
Site	Sec 3-20S-29E	North Reference	Grid
Well	Sharps 3 Fed Com #2H New SHL	Survey Calculation Method:	Minimum Curvature
Wellbore	Wellbore #1		
Design:	Design #2		

Project	Eddy County, New Mexico		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site	Sec 3-20S-29E		
Site Position:		Northing:	580,736.70 usft
From:	Map	Easting:	585,955.21 usft
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16"
		Latitude:	32° 35' 46.466 N
		Longitude:	104° 3' 15.239 W
		Grid Convergence:	0.15 °

Well	Sharps 3 Fed Com #2H New SHL		
Well Position	+N/-S	0.0 usft	Northing: 580,736.70 usft
	+E/-W	0.0 usft	Easting: 585,955.21 usft
Position Uncertainty	0.0 usft	Wellhead Elevation:	Ground Level: 3,319.0 usft

Wellbore	Wellbore #1		
Magnetics	Model Name	Sample Date	Declination
	IGRF2010	10/27/2011	7.79
			Dip Angle
			60.44
			Field Strength
			48,751

Design	Design #2		
Audit Notes:			
Version:	Phase:	PLAN	Tie On Depth: 0.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W
	(usft)	(usft)	(usft)
	0.0	0.0	0.0
			Direction
			269.95

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
7,569.1	0.00	0.00	7,569.1	0.0	0.0	0.00	0.00	0.00	0.00	
8,477.2	90.81	269.95	8,142.0	-0.5	-581.1	10.00	10.00	-9.92	269.95	
12,717.2	90.81	269.95	8,082.0	-4.2	-4,820.6	0.00	0.00	0.00	0.00	PBHL Sharps 3 Fed

DDC Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Sharps 3 Fed Com #2H New SHL
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3337.0usft (Patterson UTI #47)
Project:	Eddy County, New Mexico	MD Reference:	WELL @ 3337.0usft (Patterson UTI #47)
Site:	Sec 3-20S-29E	North Reference:	Grid
Well:	Sharps 3 Fed Com #2H New SHL	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #2		

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
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
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00
5,100.0	0.00	0.00	5,100.0	0.0	0.0	0.0	0.00	0.00	0.00
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00
5,300.0	0.00	0.00	5,300.0	0.0	0.0	0.0	0.00	0.00	0.00

DDC Well Planning Report



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Company	Mewbourne Oil Co	TVD Reference	WELL @ 3337.0usft (Patterson UTI #47)
Project	Eddy County, New Mexico	MD Reference	WELL @ 3337.0usft (Patterson UTI #47)
Site	Sec 3-20S-29E	North Reference	Grid
Well	Sharps 3 Fed Com #2H New SHL	Survey Calculation Method	Minimum Curvature
Wellbore	Wellbore #1		
Design	Design #2		

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)	
5,400.0	0.00	0.00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,500.0	0.00	0.00	5,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,700.0	0.00	0.00	5,700.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,800.0	0.00	0.00	5,800.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,900.0	0.00	0.00	5,900.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,000.0	0.00	0.00	6,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,100.0	0.00	0.00	6,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,200.0	0.00	0.00	6,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,300.0	0.00	0.00	6,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,400.0	0.00	0.00	6,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,500.0	0.00	0.00	6,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,600.0	0.00	0.00	6,600.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,700.0	0.00	0.00	6,700.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,800.0	0.00	0.00	6,800.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,900.0	0.00	0.00	6,900.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,000.0	0.00	0.00	7,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,100.0	0.00	0.00	7,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,200.0	0.00	0.00	7,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,300.0	0.00	0.00	7,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,400.0	0.00	0.00	7,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,500.0	0.00	0.00	7,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
Build 10°/100' @ 7569' MD										
7,569.1	0.00	0.00	7,569.1	0.0	0.0	0.0	0.00	0.00	0.00	
7,600.0	3.09	269.95	7,600.0	0.0	-0.8	0.8	10.00	10.00	0.00	
7,700.0	13.09	269.95	7,698.9	0.0	-14.9	14.9	10.00	10.00	0.00	
7,800.0	23.09	269.95	7,793.8	0.0	-45.9	45.9	10.00	10.00	0.00	
7,900.0	33.09	269.95	7,881.9	-0.1	-92.9	92.9	10.00	10.00	0.00	
8,000.0	43.09	269.95	7,960.5	-0.1	-154.5	154.5	10.00	10.00	0.00	
8,100.0	53.09	269.95	8,027.2	-0.2	-228.9	228.9	10.00	10.00	0.00	
8,200.0	63.09	269.95	8,080.0	-0.3	-313.6	313.6	10.00	10.00	0.00	
8,300.0	73.09	269.95	8,117.3	-0.4	-406.3	406.3	10.00	10.00	0.00	
8,400.0	83.09	269.95	8,137.9	-0.4	-504.0	504.0	10.00	10.00	0.00	
EOB @ 8477' MD / 90.81° Inc / 269.95° Azm / 8142' TVD										
8,477.2	90.81	269.95	8,142.0	-0.5	-581.1	581.1	10.00	10.00	0.00	
8,500.0	90.81	269.95	8,141.7	-0.5	-603.9	603.9	0.00	0.00	0.00	
8,600.0	90.81	269.95	8,140.3	-0.6	-703.8	703.8	0.00	0.00	0.00	
8,700.0	90.81	269.95	8,138.8	-0.7	-803.8	803.8	0.00	0.00	0.00	
8,800.0	90.81	269.95	8,137.4	-0.8	-903.8	903.8	0.00	0.00	0.00	
8,900.0	90.81	269.95	8,136.0	-0.9	-1,003.8	1,003.8	0.00	0.00	0.00	
9,000.0	90.81	269.95	8,134.6	-1.0	-1,103.8	1,103.8	0.00	0.00	0.00	
9,100.0	90.81	269.95	8,133.2	-1.0	-1,203.8	1,203.8	0.00	0.00	0.00	
9,200.0	90.81	269.95	8,131.8	-1.1	-1,303.8	1,303.8	0.00	0.00	0.00	
9,300.0	90.81	269.95	8,130.4	-1.2	-1,403.8	1,403.8	0.00	0.00	0.00	
9,400.0	90.81	269.95	8,128.9	-1.3	-1,503.8	1,503.8	0.00	0.00	0.00	
9,500.0	90.81	269.95	8,127.5	-1.4	-1,603.8	1,603.8	0.00	0.00	0.00	
9,600.0	90.81	269.95	8,126.1	-1.5	-1,703.7	1,703.7	0.00	0.00	0.00	
9,700.0	90.81	269.95	8,124.7	-1.6	-1,803.7	1,803.7	0.00	0.00	0.00	
9,800.0	90.81	269.95	8,123.3	-1.7	-1,903.7	1,903.7	0.00	0.00	0.00	
9,900.0	90.81	269.95	8,121.9	-1.7	-2,003.7	2,003.7	0.00	0.00	0.00	
10,000.0	90.81	269.95	8,120.5	-1.8	-2,103.7	2,103.7	0.00	0.00	0.00	
10,100.0	90.81	269.95	8,119.0	-1.9	-2,203.7	2,203.7	0.00	0.00	0.00	
10,200.0	90.81	269.95	8,117.6	-2.0	-2,303.7	2,303.7	0.00	0.00	0.00	

DDC Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Sharps 3 Fed Com #2H New SHL
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3337.0usft (Patterson UTI #47)
Project:	Eddy County, New Mexico	MD Reference:	WELL @ 3337.0usft (Patterson UTI #47)
Site:	Sec 3-20S-29E	North Reference:	Grid
Well:	Sharps 3 Fed Com #2H New SHL	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #2		

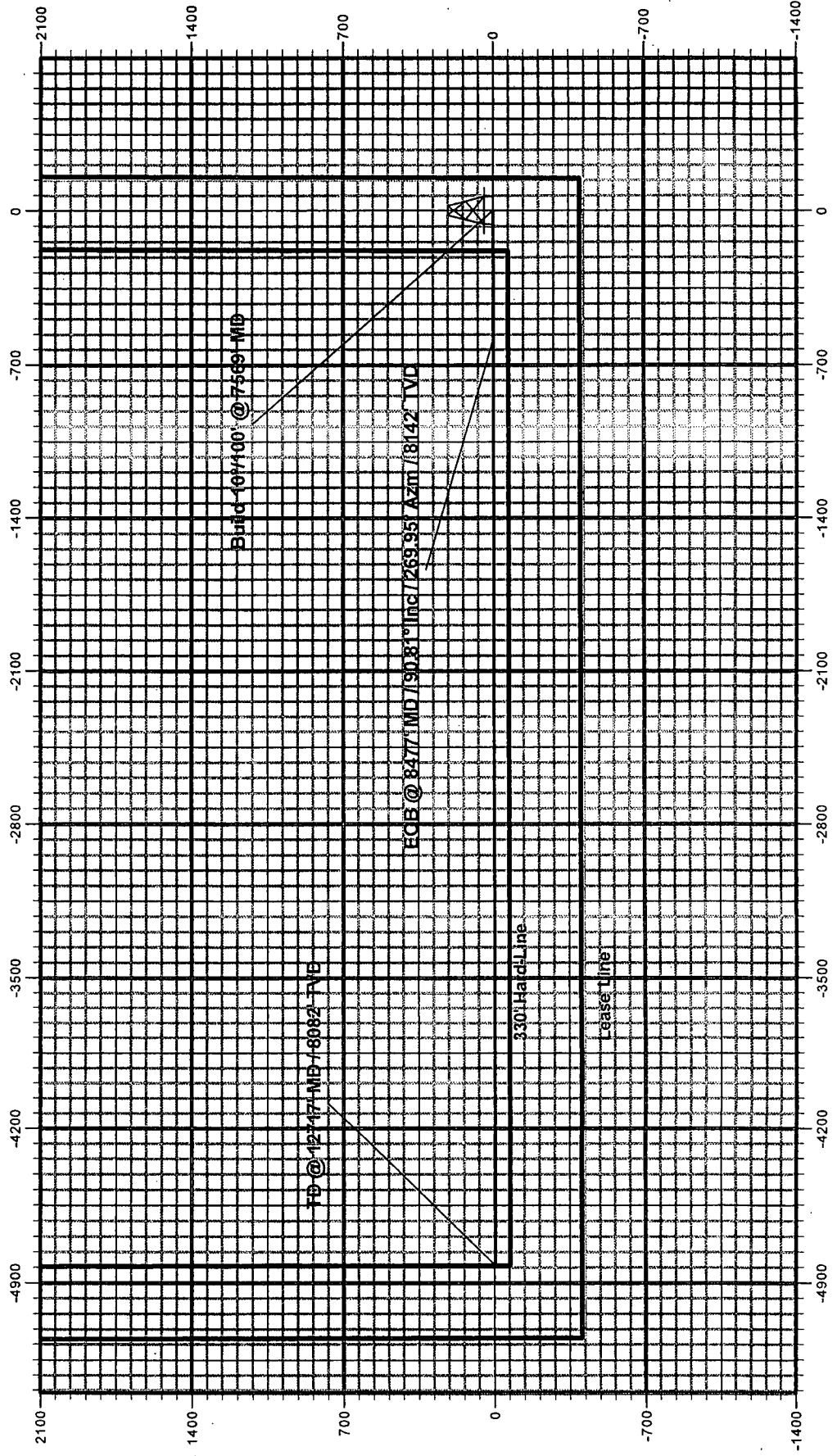
Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
10,300.0	90.81	269.95	8,116.2	-2.1	-2,403.7	2,403.7	0.00	0.00	0.00	
10,400.0	90.81	269.95	8,114.8	-2.2	-2,503.7	2,503.7	0.00	0.00	0.00	
10,500.0	90.81	269.95	8,113.4	-2.3	-2,603.7	2,603.7	0.00	0.00	0.00	
10,600.0	90.81	269.95	8,112.0	-2.4	-2,703.6	2,703.6	0.00	0.00	0.00	
10,700.0	90.81	269.95	8,110.5	-2.4	-2,803.6	2,803.6	0.00	0.00	0.00	
10,800.0	90.81	269.95	8,109.1	-2.5	-2,903.6	2,903.6	0.00	0.00	0.00	
10,900.0	90.81	269.95	8,107.7	-2.6	-3,003.6	3,003.6	0.00	0.00	0.00	
11,000.0	90.81	269.95	8,106.3	-2.7	-3,103.6	3,103.6	0.00	0.00	0.00	
11,100.0	90.81	269.95	8,104.9	-2.8	-3,203.6	3,203.6	0.00	0.00	0.00	
11,200.0	90.81	269.95	8,103.5	-2.9	-3,303.6	3,303.6	0.00	0.00	0.00	
11,300.0	90.81	269.95	8,102.1	-3.0	-3,403.6	3,403.6	0.00	0.00	0.00	
11,400.0	90.81	269.95	8,100.6	-3.1	-3,503.6	3,503.6	0.00	0.00	0.00	
11,500.0	90.81	269.95	8,099.2	-3.1	-3,603.6	3,603.6	0.00	0.00	0.00	
11,600.0	90.81	269.95	8,097.8	-3.2	-3,703.5	3,703.5	0.00	0.00	0.00	
11,700.0	90.81	269.95	8,096.4	-3.3	-3,803.5	3,803.5	0.00	0.00	0.00	
11,800.0	90.81	269.95	8,095.0	-3.4	-3,903.5	3,903.5	0.00	0.00	0.00	
11,900.0	90.81	269.95	8,093.6	-3.5	-4,003.5	4,003.5	0.00	0.00	0.00	
12,000.0	90.81	269.95	8,092.1	-3.6	-4,103.5	4,103.5	0.00	0.00	0.00	
12,100.0	90.81	269.95	8,090.7	-3.7	-4,203.5	4,203.5	0.00	0.00	0.00	
12,200.0	90.81	269.95	8,089.3	-3.7	-4,303.5	4,303.5	0.00	0.00	0.00	
12,300.0	90.81	269.95	8,087.9	-3.8	-4,403.5	4,403.5	0.00	0.00	0.00	
12,400.0	90.81	269.95	8,086.5	-3.9	-4,503.5	4,503.5	0.00	0.00	0.00	
12,500.0	90.81	269.95	8,085.1	-4.0	-4,603.5	4,603.5	0.00	0.00	0.00	
12,600.0	90.81	269.95	8,083.7	-4.1	-4,703.4	4,703.4	0.00	0.00	0.00	
12,700.0	90.81	269.95	8,082.2	-4.2	-4,803.4	4,803.4	0.00	0.00	0.00	
TD @ 12717' MD / 8082' TVD										
12,717.2	90.81	269.95	8,082.0	-4.2	-4,820.6	4,820.6	0.00	0.00	0.00	

Design Targets										
Target Name	hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL Sharps 3 Fed C	-	0.00	0.00	8,082.0	-4.2	-4,820.6	580,732.50	581,134.61	32° 35' 46.546 N	104° 4' 11.588 W
- plan hits target center	-									
- Point	-									

Plan Annotations					
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment	
		+N/-S (usft)	+E/-W (usft)		
7,569.1	7,569.1	0.0	0.0	Build 10°/100' @ 7569' MD	
8,477.2	8,142.0	-0.5	-581.1	EOB @ 8477' MD / 90.81° Inc / 269.95° Azm / 8142' TVD	
12,717.2	8,082.0	-4.2	-4,820.6	TD @ 12717' MD / 8082' TVD	

Mewbourne Oil Company

Eddy County, New Mexico
 Sharps 3 Fed Com #2H New SHL
 Quote 110609



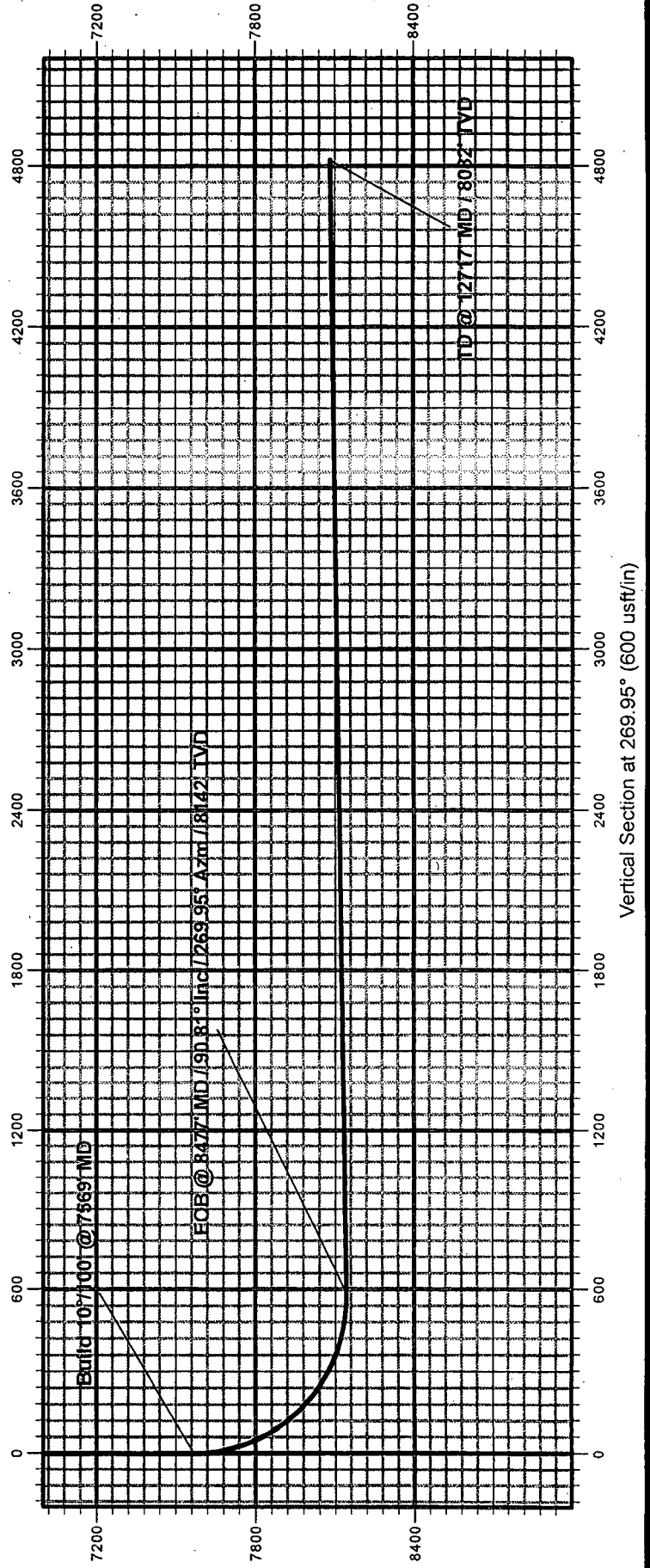
Mewbourne Oil Company



Eddy County, New Mexico

Sharps 3 Fed Com #2H New SHL

Quote 110609



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jamesbruc@aol.com

December 22, 2011

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

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

Dear Sirs:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the S½S½ of Section 3, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. You are an offset operator. If you object to the application, you must notify the Division in writing no later than 20 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 **D**