

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 272877

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

1. Operator Name and Address MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241		2. OGRID Number 14744
4. Property Code 326189		3. API Number 30-015-46353
5. Property Name STARSHIP 28 21 W00B FEE		6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	28	23S	28E	P	215	S	1200	E	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	21	23S	28E	B	330	N	1350	E	Eddy

9. Pool Information

PURPLE SAGE;WOLFCAMP (GAS)	98220
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Additional Well Information

11. Work Type New Well	12. Well Type GAS	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3063
16. Multiple N	17. Proposed Depth 19629	18. Formation Wolfcamp	19. Contractor	20. Spud Date 11/1/2019
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	525	420	0
Int1	12.25	9.625	36	2500	530	0
Prod	8.75	7	29	9667	830	2300
Liner1	6.125	4.5	13.5	19629	420	9078

Casing/Cement Program: Additional Comments

MOC proposed to drill & test the Wolfcamp formation. H2S rule 118 does not apply because MOC has researched the area & no high concentrations were found. Will have on location & working all H2S safety equipment before Yates formation for safety & insurance purposes. Will stimulate as needed for production.

22. Proposed Blowout Prevention Program

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

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ , if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Monty Whetstone	Approved By: Raymond Podany
Title: Vice President Operations	Title: Geologist
Email Address: prodmgr@mewbourne.com	Approved Date: 10/8/2019 Expiration Date: 10/8/2021
Date: 10/2/2019 Phone: 903-561-2900	Conditions of Approval Attached

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Form C-102
 August 1, 2011
 Permit 272877

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-46353	2. Pool Code 98220	3. Pool Name PURPLE SAGE;WOLFCAMP (GAS)
4. Property Code 326189	5. Property Name STARSHIP 28 21 W00B FEE	6. Well No. 001H
7. OGRID No. 14744	8. Operator Name MEWBORNE OIL CO	9. Elevation 3063

10. Surface Location

UL - Lot P	Section 28	Township 23S	Range 28E	Lot Idn P	Feet From 215	N/S Line S	Feet From 1200	E/W Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot B	Section 21	Township 23S	Range 28E	Lot Idn B	Feet From 330	N/S Line N	Feet From 1350	E/W Line E	County Eddy
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12. Dedicated Acres 640.00	13. Joint or Infill	14. Consolidation Code	15. Order No.
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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>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(s) 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> E-Signed By: Monty Whetstone Title: Vice President Operations Date: 10/2/2019
	SURVEYOR CERTIFICATION <i>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.</i> Surveyed By: Robert Howett Date of Survey: 11/1/2017 Certificate Number: 19680

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GAS CAPTURE PLAN

Date: 10/8/2019

☒ Original

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

☐ Amended - Reason for
Amendment: _____

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

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

Well(s)/Production Facility – Name of facility

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

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
STARSHIP 28 21 WOOB FEE #001H	30-015-46353	P-28-23S-28E	0215S 1200E	500	None	ONLINE AFTER FRAC

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to SENDERO CARLSBAD NGL, LLC and will be connected to SENDERO CARLSBAD NGL, LLC High Pressure gathering system located in Eddy County, New Mexico. It will require 3400' of pipeline to connect the facility to High Pressure gathering system. MEWBOURNE OIL CO provides (periodically) to SENDERO CARLSBAD NGL, LLC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, MEWBOURNE OIL CO and SENDERO CARLSBAD NGL, LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at SENDERO CARLSBAD NGL, LLC Processing Plant located in Sec. 31, Twn. 23S, Rng. 28E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

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

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

Alternatives to Reduce Flaring

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

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

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Form APD Comments

Permit 272877

PERMIT COMMENTS

Operator Name and Address: MEWBOURNE OIL CO [14744] P.O. Box 5270 Hobbs, NM 88241		API Number: 30-015-46353
		Well: STARSHIP 28 21 W00B FEE #001H

Created By	Comment	Comment Date
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Santa Fe, NM 87505

Form APD Conditions

Permit 272877

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MEWBOURNE OIL CO [14744] P.O. Box 5270 Hobbs, NM 88241		API Number: 30-015-46353
		Well: STARSHIP 28 21 W00B FEE #001H
OCD Reviewer	Condition	
rpodany	Will require a directional survey with the C-104	
rpodany	Cement is required to circulate on both surface and intermediate1 strings of casing	

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

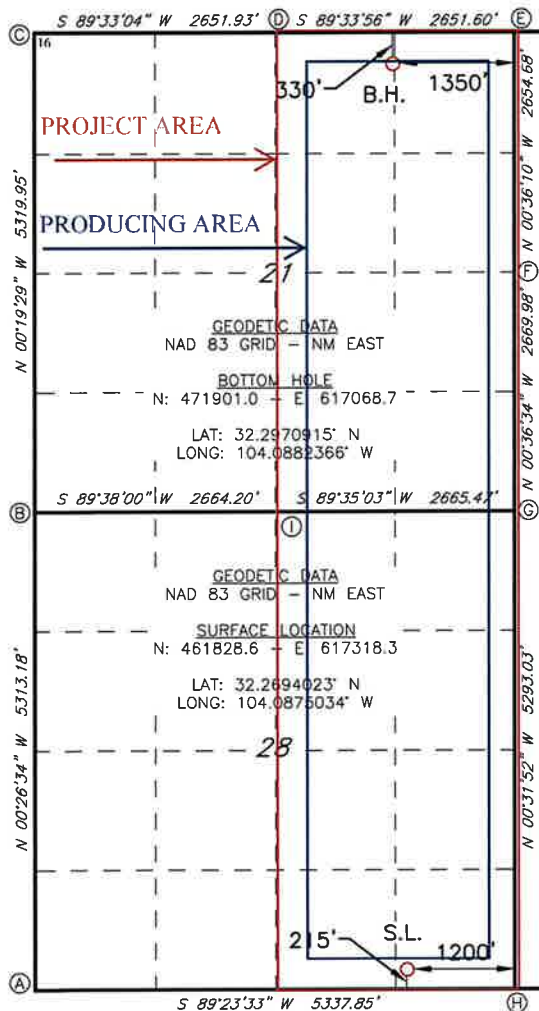
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP GAS POOL					
⁴ Property Code		⁵ Property Name STARSHIP 28/21 WOOB FEE						⁶ Well Number 1H	
⁷ OGRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3063'	
¹⁰ Surface Location									
UL or lot no. P	Section 28	Township 23S	Range 28E	Lot Idn	Feet from the 215	North/South line SOUTH	Feet from the 1200	East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. B	Section 21	Township 23S	Range 28E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 1350	East/West line EAST	County EDDY
¹² Dedicated Acres 640		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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



CORNER DATA
NAD 83 GRID - NM EAST
A: FOUND 100D NAIL
N: 461569.8 - E: 613183.9
B: FOUND 1/2" REBAR
N: 466881.6 - E: 613142.8
C: FOUND COTTON SPINDLE
N: 472200.3 - E: 613112.7
D: FOUND 1/2" REBAR
N: 472221.1 - E: 615763.9
E: FOUND COTTON SPINDLE
N: 472241.2 - E: 618414.9
F: FOUND COTTON SPINDLE
N: 469587.2 - E: 618442.8
G: FOUND COTTON SPINDLE
N: 466918.0 - E: 618471.2
H: FOUND 1/2" REBAR
N: 461626.4 - E: 618520.2
I: FOUND COTTON SPINDLE
N: 466898.7 - E: 615806.4

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling

order heretofore entered by the division

Signature: *Bradley Bishop* Date: **10-2-19**

Printed Name: **BRADLEY BISHOP**

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

¹⁸ 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.

9-20-2019

Date of Survey

Signature and Seal of Professional Surveyor

19680
Certificate Number

Job No: **LS19090918**

Intent ☒ As Drilled ☐

API #		
Operator Name: Mewbourne Oil Co.	Property Name: Starship 28/21 W00B Fee	Well Number 1H

Kick Off Point (KOP)

UL O	Section 28	Township 23S	Range 28E	Lot	Feet 10	From N/S S	Feet 1350	From E/W E	County Eddy
Latitude 32.2688408					Longitude -104.0879847				NAD 83

First Take Point (FTP)

UL O	Section 28	Township 23S	Range 28E	Lot	Feet 330	From N/S S	Feet 1350	From E/W E	County Eddy
Latitude 32.2697178					Longitude -104.0879925				NAD 83

Last Take Point (LTP)

UL B	Section 21	Township 23S	Range 28E	Lot	Feet 330	From N/S N	Feet 1350	From E/W E	County Eddy
Latitude 32.2970915					Longitude -104.0882355				NAD 83

Is this well the defining well for the Horizontal Spacing Unit? ☒

Is this well an infill well? ☐

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

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018