

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

ATS- 11-153 ✓
FORM APPROVED
OMB No 1004-0136
Expires January 31, 2004

5. Lease Serial No. **BHL**
NMNM0553777 & Fee

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
Fast Draw 4 AD Fed Com #1H

9. API Well No.
30-015-39391

10. Field and Pool, or Exploratory
N Seven Rivers Glorieta Yeso

11. Sec., T., R., M., or Blk and Survey or Area
Sec 4, T20S, R25E

12. County or Parish
Eddy

13 State
NM

1a. Type of Work: ☒ DRILL ☐ REENTER

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

2. Name of Operator

Mewbourne Oil Company - 14744

3a. Address

PO Box 5270 Hobbs, NM 88241

3b. Phone No. (include area code)

575-393-5905

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

At surface (SL) 350' FNL & 330' FEL Unit A

At proposed prod. zone (BHL) 350' FNL & 330' FWL Unit D

14. Distance in miles and direction from nearest town or post office*

14 Miles S of Artesia

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig unit line, if any) **330'**

16 No. of Acres in lease

280

17. Spacing Unit dedicated to this well

160

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft

1679'

19. Proposed Depth

6934' MD 2548' TVD

20. BLM/BIA Bond No. on file

NM1693, Nationwide

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

3497' GL

22. Approximate date work will start*

ASAP

23. Estimated duration

15

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall 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 shall 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
authorized officer.

25. Signature

Jackie Lathan

Name (Printed/Typed)

Jackie Lathan

Date

05/31/11

Title

Hobbs Regulatory

Approved by (Signature)

/s/ Don Peterson

Name (Printed/Typed)

Office

CARLSBAD FIELD OFFICE

Date

AUG 19 2011

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

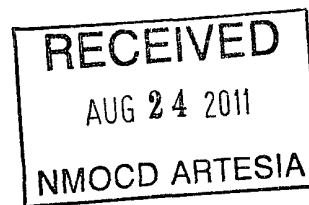
APPROVAL FOR TWO YEARS

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

*(Instructions on reverse)

Roswell Controlled Water Basin

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



Approval Subject to General Requirements
& Special Stipulations Attached

Drilling Program
Mewbourne Oil Company
Fast Draw "4" AD Federal Com #1H
350' FNL & 330' FEL (SHL)
Sec 4-T20S-R25E
Eddy County, New Mexico

1. The estimated tops of geological markers are as follows:

Grayburg	485'
*San Andres	780'
*Glorietta	2345'
*Yeso	2505'

2. Estimated depths of anticipated fresh water, oil, or gas:

Water	Fresh water is anticipated @ 190' and will be protected by setting surface casing at 805' and cementing to surface.
Hydrocarbons	Oil and gas are anticipated in the above (*) formations. These zones will be protected by casing as necessary.

3. Pressure control equipment:

A 2000# WP annular BOP will be installed after running 9 5/8" & 7" casing. Pressure tests will be conducted and BOPE will remain in use until completion of drilling operations. The BOP will be inspected and operated daily to ensure mechanical integrity and the inspection will be recorded on the daily drilling report.

Will test the BOPE to 1500# with a third party testing company before drilling below shoe as per BLM Onshore Oil and Gas Order #2.

4. MOC proposes to drill a vertical wellbore to 1975' & kick off to horizontal @ 2548' TVD. The well will be drilled to 6960' MD (2493' TVD). See attached directional plan.

5. Proposed casing and cementing program:

A. Casing Program:

<u>Hole Size</u>	<u>Casing</u>	<u>Wt/Ft.</u>	<u>Grade</u>	<u>Depth</u>	<u>Jt Type</u>
12 1/4"	9 5/8" (new)	36#	J55	0'-805' ✓	LT&C
8 3/4"	7" (new)	26#	J55	0'-1975'	LT&C
8 3/4"	7" (new)	26#	J55	1975'-2883' MD	BT&C
6 1/8"	4 1/2" (new)	11.6#	J55	2683'-6934' MD	LT&C

Minimum casing design factors: Collapse 1.125, Burst 1.0, Tensile strength 1.8.

*Subject to availability of casing.

See
COP

B. Cementing Program:

- See
to A
- i. Surface Casing: 375 sacks class "C" w/2% CaCl₂. Yield at 1.34 cuft/sk. Cmt circulated to surface with 100% excess.
 - ii. Production Casing: 125 sacks Class C *light cement with additives. Yield at 2.05 cuft/sk. 200 sacks Class C cement w/fluid loss additives. Yield at 1.33 cuft/sk Cmt circulated to surface with 25% excess.
 - iii. Production Liner: This will be a Packer/Port completion from TD up inside 7" casing with packer type liner hanger.

*Referring to above blends of light cement: (wt% fly ash : wt% cement : wt% bentonite of the total of first two numbers). Generic names of additives are used since the availability of specific company and products are unknown at this time.

6. Mud Program:

<u>Interval</u>	<u>Type System</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0'-805'	FW spud mud	8.6-9.0	32-34	NA
805'-1875' (KOP-100')	Fresh water	8.4-8.6	28-30	NA
1875'- TD	FW w/Polymer	8.5-8.7	32-35	20

7. Evaluation Program:

Samples: 10' samples from surface casing to TD.
Logging: Gyro, CN, & GR Surface to 1875'. GR 1875' - TVD

8. Downhole Conditions

Zones of abnormal pressure: None anticipated
Zones of lost circulation: Anticipated in surface and intermediate holes
Maximum bottom hole temperature: 100 degree F
Maximum bottom hole pressure: 8.4 lbs/gal gradient or less

9. Anticipated Starting Date:

Mewbourne Oil Company intends to drill this well as soon as possible after receiving approval with approximately 15 days involved in drilling operations and an additional 10 days involved in completion operations on the project.

Mewbourne Oil Co

Eddy County, New Mexico

Sec 4-20S-25E

Fast Draw 4 AD Fed Com #1H

Wellbore #1

Plan: Design #1

DDC Well Planning Report

26 May, 2011



DDC Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Fast Draw 4 AD Fed Com #1H
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3516.0usft (Patterson UTI #101)
Project:	Eddy County, New Mexico	MD Reference:	WELL @ 3516.0usft (Patterson UTI #101)
Site:	Sec 4-20S-25E	North Reference:	Grid
Well:	Fast Draw 4 AD Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

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 4-20S-25E			
Site Position:		Northing:	581,878.03 usft	Latitude:	32° 35' 58.542 N
From:	Map	Easting:	452,952.66 usft	Longitude:	104° 29' 9.974 W
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "	Grid Convergence:	-0.08 °

Well:	Fast Draw 4 AD Fed Com #1H					
Well Position	+N/-S	3,291.7 usft	Northing:	585,169.77 usft	Latitude:	32° 36' 31.135 N
	+E/-W	1,328.0 usft	Easting:	454,280.65 usft	Longitude:	104° 28' 54.504 W
Position Uncertainty	0.0 usft	Wellhead Elevation:		Ground Level:	3,497.0 usft	

Wellbore:	Wellbore #1
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Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (mT)
	IGRF2010	5/26/2011	8.04	60 38	48,750

Design:	Design #1
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Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.0

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	270.30

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	
1,975.1	0.00	0.00	1,975.1	0.0	0.0	0.00	0.00	0.00	0.00	
2,882.9	90.78	270.30	2,548.0	3.1	-580.7	10.00	10.00	-9.88	270.30	
6,933.3	90.78	270.30	2,493.0	24.6	-4,630.7	0.00	0.00	0.00	0.00	PBHL Fast Draw 4

DDC Well Planning Report



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Project:	Eddy County, New Mexico	MD Reference:	WELL @ 3516.0usft (Patterson UTI #101)
Site:	Sec 4-20S-25E	North Reference:	Grid
Well:	Fast Draw 4 AD Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

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
Build 10°/100' @ 1975' MD									
1,975.1	0.00	0.00	1,975.1	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	2.49	270.30	2,000.0	0.0	-0.5	0.5	10.00	10.00	0.00
2,100.0	12.49	270.30	2,099.0	0.1	-13.6	13.6	10.00	10.00	0.00
2,200.0	22.49	270.30	2,194.3	0.2	-43.6	43.6	10.00	10.00	0.00
2,300.0	32.49	270.30	2,282.9	0.5	-89.7	89.7	10.00	10.00	0.00
2,400.0	42.49	270.30	2,362.1	0.8	-150.5	150.5	10.00	10.00	0.00
2,500.0	52.49	270.30	2,429.6	1.2	-224.1	224.1	10.00	10.00	0.00
2,600.0	62.49	270.30	2,483.3	1.6	-308.3	308.3	10.00	10.00	0.00
2,700.0	72.49	270.30	2,521.5	2.1	-400.6	400.6	10.00	10.00	0.00
2,800.0	82.49	270.30	2,543.1	2.6	-498.1	498.1	10.00	10.00	0.00
EOB @ 2883' MD / 90.78° Inc / 270.30° Azm / 2548' TVD									
2,882.9	90.78	270.30	2,548.0	3.1	-580.7	580.7	10.00	10.00	0.00
2,900.0	90.78	270.30	2,547.8	3.2	-597.8	597.8	0.00	0.00	0.00
3,000.0	90.78	270.30	2,546.4	3.7	-697.8	697.8	0.00	0.00	0.00
3,100.0	90.78	270.30	2,545.1	4.2	-797.8	797.8	0.00	0.00	0.00
3,200.0	90.78	270.30	2,543.7	4.8	-897.8	897.8	0.00	0.00	0.00
3,300.0	90.78	270.30	2,542.3	5.3	-997.8	997.8	0.00	0.00	0.00
3,400.0	90.78	270.30	2,541.0	5.8	-1,097.8	1,097.8	0.00	0.00	0.00
3,500.0	90.78	270.30	2,539.6	6.4	-1,197.8	1,197.8	0.00	0.00	0.00
3,600.0	90.78	270.30	2,538.3	6.9	-1,297.8	1,297.8	0.00	0.00	0.00
3,700.0	90.78	270.30	2,536.9	7.4	-1,397.8	1,397.8	0.00	0.00	0.00
3,800.0	90.78	270.30	2,535.6	8.0	-1,497.8	1,497.8	0.00	0.00	0.00
3,900.0	90.78	270.30	2,534.2	8.5	-1,597.7	1,597.8	0.00	0.00	0.00
4,000.0	90.78	270.30	2,532.8	9.0	-1,697.7	1,697.8	0.00	0.00	0.00
4,100.0	90.78	270.30	2,531.5	9.6	-1,797.7	1,797.7	0.00	0.00	0.00
4,200.0	90.78	270.30	2,530.1	10.1	-1,897.7	1,897.7	0.00	0.00	0.00
4,300.0	90.78	270.30	2,528.8	10.6	-1,997.7	1,997.7	0.00	0.00	0.00
4,400.0	90.78	270.30	2,527.4	11.1	-2,097.7	2,097.7	0.00	0.00	0.00
4,500.0	90.78	270.30	2,526.0	11.7	-2,197.7	2,197.7	0.00	0.00	0.00
4,600.0	90.78	270.30	2,524.7	12.2	-2,297.7	2,297.7	0.00	0.00	0.00
4,700.0	90.78	270.30	2,523.3	12.7	-2,397.7	2,397.7	0.00	0.00	0.00
4,800.0	90.78	270.30	2,522.0	13.3	-2,497.6	2,497.7	0.00	0.00	0.00
4,900.0	90.78	270.30	2,520.6	13.8	-2,597.6	2,597.7	0.00	0.00	0.00

DDC Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Fast Draw 4 AD Fed Com #1H
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3516.0usft (Patterson UTI #101)
Project:	Eddy County, New Mexico	MD Reference:	WELL @ 3516.0usft (Patterson UTI #101)
Site:	Sec 4-20S-25E	North Reference:	Grid
Well:	Fast Draw 4 AD Fed.Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

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)	
5,000.0	90.78	270.30	2,519.3	14.3	-2,697.6	2,697.7	0.00	0.00	0.00	
5,100.0	90.78	270.30	2,517.9	14.9	-2,797.6	2,797.7	0.00	0.00	0.00	
5,200.0	90.78	270.30	2,516.5	15.4	-2,897.6	2,897.6	0.00	0.00	0.00	
5,300.0	90.78	270.30	2,515.2	15.9	-2,997.6	2,997.6	0.00	0.00	0.00	
5,400.0	90.78	270.30	2,513.8	16.5	-3,097.6	3,097.6	0.00	0.00	0.00	
5,500.0	90.78	270.30	2,512.5	17.0	-3,197.6	3,197.6	0.00	0.00	0.00	
5,600.0	90.78	270.30	2,511.1	17.5	-3,297.6	3,297.6	0.00	0.00	0.00	
5,700.0	90.78	270.30	2,509.7	18.0	-3,397.5	3,397.6	0.00	0.00	0.00	
5,800.0	90.78	270.30	2,508.4	18.6	-3,497.5	3,497.6	0.00	0.00	0.00	
5,900.0	90.78	270.30	2,507.0	19.1	-3,597.5	3,597.6	0.00	0.00	0.00	
6,000.0	90.78	270.30	2,505.7	19.6	-3,697.5	3,697.6	0.00	0.00	0.00	
6,100.0	90.78	270.30	2,504.3	20.2	-3,797.5	3,797.6	0.00	0.00	0.00	
6,200.0	90.78	270.30	2,503.0	20.7	-3,897.5	3,897.6	0.00	0.00	0.00	
6,300.0	90.78	270.30	2,501.6	21.2	-3,997.5	3,997.5	0.00	0.00	0.00	
6,400.0	90.78	270.30	2,500.2	21.8	-4,097.5	4,097.5	0.00	0.00	0.00	
6,500.0	90.78	270.30	2,498.9	22.3	-4,197.5	4,197.5	0.00	0.00	0.00	
6,600.0	90.78	270.30	2,497.5	22.8	-4,297.5	4,297.5	0.00	0.00	0.00	
6,700.0	90.78	270.30	2,496.2	23.4	-4,397.4	4,397.5	0.00	0.00	0.00	
6,800.0	90.78	270.30	2,494.8	23.9	-4,497.4	4,497.5	0.00	0.00	0.00	
6,900.0	90.78	270.30	2,493.5	24.4	-4,597.4	4,597.5	0.00	0.00	0.00	
TD @ 6933' MD / 2493' TVD										
6,933.3	90.78	270.30	2,493.0	24.6	-4,630.7	4,630.8	0.00	0.00	0.00	

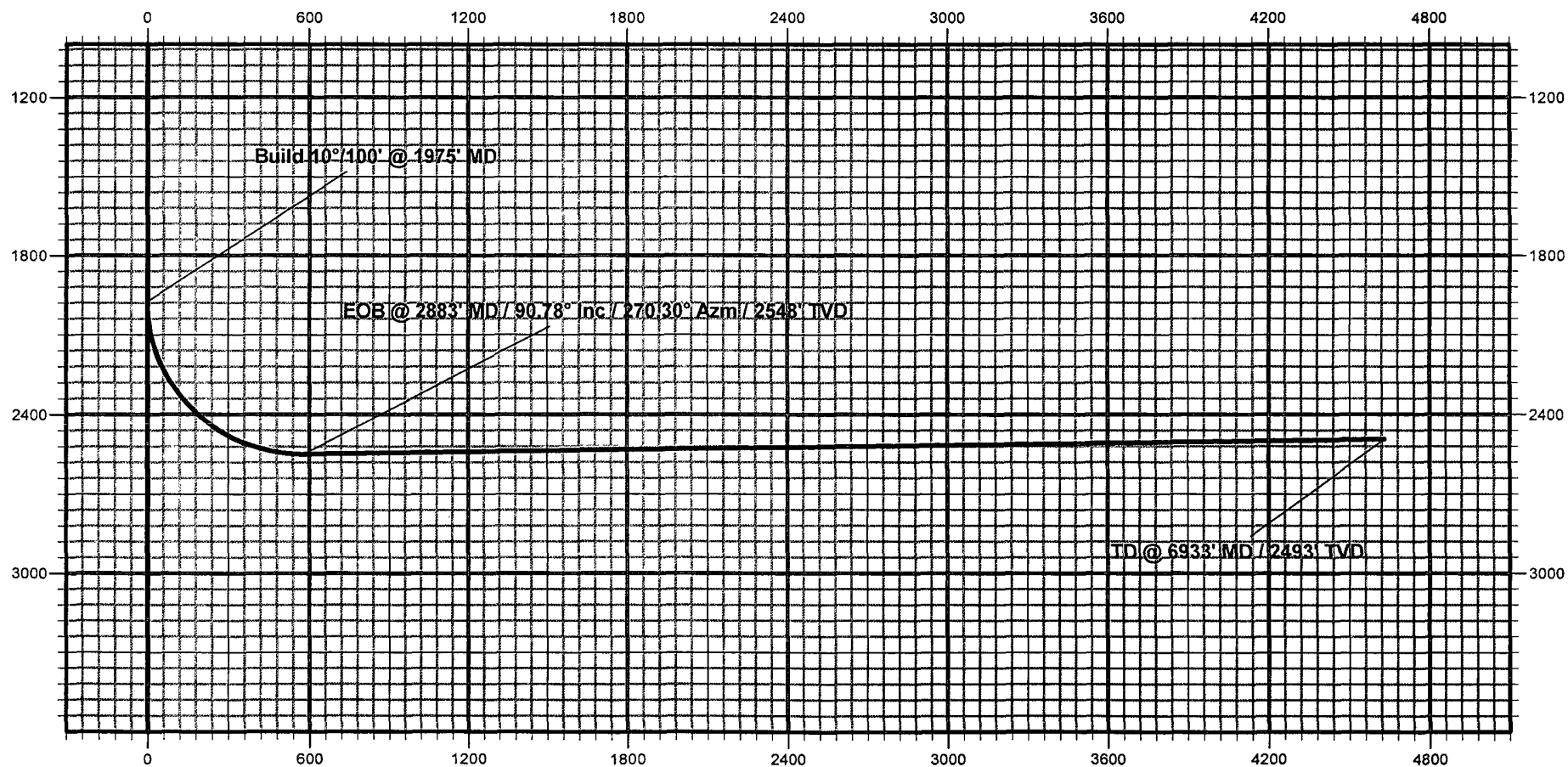
Design Targets										
Target Name	hit/miss target	Dip Angle (°)	Dip Dir (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL Fast Draw 4 AC	- plan hits target center	0.00	360.00	2,493.0	24.6	-4,630.7	585,194.37	449,649.95	32° 36' 31.311 N	104° 29' 48.642 W
	- Point									

Plan Annotations					
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates			
		+N/-S (usft)	+E/-W (usft)	Comment	
1,975.1	1,975.1	0.0	0.0	Build 10°/100' @ 1975' MD	
2,882.9	2,548.0	3.1	-580.7	EOB @ 2883' MD / 90.78° Inc / 270.30° Azm / 2548' TVD	
6,933.3	2,493.0	24.6	-4,630.7	TD @ 6933' MD / 2493' TVD	

Mewbourne Oil Company



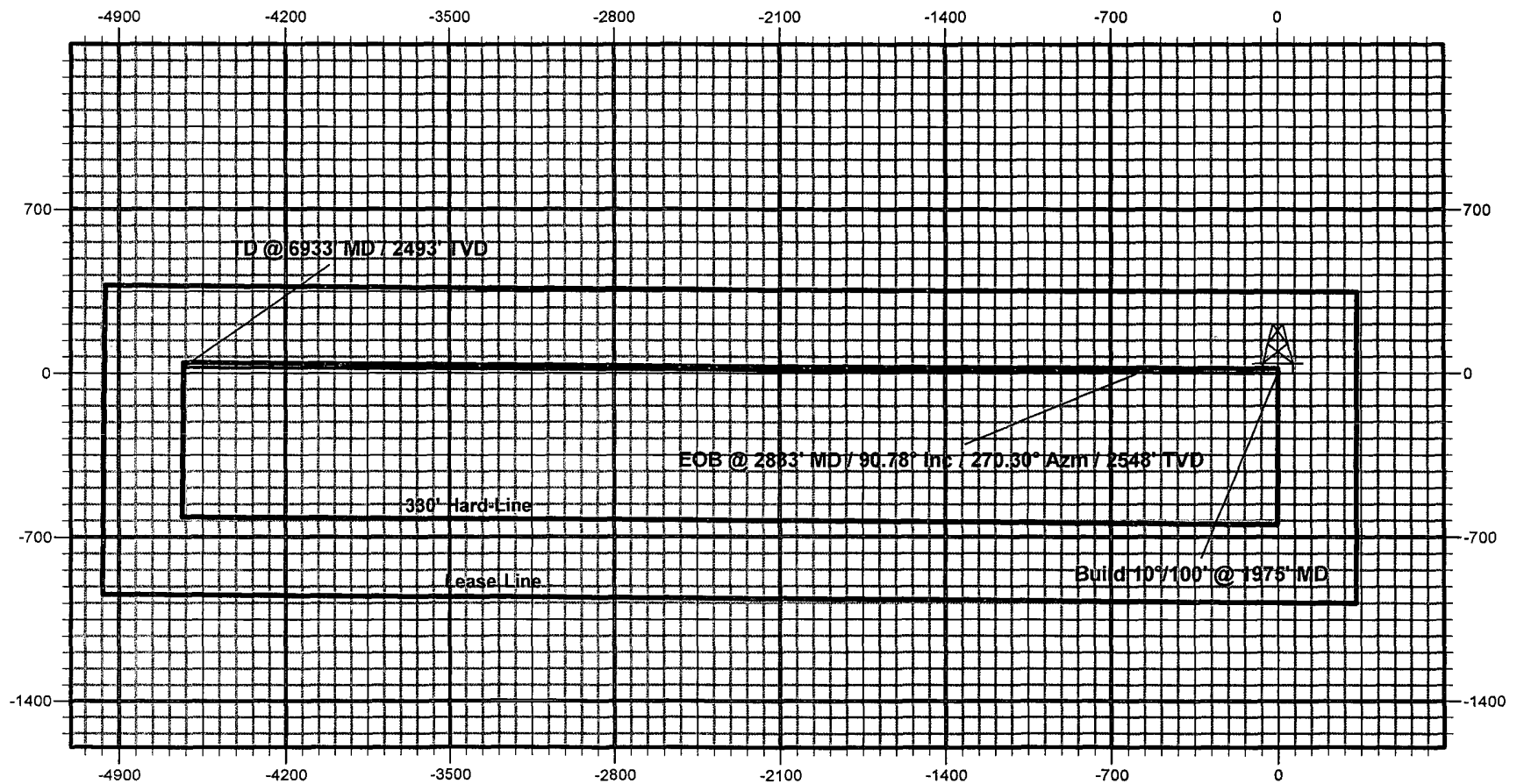
Eddy County, New Mexico
Fast Draw 4 AD Fed Com #1H
Quote 110373



Vertical Section at 270.30° (600 usft/in)

Mewbourne Oil Company

Eddy County, New Mexico
Fast Draw 4 AD Fed Com #1H
Quote 110373



Mewbourne Oil Company
BOP Scematic for
8 3/4" & 6 1/8" Hole

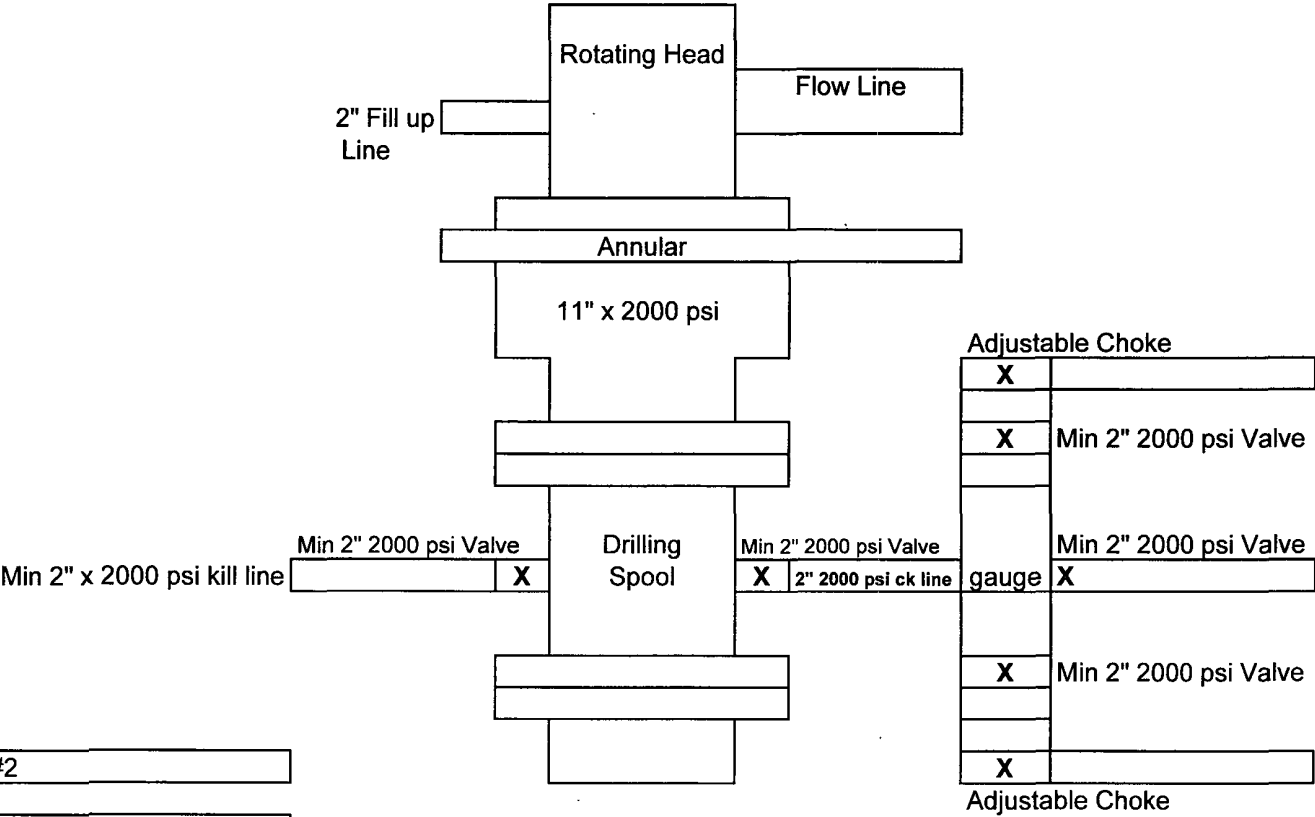
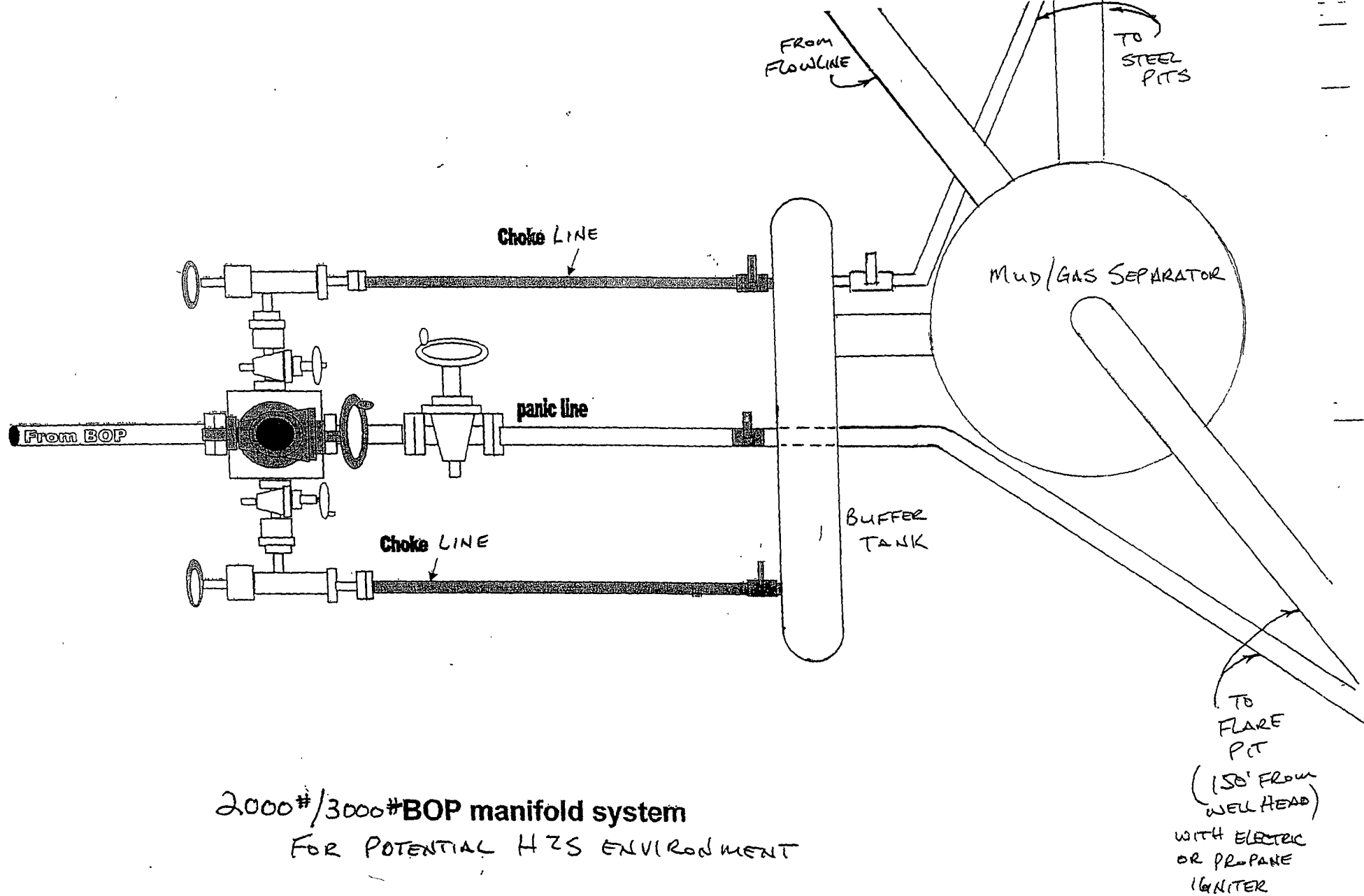


Exhibit #2

Fast Draw 4AD Fed Com #1H
350' FNL & 330' FEL
Sec 4-T20S-R25E
Eddy, County
New Mexico



Notes Regarding Blowout Preventer

Mewbourne Oil Company

Fast Draw "4" AD Federal Com #1H

350' FNL & 330' FEL (SHL)

Sec 4-T20S-R25E

Eddy County, New Mexico

- I. Drilling nipple (bell nipple) to be constructed so that it can be removed without the use of a welder through the opening of the rotary table, with minimum internal diameter equal to blowout preventer bore.
- II. Blowout preventer and all fittings must be in good condition with a minimum 2000 psi working pressure on 9 5/8" & 7" casing.
- III. Safety valve must be available on the rig floor at all times with proper connections to install in the drill string. Valve must be full bore with minimum 2000 psi working pressure.
- IV. Equipment through which bit must pass shall be at least as large as internal diameter of the casing.
- V. A kelly cock shall be installed on the kelly at all times.

Blowout preventer closing equipment to include and accumulator of at least 40 gallon capacity, two independent sources of pressure on closing unit, and meet all other API specifications.