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 Road, Aztec, NM 87410
Phone. (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

NM OIL CONSERVATION
ARTESIA DISTRICT
NOV 13 2015
RECEIVED

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

Form C-101
Revised July 18, 2013

☐ AMENDED REPORT

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

1. Operator Name and Address	2. OGRID Number
Mewbourne Oil Company PO Box 5270 Hobbs, NM 88241	14744
	3. API Number 30-015-22638

4. Property Code	5. Property Name	6. Well No.
315675	Layla 27 SWD #1	1

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
H	27	23S	28E	H	1980	N	990	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

9. Pool Information

Pool Name	Pool Code
SWD;Devonian	96101

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
RC/Reclassificatio	SWD		FEE	3035'
16. Multiple	**17. ~~Proposed~~ Depth**	**18. Formation**	**19. Contractor**	**20. Spud Date**
	13,100	Cisco	TBA	ASAP (7-30-78)
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 SWD - Order: 1584 10/6/15

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	26	20	94	403	750	Surface
Int.	17	13.375	61	3015	4000	490'
Int.	12.25	9.625	47	10375	2055	Surface

Casing/Cement Program: Additional Comments

MOC requests to re-enter the above captioned well. Above casing already in place. See attached schematics & procedures for re-entering.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular & Double Ram	3000	1500	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 that I have complied with 19.15.14.9 (A) NMAC ☑ and/or 19.15.14.9 (B) NMAC ☐, if applicable.
Signature:

Printed name: Bradley Bishop
Title: Regulatory
E-mail Address: bbishop@mewbourne.com
Date: 11-11-15 Phone: 575-393-5905

OIL CONSERVATION DIVISION

Approved By: K Dade
Title: Dist R Supervisor
Approved Date: 11/20/2015 Expiration Date: 11/20/2017
Conditions of Approval Attached

Mewbourne Oil Company

COMPLETION PROCEDURE

Submitted By: R. Terrell

Wellname: **Pardue Farms 27 #1 to Layla SWD #1**

Location:

Eddy Co., NM

Date: 11-11-15

Csg Set:	9 5/8" @ 10375'	**Packer Type:**	
Csg Size:		**Packer Depth:**	
Liner Size:		**Tbg:**	
Liner Top:		**Tbg Set:**	
Ports:		**Total Rods:**	

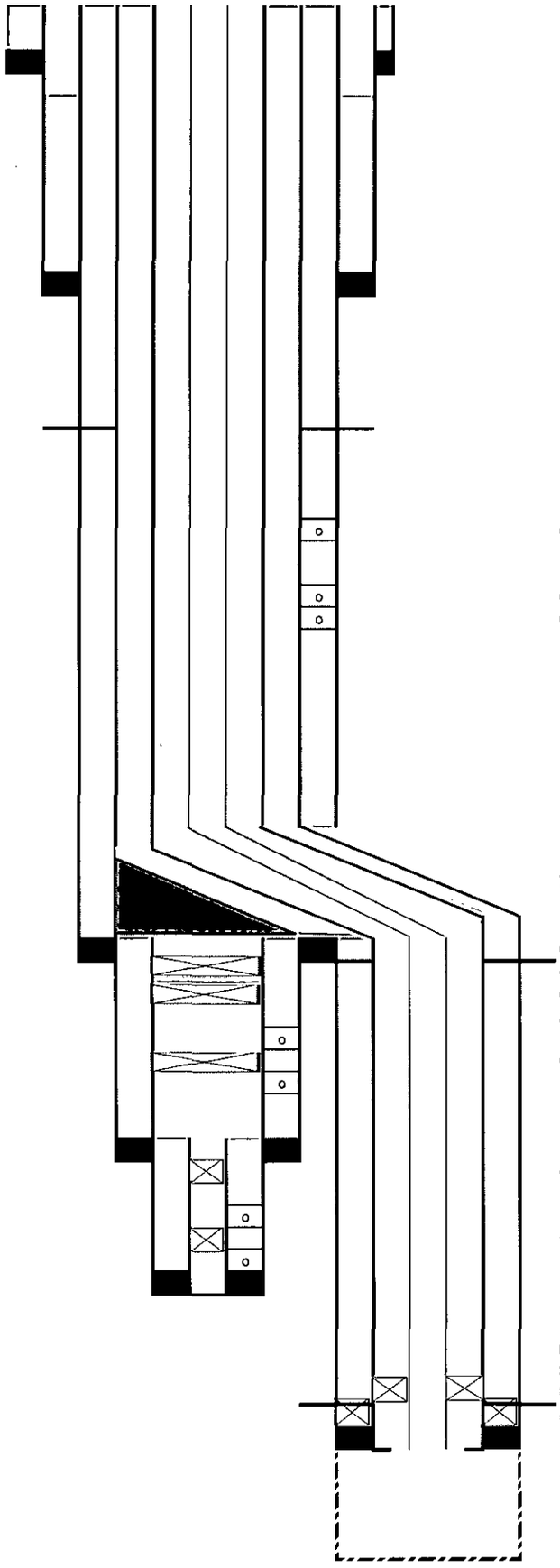
Procedure:

1. Acquire wellbore rights and ROW for SWD lines
2. Construct well pad and cellar, set anchors, and install 9-5/8" 5K weld on head.
3. MIRU well service rig. NU 9 -5/8" BOP with 2 -7/8" rams.
4. MIRU reverse unit. PU 8 1/2" bit on 6" drill collar and drill surface plug. LD 6" collar.
5. RIH w/8 ½" bit, bit sub, 18- 4 ¼" DC's, XO, and 2 7/8" PH6 drill string. Drill cmt plug @ 376', 2548', 2941, and 5756'. Drill CIBP @ 6010' and RIH and tag CR @ 6265'.
6. SWI and establish rate into Brushy Canyon perfs @ 6058' - 6255'.
7. POOH. RIH with RTTS and confirm top Perf depth 6058'.
8. POOH with RTTS. RIH and set CR @ 5950'. Squeeze Brushy Canyon perfs to 1500# w/Class H neat cmt.
9. RIH with 8 ½" bit, DC's, and PH6 tbg. Test csg to 1000#. Drill out CR @ 5950' and cmt to 6265'. Test csg to 1000#. Drill out CR @ 6265' and cmt to 7100'. Test csg to 1000#. RIH to cmt plug @ 10042'. Circ well clean. POOH.
10. RIH and set 9 5/8" CIBP @ 10000'.
11. RIH & set whipstock on CIBP @ 10000'. Mill window in 9 5/8" csg.
12. POOH and LD work string.
13. ND BOP & NU cap flange on 9 5/8" head. RDMO well service rig.
14. MIRU Patterson drilling rig.
15. Drill 8 ½" hole from window to TD of 15,000'.
16. Run 7" csg with ECP and DV tool to 13975'.
17. Cmt 7" to surface.
18. RDMO Patterson.

Mewbourne Oil Company

Well Name: Pardue Farms 27 #1
Spud: 7/30/1978

Last Updated by: T Cude on 11/24/2014



26" x 20" 94# K-55 BTC
Set @ 403'
Cmt w/750 sx, circ 25 sx to surface
TOC 490'

17" x 13 3/8" 61# K-55 STC
Set @ 3015'
Cmt w/4000 sx, TOC 490' Temp Survey

DVT @ 5812'
Cmt 2nd stg w/1755 sx, circ 10 sx

Brushy Canyon Perfs (Sqz)
6,058'-6,255'

Bone Spring Perfs (Sqz w/ 450 sx)
6,274'-6,588'
6,588'-7,036'

Mill 8 3/4" window in 9 5/8" csg
Whipstock set @ 10,000'

12 1/4" x 9 5/8" 47# & 43.5 S-95 LTC
Set @ 10,375'
Cmt 1st stg w/1300 sx, circ 25 sx
DVT @ 10500'

CIBP @ 11,000'
Cmt plug(15 sx) 11,308'-11,343'
CIBP @ 11,370'
Atoka Perfs
11,408'-11,475'
CIBP @ 11,600'
11,664'-11,688' **(Squeezed)**

8 1/2" x 7" 26# S-95 LTC Liner
Set from 10,086'-12,275'
Cmt w/500 sx

CIBP @ 12,400'
Morrow Perfs
12,480'-486', 12,490-495', 12,573'-577', 12,656'-661'
CIBP @ 12,840'
12,904'-12,914'

6 1/4" x 4 1/2" 13.5# N-80 LTC Liner
Set from 12,002'-13,100'
Cmt w/130 sx

Injection String
3 1/2" 9.3# L80 tbg IPC w/TK99
Pkr set @ 13950'
External Csg Pkr Set @ 13995'

DVT @ 13975'
8 3/4" x 7" 26# HCP-110 LTC
Set @ 14000'
Cmt w/

8 3/4" Open Hole
TD @ 15,000'

Mewbourne Oil Company

Well Name: Pardue Farms 27 #1
Spud: 7/30/1978

Last Updated by: T Cude on 11/24/2014

26" x 20" 94# K-55 BTC
Set @ 403'
Cmt w/750 sx, circ 25 sx to surface
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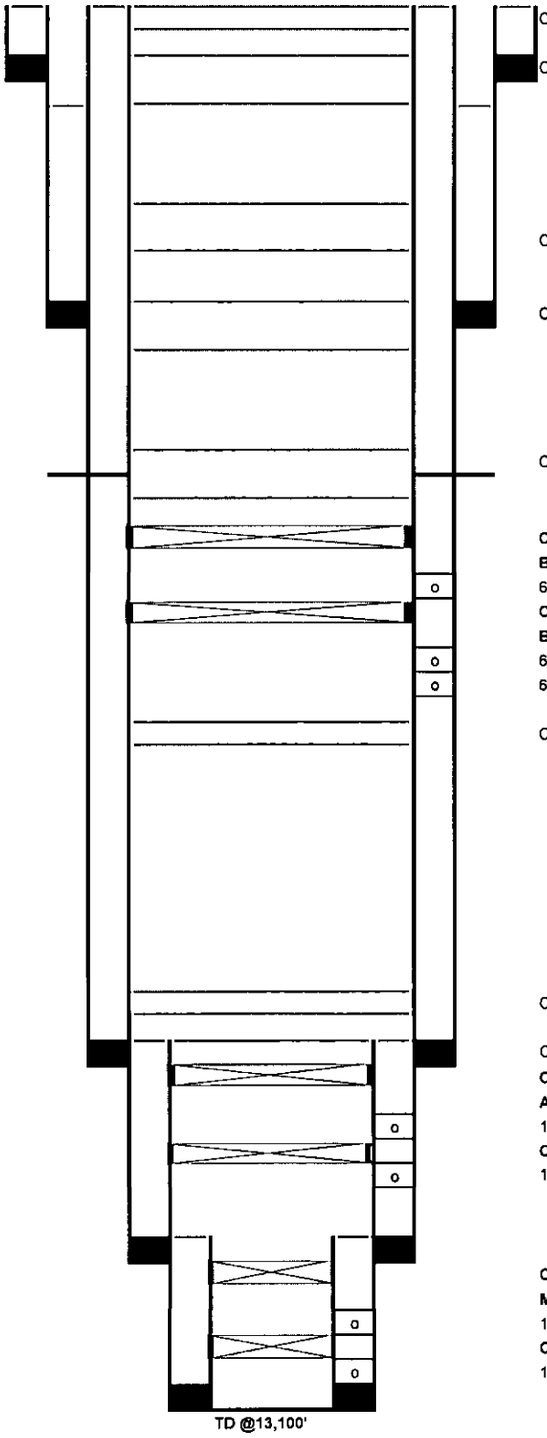
12 1/4" x 9 5/8" 47# & 43.5 S-95 LTC
Set @ 10,375'
Cmt 1st stg w/1300 sx, circ 25 sx

8 1/2" x 7" 26# S-95 LTC Liner
Set from 10,086'-12,275'
Cmt w/500 sx

6 1/4" x 4 1/2" 13.5# N-80 LTC Liner
Set from 12,002'-13,100'
Cmt w/130 sx



Cmt plug(10 sx) Surface-30'

Cmt plug(40 sx) 376'-503'

Cmt plug(40 sx) 2,548-2,674'

Cmt plug(45 sx) 2,941-3,083'

Cmt plug(40 sx) 5,756'-5,883'

CIBP @ 6,010'
Brushy Canyon Perfs
6,058'-6,255'
Cement Retainer @ 6265'
Bone Spring Perfs (Sqz w/ 450 sx)
6,274'-6,588'
6,588'-7,036'

Cmt plug(16 sx) 6,964'-7,014'

Cmt plug(20 sx) 10,042'-10,142'

Cmt plug(15 sx) 11,308'-11,343'
CIBP @ 11,370'
Atoka Perfs
11,408'-11,475'
CIBP @ 11,600'
11,664'-11,688' **(Squeezed)**

CIBP @ 12,400'
Morrow Perfs
12,480'-486', 12,490-495', 12,573'-577', 12,656'-661'
CIBP @ 12,840'
12,904'-12,914'

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division

Administrative Order SWD-1584
October 6, 2015

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Pursuant to the provisions of Division Rule 19.15.26.8B. NMAC, Mewbourne Oil Company (the "operator") seeks an administrative order for its proposed Layla 27 SWD Well No. 1 (API No. 30-015-22638) to be located 1980 feet from the North line and 990 feet from the East line, Unit letter H of Section 27, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, for disposal of produced water.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objection was received within the required suspense period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Mewbourne Oil Company (OGRID 14744) is hereby authorized to utilize its proposed Layla 27 SWD Well No. 1 (API No. 30-015-22638) to be located 1980 feet from the North line and 990 feet from the East line, Unit letter H of Section 27, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, for disposal of oil field produced water (UIC Class II only) through an open hole interval within the Devonian formation approximately 14000 feet to approximately 15000 feet. Injection shall occur through internally-coated tubing and a packer set a maximum of 100 feet above the top of the open-hole interval.

This permit does not allow disposal into the Ellenburger formation (lower Ordovician) or lost circulation intervals directly on top and obviously connected to this formation. The operator shall provide logs and a mudlog over the proposed interval which verify that only the permitted interval is completed for disposal.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information, to the Division's District geologist and Santa Fe Bureau Engineering office, showing evidence agreeable that only the permitted formation is open for disposal including a summary of depths (picks) for contacts of the formations which the Division shall use to amend this order for a final description of the depth for the injection interval.

Operator shall squeeze and test the 9-5/8 casing within the perforations in the Brushy Canyon formation between approximately 6058 feet and 6255 feet. This operation shall be commenced prior to the 8-3/4 hole and accompanying 7-inch casing being milled out of the 9-5/8 casing.

Further the Operator shall run a CBL (or equivalent) across the 7-inch casing from the bottom of the casing to surface to ensure structural integrity of the casing.

Failure to comply with the requirement detailed above shall result ipso-facto in the loss of disposal authority approved by this order.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed in the application and any required modifications of construction as required by the Division.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 2800 psi.** In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well. The Division Director retains the right to require at any time the operator to install and maintain a chart recorder showing casing and tubing pressures during disposal operations.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24

NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any disposal well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection permit after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

David R. Catanach

DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Artesia District Office
Well file 30-015-26338

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-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance ____X____Disposal _____Storage
Application qualifies for administrative approval? ____ X _____Yes _____No

II. OPERATOR: **Mewbourne Oil Company**

ADDRESS: **500 W. Texas Suite 1020**
Midland, TX 79701
CONTACT PARTY: **Travis Cude** PHONE: **432-682-3715**

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____Yes _____X_____No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: **Travis Cude** TITLE: **Reservoir Engineer**

SIGNATURE: _____ DATE: _____

E-MAIL ADDRESS: **tcude@mewbourne.com**

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side I

INJECTION WELL DATA SHEET

OPERATOR: **Mewbourne Oil Company**

WELL NAME & NUMBER: **Layla 27 SWD #1** (Originally: Pardue Farms 27 #1) API 30-015-22638

WELL LOCATION:	**1980' FNL & 990' FEL**	**H**	**27**	**23S**	**28E**
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC *(See Attached)*

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: **26"**

Casing Size: **20" @ 403'**

Cement with: **750 sx**

Top of Cement: **Surface**
(25 sx circulated)

Intermediate Casing

Hole Size: **17"**

Casing Size: **13 3/8" @ 3015'**

Cement with: **4000 sx**

Top of Cement: **490'**
(Temp Survey)

Intermediate Casing

Hole Size: **12 1/4"**

Casing Size: **9 5/8" @ 10375'**

1st Stg Cement with : **1300 sx**
DVT @: 5812'
2nd Stg Cement with : **1755 sx**

Top of Cement: **Surface**

Whipstock set @ 10,000'; Mill 8 3/4" window in 9 5/8" csg

Intermediate Casing

Hole Size: **8 3/4"**

Casing Size: **7" @ 14000'**
External Csg Pkr @ 13995'

DVT @: 13975'
1st Stg Cement with : **500 sx**
DVT @: 10500'
2nd Stg Cement with : **1500 sx**

Top of Cement: **Surface**

TD @ 15000'

Injection Interval
Open Hole Completion from 14000'-15000'

INJECTION WELL DATA SHEET

Tubing Size: **3 1/2"9.3# L80** Lining Material: **TK99 IPC**

Type of Packer: **Arrowset 1X (nickel plated)**

Packer Setting Depth: +/- **13,950**

Other Type of Tubing/Casing Seal (if applicable): **Whipstock @10,000', Ext Csg Pkr @ 13995'**

Additional Data

1. Is this a new well drilled for injection? **No**

   If no, for what purpose was the well originally drilled? **Morrow Test**

2. Name of the Injection Formation: **Devonian, Open Hole Completion**

3. Name of Field or Pool (if applicable): **SWD, Devonian**

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

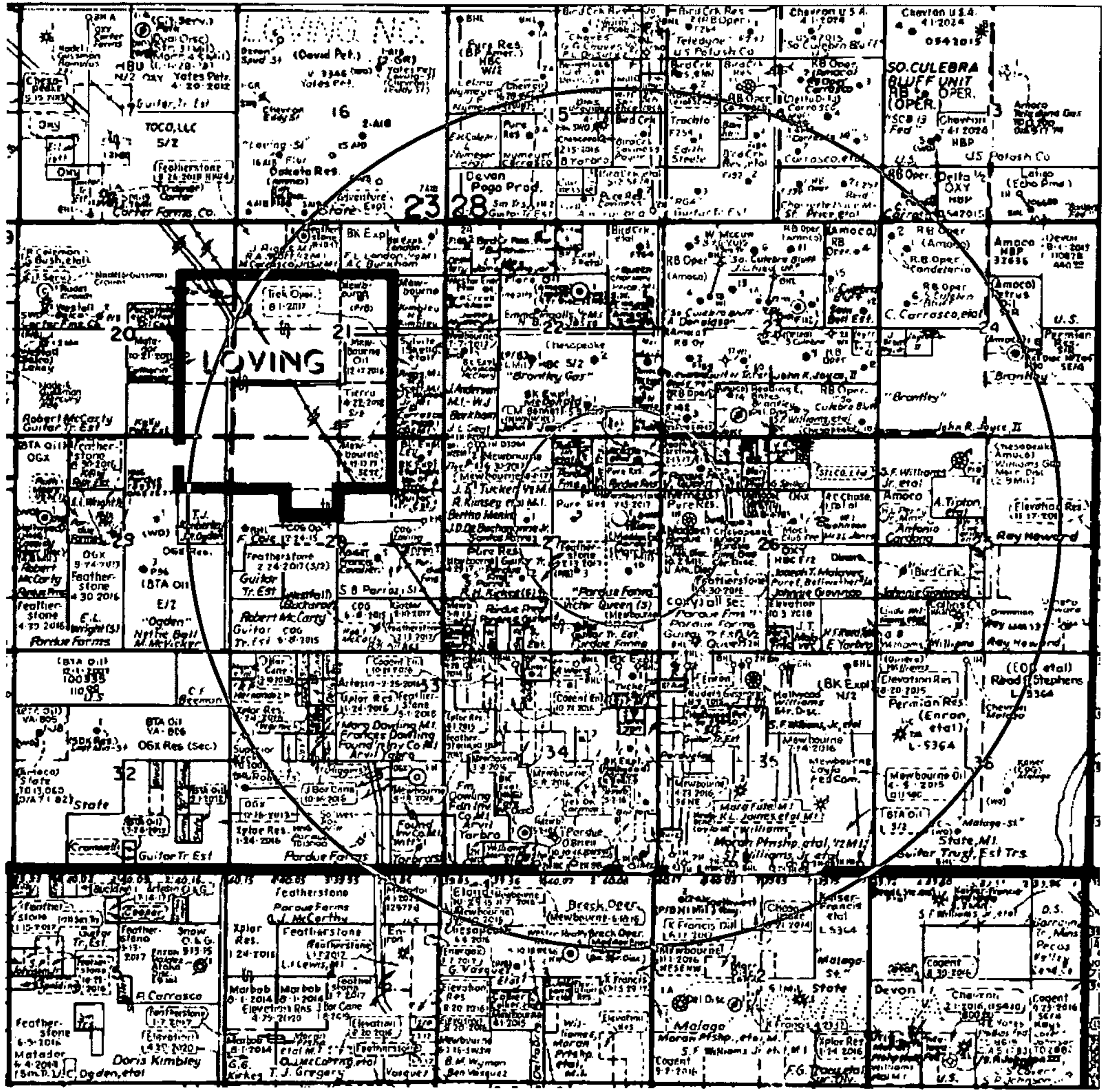
   Perfs: Morrow f/ 12,480'-12,914'; Atoka f/ 11,408-11475', 11664'-11,668' (squeezed); Bone Spring f/ 6274'-7036' (squeezed w/ 450 sx); Brushy Canyon f/ 6058'-6255'.

   Plugs: CIBP 12840', CIBP 12400', CIBP 11600', CIBP 11370', cmt plug (15 sx) 11308'-11343', cmt plug (20 sx) 10042'-10142', cmt plug(16 sx) 6964'-7014', cmt plug 6265', CIBP 6,010', cmt plug (40 sx) 5756'-5883', cmt plug (45 sx) 2941'-3083', cmt plug (40 sx) 2548'-2674', cmt plug (40 sx) 376'-503', cmt plug (10 sx) surface to 30'.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

   Overlying producing zone – **Morrow, 12480'-12661'**

   Underlying producing zone – **N/A**



LOVING
SO. CULEBRA BLUFF UNIT
16
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33
Carter Farms, Co.
Robert McCarty
Pardue Farms
Featherstone
Doris Kimbley
Chesapeake
"Brantley"
"Brantley Gas"
U.S.
U.S. Potash Co
Devon
State
Malaga
Ray Howard
Guitar Tr. Est

Layla 27 SWD #1 C-108
Additional Details

VI. There are no wells penetrating the disposal formation within the area of review.

VII. 1. Proposed average rate of 10,000 bwpd and maximum rate of 20,000 bwpd.

2. Closed system.

3. Proposed average injection pressure is unknown and the maximum injection pressure is approximately 2800 psi (0.2 psi/ft x 14,000 ft).

4. Injection fluid will be formation water from the Mewbourne Oil Company operated Delaware, Bone Spring, and Wolfcamp wells in the area. Attached is a water analysis from the Layla 35 MD Fee Com 1H(Delaware: 35-23S-28E), Layla 35 OB 1H (Bone Spring: 35-23S-28E), and the Layla 35 MD Fee 2H(Wolfcamp: 35-23S-28E).

5. We will be injecting into the Devonian formation. Devonian formation water is known to be compatible with the formation water of the Delaware, Bone Spring, and Wolfcamp; however, water analysis for the Devonian was not available in the area.

VIII. 1. The proposed injection interval is within the Devonian formation which is a porous dolomitic limestone from 14000' to 15,000'.

2. The underground fresh water aquifers (unnamed) are present at shallow depths <500'. There are no known fresh water intervals underlying the injecting formation.

IX. The proposed stimulation is an open-hole acid treatment of 20000 gallons of 15% HCL.

IX. Well logs are currently on file with the Division, and the appropriate log data will be filed upon re-entry and deepening of the well.

X. There are currently seven water wells on file with the State Engineers Office in the area of interest. Four wells were filed with log information, and all four wells were drilled to depths shallower than 200 feet. Mewbourne Oil Company attempted to find and or make contact with the owners of these wells in order to obtain samples; however, MOC was unable to find an owner of a well that was still functional or in use.

XI. Mewbourne Oil Company has examined geologic and engineering data and has found that there is no evidence of faulting between the proposed disposal zone and any underground sources of drinking water.

XII. See attached Proof of Notice