

OCD-ARTESIA

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 107374, Fee
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Mewbourne Oil Company		7. If Unit or CA Agreement, Name and No.
3a. Address PO BOX 5270 Hobbs, NM 88240		8. Lease Name and Well No. Delaware Ranch "11" Fed Com #2H [28887]
3b. Phone No. (include area code) (575) 393-5905		9. API Well No. 30-05-39546
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 450' FNL & 1700' FEL (Unit B) At proposed prod. zone 330' FSL & 1700' FEL (Unit O)		10. Field and Pool, or Exploratory Red Bluff, South Bone Spring [51010]
14. Distance in miles and direction from nearest town or post office* 11 miles South of Malaga, NM		11. Sec., T. R. M. or Blk. and Survey or Area Sec 11, T26S, R28E
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 160	12. County or Parish Eddy
17. Spacing Unit dedicated to this well 160	13. State NM	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 645'	19. Proposed Depth 11343' MD <input checked="" type="checkbox"/> 6991' TVD	20. BLM/BIA Bond No. on file NM1693, Nationwide
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 2968' GL <input checked="" type="checkbox"/>	22. Approximate date work will start* ASAP	23. Estimated duration 40 days
24. Attachments		

RECEIVED  
OCT 25 2011  
NMOCD ARTESIA

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 <i>Brett Bednarz</i>	Name (Printed/Typed) Brett Bednarz	Date 09/23/2011
Title Petroleum Engineer		
Approved by (Signature) <i>Is/ Don Peterson</i>	Name (Printed/Typed)	Date OCT 21 2011
Title 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)

Carlsbad Controlled Water Basin

Approval Subject to General Requirements  
& Special Stipulations Attached

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

*10*

**Drilling Program**  
**Mewbourne Oil Company**  
 Delaware Ranch "11" Fed Com #2H  
 450' FNL & 1700' FEL (SHL)  
 Sec 11-T26S-R28E  
 Eddy County, New Mexico

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

Rustler	700'
Top Salt	1000'
Base Salt	2450'
Lamar	2620'
*Bell Canyon	2660'
*Cherry Canyon	3500'
*Brushy Canyon	5200'
*Bone Springs	6340'

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

Water	Fresh water is anticipated @ 55' & will be protected by setting surface casing at 725' 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 will be installed after running 13 3/8" casing. A 3000# WP Double Ram BOP and 3000# WP Annular will be installed after running 7" & 9 5/8" casing. Pressure tests will be conducted prior to drilling out under all casing strings. BOP controls will be installed prior to drilling under surface casing and will remain in use until completion of drilling operations. BOPE will be inspected and operated as recommended in Onshore Order #2. A Kelly cock and a sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position when the Kelly is not in use. Will test the 7" & 9 5/8" BOPE to 3000# and the Annular to 1500# with a third party testing company before drilling below each shoe, but will test again, if needed, in 30 days from the 1<sup>st</sup> test as per BLM Onshore Oil and Gas Order #2.

4 MOC proposes to drill a vertical wellbore to 6418' & kick off to horizontal @ 6991' TVD. The well will be drilled to 11343' MD (6991' TVD). See attached directional plan.

**5. Proposed casing and cementing program:**

**A. Casing Program:**

<i>See COA</i>	<u>Hole Size</u>	<u>Casing</u>	<u>Wt/Ft</u>	<u>Grade</u>	<u>Depth</u>	<u>Jt Type</u>
	17 1/2"	13 3/8" (new)	48#	H40	0'- <del>725'</del> 350	ST&C
	12 1/4"	9 5/8" (new)	36#	J55	0'-2620'	LT&C
	8 3/4"	7" (new)	26#	P110	0'-6418' MD	LT&C
	8 3/4"	7" (new)	26#	P110	6418'-7318' MD	BT&C
	6 1/8"	4 1/2" (new)	11.6#	P110	7118'-11343' MD	LT&C

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

*See COA* \*Subject to availability of casing.

**B. Cementing Program:**

- i. Surface Casing: 425 sks Class "C" cement w/ 2% CaCl<sub>2</sub> & LCM additives. Yield at 1.72 cuft/sk. 200 sks Class "C" cement w/ 2% CaCl<sub>2</sub>. Yield at 1.34 cuft/sk. Cmt circulated to surface w/ 100% excess.
- ii. Intermediate Casing: 400 sacks Class "C" light cement w/ 2% CaCl<sub>2</sub>, salt & LCM additives. Yield at 2.01 cuft/sk. 200 sacks Class "C" cement w/ 2% CaCl<sub>2</sub>. Yield at 1.34 cuft/sk. Cmt circulated to surface w/ 25% excess.
- See COA iii. Production Casing: 200 sacks Class "H" light cement w/ salt & LCM additives. Yield at 2.11 cuft/sk. 400 sacks Class "H" cement w/ salt & FLA additives. Yield at 1.20 cuft/sk. Cmt calculated to tie back 200' into 9 5/8" csg w/ 25% excess.
- iv. 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' - 725' <sup>350</sup>	FW spud mud	8.6-9.0	32-34	NA
725' - 2620'	Brine water	10.0-10.2	28-30	NA
2620' - 6418' (KOP)	FW	8.5-8.7	28-30	NA
6418' - TD	FW w/Polymer	8.5-8.7	32-35	15

**7. Evaluation Program:** See COA

Samples: 10' samples from surface casing to TD  
Logging: GR & Gyro from KOP -100' (6318') to surface. GR from 6318' to TD.

**8. Downhole Conditions**

Zones of abnormal pressure: None anticipated  
Zones of lost circulation: Anticipated in surface and intermediate holes  
Maximum bottom hole temperature: 120 degree F  
Maximum bottom hole pressure: 8.3 lbs/gal gradient or less

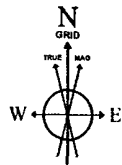
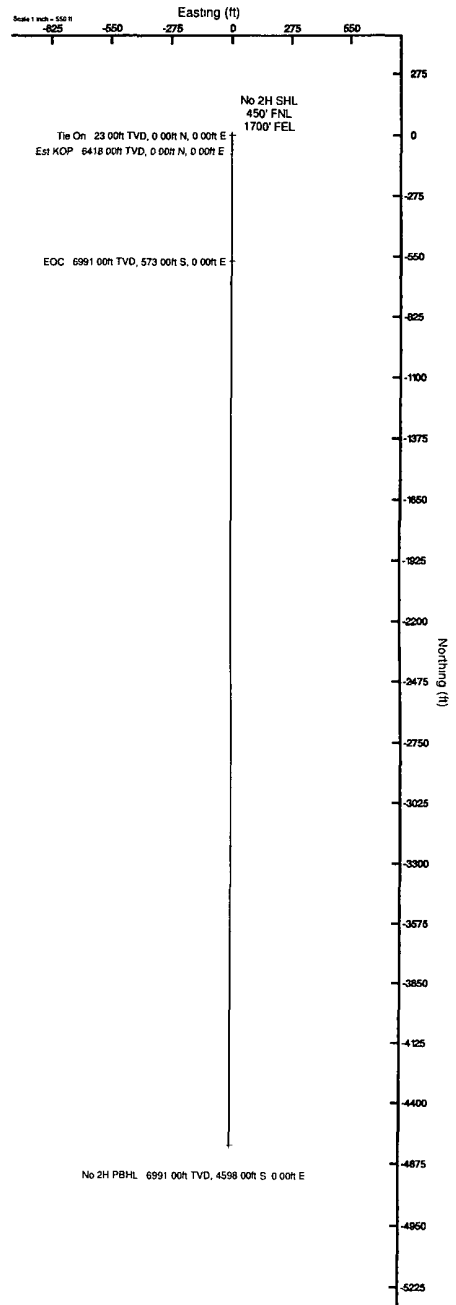
**9. Anticipated Starting Date:**

Mewbourne Oil Company intends to drill this well as soon as possible after receiving approval with approximately 40 days involved in drilling operations and an additional 10 days involved in completion operations on the project.

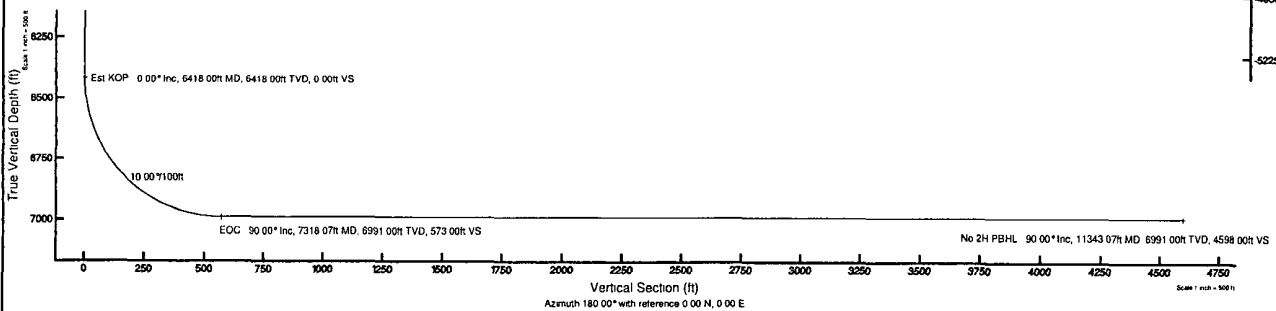


Well Profile Data								
Design Comment	MD (ft)	Inc. (")	Az. (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS. (ft/100ft)	VS (ft)
Tie On	23.00	0.000	180.000	23.00	0.00	0.00	0.00	0.00
Est KOP	6418.00	0.000	180.000	6418.00	0.00	0.00	0.00	0.00
EOC	7318.07	90.000	180.000	6991.00	-573.00	0.00	10.00	573.00
No 2H PWB	11343.07	90.000	180.000	6991.00	-4598.00	0.00	0.00	4598.00

Plot reference wellpath is PreEm 1	
True vertical depths are referenced to Rig on No 2H SHL (KB)	Grid System: NAD27 / TM New Mexico SP, Eastern Zone (3001), US feet
Measured depths are referenced to Rig on No 2H SHL (KB)	North Reference: Gnd north
Rig on No.2H SHL (KB) to Mean Sea Level: 2991 feet	Scale: True distance
Mean Sea Level to Mud line (At Slot No 2H SHL): -2968 feet	Depths are in feet
Coordinates are in feet referenced to Slot	Created by: genbry on 9/22/2011



BGGM (1945 0 to 2012 0) Dip 59.95° Field 48463.8 nT  
 Magnetic North is 7.81 degrees East of True North (at 9/22/2011)  
 Grid North is 0.15 degrees East of True North  
 To correct azimuth from True to Grid subtract 0.15 degrees  
 To correct azimuth from Magnetic to Grid add 7.66 degrees  
 For example if the Magnetic North Azimuth = 90 degs, then the Grid North Azimuth = 90 + 7.66 = 97.66



# Planned Wellpath Report

 Mewbourne Oil Company

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## REFERENCE WELLPATH IDENTIFICATION

Operator	Mewbourne Oil Company	Slot	No.2H SHL
Area	Eddy County, NM	Well	No.2H
Field	(Delaware Ranch) Sec 11, T26S, R28E	Wellbore	No.2H PWB
Facility	Delaware Ranch 11 Fed Com #2H		

## 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	Gentbry
Scale	0.999918	Report Generated	9/22/2011 at 2:05:22 PM
Convergence at slot	0.15° East	Database/Source file	WA Midland/No.2H_PWB.xml

## WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	East[ft]	Easting[US ft]	Northing[US ft]	Latitude	Longitude
Slot Location	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W
Facility Reference Pt			586448.34	386801.95	32°03'47.256"N	104°03'15.379"W
Field Reference Pt			586448.34	386801.95	32°03'47.256"N	104°03'15.379"W

## WELLPATH DATUM

Calculation method	Minimum curvature	Rig on No.2H SHL (KB) to Facility Vertical Datum	23.00ft
Horizontal Reference Pt	Slot	Rig on No.2H SHL (KB) to Mean Sea Level	2991.00ft
Vertical Reference Pt	Rig on No.2H SHL (KB)	Rig on No.2H SHL (KB) to Mud Line at Slot (No.2H SHL)	23.00ft
MD Reference Pt	Rig on No.2H SHL (KB)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	180.00°

# Planned Wellpath Report

MOC Mewbourne Oil Company

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Facility	Delaware Ranch 11 Fed Com #2H		

## WELLPATH DATA (118 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
0.00†	0.000	180.000	0.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
23.00	0.000	180.000	23.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	Tie On
123.00†	0.000	180.000	123.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
223.00†	0.000	180.000	223.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
323.00†	0.000	180.000	323.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
423.00†	0.000	180.000	423.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
523.00†	0.000	180.000	523.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
623.00†	0.000	180.000	623.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
723.00†	0.000	180.000	723.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
823.00†	0.000	180.000	823.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
923.00†	0.000	180.000	923.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
1023.00†	0.000	180.000	1023.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
1123.00†	0.000	180.000	1123.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
1223.00†	0.000	180.000	1223.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
1323.00†	0.000	180.000	1323.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
1423.00†	0.000	180.000	1423.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
1523.00†	0.000	180.000	1523.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
1623.00†	0.000	180.000	1623.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
1723.00†	0.000	180.000	1723.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
1823.00†	0.000	180.000	1823.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
1923.00†	0.000	180.000	1923.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
2023.00†	0.000	180.000	2023.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
2123.00†	0.000	180.000	2123.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
2223.00†	0.000	180.000	2223.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
2323.00†	0.000	180.000	2323.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
2423.00†	0.000	180.000	2423.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
2523.00†	0.000	180.000	2523.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
2623.00†	0.000	180.000	2623.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
2723.00†	0.000	180.000	2723.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
2823.00†	0.000	180.000	2823.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
2923.00†	0.000	180.000	2923.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
3023.00†	0.000	180.000	3023.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
3123.00†	0.000	180.000	3123.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
3223.00†	0.000	180.000	3223.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
3323.00†	0.000	180.000	3323.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
3423.00†	0.000	180.000	3423.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
3523.00†	0.000	180.000	3523.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
3623.00†	0.000	180.000	3623.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
3723.00†	0.000	180.000	3723.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
3823.00†	0.000	180.000	3823.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
3923.00†	0.000	180.000	3923.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
4023.00†	0.000	180.000	4023.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
4123.00†	0.000	180.000	4123.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
4223.00†	0.000	180.000	4223.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
4323.00†	0.000	180.000	4323.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	

# Planned Wellpath Report

MOC Mewbourne Oil Company

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## REFERENCE WELLPATH IDENTIFICATION

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Area	Eddy County, NM	Well	No.2H
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Facility	Delaware Ranch 11 Fed Com #2H		

## WELLPATH DATA (118 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
4423.00†	0.000	180.000	4423.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
4523.00†	0.000	180.000	4523.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
4623.00†	0.000	180.000	4623.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
4723.00†	0.000	180.000	4723.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
4823.00†	0.000	180.000	4823.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
4923.00†	0.000	180.000	4923.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
5023.00†	0.000	180.000	5023.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
5123.00†	0.000	180.000	5123.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
5223.00†	0.000	180.000	5223.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
5323.00†	0.000	180.000	5323.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
5423.00†	0.000	180.000	5423.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
5523.00†	0.000	180.000	5523.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
5623.00†	0.000	180.000	5623.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
5723.00†	0.000	180.000	5723.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
5823.00†	0.000	180.000	5823.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
5923.00†	0.000	180.000	5923.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
6023.00†	0.000	180.000	6023.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
6123.00†	0.000	180.000	6123.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
6223.00†	0.000	180.000	6223.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
6323.00†	0.000	180.000	6323.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	
6418.00	0.000	180.000	6418.00	0.00	0.00	0.00	586448.34	386801.95	32°03'47.256"N	104°03'15.379"W	0.00	Est KOP
6423.00†	0.500	180.000	6423.00	0.02	-0.02	0.00	586448.34	386801.93	32°03'47.256"N	104°03'15.379"W	10.00	
6523.00†	10.499	180.000	6522.41	9.59	-9.59	0.00	586448.34	386792.36	32°03'47.161"N	104°03'15.380"W	10.00	
6623.00†	20.498	180.000	6618.65	36.28	-36.28	0.00	586448.34	386765.67	32°03'46.897"N	104°03'15.381"W	10.00	
6723.00†	30.498	180.000	6708.80	79.28	-79.28	0.00	586448.34	386722.68	32°03'46.471"N	104°03'15.382"W	10.00	
6823.00†	40.497	180.000	6790.11	137.27	-137.27	0.00	586448.34	386664.69	32°03'45.897"N	104°03'15.384"W	10.00	
6923.00†	50.496	180.000	6860.12	208.50	-208.50	0.00	586448.34	386593.47	32°03'45.193"N	104°03'15.386"W	10.00	
7023.00†	60.496	180.000	6916.69	290.80	-290.80	0.00	586448.34	386511.17	32°03'44.378"N	104°03'15.388"W	10.00	
7123.00†	70.495	180.000	6958.12	381.68	-381.68	0.00	586448.34	386420.30	32°03'43.479"N	104°03'15.391"W	10.00	
7223.00†	80.494	180.000	6983.13	478.37	-478.37	0.00	586448.34	386323.62	32°03'42.522"N	104°03'15.394"W	10.00	
7318.07	90.000	180.000	6991.00	573.00	-573.00	0.00	586448.34	386229.00	32°03'41.586"N	104°03'15.397"W	10.00	EOC
7323.00†	90.000	180.000	6991.00	577.93	-577.93	0.00	586448.34	386224.07	32°03'41.537"N	104°03'15.397"W	0.00	
7423.00†	90.000	180.000	6991.00	677.93	-677.93	0.00	586448.34	386124.07	32°03'40.547"N	104°03'15.400"W	0.00	
7523.00†	90.000	180.000	6991.00	777.93	-777.93	0.00	586448.34	386024.08	32°03'39.558"N	104°03'15.403"W	0.00	
7623.00†	90.000	180.000	6991.00	877.93	-877.93	0.00	586448.34	385924.09	32°03'38.568"N	104°03'15.406"W	0.00	
7723.00†	90.000	180.000	6991.00	977.93	-977.93	0.00	586448.34	385824.10	32°03'37.579"N	104°03'15.409"W	0.00	
7823.00†	90.000	180.000	6991.00	1077.93	-1077.93	0.00	586448.34	385724.11	32°03'36.589"N	104°03'15.412"W	0.00	
7923.00†	90.000	180.000	6991.00	1177.93	-1177.93	0.00	586448.34	385624.12	32°03'35.599"N	104°03'15.415"W	0.00	
8023.00†	90.000	180.000	6991.00	1277.93	-1277.93	0.00	586448.34	385524.12	32°03'34.610"N	104°03'15.418"W	0.00	
8123.00†	90.000	180.000	6991.00	1377.93	-1377.93	0.00	586448.34	385424.13	32°03'33.620"N	104°03'15.421"W	0.00	
8223.00†	90.000	180.000	6991.00	1477.93	-1477.93	0.00	586448.34	385324.14	32°03'32.631"N	104°03'15.424"W	0.00	
8323.00†	90.000	180.000	6991.00	1577.93	-1577.93	0.00	586448.34	385224.15	32°03'31.641"N	104°03'15.427"W	0.00	
8423.00†	90.000	180.000	6991.00	1677.93	-1677.93	0.00	586448.34	385124.16	32°03'30.652"N	104°03'15.430"W	0.00	
8523.00†	90.000	180.000	6991.00	1777.93	-1777.93	0.00	586448.34	385024.17	32°03'29.662"N	104°03'15.433"W	0.00	
8623.00†	90.000	180.000	6991.00	1877.93	-1877.93	0.00	586448.34	384924.17	32°03'28.672"N	104°03'15.436"W	0.00	

# Planned Wellpath Report

MOC Mewbourne Oil Company

Prelim\_1  
Page 4 of 4



REFERENCE WELLPATH IDENTIFICATION			
Operator	Mewbourne Oil Company	Slot	No.2H SHL
Area	Eddy County, NM	Well	No.2H
Field	(Delaware Ranch) Sec 11, T26S, R28E	Wellbore	No.2H PWB
Facility	Delaware Ranch 11 Fed Com #2H		

WELLPATH DATA (118 stations) † = interpolated/extrapolated station												
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
8723.00†	90.000	180.000	6991.00	1977.93	-1977.93	0.00	586448.34	384824.18	32°03'27.683"N	104°03'15.439"W	0.00	
8823.00†	90.000	180.000	6991.00	2077.93	-2077.93	0.00	586448.34	384724.19	32°03'26.693"N	104°03'15.442"W	0.00	
8923.00†	90.000	180.000	6991.00	2177.93	-2177.93	0.00	586448.34	384624.20	32°03'25.704"N	104°03'15.445"W	0.00	
9023.00†	90.000	180.000	6991.00	2277.93	-2277.93	0.00	586448.34	384524.21	32°03'24.714"N	104°03'15.448"W	0.00	
9123.00†	90.000	180.000	6991.00	2377.93	-2377.93	0.00	586448.34	384424.22	32°03'23.725"N	104°03'15.451"W	0.00	
9223.00†	90.000	180.000	6991.00	2477.93	-2477.93	0.00	586448.34	384324.23	32°03'22.735"N	104°03'15.454"W	0.00	
9323.00†	90.000	180.000	6991.00	2577.93	-2577.93	0.00	586448.34	384224.23	32°03'21.745"N	104°03'15.457"W	0.00	
9423.00†	90.000	180.000	6991.00	2677.93	-2677.93	0.00	586448.34	384124.24	32°03'20.756"N	104°03'15.460"W	0.00	
9523.00†	90.000	180.000	6991.00	2777.93	-2777.93	0.00	586448.34	384024.25	32°03'19.766"N	104°03'15.463"W	0.00	
9623.00†	90.000	180.000	6991.00	2877.93	-2877.93	0.00	586448.34	383924.26	32°03'18.777"N	104°03'15.466"W	0.00	
9723.00†	90.000	180.000	6991.00	2977.93	-2977.93	0.00	586448.34	383824.27	32°03'17.787"N	104°03'15.469"W	0.00	
9823.00†	90.000	180.000	6991.00	3077.93	-3077.93	0.00	586448.34	383724.28	32°03'16.798"N	104°03'15.472"W	0.00	
9923.00†	90.000	180.000	6991.00	3177.93	-3177.93	0.00	586448.34	383624.28	32°03'15.808"N	104°03'15.475"W	0.00	
10023.00†	90.000	180.000	6991.00	3277.93	-3277.93	0.00	586448.34	383524.29	32°03'14.818"N	104°03'15.478"W	0.00	
10123.00†	90.000	180.000	6991.00	3377.93	-3377.93	0.00	586448.34	383424.30	32°03'13.829"N	104°03'15.481"W	0.00	
10223.00†	90.000	180.000	6991.00	3477.93	-3477.93	0.00	586448.34	383324.31	32°03'12.839"N	104°03'15.484"W	0.00	
10323.00†	90.000	180.000	6991.00	3577.93	-3577.93	0.00	586448.34	383224.32	32°03'11.850"N	104°03'15.487"W	0.00	
10423.00†	90.000	180.000	6991.00	3677.93	-3677.93	0.00	586448.34	383124.33	32°03'10.860"N	104°03'15.490"W	0.00	
10523.00†	90.000	180.000	6991.00	3777.93	-3777.93	0.00	586448.34	383024.33	32°03'09.871"N	104°03'15.493"W	0.00	
10623.00†	90.000	180.000	6991.00	3877.93	-3877.93	0.00	586448.34	382924.34	32°03'08.881"N	104°03'15.496"W	0.00	
10723.00†	90.000	180.000	6991.00	3977.93	-3977.93	0.00	586448.34	382824.35	32°03'07.891"N	104°03'15.499"W	0.00	
10823.00†	90.000	180.000	6991.00	4077.93	-4077.93	0.00	586448.34	382724.36	32°03'06.902"N	104°03'15.502"W	0.00	
10923.00†	90.000	180.000	6991.00	4177.93	-4177.93	0.00	586448.34	382624.37	32°03'05.912"N	104°03'15.505"W	0.00	
11023.00†	90.000	180.000	6991.00	4277.93	-4277.93	0.00	586448.34	382524.38	32°03'04.923"N	104°03'15.508"W	0.00	
11123.00†	90.000	180.000	6991.00	4377.93	-4377.93	0.00	586448.34	382424.39	32°03'03.933"N	104°03'15.511"W	0.00	
11223.00†	90.000	180.000	6991.00	4477.93	-4477.93	0.00	586448.34	382324.39	32°03'02.944"N	104°03'15.514"W	0.00	
11323.00†	90.000	180.000	6991.00	4577.93	-4577.93	0.00	586448.34	382224.40	32°03'01.954"N	104°03'15.517"W	0.00	
11343.07	90.000	180.000	6991.00	4598.00	-4598.00	0.00	586448.34	382204.34	32°03'01.755"N	104°03'15.518"W	0.00	No.2H PBHL

SURVEY PROGRAM - Ref Wellbore: No.2H PWB Ref Wellpath: Prelim_1				
Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
23.00	11343.07	NaviTrak (Standard)		No.2H PWB



**Notes Regarding Blowout Preventer**

**Mewbourne Oil Company**

Delaware Ranch "11" Fed Com #2H

450' FNL & 1700' FEL (SHL)

Sec 11-T26S-R28E

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 13 3/8" casing and 3000 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 3000 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.

Mewbourne Oil Company  
 BOP Schematic for  
 12 1/4" Hole

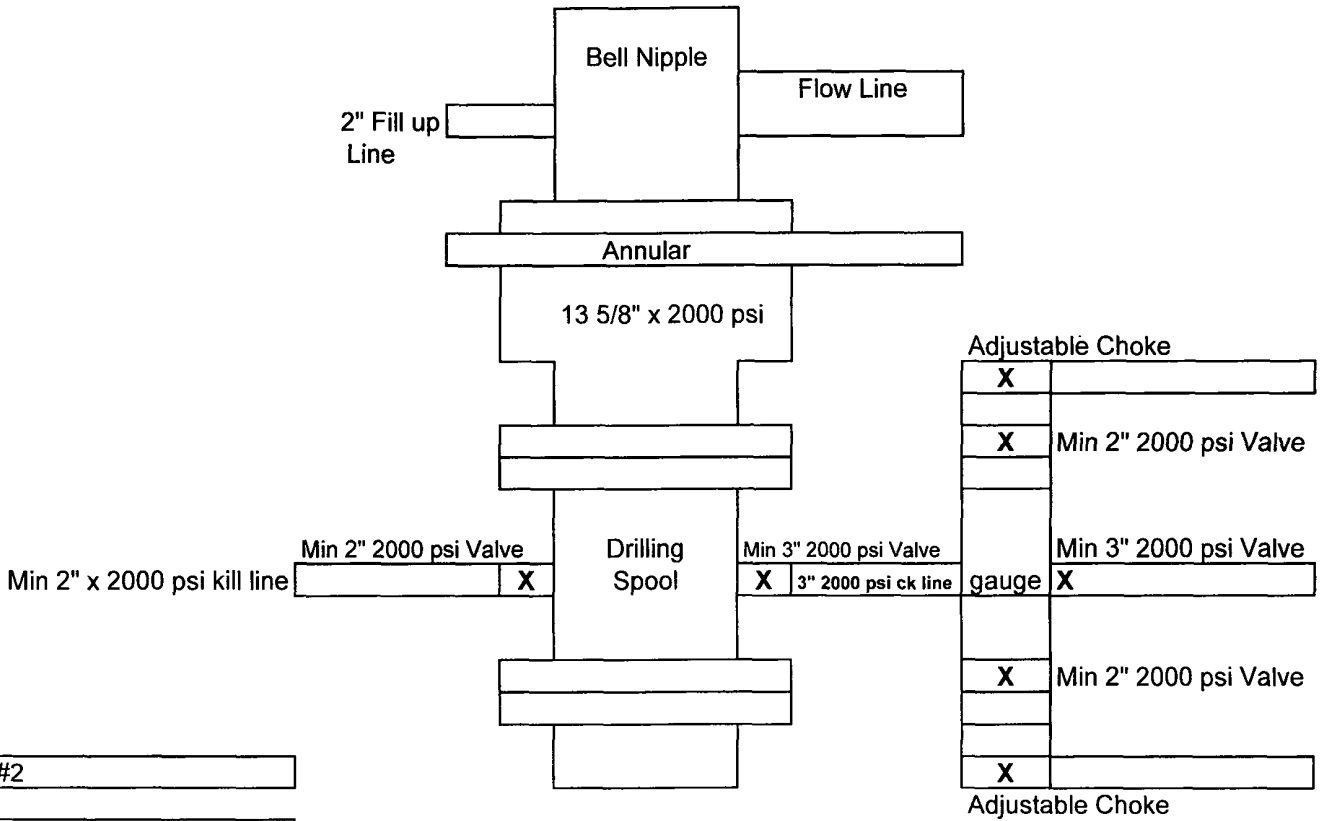


Exhibit #2

Delaware Ranch "11" Fed Com #2H  
 450' FNL & 1700' FEL  
 Sec 11-T26S-R28E  
 Eddy, County  
 New Mexico

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

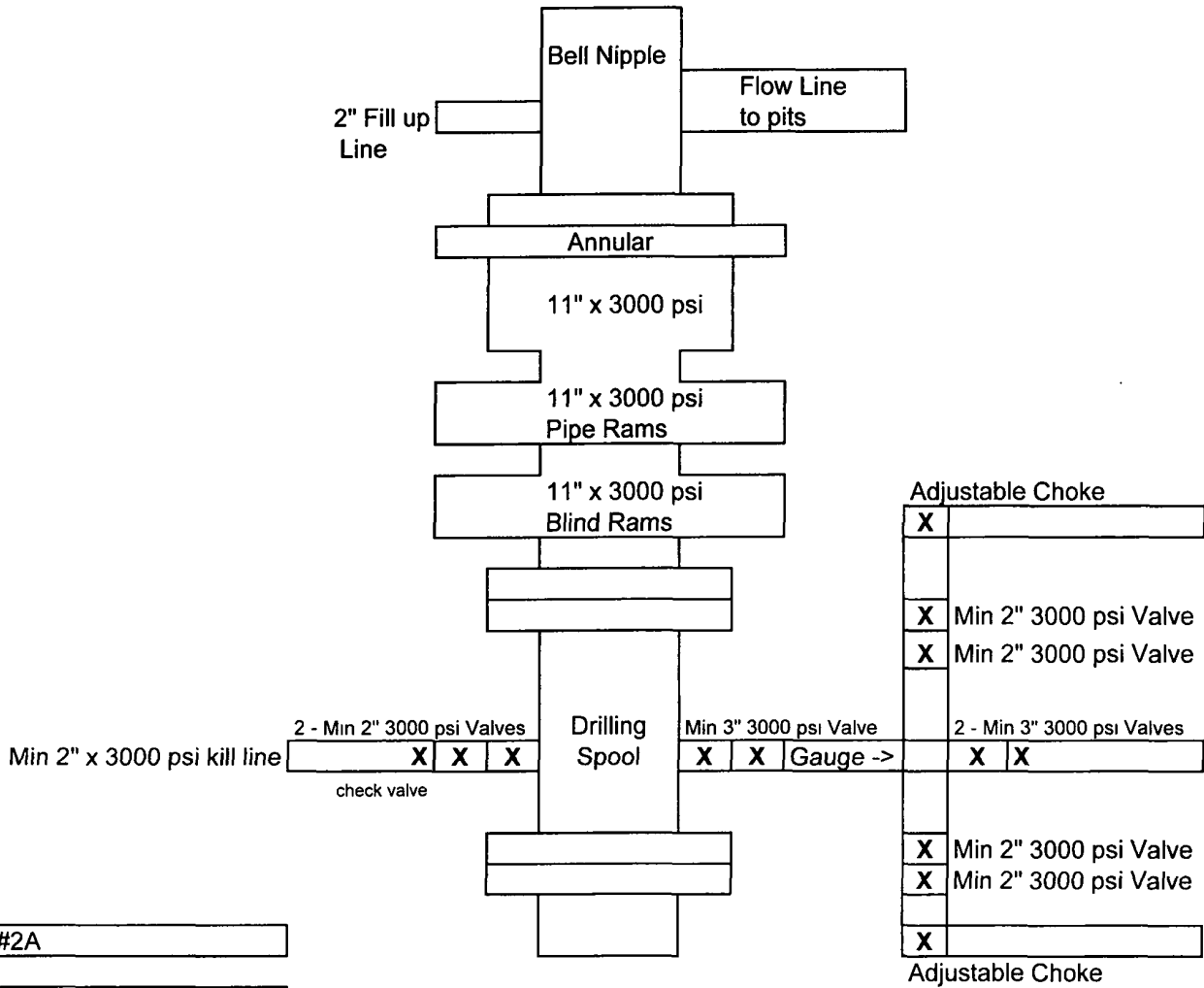
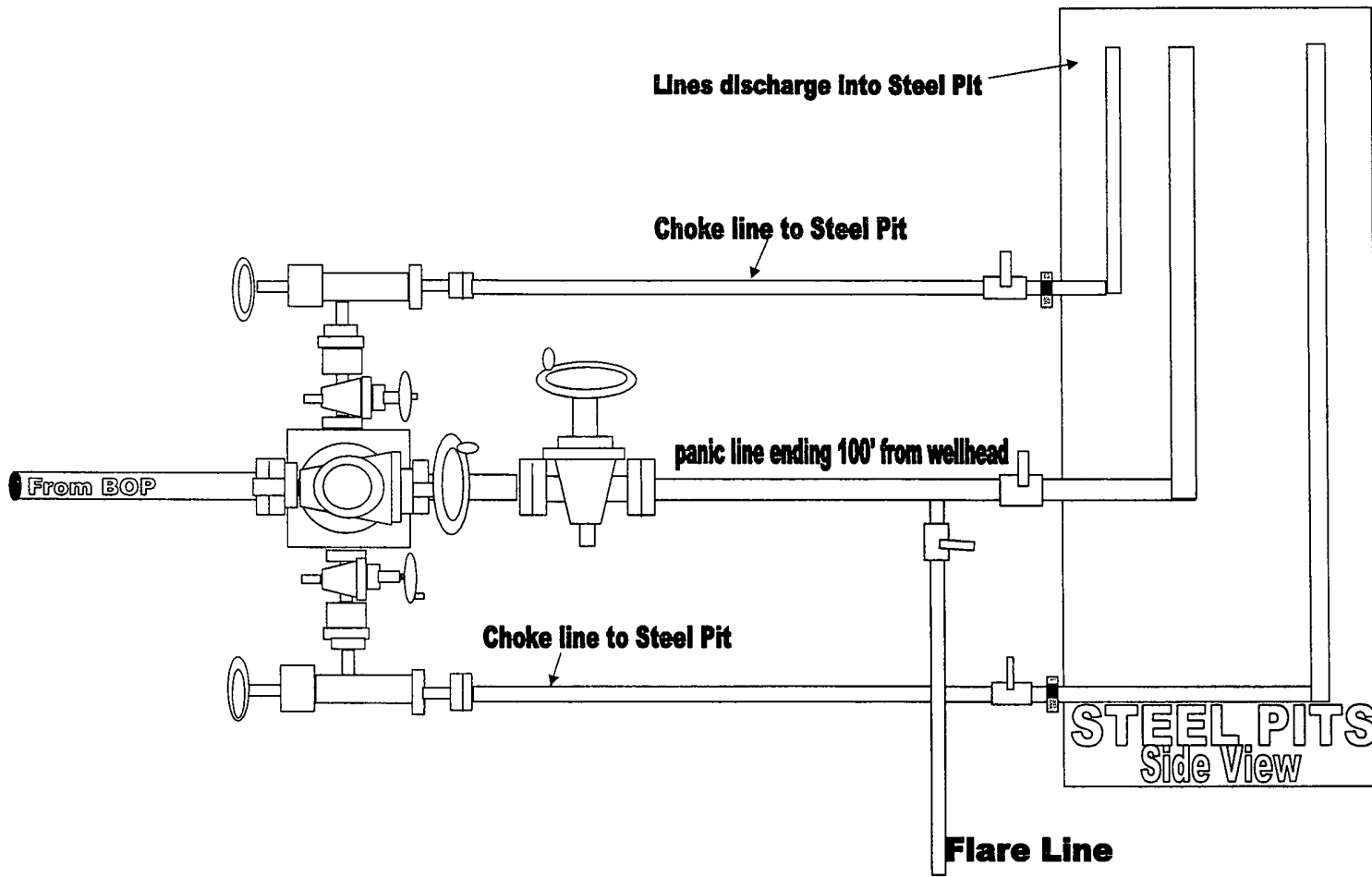


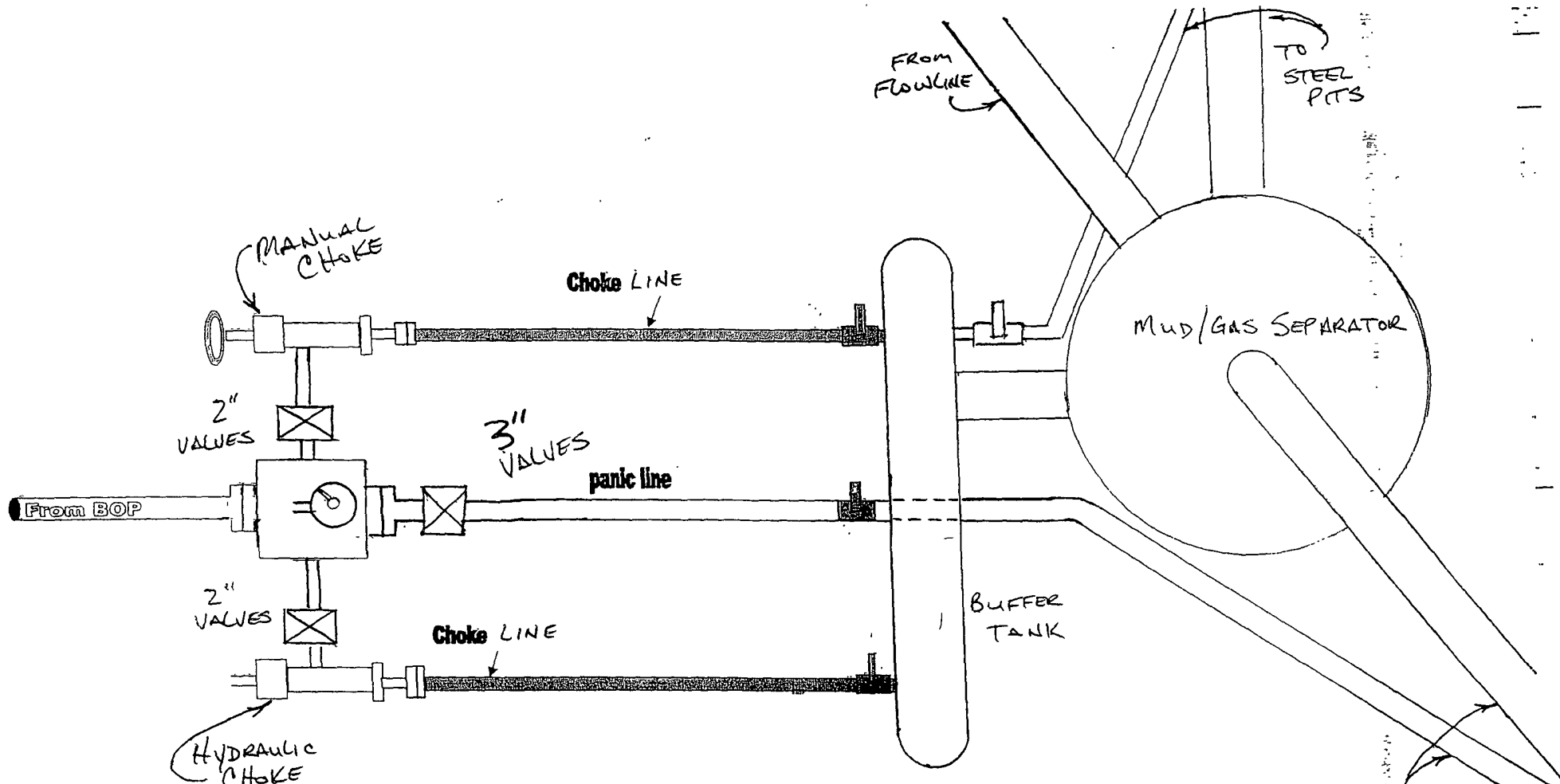
Exhibit #2A

Delaware Ranch "11" Fed Com #2H  
 450' FNL & 1700' FEL  
 Sec 11-T26S-R28E  
 Eddy County,  
 New Mexico



3000# BOP manifold system for Exhibit 2 & 2A

Delaware Ranch "11" Fed Com #2H:



3000 # BOP manifold system

Delaware Ranch "11" Fed Com #2H

TO FLARE PIT  
 (150' FROM WELL HEAD)  
 WITH ELECTRIC  
 OR PROPANE  
 16" NITER

Closed Loop Pad Dimensions 280' x 320'

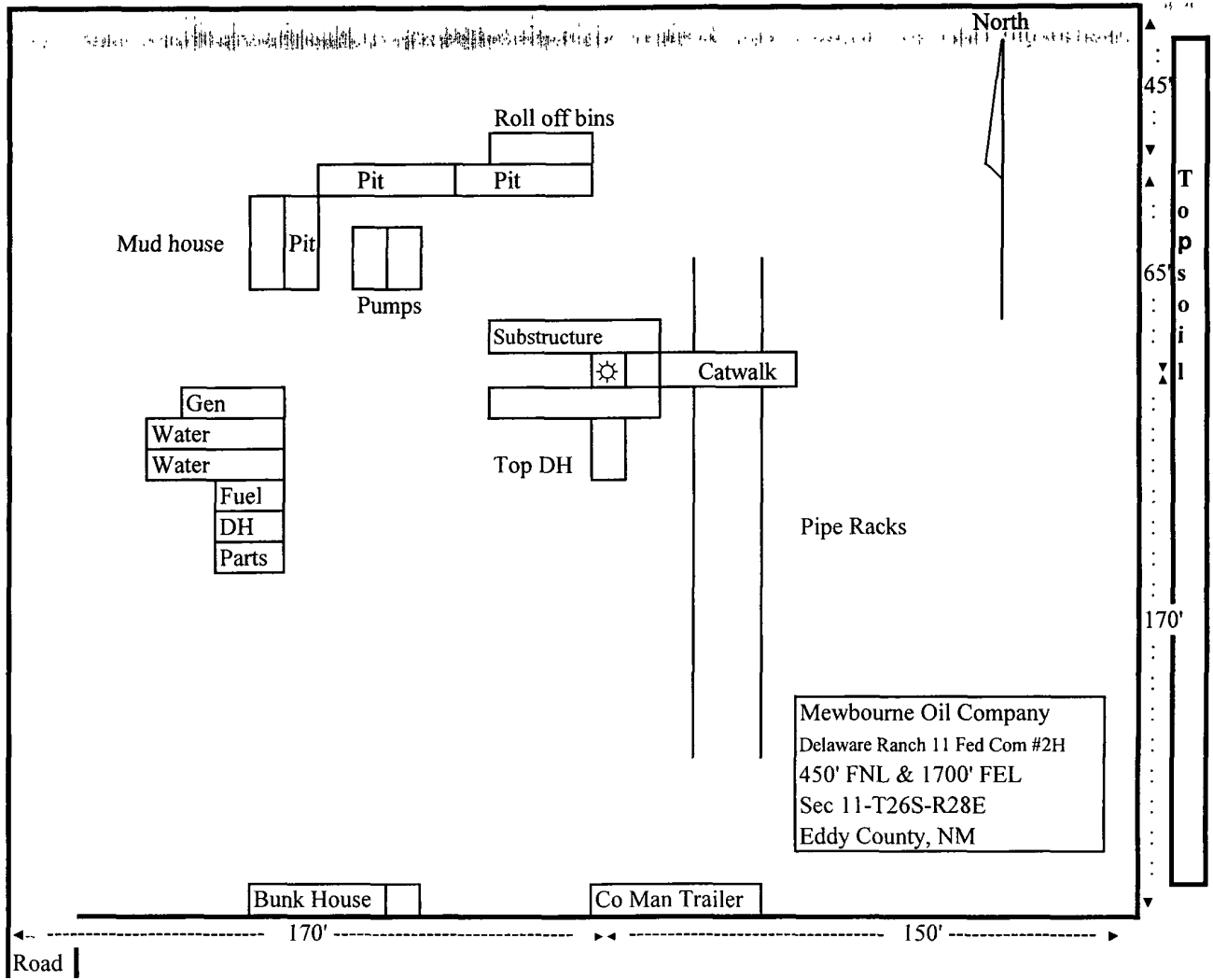


Exhibit 5

**United States Department of the Interior  
Bureau of Land Management  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201-1287**

**Statement Accepting Responsibility for Operations**

Operator Name: Mewbourne Oil Company  
Street or Box: P.O. Box 5270  
City, State: Hobbs, New Mexico  
Zip Code: 88241

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted of the leased land or portion thereof, as described below.

Lease Number: Lease Number # NM 107374  
Fee

Legal Description of Land: Section 11, T-26S, R-28E Eddy County, New Mexico.  
Location @ 450' FNL & 1700' FEL.

Formation (if applicable): Bone Springs

Bond Coverage: \$150,000

BLM Bond File: NM1693, Nationwide

Authorized Signature: Booth Beady for NM Young  
Name: NM (Micky) Young  
Title: District Manager  
Date: 9-23-11

DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

38887

Operator Newhart NE OGRID # 14744  
Well Name & # Delaware Ranch "11" FOLLONIA COM Surface Type (F)(S)(P)  
Location: UL B, Sect 11, Township 26s, RNG 28e, Sub-surface Type (F)(S)(P)

- A. Date C101 rec'd 10 / 20 / 2011 C101 reviewed 10 / 27 / 2011
- B. 1. Check mark, Information is OK on Forms:  
OGRID , BONDING , PROP CODE , WELL # , SIGNATURE
- 2. Inactive Well list as of: 10 / 27 / 2011 # wells 603, # Inactive wells 3
  - a. District Grant APD but see number of inactive wells:  
No letter required ; Sent Letter to Operator , to Santa Fe
- 3. Additional Bonding as of: 10 / 27 / 2011
  - a. District Denial because operator needs addition bonding:  
No Letter required ; Sent Letter to Operator , To Santa Fe
  - b. District Denial because of Inactive well list and Financial Assurance:  
No Letter required ; Sent Letter to Operator , To Santa Fe

- C. C102 YES , NO , Signature
- 1. Pool Red Bluff South, B.S., Code 51010
  - a. Dedicated acreage \_\_\_\_\_, What Units \_\_\_\_\_
  - b. SUR. Location Standard \_\_\_\_\_: Non-Standard Location \_\_\_\_\_
  - c. Well shares acres: Yes , No , # of wells \_\_\_\_\_ plus this well # \_\_\_\_\_
- 2. 2<sup>nd</sup>. Operator in same acreage, Yes , No   
Agreement Letter \_\_\_\_\_, Disagreement letter \_\_\_\_\_
- 3. Intent to Directional Drill Yes , No 
  - a. Dedicated acreage 160, What Units B-G-E-O
  - b. Bottomhole Location Standard , Non-Standard Bottomhole \_\_\_\_\_
- 4. Downhole Commingle: Yes , No 
  - a. Pool #2 \_\_\_\_\_, Code \_\_\_\_\_, Acres \_\_\_\_\_
  - Pool #3 \_\_\_\_\_, Code \_\_\_\_\_, Acres \_\_\_\_\_
  - Pool #4 \_\_\_\_\_, Code \_\_\_\_\_, Acres \_\_\_\_\_
- 5. POTASH Area Yes , No

- D. Blowout Preventer Yes , No
- E. H2S Yes , No
- F. C144 Pit Registration Yes , No
- G. Does APD require Santa Fe Approval:
  - 1. Non-Standard Location: Yes , No , NSL # \_\_\_\_\_
  - 2. Non-Standard Proration: Yes , No , NSP # \_\_\_\_\_
  - 3. Simultaneous Dedication: Yes , No , SD # \_\_\_\_\_  
Number of wells \_\_\_\_\_ Plus # \_\_\_\_\_
  - 4. Injection order Yes , No ; PMX # \_\_\_\_\_ or WFX # \_\_\_\_\_
  - 5. SWD order Yes , NO ; SWD # \_\_\_\_\_
  - 6. DHC from SF \_\_\_\_\_; DHC-HOB \_\_\_\_\_; Holding \_\_\_\_\_

7. OCD Approval Date 10 / 27 / 2011 API #30-0 15-39546  
8. Reviewers 105