Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

APD

OCD Artesia

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No
NMNM14758

6. If Indian, Allottee or Tribe Name

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

1 Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
LONG DRAW 10 NC FED COM 1H

2 Name of Operator
MEWBOURNE OIL COMPANY
Contact: JACKIE LATHAN
E-Mail: jlathan@mewbourne.com

9 API Well No.
30-015-37079-00-X1

3a. Address
HOBBS, NM 88241

3b. Phone No (include area code)
Ph: 575-393-5905
Fx: 575-397-6252

10 Field and Pool, or Exploratory
N SEVEN RIVERS-GLOR-YESO

4 Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 15 T20S R25E NENW 480FNL 1650FWL
32.579208 N Lat, 104.475899 W Lon

11 County or Parish, and State
EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Mewbourne Oil Company has an approved APD for the above captioned well. After further Geological review, we request to use this surface location to drill a horizontal well into Sec 10 of T20S, R25E.

We would also like to Change the name to the Long Draw 10 NC Fed Com #1H. Property code - 39157

The new BHL location will be 330' FNL & 1650' FWL of Sec 10.

Please see attched New C-102, Drilling Program & Directional Plan.

If you have any questions please call, Brett Bednarz.

SUBJECT TO LIKE APPROVAL BY STATE

RECEIVED
APR 6 2012
NMOCD ARTESIA

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Accepted for record
NMOCD
4/9/2012

14 I hereby certify that the foregoing is true and correct

Electronic Submission #126244 verified by the BLM Well Information System
For MEWBOURNE OIL COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by JAMES (JIM) HUGHES on 12/20/2011 (12JLH0198SE)

Name *(Printed/Typed)* JACKIE LATHAN — Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission) — Date 12/19/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By TED MORGAN — Title PETROLEUM ENGINEER — Date 04/04/2012

Conditions of approval, if any, are attached. Approval of this notice 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 — Office Carlsbad

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #126244 that would not fit on the form

32. Additional remarks, continued

Bond on file: NM1693, Nationwide

RECEIVED
APR 6 2012
NMOCD ARTESIA

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
1220 S St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
15-37079	97565	North Seven Rivers-Glorietta-Yeso

Property Code	Property Name	Well Number
39157	LONG DRAW "10NC" FEDERAL COM	1H

OGRID No.	Operator Name	Elevation
14744	MEWBOURNE OIL COMPANY	3417'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	15	20 S	25 E		480	NORTH	1650'	WEST	EDDY

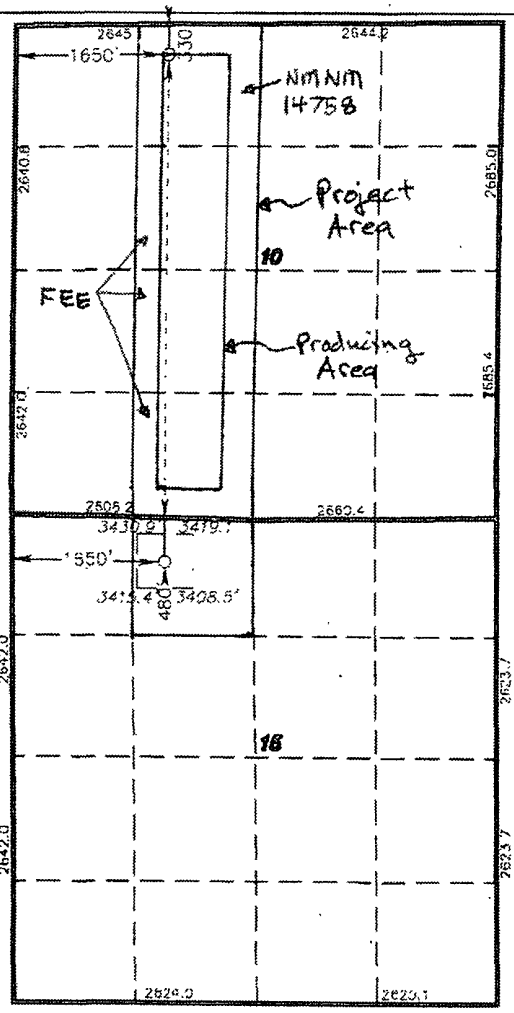
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	10	20 S	25 E		330	NORTH	1650	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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

Lat.: N32°35'39.15"
Long.: W104°28'31.44"
SPC- N.: 579913.509
E.: 455246.755
(NAD-27)



Lat.: N32°34'45.14"
Long.: W104°28'31.60"
SPC- N.: 574455.557
E.: 456225.065
(NAD-27)

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 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 Bedy 12-19-11
Signature Date

Brett Bednarz
Printed Name

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.

FEBRUARY 9, 2009
Date Surveyed

Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

109

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

Drilling Program
Mewbourne Oil Company
Long Draw "10" NC Fed Com #1H
480' FNL & 1650' FWL (SHL)
Sec 15-T20S-R25E
Eddy County, New Mexico

See COA

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

See COA

Grayburg	410'
San Andres	850'
*Glorietta	2325'
*Yeso	2505'

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

See COA

Water	Fresh water is anticipated @ 150' & will be protected by setting surface casing at 870' 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:

See COA

A 2000# WP annular BOP will be installed after running 9 5/8" 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 1835' & kick off to horizontal @ 2551' TVD. The well will be drilled to 7710' MD (2531' TVD). See attached directional plan.

5. Proposed casing and cementing program:

A. Casing Program:

See COA

See COA

Hole Size	Casing	Wt/Ft.	Grade	Depth	Jt Type
12 ¼"	9 ⅝" (new)	36#	J55	0'-870'	LT&C
8 ¾"	7" (new)	26#	J55	0-1835' MD	LT&C
8 ¾"	7" (new)	26#	J55	1835'-2963' MD	BT&C
7 ⅞"	4 ½" (new)	11.6#	J55	2763'-7710' MD	LT&C

Minimum casing design factors: Collapse 1.125, Burst 1.0, Tensile strength 1.8.
*Subject to availability of casing.

B. Cementing Program:

See COA

i. Surface Casing: 405 sacks class "C" cement w/ 2% CaCl2. Yield at 1.34 cuft/sk. Cmt circulated to surface with 100% excess.

ii. Production Casing: 100 sacks Class "C" light (35:65:4) cement w/ 5% salt, LCM & FL additives. Yield at 2.13 cuft/sk. 400 sacks Class "C" cement w/ 0.1% R3 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:

See COA

Interval	Type System	Weight	Viscosity	Fluid Loss
0' - 870'	FW spud mud	8.6-9.0	32-34	NA
870' - 1835'	FW	8.4-8.6	28-30	NA
1835' - TD	FW w/Polymer	8.5-8.7	32-35	20

7. Evaluation Program:

See COA

Samples: 10' samples from surface casing to TD
Logging: GR & Gyro from KOP -100' (1735') to surface. GR from 1735' to TD.

8. Downhole Conditions

See COA

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 10/15-20S-25E
Long Draw 10 NC Fed #1H

Wellbore #1

Plan: Design #1

DDC Well Planning Report

02 December, 2011

DDC
THE DIRECTIONAL DRILLING COMPANY

DDC
Well Planning Report

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well Long Draw 10 NC Fed #1H
Company:	Mewbourne Oil Co	**TVD Reference:**	WELL @ 3436.0usft (Patterson UTI #101)
Project:	Eddy County, New Mexico	**MD Reference:**	WELL @ 3436.0usft (Patterson UTI #101)
Site:	Sec 10/15-20S-25E	**North Reference:**	Grid
Well:	Long Draw 10 NC Fed #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 10/15-20S-25E

Site Position:		**Northing:**	574,455.56 usft	**Latitude:**	32° 34' 45.136 N
From:	Map	**Easting:**	456,225.07 usft	**Longitude:**	104° 28' 31.605 W
Position Uncertainty:	0.0 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	-0.08 °

Well Long Draw 10 NC Fed #1H

Well Position	**+N/-S**	0.0 usft	**Northing:**	574,455.56 usft	**Latitude:**	32° 34' 45.136 N
	+E/-W	0.0 usft	**Easting:**	456,225.07 usft	**Longitude:**	104° 28' 31.605 W
Position Uncertainty		0.0 usft	**Wellhead Elevation:**		**Ground Level:**	3,417.0 usft

Wellbore Wellbore #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	12/2/2011	7.97	60.35	48,681

Design Design #1

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	0.24

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	
1,834.8	0.00	0.00	1,834.8	0.0	0.0	0.00	0.00	0.00	0.00	
2,962.8	90.24	0.24	2,551.0	719.2	3.0	8.00	8.00	0.02	0.24	
7,709.7	90.24	0.24	2,531.0	5,466.0	22.6	0.00	0.00	0.00	0.00	PBHL Long Draw 1

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well Long Draw 10 NC Fed #1H
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Site:	Sec 10/15-20S-25E	**North Reference:**	Grid
Well:	Long Draw 10 NC Fed #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
Build 8°/100' @ 1835' MD									
1,834.8	0.00	0.00	1,834.8	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	5.22	0.24	1,899.9	3.0	0.0	3.0	8.00	8.00	0.00
2,000.0	13.22	0.24	1,998.5	19.0	0.1	19.0	8.00	8.00	0.00
2,100.0	21.22	0.24	2,094.0	48.5	0.2	48.5	8.00	8.00	0.00
2,200.0	29.22	0.24	2,184.4	91.1	0.4	91.1	8.00	8.00	0.00
2,300.0	37.22	0.24	2,268.0	145.8	0.6	145.8	8.00	8.00	0.00
2,400.0	45.22	0.24	2,343.1	211.7	0.9	211.7	8.00	8.00	0.00
2,500.0	53.22	0.24	2,408.4	287.3	1.2	287.3	8.00	8.00	0.00
2,600.0	61.22	0.24	2,462.5	371.3	1.5	371.3	8.00	8.00	0.00
2,700.0	69.22	0.24	2,504.4	462.1	1.9	462.1	8.00	8.00	0.00
2,800.0	77.22	0.24	2,533.2	557.7	2.3	557.7	8.00	8.00	0.00
2,900.0	85.22	0.24	2,548.5	656.5	2.7	656.5	8.00	8.00	0.00
EOB @ 2963' MD / 90.24° Inc / .24° Azm / 2551' TVD									
2,962.8	90.24	0.24	2,551.0	719.2	3.0	719.2	8.00	8.00	0.00
3,000.0	90.24	0.24	2,550.8	756.4	3.1	756.4	0.00	0.00	0.00
Casing Point @ 3027' MD									
3,026.8	90.24	0.24	2,550.7	783.2	3.2	783.2	0.00	0.00	0.00
3,100.0	90.24	0.24	2,550.4	856.4	3.5	856.4	0.00	0.00	0.00
3,200.0	90.24	0.24	2,550.0	956.4	4.0	956.4	0.00	0.00	0.00
3,300.0	90.24	0.24	2,549.6	1,056.4	4.4	1,056.4	0.00	0.00	0.00
3,400.0	90.24	0.24	2,549.1	1,156.4	4.8	1,156.4	0.00	0.00	0.00
3,500.0	90.24	0.24	2,548.7	1,256.4	5.2	1,256.4	0.00	0.00	0.00
3,600.0	90.24	0.24	2,548.3	1,356.4	5.6	1,356.4	0.00	0.00	0.00
3,700.0	90.24	0.24	2,547.9	1,456.4	6.0	1,456.4	0.00	0.00	0.00
3,800.0	90.24	0.24	2,547.5	1,556.4	6.4	1,556.4	0.00	0.00	0.00
3,900.0	90.24	0.24	2,547.0	1,656.4	6.9	1,656.4	0.00	0.00	0.00
4,000.0	90.24	0.24	2,546.6	1,756.4	7.3	1,756.4	0.00	0.00	0.00
4,100.0	90.24	0.24	2,546.2	1,856.4	7.7	1,856.4	0.00	0.00	0.00
4,200.0	90.24	0.24	2,545.8	1,956.4	8.1	1,956.4	0.00	0.00	0.00
4,300.0	90.24	0.24	2,545.4	2,056.4	8.5	2,056.4	0.00	0.00	0.00
4,400.0	90.24	0.24	2,544.9	2,156.4	8.9	2,156.4	0.00	0.00	0.00
4,500.0	90.24	0.24	2,544.5	2,256.4	9.3	2,256.4	0.00	0.00	0.00
4,600.0	90.24	0.24	2,544.1	2,356.4	9.8	2,356.4	0.00	0.00	0.00

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well Long Draw 10 NC Fed #1H
Company:	Mewbourne Oil Co	**TVD Reference:**	WELL @ 3436.0usft (Patterson UTI #101)
Project:	Eddy County, New Mexico	**MD Reference:**	WELL @ 3436.0usft (Patterson UTI #101)
Site:	Sec 10/15-20S-25E	**North Reference:**	Grid
Well:	Long Draw 10 NC Fed #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)
4,700.0	90.24	0.24	2,543.7	2,456.4	10.2	2,456.4	0.00	0.00	0.00
4,800.0	90.24	0.24	2,543.3	2,556.4	10.6	2,556.4	0.00	0.00	0.00
4,900.0	90.24	0.24	2,542.8	2,656.4	11.0	2,656.4	0.00	0.00	0.00
5,000.0	90.24	0.24	2,542.4	2,756.4	11.4	2,756.4	0.00	0.00	0.00
5,100.0	90.24	0.24	2,542.0	2,856.4	11.8	2,856.4	0.00	0.00	0.00
5,200.0	90.24	0.24	2,541.6	2,956.4	12.2	2,956.4	0.00	0.00	0.00
5,300.0	90.24	0.24	2,541.1	3,056.4	12.7	3,056.4	0.00	0.00	0.00
5,400.0	90.24	0.24	2,540.7	3,156.3	13.1	3,156.4	0.00	0.00	0.00
5,500.0	90.24	0.24	2,540.3	3,256.3	13.5	3,256.4	0.00	0.00	0.00
5,600.0	90.24	0.24	2,539.9	3,356.3	13.9	3,356.4	0.00	0.00	0.00
5,700.0	90.24	0.24	2,539.5	3,456.3	14.3	3,456.4	0.00	0.00	0.00
5,800.0	90.24	0.24	2,539.0	3,556.3	14.7	3,556.4	0.00	0.00	0.00
5,900.0	90.24	0.24	2,538.6	3,656.3	15.1	3,656.4	0.00	0.00	0.00
6,000.0	90.24	0.24	2,538.2	3,756.3	15.6	3,756.4	0.00	0.00	0.00
6,100.0	90.24	0.24	2,537.8	3,856.3	16.0	3,856.4	0.00	0.00	0.00
6,200.0	90.24	0.24	2,537.4	3,956.3	16.4	3,956.4	0.00	0.00	0.00
6,300.0	90.24	0.24	2,536.9	4,056.3	16.8	4,056.4	0.00	0.00	0.00
6,400.0	90.24	0.24	2,536.5	4,156.3	17.2	4,156.4	0.00	0.00	0.00
6,500.0	90.24	0.24	2,536.1	4,256.3	17.6	4,256.4	0.00	0.00	0.00
6,600.0	90.24	0.24	2,535.7	4,356.3	18.0	4,356.4	0.00	0.00	0.00
6,700.0	90.24	0.24	2,535.3	4,456.3	18.5	4,456.4	0.00	0.00	0.00
6,800.0	90.24	0.24	2,534.8	4,556.3	18.9	4,556.4	0.00	0.00	0.00
6,900.0	90.24	0.24	2,534.4	4,656.3	19.3	4,656.4	0.00	0.00	0.00
7,000.0	90.24	0.24	2,534.0	4,756.3	19.7	4,756.4	0.00	0.00	0.00
7,100.0	90.24	0.24	2,533.6	4,856.3	20.1	4,856.4	0.00	0.00	0.00
7,200.0	90.24	0.24	2,533.1	4,956.3	20.5	4,956.4	0.00	0.00	0.00
7,300.0	90.24	0.24	2,532.7	5,056.3	20.9	5,056.4	0.00	0.00	0.00
7,400.0	90.24	0.24	2,532.3	5,156.3	21.4	5,156.4	0.00	0.00	0.00
7,500.0	90.24	0.24	2,531.9	5,256.3	21.8	5,256.4	0.00	0.00	0.00
7,600.0	90.24	0.24	2,531.5	5,356.3	22.2	5,356.4	0.00	0.00	0.00
7,700.0	90.24	0.24	2,531.0	5,456.3	22.6	5,456.4	0.00	0.00	0.00
TD @ 7710' MD / 2531' TVD									
7,709.7	90.24	0.24	2,531.0	5,466.0	22.6	5,466.1	0.00	0.00	0.00

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL Long Draw 10 I - plan hits target center - Po nt	0.00	0.00	2,531.0	5,466 0	22 6	579,921.60	456,247.70	32° 35' 39.227 N	104° 28' 31.425 W

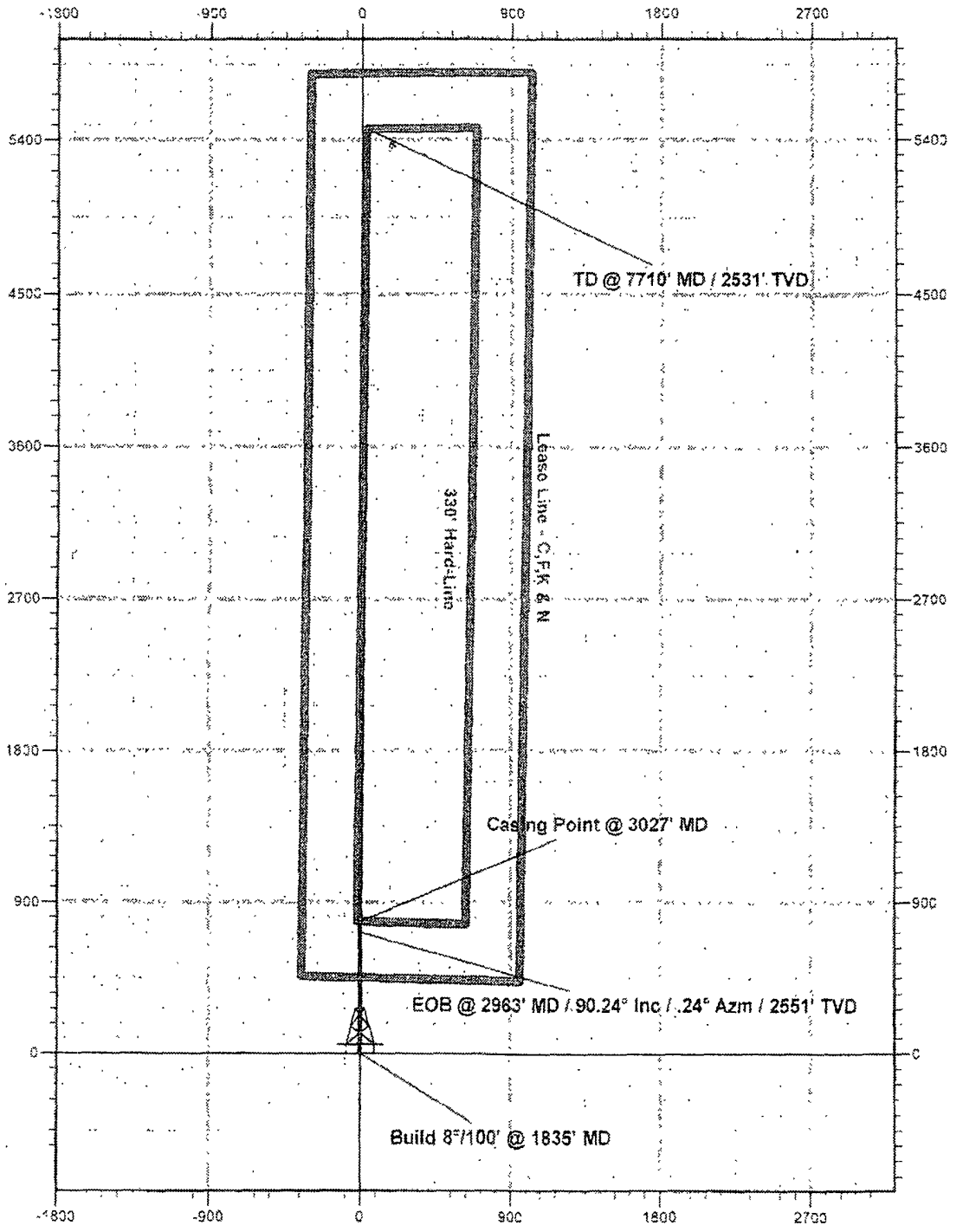
Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
1,834.8	1,834 8	0 C	0.0	Bu ld 8°/100' @ 1835' MD
2,962.8	2,551.0	719 2	3 0	EOB @ 2963' MD / 90.24° Inc / .24° Azm / 2551' TVD
3,026.8	2,550 7	783 2	3 2	Casing Point @ 3027' MD
7,709 7	2,531.0	5,466 0	22.6	TD @ 7710' MD / 2531' TVD

Mewbourne Oil Company

Eddy County, New Mexico
Long Draw 10 NC Fed #1H
Quote 110810

QDC
The DIRECTIONAL DRILLING COMPANY

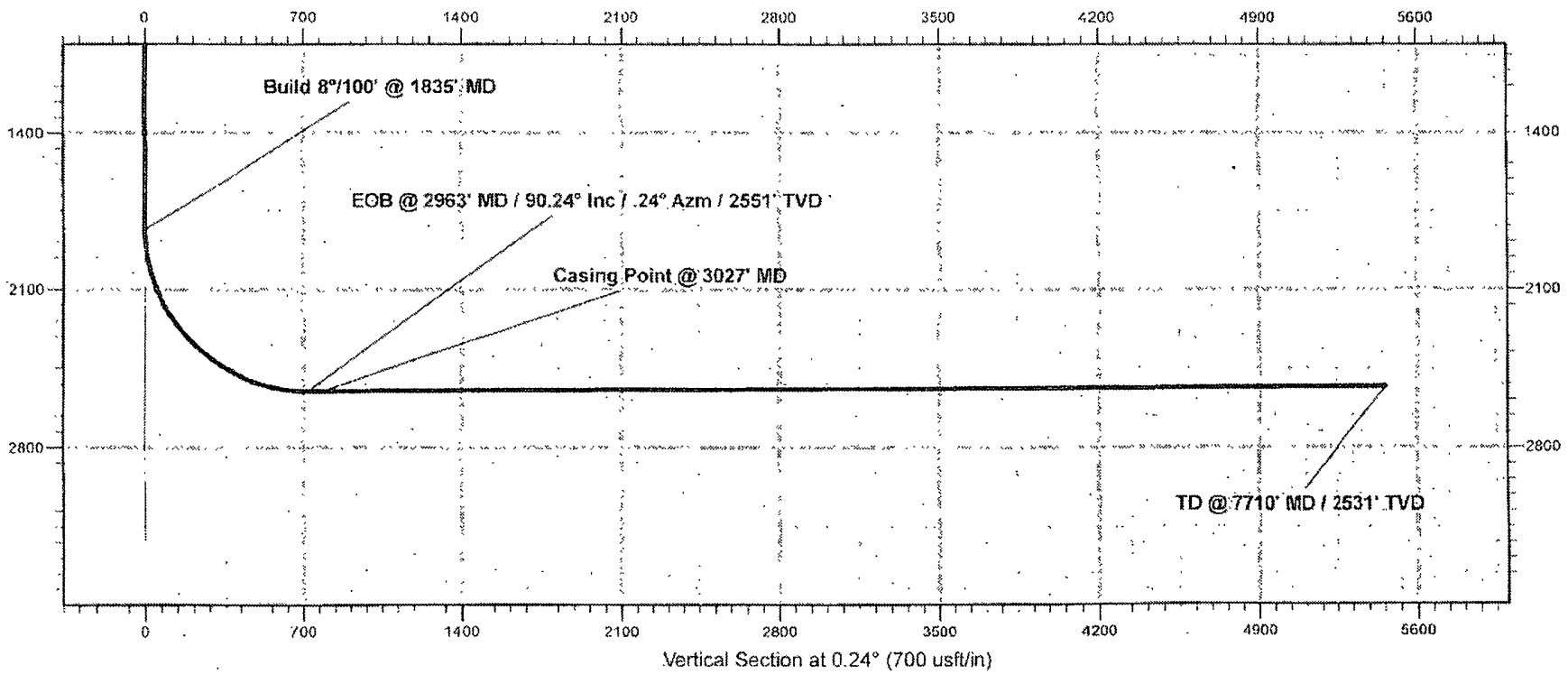


Mewbourne Oil Company

Eddy County, New Mexico

Long Draw 10 NC Fed #1H

Quote 110810



PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Mewbourne Oil Co
LEASE NO.:	NM14758
WELL NAME & NO.:	Long Draw 10 NC Fed Com 1H
SURFACE HOLE FOOTAGE:	480' FNL & 1650' FWL Section 15
BOTTOM HOLE FOOTAGE	330' FNL & 1650' FWL Section 10
LOCATION:	Section 15, T. 20 S., R 25 E., NMPM
COUNTY:	Eddy County, New Mexico

The request to change the well name and number to the above from Limousine 15C Fed 1 is approved subject to like approval by state.

Communitization Agreement

A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

a. Spudding well
b. Setting and/or Cementing of all casing strings
c. BOPE tests

☒ **Eddy County**
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

1. **Although Hydrogen Sulfide has not been reported in the area, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts and formations to the BLM.**

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a "Major" violation.**

3. **The record of the drilling rate along with the GR/N well log run in the vertical portion of hole will be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies.**

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#).

Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

HIGH CAVE/KARST – CONTINGENCY CASING WILL BE REQUIRED IF LOST CIRCULATION OCCURS WHILE DRILLING THE 12-1/4" SURFACE HOLE. THE SURFACE HOLE WILL HAVE TO BE REAMED AND A LARGER CASING INSTALLED. IF LOST CIRCULATION OCCURS WHILE DRILLING THE 8-3/4" HOLE, THE CEMENT PROGRAM FOR THE 7" CASING WILL NEED TO BE MODIFIED AND THE BLM IS TO BE CONTACTED PRIOR TO RUNNING THE CASING. A MINIMUM OF TWO CASING STRINGS CEMENTED TO SURFACE IS REQUIRED IN HIGH CAVE/KARST AREAS. THE CEMENT MUST BE IN A SOLID SHEATH THEREFORE, ONE INCH OPERATIONS WILL NOT BE PERMITTED.

Possible water and brine flows in Karst areas.
Possible lost circulation in the San Andres.
Wellbore Proximity: Long Draw 10 C Federal #1 is located ±200' east of the planned drainhole, and approximately 600' from TD.

1. The **9-5/8** inch surface casing shall be set at **approximately 1050 feet (within the San Andres dolomite)** and cemented to the surface. **Freshwater mud to be used to the revised casing point of approximately 1050'.**

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

    b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.

    c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

    d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the **7** inch production casing is:

    ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.**

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

3. The minimum required fill of cement behind the **4-1/2** inch production liner is:

    ☒ Liner to be uncemented packer/port system with packer type liner hanger

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.

3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

    b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.

    c. The results of the test shall be reported to the appropriate BLM office.

    d. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**

    e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

TMM 040412