

DATE IN 12.27.11	SUSPENSE	ENGINEER DB	LOGGED IN 12.27.11	TYPE NSI	APP NO. 1136143741
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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 17744

Ruger 6" Fed Com #4H
 30-05-39686

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.

James Bruce

Print or Type Name

James Bruce
 Signature

Attorney

Title

Date

jamesbruc@aol.com

e-mail Address

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Eddy
 Fed

6-205-29E

6546

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>	Ruger 6 Fed. Com. Well No. 4
<u>Surface location:</u>	200 feet FNL & 750 feet FEL
<u>Bottom hole location:</u>	330 feet FSL & 750 feet FEL
<u>Well unit (project area):</u>	Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$, and E $\frac{1}{2}$ SE $\frac{1}{4}$ (E $\frac{1}{2}$ E $\frac{1}{2}$) of Section 6, 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 (Winchester-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 FNL. **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 Section 31, Township 19 South, Range 29 East, N.M.P.M. **Exhibit C**. Section 31 is operated by applicant. However, notice has been mailed to applicant's working interest partners in that Section (Hanley Petroleum, Inc., COG Operating LLC, and Sundown Energy, LP). **Exhibit D**.

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

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Mewbourne Oil Company

Operator Copy

Form 3160-3
(August 2007)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, 20105. Lease Serial No. **BHL**
NMNM 13237, NMNM.0144698

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
Ruger "6" Fed Com #4H9. API Well No.
300153968610. Field and Pool, or Exploratory
Winchester Bone Spring11. Sec., T. R. M. or Blk. and Survey or Area
Sec 6, T20S, R29E12. County or Parish
Eddy13. State
NM1a. Type of work: ☒ DRILL ☐ REENTER1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone2. Name of Operator **Mewbourne Oil Company**3a. Address **PO BOX 5270**
Hobbs, NM 882403b. Phone No. (include area code)
(575) 393-59054. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface **200' FNL & 750' FEL (Lot 1)**
At proposed prod. zone **330' FSL & 750' FEL (Unit P)****UNORTHODOX
LOCATION**14. Distance in miles and direction from nearest town or post office*
14.7 miles NE of Carlsbad, NM15. Distance from proposed*
location to nearest
property or lease line, ft. **200'**
(Also to nearest drig. unit line, if any)16. No. of acres in lease
16017. Spacing Unit dedicated to this well
16018. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. **705'**19. Proposed Depth
13532' MD
8973' TVD20. BLM/BIA Bond No. on file
NM1693, Nationwide21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3285' GL22. Approximate date work will start*
11/10/201123. 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:

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

25. Signature **Brett Bednarz** Name (Printed/Typed) **Brett Bednarz** Date **09/01/2011**
Title **Petroleum Engineer**

Approved by (Signature) **Wesley W. Ingram** Name (Printed/Typed) **W. W. Ingram** Date **Nov 15, 2011**
Title **for FIELD MANAGER** Office **CARLSBAD FIELD 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.

APPROVAL FOR TWO YEARS

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)

Capitan Controlled Water Basin

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL****APPROVAL SUBJECT TO****EXHIBIT****A**

DISTRICT I
1825 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 65010	Pool Name <i>undesignated</i> Winchester Bone Spring
Property Code	Property Name RUGER "6" FEDERAL COM	Well Number 4H
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3285'

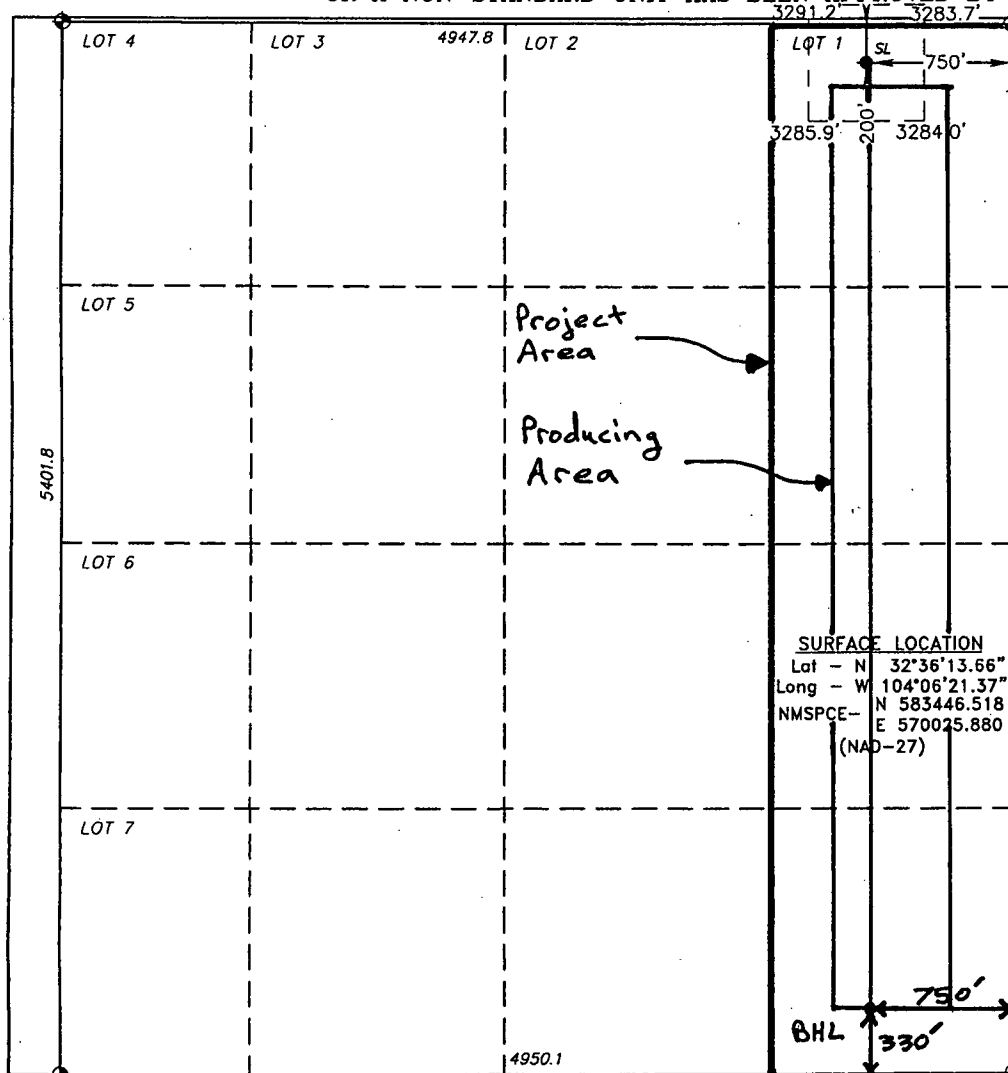
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 1	6	20 S	29 E		200	NORTH	750	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	6	20S	29E		330	SOUTH	750	EAST	Eddy
Dedicated Acres	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.

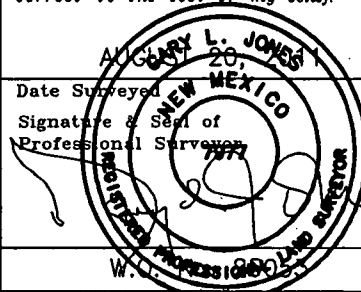
Brett Bednarz 9-18-11
Signature Date

Brett Bednarz
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.



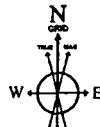
Date Surveyed
Signature & Seal of Professional Surveyor

Certificate No. Gary L. Jones 7977

BASIN SURVEYS 25053

Well Profile Data

Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	18.00	0.000	179.867	18.00	0.00	0.00	0.00	0.00
Est. KOP	8345.09	0.000	179.867	8345.09	0.00	0.00	0.00	0.00
End of Curve	9237.75	89.266	179.867	8918.00	-565.62	1.32	10.00	565.62
No. 4H PBHL	13531.82	89.266	179.867	8973.00	-4859.32	11.30	0.00	4859.34



BGGM (1945.0 to 2012.0) Dip: 60.45° Field: 48793.6 nT
Magnetic North is 7.89 degrees East of True North (at 9/2/2011)
Grid North is 0.12 degrees East of True North
To correct azimuth from True to Grid subtract 0.12 degrees
To correct azimuth from Magnetic to Grid add 7.77 degrees
For example: if the Magnetic North Azimuth = 90 degs, then the Grid North Azimuth = 90 + 7.77 = 97.77

Plot reference wellpath is Prelim 1	Grid System: NAD27 / TM New Mexico SP, Eastern Zone (3001), US feet
True vertical depths are referenced to Rls on No. 4H SHL (RKB)	North Reference: Grid north
Measured depths are referenced to Rls on No. 4H SHL (RKB)	Scale: True distance
Rls on No. 4H SHL (RKB) to Mean Sea Level 3303 feet	Depths are in feet
Mean Sea Level to Mud line (At Slot: No. 4H SHL: 0 feet)	Created by: pathphk on 9/2/2011
Coordinates are in feet referenced to J5d	

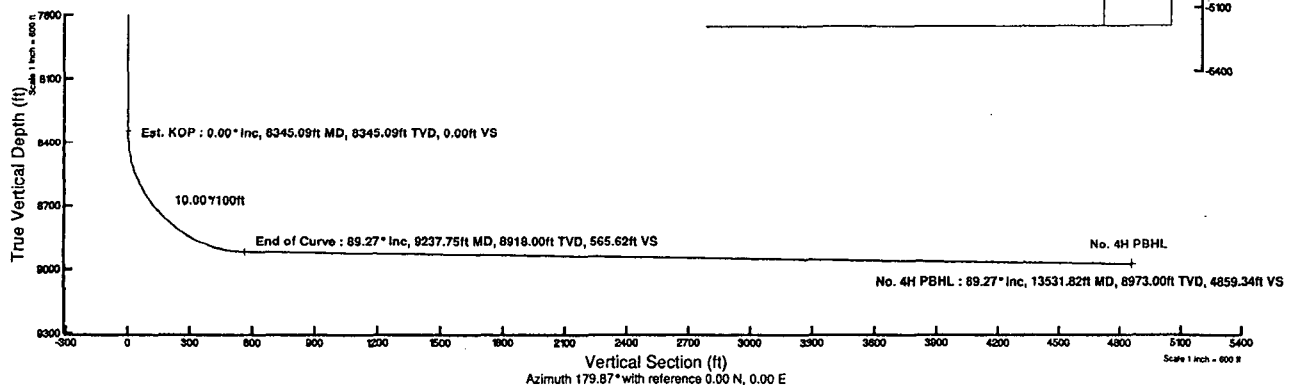
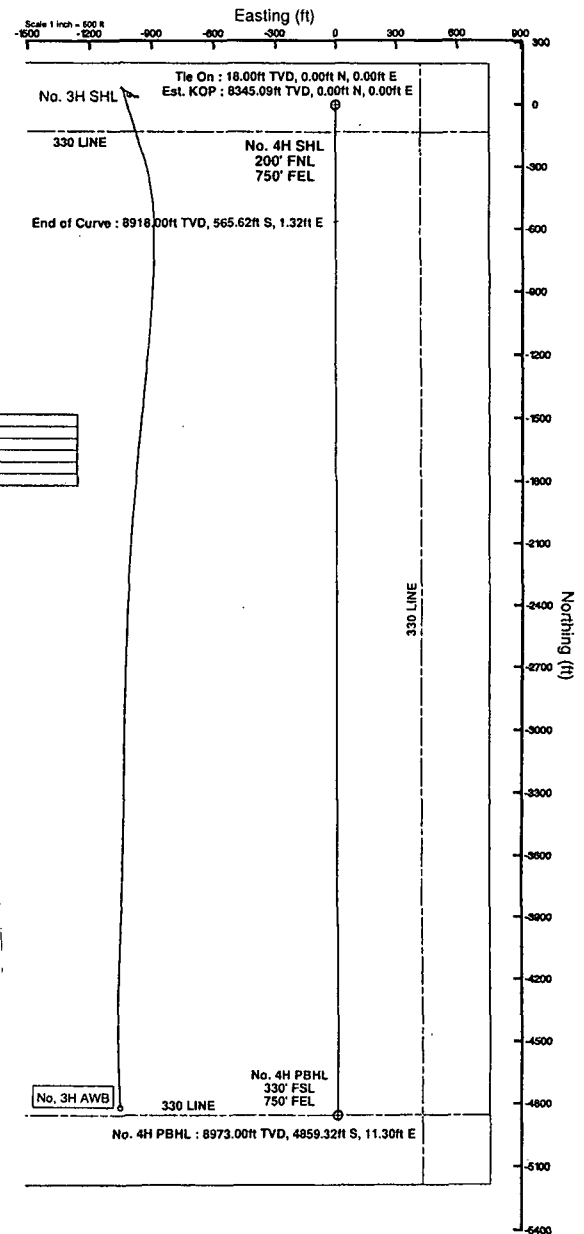


EXHIBIT B

Clearance Report

Mewbourne Oil Company

Prelim_1
Closest Approach
Page 1 of 6



REFERENCE WELLPATH IDENTIFICATION

Operator	Mewbourne Oil Company	Slot	No. 4H SHL
Area	Eddy County, NM	Well	No. 4H
Field	(Ruger) Sec 6, T20S, R29E	Wellbore	No. 4H PWB
Facility	Ruger 6 Federal Com		

REPORT SETUP INFORMATION

Projection System	NAD27 / TM New Mexico SP, Eastern Zone (3001), US feet	Software System	WellArchitect@ 3.0.0
North Reference	Grid	User	Calhphik
Scale	0.999915	Report Generated	9/2/2011 at 9:59:05 AM
Convergence at slot	0.12° East	Database/Source file	WA_Midland/No. 4H_PWB_CR.xml

WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	East[ft]	Easting[US ft]	Northing[US ft]	Latitude	Longitude
Slot Location	-50.70	1004.78	569465.50	585501.40	32°36'34.003"N	104°06'27.873"W
Facility Reference Pt			568460.81	585552.10	32°36'34.526"N	104°06'39.618"W
Field Reference Pt			568460.81	585552.10	32°36'34.526"N	104°06'39.618"W

WELLPATH DATUM

Calculation method	Minimum Curvature	Rig on No. 4H SHL (RKB) to GL	3303.00ft
Horizontal Reference Pt	Slot	Rig on No. 4H SHL (RKB) to Mean Sea Level	3303.00ft
Vertical Reference Pt	Rig on No. 4H SHL (RKB)	Rig on No. 4H SHL (RKB) to Mud Line at Slot (No. 4H SHL)	3303.00ft
MD Reference Pt	Rig on No. 4H SHL (RKB)		
Field Vertical Reference	Mean Sea Level		

POSITIONAL UNCERTAINTY CALCULATION SETTINGS

Ellipse Confidence Limit	3.00 Std Dev	Ellipse Start MD	3303.00ft	Surface Position Uncertainty	included
Declination	7.89° East of TN	Dip Angle	60.45°	Mag Field Strength	48794 nT
Slot Surface Uncertainty @1SD		Horizontal	0.100ft	Vertical	0.100ft
Facility Surface Uncertainty @1SD		Horizontal	8.200ft	Vertical	1.000ft

ANTI-COLLISION RULE

Rule Name	R-type Stop Drilling, Closest Approach w/Hole&Csg Limit:1.0, StdDev:3.00 w/Surface Uncert R=(D-HnC)/PU	Rule Based On	Ratio
Plane of Rule	Closest Approach	Threshold Value	1.00
Subtract Casing & Hole Size	yes	Apply Cone of Safety	no

SURVEY PROGRAM - Ref Wellbore: No. 4H PWB Ref Wellpath: Prelim_1

Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
3303.00	13531.82	NaviTrak (Standard)		No. 4H PWB

Clearance Report

 Mewbourne Oil Company

Prelim_1
Closest Approach
Page 2 of 6



REFERENCE WELLPATH IDENTIFICATION

Operator	Mewbourne Oil Company	Slot	No. 4H SHL
Area	Eddy County, NM	Well	No. 4H
Field	(Ruger) Sec 6, T20S, R29E	Wellbore	No. 4H PWB
Facility	Ruger 6 Federal Com		

CALCULATION RANGE & CUTOFF

From: 18.00ft MD	To: 13531.82ft MD	C-C Cutoff: (none)
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OFFSET WELL CLEARANCE SUMMARY (1 Offset Wellpath selected) Ratios are calculated in Closest Approach plane

Offset Facility	Offset Slot	Offset Well	Offset Wellbore	Offset Wellpath	C-C Clearance Distance			ACR Separation Ratio			
					Ref MD [ft]	Min C-C Clear Dist [ft]	Diverging from MD [ft]	Ref MD of Min Ratio [ft]	Min Ratio	Min Ratio Dvrg from [ft]	ACR Status
Ruger 6 Federal Com	No. 3H SHL	No. 3H	No. 3H AWB	No. 3H AWP	9241.76	887.58	13518.00	13531.82	3.42	13531.82	PASS

Clearance Report

MOC Mewbourne Oil Company

Prelim_1
Closest Approach
Page 3 of 6



REFERENCE WELLPATH IDENTIFICATION

Operator	Mewbourne Oil Company	Slot	No. 4H SHL
Area	Eddy County, NM	Well	No. 4H
Field	(Ruger) Sec 6, T20S, R29E	Wellbore	No. 4H PWB
Facility	Ruger 6 Federal Com		

CLEARANCE DATA - Offset Wellbore: No. 3H AWB Offset Wellpath: No. 3H AWP

Facility: Ruger 6 Federal Com Slot: No. 3H SHL Well: No. 3H Threshold Value=1.00 † = interpolated/extrapolated station												
Ref MD [ft]	Ref TVD [ft]	Ref North [ft]	Ref East [ft]	Offset MD [ft]	Offset TVD [ft]	Offset North [ft]	Offset East [ft]	Horiz Bearing [°]	C-C Clear Dist [ft]	Sep Ratio	ACR MASD [ft]	ACR Status
18.00	18.00	0.00	0.00	25.72	17.72	50.70	-1004.78	272.89	1006.06	NA	0.00	NA
118.00†	118.00	0.00	0.00	124.27	116.26	49.62	-1005.00	272.83	1006.22	NA	0.00	NA
218.00†	218.00	0.00	0.00	231.21	223.19	48.16	-1004.99	272.74	1006.15	NA	0.00	NA
318.00†	318.00	0.00	0.00	347.26	339.23	46.74	-1003.58	272.67	1004.89	NA	0.00	NA
418.00†	418.00	0.00	0.00	455.77	447.68	45.36	-1000.66	272.60	1002.13	NA	0.00	NA
518.00†	518.00	0.00	0.00	561.63	553.49	44.53	-997.37	272.56	998.99	NA	0.00	NA
618.00†	618.00	0.00	0.00	672.01	663.78	43.96	-992.89	272.54	994.92	NA	0.00	NA
718.00†	718.00	0.00	0.00	774.05	765.70	44.01	-987.97	272.55	990.10	NA	0.00	NA
818.00†	818.00	0.00	0.00	877.85	869.37	43.38	-982.85	272.53	985.15	NA	0.00	NA
918.00†	918.00	0.00	0.00	973.88	965.28	43.19	-977.93	272.53	980.03	NA	0.00	NA
1018.00†	1018.00	0.00	0.00	1064.81	1056.11	42.86	-973.94	272.52	975.63	NA	0.00	NA
1118.00†	1118.00	0.00	0.00	1156.21	1147.46	42.99	-970.79	272.54	972.19	NA	0.00	NA
1218.00†	1218.00	0.00	0.00	1247.69	1238.91	43.07	-968.39	272.55	969.57	NA	0.00	NA
1318.00†	1318.00	0.00	0.00	1341.72	1332.92	42.95	-966.75	272.54	967.82	NA	0.00	NA
1418.00†	1418.00	0.00	0.00	1438.07	1429.27	42.63	-965.39	272.53	966.40	NA	0.00	NA
1518.00†	1518.00	0.00	0.00	1532.54	1523.72	42.06	-964.63	272.50	965.56	NA	0.00	NA
1618.00†	1618.00	0.00	0.00	1630.07	1621.26	41.38	-964.22	272.46	965.11	NA	0.00	NA
1718.00†	1718.00	0.00	0.00	1728.93	1720.11	40.42	-964.00	272.40	964.85	NA	0.00	NA
1818.00†	1818.00	0.00	0.00	1829.01	1820.19	39.47	-963.83	272.35	964.64	NA	0.00	NA
1918.00†	1918.00	0.00	0.00	1930.41	1921.58	38.63	-963.56	272.30	964.34	NA	0.00	NA
2018.00†	2018.00	0.00	0.00	2030.49	2021.66	37.97	-963.17	272.26	963.93	NA	0.00	NA
2118.00†	2118.00	0.00	0.00	2128.76	2119.93	37.45	-962.93	272.23	963.66	NA	0.00	NA
2218.00†	2218.00	0.00	0.00	2228.75	2219.92	37.18	-962.76	272.21	963.48	NA	0.00	NA
2318.00†	2318.00	0.00	0.00	2328.94	2320.11	36.78	-962.52	272.19	963.23	NA	0.00	NA
2418.00†	2418.00	0.00	0.00	2426.69	2417.86	36.53	-962.44	272.17	963.13	NA	0.00	NA
2518.00†	2518.00	0.00	0.00	2524.66	2515.83	36.28	-962.56	272.16	963.25	NA	0.00	NA
2618.00†	2618.00	0.00	0.00	2620.95	2612.12	36.09	-962.90	272.15	963.60	NA	0.00	NA
2718.00†	2718.00	0.00	0.00	2711.88	2703.04	36.12	-963.92	272.15	964.71	NA	0.00	NA
2818.00†	2818.00	0.00	0.00	2808.38	2799.52	36.47	-965.60	272.16	966.47	NA	0.00	NA
2918.00†	2918.00	0.00	0.00	2911.96	2903.08	36.46	-967.42	272.16	968.22	NA	0.00	NA
3018.00†	3018.00	0.00	0.00	3019.27	3010.39	35.97	-968.64	272.13	969.33	NA	0.00	NA
3118.00†	3118.00	0.00	0.00	3119.79	3110.91	35.58	-969.35	272.10	970.03	NA	0.00	NA
3218.00†	3218.00	0.00	0.00	3215.65	3206.77	35.36	-970.30	272.09	971.01	NA	0.00	NA
3318.00†	3318.00	0.00	0.00	3316.12	3307.23	35.33	-971.44	272.08	972.15	1453.79	0.67	PASS
3418.00†	3418.00	0.00	0.00	3417.03	3408.13	35.37	-972.53	272.08	973.23	942.03	1.03	PASS
3518.00†	3518.00	0.00	0.00	3519.36	3510.45	35.40	-973.42	272.08	974.09	573.03	1.70	PASS
3618.00†	3618.00	0.00	0.00	3618.90	3609.98	35.42	-974.21	272.08	974.89	401.65	2.43	PASS
3718.00†	3718.00	0.00	0.00	3718.67	3709.75	35.42	-975.07	272.08	975.75	308.08	3.17	PASS
3818.00†	3818.00	0.00	0.00	3821.02	3812.11	35.41	-975.78	272.08	976.44	248.57	3.93	PASS
3918.00†	3918.00	0.00	0.00	3921.11	3912.19	35.42	-976.44	272.08	977.10	210.87	4.63	PASS
4018.00†	4018.00	0.00	0.00	4024.94	4016.02	35.50	-976.77	272.08	977.41	179.62	5.44	PASS
4118.00†	4118.00	0.00	0.00	4121.75	4112.83	35.77	-977.08	272.10	977.74	158.96	6.15	PASS
4218.00†	4218.00	0.00	0.00	4216.69	4207.77	36.48	-977.84	272.14	978.58	143.11	6.84	PASS
4318.00†	4318.00	0.00	0.00	4316.89	4307.96	37.83	-978.83	272.21	979.61	130.14	7.53	PASS
4418.00†	4418.00	0.00	0.00	4415.41	4406.47	39.06	-979.81	272.28	980.66	119.59	8.20	PASS

Clearance Report

MOC Mewbourne Oil Company

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Closest Approach
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REFERENCE WELLPATH IDENTIFICATION

Operator	Mewbourne Oil Company	Slot	No. 4H SHL
Area	Eddy County, NM	Well	No. 4H
Field	(Ruger) Sec 6, T20S, R29E	Wellbore	No. 4H PWB
Facility	Ruger 6 Federal Com		

CLEARANCE DATA - Offset Wellbore: No, 3H AWB Offset Wellpath: No, 3H AWP

Facility: Ruger 6 Federal Com Slot: No. 3H SHL Well: No. 3H Threshold Value=1.00 † = interpolated/extrapolated station

Ref MD [ft]	Ref TVD [ft]	Ref North [ft]	Ref East [ft]	Offset MD [ft]	Offset TVD [ft]	Offset North [ft]	Offset East [ft]	Horiz Bearing [°]	C-C Clear Dist [ft]	Sep Ratio	ACR MASD [ft]	ACR Status
4518.00†	4518.00	0.00	0.00	4508.46	4499.49	40.37	-981.21	272.36	982.21	110.51	8.89	PASS
4618.00†	4618.00	0.00	0.00	4606.49	4597.49	41.92	-983.09	272.44	984.20	102.43	9.61	PASS
4718.00†	4718.00	0.00	0.00	4704.96	4695.93	43.40	-985.16	272.52	986.36	95.53	10.33	PASS
4818.00†	4818.00	0.00	0.00	4802.50	4793.44	44.85	-987.40	272.60	988.72	89.52	11.04	PASS
4918.00†	4918.00	0.00	0.00	4899.55	4890.42	46.60	-989.87	272.70	991.35	84.30	11.76	PASS
5018.00†	5018.00	0.00	0.00	4990.30	4981.10	48.84	-992.71	272.82	994.60	79.88	12.45	PASS
5118.00†	5118.00	0.00	0.00	5085.90	5076.59	51.67	-996.35	272.97	998.55	75.82	13.17	PASS
5218.00†	5218.00	0.00	0.00	5186.30	5176.87	54.57	-1000.37	273.12	1002.70	72.13	13.90	PASS
5318.00†	5318.00	0.00	0.00	5290.86	5281.32	57.01	-1004.31	273.25	1006.60	68.68	14.66	PASS
5418.00†	5418.00	0.00	0.00	5397.94	5388.33	58.91	-1007.74	273.35	1009.90	65.46	15.43	PASS
5518.00†	5518.00	0.00	0.00	5502.73	5493.08	60.78	-1010.45	273.44	1012.58	62.58	16.18	PASS
5618.00†	5618.00	0.00	0.00	5599.27	5589.57	62.46	-1012.89	273.53	1015.22	60.07	16.90	PASS
5718.00†	5718.00	0.00	0.00	5698.06	5688.30	64.04	-1015.63	273.61	1018.08	57.74	17.63	PASS
5818.00†	5818.00	0.00	0.00	5794.78	5784.97	65.44	-1018.51	273.68	1021.15	55.60	18.36	PASS
5918.00†	5918.00	0.00	0.00	5895.59	5885.72	66.88	-1021.66	273.75	1024.35	53.59	19.11	PASS
6018.00†	6018.00	0.00	0.00	5987.51	5977.58	68.30	-1024.80	273.81	1027.87	51.83	19.83	PASS
6118.00†	6118.00	0.00	0.00	6086.39	6076.37	69.79	-1028.70	273.88	1031.91	50.13	20.58	PASS
6218.00†	6218.00	0.00	0.00	6187.58	6177.47	71.11	-1032.65	273.94	1035.89	48.54	21.34	PASS
6318.00†	6318.00	0.00	0.00	6298.55	6288.37	71.80	-1036.42	273.96	1039.32	46.92	22.15	PASS
6418.00†	6418.00	0.00	0.00	6391.21	6380.99	72.70	-1039.31	274.00	1042.51	45.56	22.88	PASS
6518.00†	6518.00	0.00	0.00	6498.47	6488.17	74.65	-1042.68	274.10	1045.78	44.21	23.66	PASS
6618.00†	6618.00	0.00	0.00	6612.10	6601.78	76.50	-1045.06	274.19	1047.98	42.88	24.44	PASS
6718.00†	6718.00	0.00	0.00	6722.36	6712.03	77.28	-1046.03	274.23	1048.90	41.60	25.22	PASS
6818.00†	6818.00	0.00	0.00	6820.52	6810.18	77.53	-1046.69	274.24	1049.59	40.44	25.96	PASS
6918.00†	6918.00	0.00	0.00	6921.56	6911.23	77.53	-1047.39	274.23	1050.28	39.32	26.71	PASS
7018.00†	7018.00	0.00	0.00	7022.43	7012.08	77.31	-1048.05	274.22	1050.91	38.28	27.45	PASS
7118.00†	7118.00	0.00	0.00	7126.39	7116.05	76.96	-1048.47	274.20	1051.29	37.35	28.15	PASS
7218.00†	7218.00	0.00	0.00	7230.30	7219.96	76.09	-1048.51	274.15	1051.27	36.61	28.71	PASS
7318.00†	7318.00	0.00	0.00	7334.38	7324.03	75.50	-1048.21	274.12	1050.95	36.04	29.16	PASS
7418.00†	7418.00	0.00	0.00	7434.49	7424.13	75.88	-1047.39	274.14	1050.15	35.49	29.59	PASS
7518.00†	7518.00	0.00	0.00	7524.17	7513.81	77.14	-1047.26	274.21	1050.10	34.88	30.11	PASS
7618.00†	7618.00	0.00	0.00	7620.25	7609.87	79.11	-1047.79	274.32	1050.80	34.20	30.73	PASS
7718.00†	7718.00	0.00	0.00	7728.28	7717.89	80.44	-1048.08	274.39	1051.16	33.53	31.35	PASS
7818.00†	7818.00	0.00	0.00	7834.59	7824.18	81.66	-1047.71	274.46	1050.91	32.95	31.89	PASS
7918.00†	7918.00	0.00	0.00	7938.09	7927.67	83.04	-1046.67	274.54	1050.01	32.44	32.36	PASS
8018.00†	8018.00	0.00	0.00	8040.35	8029.92	83.84	-1045.75	274.58	1049.18	31.99	32.80	PASS
8118.00†	8118.00	0.00	0.00	8156.53	8146.07	83.66	-1043.60	274.58	1047.32	31.54	33.20	PASS
8218.00†	8218.00	0.00	0.00	8263.75	8253.23	82.54	-1040.21	274.54	1044.07	31.08	33.59	PASS
8318.00†	8318.00	0.00	0.00	8365.67	8354.99	78.02	-1037.63	274.30	1041.22	30.67	33.95	PASS
8345.09	8345.09	0.00	0.00	8416.39	8405.06	70.22	-1035.82	273.88	1039.93	30.58	34.00	PASS
8418.00†	8417.80	-4.63	0.01	8679.26	8643.94	-30.35	-1006.92	268.54	1032.33	30.39	33.96	PASS
8518.00†	8515.39	-25.89	0.06	8822.05	8746.63	-123.69	-975.54	264.28	1007.39	28.69	35.11	PASS
8618.00†	8607.80	-63.78	0.15	8945.40	8817.59	-220.41	-947.53	260.62	983.18	26.52	37.07	PASS
8718.00†	8692.22	-117.13	0.27	9044.28	8856.09	-307.82	-922.64	258.33	956.55	24.16	39.58	PASS
8818.00†	8766.10	-184.33	0.43	9085.42	8867.43	-346.24	-913.35	259.95	933.53	22.47	41.55	PASS

Clearance Report

MOC Mewbourne Oil Company

Prelim_1
Closest Approach
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REFERENCE WELLPATH IDENTIFICATION

Operator	Mewbourne Oil Company	Slot	No. 4H SHL
Area	Eddy County, NM	Well	No. 4H
Field	(Ruger) Sec 6, T20S, R29E	Wellbore	No. 4H PWB
Facility	Ruger 6 Federal Com		

CLEARANCE DATA - Offset Wellbore: No, 3H AWB Offset Wellpath: No, 3H AWP

Facility: Ruger 6 Federal Com Slot: No. 3H SHL Well: No. 3H Threshold Value=1.00 † = interpolated/extrapolated station

Ref MD [ft]	Ref TVD [ft]	Ref North [ft]	Ref East [ft]	Offset MD [ft]	Offset TVD [ft]	Offset North [ft]	Offset East [ft]	Horiz Bearing [°]	C-C Clear Dist [ft]	Sep Ratio	ACR MASD [ft]	ACR Status
8918.00†	8827.19	-263.35	0.61	9136.83	8878.16	-395.76	-904.71	261.68	916.38	20.83	43.99	PASS
9018.00†	8873.63	-351.77	0.82	9210.52	8886.61	-468.16	-894.21	262.59	902.66	19.11	47.23	PASS
9118.00†	8904.01	-446.91	1.04	9265.02	8891.13	-522.12	-888.04	265.16	892.35	17.73	50.32	PASS
9218.00†	8917.41	-545.88	1.27	9305.93	8893.67	-562.90	-886.06	268.90	887.81	16.66	53.28	PASS
9237.75	8918.00	-565.62	1.32	9316.09	8894.08	-573.05	-885.93	269.52	887.60	16.46	53.94	PASS
9241.76†	8918.05	-569.63	1.32	9317.20	8894.12	-574.16	-885.92	269.71	887.58	16.42	54.04	PASS
9318.00†	8919.03	-645.86	1.50	9381.02	8895.39	-637.96	-886.40	270.51	888.25	15.49	57.33	PASS
9418.00†	8920.31	-745.85	1.73	9474.53	8897.78	-731.44	-887.12	270.93	889.26	14.32	62.12	PASS
9518.00†	8921.59	-845.84	1.97	9545.51	8898.08	-802.36	-889.77	272.79	893.11	13.45	66.38	PASS
9618.00†	8922.87	-945.83	2.20	9644.64	8900.84	-901.34	-894.09	272.84	897.66	12.52	71.68	PASS
9718.00†	8924.15	-1045.83	2.43	9738.86	8903.96	-995.34	-899.63	273.20	903.70	11.74	76.95	PASS
9818.00†	8925.43	-1145.82	2.66	9821.96	8907.09	-1078.20	-905.13	274.26	910.50	11.11	81.92	PASS
9918.00†	8926.71	-1245.81	2.90	9894.83	8908.76	-1150.76	-911.72	275.93	919.72	10.63	86.54	PASS
10018.00†	8927.99	-1345.80	3.13	9991.94	8908.29	-1247.35	-921.58	276.08	930.15	10.10	92.13	PASS
10118.00†	8929.28	-1445.79	3.36	10101.35	8910.60	-1356.18	-932.65	275.47	940.48	9.57	98.29	PASS
10218.00†	8930.56	-1545.78	3.59	10200.25	8914.01	-1454.60	-941.73	275.51	949.86	9.12	104.10	PASS
10318.00†	8931.84	-1645.77	3.83	10294.51	8918.73	-1548.24	-951.32	275.83	960.20	8.75	109.75	PASS
10418.00†	8933.12	-1745.77	4.06	10407.07	8920.63	-1660.31	-961.58	275.06	969.49	8.34	116.21	PASS
10518.00†	8934.40	-1845.76	4.29	10504.78	8922.21	-1757.65	-969.84	275.17	978.18	8.01	122.08	PASS
10618.00†	8935.68	-1945.75	4.53	10603.96	8925.12	-1856.42	-978.66	275.19	987.29	7.71	128.05	PASS
10718.00†	8936.96	-2045.74	4.76	10707.14	8927.81	-1959.11	-988.10	274.99	996.67	7.43	134.21	PASS
10818.00†	8938.24	-2145.73	4.99	10832.54	8933.01	-2084.09	-997.14	273.52	1004.04	7.11	141.30	PASS
10918.00†	8939.52	-2245.72	5.22	10939.42	8935.21	-2190.74	-1003.74	273.12	1010.47	6.84	147.65	PASS
11018.00†	8940.80	-2345.72	5.46	11049.91	8938.23	-2301.05	-1009.34	272.52	1015.78	6.59	154.15	PASS
11118.00†	8942.08	-2445.71	5.69	11154.88	8941.57	-2405.84	-1014.11	272.24	1020.57	6.36	160.46	PASS
11218.00†	8943.36	-2545.70	5.92	11259.03	8946.78	-2509.79	-1017.57	272.01	1024.12	6.14	166.74	PASS
11318.00†	8944.64	-2645.69	6.15	11362.66	8950.67	-2613.29	-1021.13	271.81	1027.81	5.94	173.01	PASS
11418.00†	8945.93	-2745.68	6.39	11469.75	8952.90	-2720.33	-1024.27	271.41	1030.99	5.75	179.42	PASS
11518.00†	8947.21	-2845.67	6.62	11586.06	8955.51	-2836.60	-1026.01	270.50	1032.70	5.55	186.14	PASS
11618.00†	8948.49	-2945.66	6.85	11672.75	8955.59	-2923.25	-1027.40	271.24	1034.52	5.39	191.87	PASS
11718.00†	8949.77	-3045.66	7.08	11787.21	8954.37	-3037.70	-1029.58	270.44	1036.71	5.22	198.55	PASS
11818.00†	8951.05	-3145.65	7.32	11899.24	8955.78	-3149.69	-1029.46	269.78	1036.79	5.05	205.12	PASS
11918.00†	8952.33	-3245.64	7.55	11984.75	8958.25	-3235.19	-1029.56	270.58	1037.18	4.92	210.86	PASS
12018.00†	8953.61	-3345.63	7.78	12070.02	8959.66	-3320.43	-1031.06	271.39	1039.17	4.80	216.56	PASS
12118.00†	8954.89	-3445.62	8.01	12171.92	8961.04	-3422.27	-1033.93	271.28	1042.22	4.68	222.83	PASS
12218.00†	8956.17	-3545.61	8.25	12276.49	8967.81	-3526.58	-1034.95	271.05	1043.43	4.55	229.20	PASS
12318.00†	8957.45	-3645.61	8.48	12365.81	8971.39	-3615.82	-1037.48	271.63	1046.48	4.45	235.02	PASS
12418.00†	8958.73	-3745.60	8.71	12473.04	8974.19	-3722.96	-1039.47	271.24	1048.54	4.34	241.50	PASS
12518.00†	8960.01	-3845.59	8.94	12567.36	8975.56	-3817.24	-1041.87	271.55	1051.31	4.25	247.52	PASS
12618.00†	8961.30	-3945.58	9.18	12652.65	8975.94	-3902.50	-1044.94	272.34	1055.10	4.17	253.18	PASS
12718.00†	8962.58	-4045.57	9.41	12742.13	8974.46	-3991.88	-1048.89	272.90	1059.73	4.09	258.97	PASS
12818.00†	8963.86	-4145.56	9.64	12867.65	8973.17	-4117.29	-1053.54	271.52	1063.60	4.00	266.23	PASS
12918.00†	8965.14	-4245.55	9.87	12961.98	8972.90	-4211.58	-1056.20	271.83	1066.64	3.92	272.25	PASS
13018.00†	8966.42	-4345.55	10.11	13074.09	8972.59	-4323.62	-1059.48	271.17	1069.83	3.84	278.95	PASS
13118.00†	8967.70	-4445.54	10.34	13184.55	8973.86	-4434.08	-1060.92	270.61	1071.34	3.75	285.55	PASS

Clearance Report

 Mewbourne Oil Company

Prelim_1
Closest Approach
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REFERENCE WELLPATH IDENTIFICATION

Operator	Mewbourne Oil Company	Slot	No. 4H SHL
Area	Eddy County, NM	Well	No. 4H
Field	(Ruger) Sec 6, T20S, R29E	Wellbore	No. 4H PWB
Facility	Ruger 6 Federal Com		

CLEARANCE DATA - Offset Wellbore: No, 3H AWB Offset Wellpath: No, 3H AWP

Facility: Ruger 6 Federal Com Slot: No. 3H SHL Well: No. 3H Threshold Value=1.00 † = interpolated/extrapolated station												
Ref MD [ft]	Ref TVD [ft]	Ref North [ft]	Ref East [ft]	Offset MD [ft]	Offset TVD [ft]	Offset North [ft]	Offset East [ft]	Horiz Bearing [°]	C-C Clear Dist [ft]	Sep Ratio	ACR MASD [ft]	ACR Status
13218.00†	8968.98	-4545.53	10.57	13322.36	8974.36	-4571.84	-1059.31	268.59	1070.22	3.65	292.90	PASS
13318.00†	8970.26	-4645.52	10.80	13443.55	8972.14	-4692.95	-1055.16	267.45	1067.02	3.56	299.61	PASS
13418.00†	8971.54	-4745.51	11.04	13546.29	8971.41	-4795.58	-1050.79	267.30	1063.01	3.47	305.91	PASS
13518.00†	8972.82	-4845.50	11.27	13575.00	8971.36	-4824.26	-1049.44	271.15	1060.92	3.42	310.22	PASS
13531.82	8973.00	-4859.32	11.30	13575.00	8971.36	-4824.26	-1049.44	271.89	1061.32	3.42	310.55	PASS

POSITIONAL UNCERTAINTY - Offset Wellbore: No, 3H AWB Offset Wellpath: No, 3H AWP

Slot Surface Uncertainty @1SD	Horizontal	0.100ft	Vertical	0.100ft
Facility Surface Uncertainty @1SD	Horizontal	8.200ft	Vertical	1.000ft

WELLPATH COMPOSITION - Offset Wellbore: No, 3H AWB Offset Wellpath: No, 3H AWP

Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
17.00	8229.00	Generic gyro - northseeking (Standard)	Gyro	No, 3H AWB
8229.00	13575.00	NaviTrak (Standard)	MWD	No, 3H AWB

OFFSET WELLPATH MD REFERENCE - Offset Wellbore: No, 3H AWB Offset Wellpath: No, 3H AWP

MD Reference: Rig on No. 3h SHL (KB)	Offset TVD & local coordinates use Reference Wellpath settings (See WELLPATH DATUM on page 1 of this report)
Ellipse Start MD	

JAMES BRUCE
ATTORNEY AT LAW

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December 22, 2011

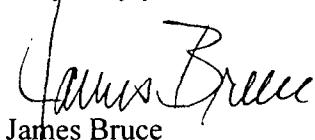
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the E½E½ of Section 6, 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 interest owner. 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

Exhibit A

Hanley Petroleum, Inc.
Suite 1500
415 West Wall Street
Midland, Texas 79701

COG Operating LLC
Suite 100
550 West Texas Avenue
Midland, Texas 79701

Sundown Energy, LP
Suite 2000
13455 Noel Road
Dallas, Texas 75240