

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

NTS-11-138
FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

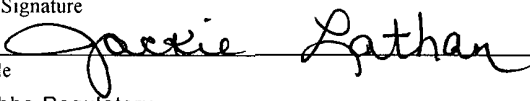
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER		5. Lease Serial No. NM-23765
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Mewbourne Oil Company <14744>		7. If Unit or CA Agreement, Name and No.
3a. Address PO Box 5270 Hobbs, NM 88241	3b. Phone No. (include area code) 575-393-5905	8. Lease Name and Well No. Brushy Draw 1 Fed #1H <38570>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 330' FNL & 370' FEL (SL) Unit A At proposed prod. zone 330' FSL & 370' FEL (BHL) Unit P		9. API Well No. 30-015-38673
14. Distance in miles and direction from nearest town or post office* 14 miles SE of Malaga, NM		10. Field and Pool, or Exploratory Wildcat CORRAL CANYON (B), SWTH
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330'		11. Sec., T., R., M., or Blk. and Survey or Area Sec 1 - T26S - R29E
16. No. of Acres in lease 320		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. 1081'		20. BLM/BIA Bond No. on file NM1693, Nationwide
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3099' GL		22. Approximate date work will start* ASAP
23. Estimated duration 45		

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 	Name (Printed/Typed) Jackie Lathan	Date 12/23/10
Title Hobbs Regulatory		
Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed)	Date MAR 29 2011
Title FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

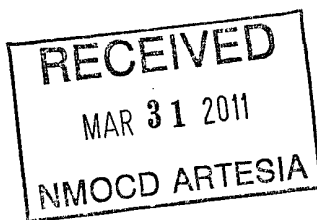
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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.

*(Instructions on reverse)



Carlsbad Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

Drilling Program
Mewbourne Oil Company
 Brushy Draw "1" Federal #1H
 330' FNL & 370' FEL (SHL)
 Sec 1-T26S-R29E
 Eddy County, New Mexico

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

Rustler	700'
Top Salt	1500'
Base Salt	3075'
Lamar	3280'
*Delaware	3310'
*Bone Springs	7100'

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

Water	Fresh water will be protected by setting surface casing at ^{800'} 450' 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 2000# 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 1st test as per BLM Onshore Oil and Gas Order #2.

4. MOC proposes to drill a vertical wellbore to 7357' & kick off to horizontal @ 7930' TVD. The well will be drilled to 12343' MD (7930' TVD). See attached directional plan.

5. Proposed casing and cementing program:

A. Casing Program:

Hole Size	Casing	Wt/Ft.	Grade	Depth	Jt Type
17 1/2"	13 3/8" (new)	48#	H40	0'-700' ^{800'}	ST&C
12 1/4"	9 5/8" (new)	36#	J55	0'-3200'	LT&C
8 3/4"	7" (new)	26#	P110	0'-7350' MD	LT&C
8 3/4"	7" (new)	26#	P110	7350'-8250' MD	BT&C
6 1/8"	4 1/2" (new)	11.6#	P110	8050'-12155' MD	LT&C

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

*Subject to availability of casing.

See
COA

See
COA

B. Cementing Program: *see COA*

- i. Surface Casing: 450 sks Class C cement containing 2% CaCl₂. Yield at 1.34 cuft/sk. Cmt circulated to surface.
- ii. Intermediate Casing: 450sacks Class C light cement with additives. Yield at 2.12 cuft/sk. 200 sacks Class C cement Containing FLA. Yield at 1.18 cuft/sk Cmt circulated to surface.
- iii. Production Casing: 600 sacks Class H light cement with additives. Yield at 2.12 cuft/sk. 400 sacks Class H cement Containing FLA. Yield at 1.18 cuft/sk Cmt circulated to surface. This casing string will provide lease line isolation.
- iv. Production Liner: This will be a Packer/Port completion from TD up inside 7" casing with packer type liner hanger.

*see
COA*

—*Mewbourne Oil Company reserves the right to change cement designs as hole conditions may warrant.

6. Mud Program:

<u>Interval</u>	<u>Type System</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0'-700' <i>800</i>	FW spud mud	8.6-9.0	32-34	NA
700'-3200'	Brine water	10.0-10.2	28-30	NA
3200'- 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' (7250') to surface. GR from 7250' 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.

Mewbourne Oil Co

Eddy, New Mexico

Section 1-26S-29E

Brushy Draw 1 Fed. #1H

Wellbore #1

Plan: Design #1

DDC Well Planning Report

21 December, 2010



DDC Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Brushy Draw 1 Fed. #1H
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3120.0usft (Patterson UTI #46)
Project:	Eddy, New Mexico	MD Reference:	WELL @ 3120.0usft (Patterson UTI #46)
Site:	Section 1-26S-29E	North Reference:	Grid
Well:	Brushy Draw 1 Fed. #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Project	Eddy, 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	Section 1-26S-29E		
Site Position:		Northing:	392,317.03 usft
From:	Map	Easting:	624,936.17 usft
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "
		Latitude:	32° 4' 40.631 N
		Longitude:	103° 55' 47.879 W
		Grid Convergence:	0.21 °

Well	Brushy Draw 1 Fed. #1H		
Well Position	+N-S	0.0 usft	Northing: 392,317.03 usft
	+E-W	0.0 usft	Easting: 624,936.17 usft
Position Uncertainty	0.0 usft		Latitude: 32° 4' 40.631 N
			Longitude: 103° 55' 47.879 W
		Wellhead Elevation:	Ground Level: 3,099.0 usft

Wellbore	Wellbore #1		
Magnetics	Model Name	Sample Date	Declination
	IGRF2010	12/21/2010	(°)
			7.80
			Dip Angle
			(°)
			60.00
			Field Strength
			(nT)
			48,538

Design	Design #1		
Audit Notes:			
Version:	Phase:	PLAN	Tie On Depth: 0.0
Vertical Section:	Depth From (TVD)	+N-S	+E-W
	(usft)	(usft)	(usft)
	0.0	0.0	0.0
			Direction
			(°)
			179.76

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	
7,357.0	0.00	0.00	7,357.0	0.0	0.0	0.00	0.00	0.00	0.00	
8,257.0	90.00	179.76	7,930.0	-572.9	2.4	10.00	10.00	19.97	179.76	
12,343.1	90.00	179.76	7,930.0	-4,659.0	19.4	0.00	0.00	0.00	0.00	PBHL Brushy Draw

DDC Well Planning Report



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Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3120.0usft (Patterson UTI #46)
Project:	Eddy, New Mexico	MD Reference:	WELL @ 3120.0usft (Patterson UTI #46)
Site:	Section 1-26S-29E	North Reference:	Grid
Well:	Brushy Draw 1 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
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00
5,100.0	0.00	0.00	5,100.0	0.0	0.0	0.0	0.00	0.00	0.00
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00
5,300.0	0.00	0.00	5,300.0	0.0	0.0	0.0	0.00	0.00	0.00

DDC

Well Planning Report



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Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3120.0usft (Patterson UTI #46)
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Well:	Brushy Draw 1 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)
5,400.0	0.00	0.00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00
5,500.0	0.00	0.00	5,500.0	0.0	0.0	0.0	0.00	0.00	0.00
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00
5,700.0	0.00	0.00	5,700.0	0.0	0.0	0.0	0.00	0.00	0.00
5,800.0	0.00	0.00	5,800.0	0.0	0.0	0.0	0.00	0.00	0.00
5,900.0	0.00	0.00	5,900.0	0.0	0.0	0.0	0.00	0.00	0.00
6,000.0	0.00	0.00	6,000.0	0.0	0.0	0.0	0.00	0.00	0.00
6,100.0	0.00	0.00	6,100.0	0.0	0.0	0.0	0.00	0.00	0.00
6,200.0	0.00	0.00	6,200.0	0.0	0.0	0.0	0.00	0.00	0.00
6,300.0	0.00	0.00	6,300.0	0.0	0.0	0.0	0.00	0.00	0.00
6,400.0	0.00	0.00	6,400.0	0.0	0.0	0.0	0.00	0.00	0.00
6,500.0	0.00	0.00	6,500.0	0.0	0.0	0.0	0.00	0.00	0.00
6,600.0	0.00	0.00	6,600.0	0.0	0.0	0.0	0.00	0.00	0.00
6,700.0	0.00	0.00	6,700.0	0.0	0.0	0.0	0.00	0.00	0.00
6,800.0	0.00	0.00	6,800.0	0.0	0.0	0.0	0.00	0.00	0.00
6,900.0	0.00	0.00	6,900.0	0.0	0.0	0.0	0.00	0.00	0.00
7,000.0	0.00	0.00	7,000.0	0.0	0.0	0.0	0.00	0.00	0.00
7,100.0	0.00	0.00	7,100.0	0.0	0.0	0.0	0.00	0.00	0.00
7,200.0	0.00	0.00	7,200.0	0.0	0.0	0.0	0.00	0.00	0.00
7,300.0	0.00	0.00	7,300.0	0.0	0.0	0.0	0.00	0.00	0.00
Build 10°/100' @ 7357' MD									
7,357.0	0.00	0.00	7,357.0	0.0	0.0	0.0	0.00	0.00	0.00
7,400.0	4.30	179.76	7,400.0	-1.6	0.0	1.6	10.00	10.00	0.00
7,500.0	14.30	179.76	7,498.5	-17.8	0.1	17.8	10.00	10.00	0.00
7,600.0	24.30	179.76	7,592.8	-50.8	0.2	50.8	10.00	10.00	0.00
7,700.0	34.30	179.76	7,679.9	-99.6	0.4	99.6	10.00	10.00	0.00
7,800.0	44.30	179.76	7,757.2	-162.9	0.7	162.9	10.00	10.00	0.00
7,900.0	54.30	179.76	7,822.3	-238.6	1.0	238.6	10.00	10.00	0.00
8,000.0	64.30	179.76	7,873.3	-324.5	1.4	324.5	10.00	10.00	0.00
8,100.0	74.30	179.76	7,908.6	-417.9	1.7	417.9	10.00	10.00	0.00
8,200.0	84.30	179.76	7,927.1	-516.0	2.2	516.1	10.00	10.00	0.00
EOB @ 8257' MD / 90° Inc / 179.76° Azm / 7930' TVD									
8,257.0	90.00	179.76	7,930.0	-572.9	2.4	573.0	10.00	10.00	0.00
8,300.0	90.00	179.76	7,930.0	-616.0	2.6	616.0	0.00	0.00	0.00
8,400.0	90.00	179.76	7,930.0	-716.0	3.0	716.0	0.00	0.00	0.00
8,500.0	90.00	179.76	7,930.0	-816.0	3.4	816.0	0.00	0.00	0.00
8,600.0	90.00	179.76	7,930.0	-915.9	3.8	916.0	0.00	0.00	0.00
8,700.0	90.00	179.76	7,930.0	-1,015.9	4.2	1,016.0	0.00	0.00	0.00
8,800.0	90.00	179.76	7,930.0	-1,115.9	4.7	1,116.0	0.00	0.00	0.00
8,900.0	90.00	179.76	7,930.0	-1,215.9	5.1	1,216.0	0.00	0.00	0.00
9,000.0	90.00	179.76	7,930.0	-1,315.9	5.5	1,316.0	0.00	0.00	0.00
9,100.0	90.00	179.76	7,930.0	-1,415.9	5.9	1,416.0	0.00	0.00	0.00
9,200.0	90.00	179.76	7,930.0	-1,515.9	6.3	1,516.0	0.00	0.00	0.00
9,300.0	90.00	179.76	7,930.0	-1,615.9	6.7	1,616.0	0.00	0.00	0.00
9,400.0	90.00	179.76	7,930.0	-1,715.9	7.2	1,716.0	0.00	0.00	0.00
9,500.0	90.00	179.76	7,930.0	-1,815.9	7.6	1,816.0	0.00	0.00	0.00
9,600.0	90.00	179.76	7,930.0	-1,915.9	8.0	1,916.0	0.00	0.00	0.00
9,700.0	90.00	179.76	7,930.0	-2,015.9	8.4	2,016.0	0.00	0.00	0.00
9,800.0	90.00	179.76	7,930.0	-2,115.9	8.8	2,116.0	0.00	0.00	0.00
9,900.0	90.00	179.76	7,930.0	-2,215.9	9.2	2,216.0	0.00	0.00	0.00
10,000.0	90.00	179.76	7,930.0	-2,315.9	9.7	2,316.0	0.00	0.00	0.00
10,100.0	90.00	179.76	7,930.0	-2,415.9	10.1	2,416.0	0.00	0.00	0.00
10,200.0	90.00	179.76	7,930.0	-2,515.9	10.5	2,516.0	0.00	0.00	0.00

DDC Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Brushy Draw 1 Fed. #1H
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3120.0usft (Patterson UTI #46)
Project:	Eddy, New Mexico	MD Reference:	WELL @ 3120.0usft (Patterson UTI #46)
Site:	Section 1-26S-29E	North Reference:	Grid
Well:	Brushy Draw 1 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)	
10,300.0	90.00	179.76	7,930.0	-2,615.9	10.9	2,616.0	0.00	0.00	0.00	
10,400.0	90.00	179.76	7,930.0	-2,715.9	11.3	2,716.0	0.00	0.00	0.00	
10,500.0	90.00	179.76	7,930.0	-2,815.9	11.8	2,816.0	0.00	0.00	0.00	
10,600.0	90.00	179.76	7,930.0	-2,915.9	12.2	2,916.0	0.00	0.00	0.00	
10,700.0	90.00	179.76	7,930.0	-3,015.9	12.6	3,016.0	0.00	0.00	0.00	
10,800.0	90.00	179.76	7,930.0	-3,115.9	13.0	3,116.0	0.00	0.00	0.00	
10,900.0	90.00	179.76	7,930.0	-3,215.9	13.4	3,216.0	0.00	0.00	0.00	
11,000.0	90.00	179.76	7,930.0	-3,315.9	13.8	3,316.0	0.00	0.00	0.00	
11,100.0	90.00	179.76	7,930.0	-3,415.9	14.3	3,416.0	0.00	0.00	0.00	
11,200.0	90.00	179.76	7,930.0	-3,515.9	14.7	3,516.0	0.00	0.00	0.00	
11,300.0	90.00	179.76	7,930.0	-3,615.9	15.1	3,616.0	0.00	0.00	0.00	
11,400.0	90.00	179.76	7,930.0	-3,715.9	15.5	3,716.0	0.00	0.00	0.00	
11,500.0	90.00	179.76	7,930.0	-3,815.9	15.9	3,816.0	0.00	0.00	0.00	
11,600.0	90.00	179.76	7,930.0	-3,915.9	16.3	3,916.0	0.00	0.00	0.00	
11,700.0	90.00	179.76	7,930.0	-4,015.9	16.8	4,016.0	0.00	0.00	0.00	
11,800.0	90.00	179.76	7,930.0	-4,115.9	17.2	4,116.0	0.00	0.00	0.00	
11,900.0	90.00	179.76	7,930.0	-4,215.9	17.6	4,216.0	0.00	0.00	0.00	
12,000.0	90.00	179.76	7,930.0	-4,315.9	18.0	4,316.0	0.00	0.00	0.00	
12,100.0	90.00	179.76	7,930.0	-4,415.9	18.4	4,416.0	0.00	0.00	0.00	
12,200.0	90.00	179.76	7,930.0	-4,515.9	18.8	4,516.0	0.00	0.00	0.00	
12,300.0	90.00	179.76	7,930.0	-4,615.9	19.3	4,616.0	0.00	0.00	0.00	
TD @ 12343' MD / 7930' TVD										
12,343.1	90.00	179.76	7,930.0	-4,659.0	19.4	4,659.1	0.00	0.00	0.00	

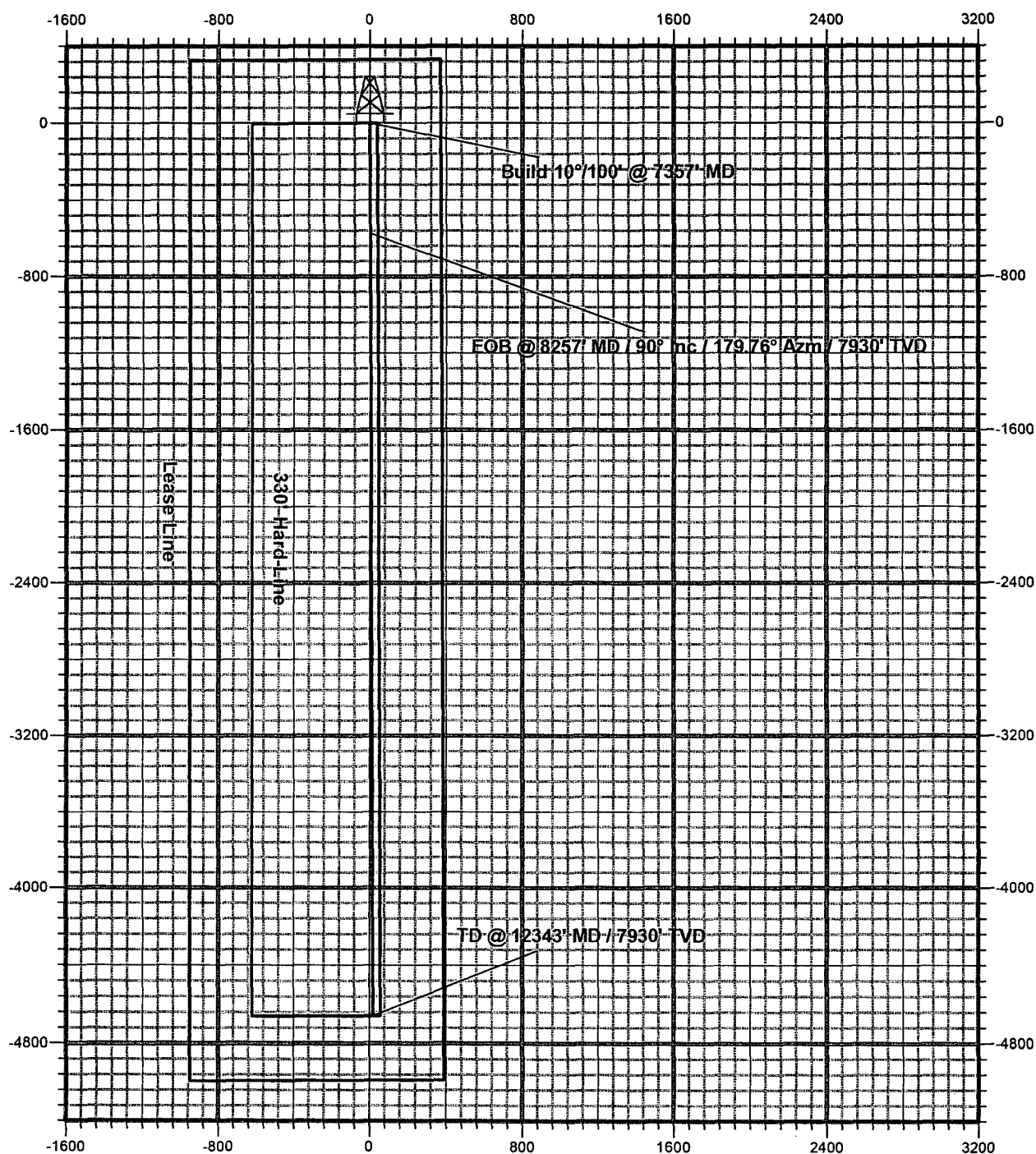
Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL Brushy Draw 1	0.00	0.00	7,930.0	-4,659.0	19.4	387,658.01	624,955.62	32° 3' 54.523 N	103° 55' 47.855 W
- hit/miss target									
- Shape									
- plan hits target center									
- Point									

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
7,357.0	7,357.0	0.0	0.0	Build 10°/100' @ 7357' MD
8,257.0	7,930.0	-572.9	2.4	EOB @ 8257' MD / 90° Inc / 179.76° Azm / 7930' TVD
12,343.1	7,930.0	-4,659.0	19.4	TD @ 12343' MD / 7930' TVD

Mewbourne Oil Company



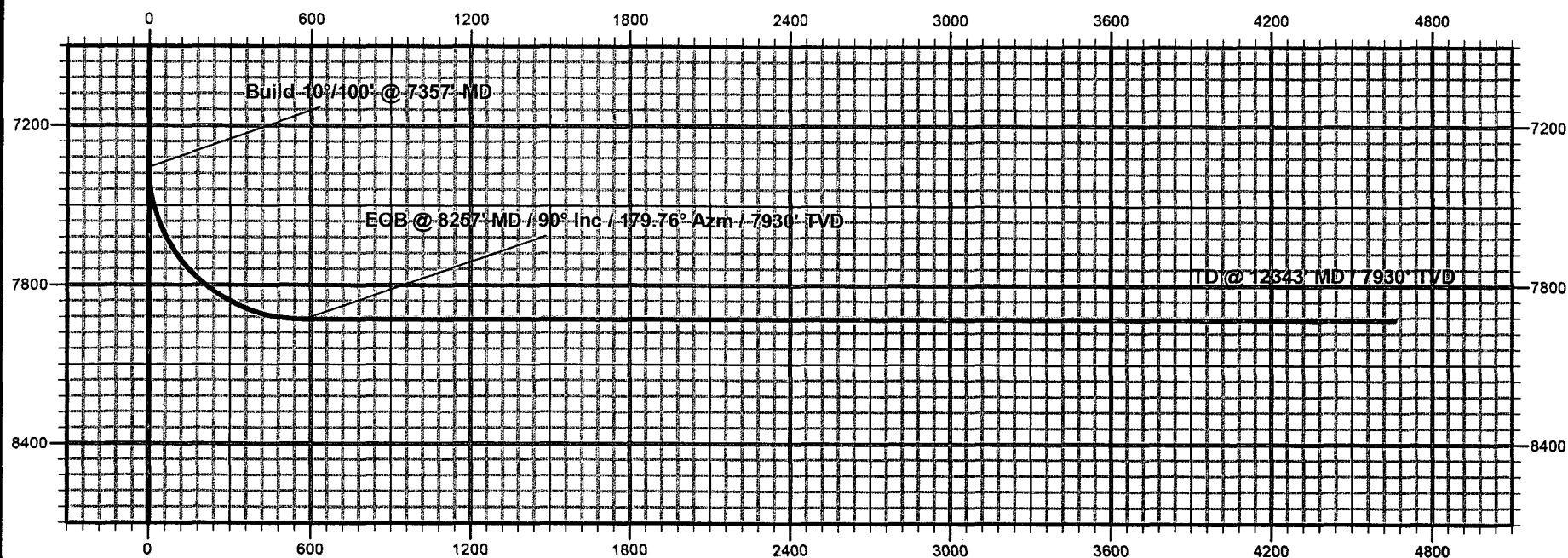
Eddy, New Mexico
Brushy Draw 1 Fed. #1H
Quote 100879



Mewbourne Oil Company



Eddy, New Mexico
Brushy Draw 1 Fed. #1H
Quote 100879



Vertical Section at 179.76° (600 usft/in)

Notes Regarding Blowout Preventer

Mewbourne Oil Company

Brushy Draw "1" Federal #1H

330' FNL & 370' FEL (SHL)

Sec 1-T26S-R29E

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" casing and 3000 psi working pressure on 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 Scematic for
8 3/4" & 6 1/8" Hole

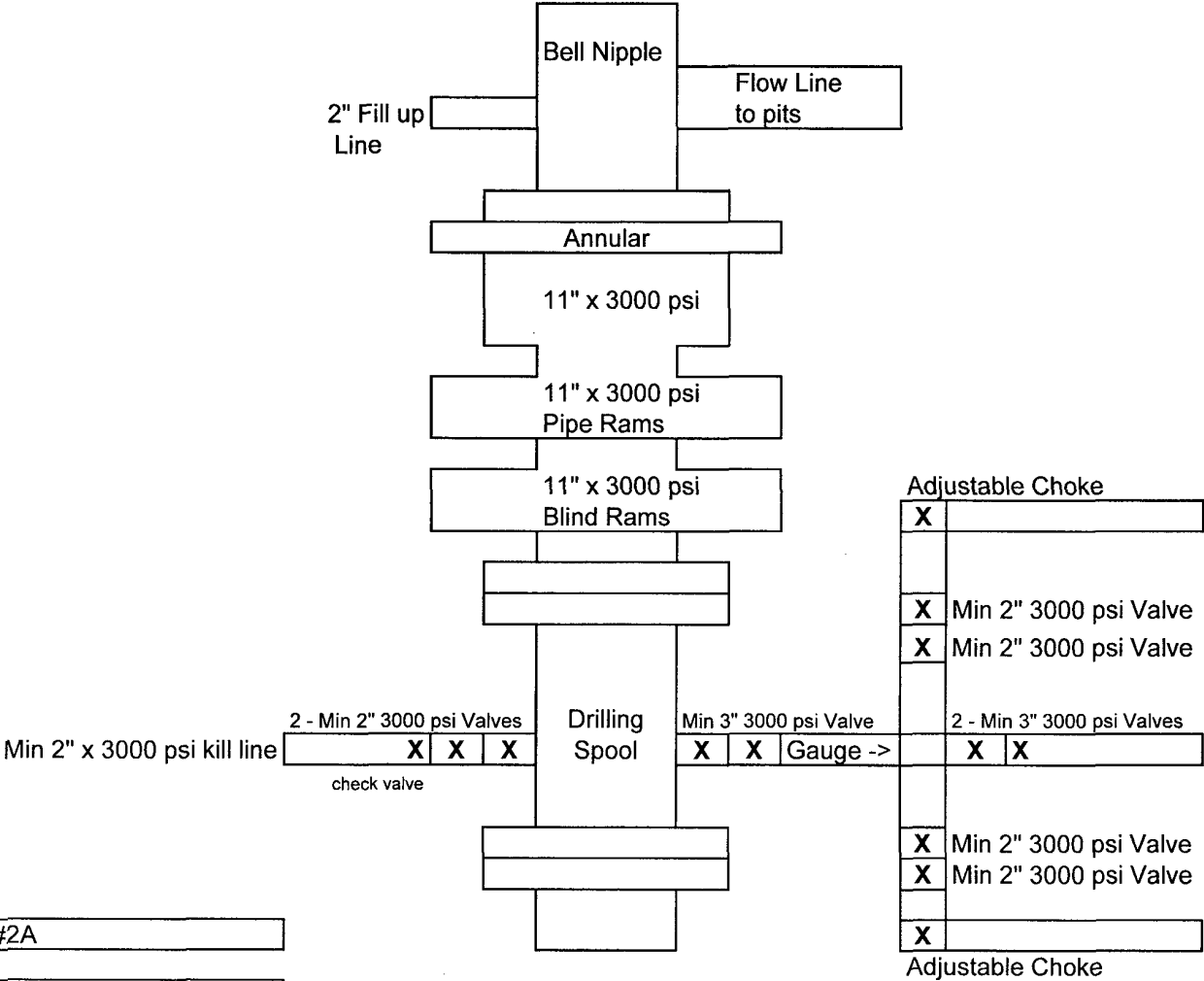


Exhibit #2A

Brushy Draw 1 Fed #1H
330' FNL & 370' FEL
Sec 1-T26S-R29E
Eddy County,
New Mexico

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

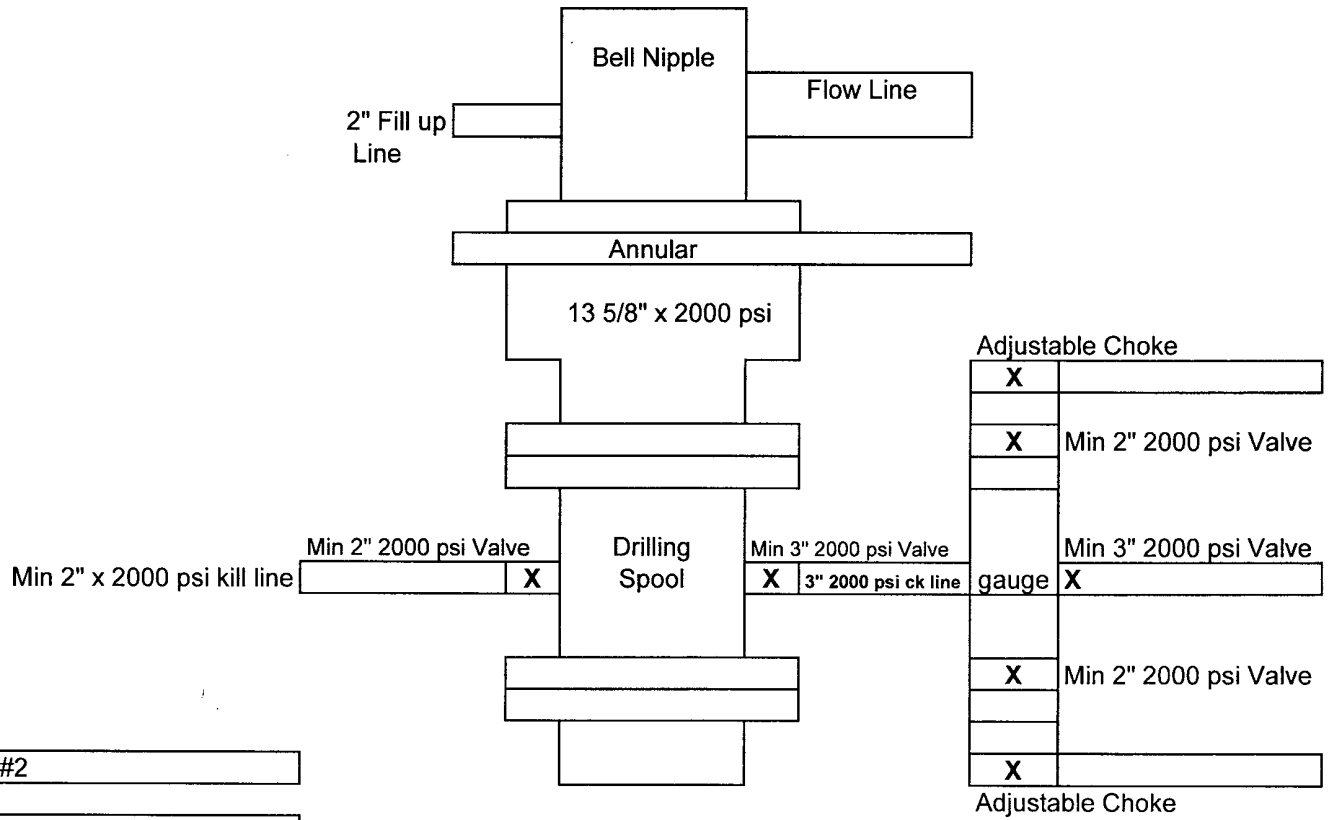
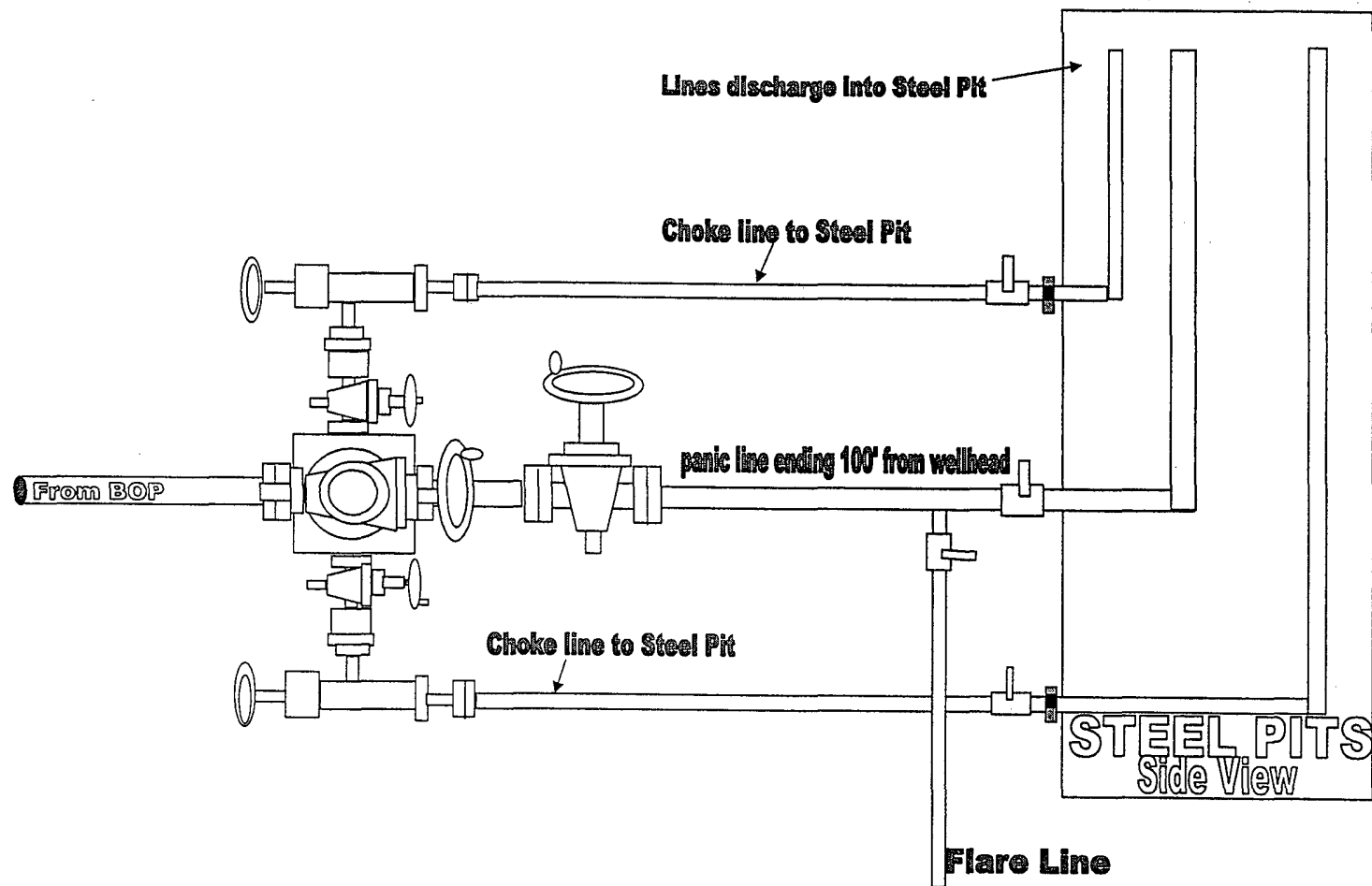
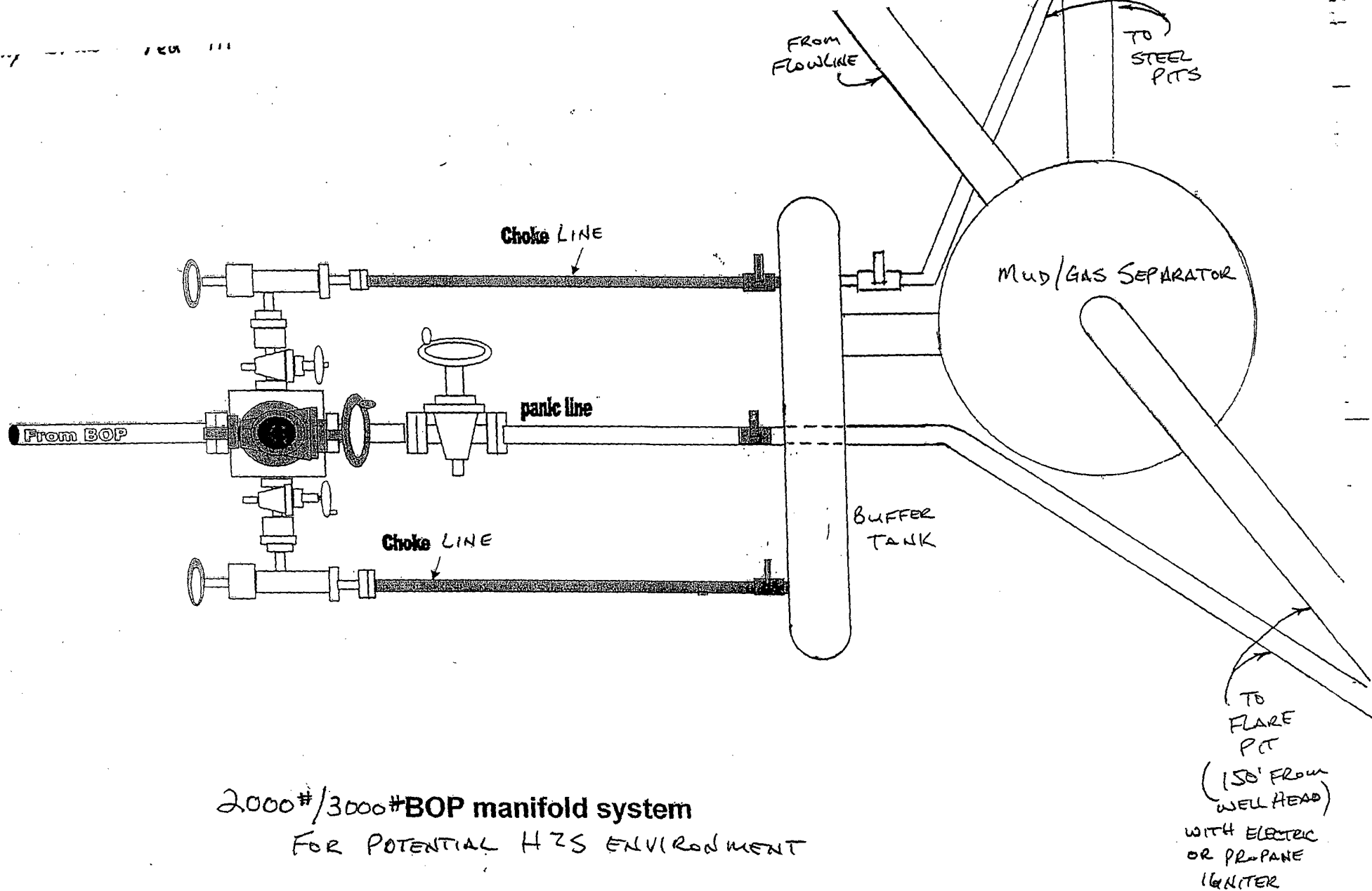


Exhibit #2

Brushy Draw 1 Fed #1H
330' FNL & 370' FEL
Sec 1-T26S-R29E
Eddy, County
New Mexico



2000# & 3000# BOP manifold system for Exhibit 2 & 2A



DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

38576 Operator NEWBOURNE OIL CO OGRID # 14744
 Well Name & # BRUSHY DRAW 1 FED # 1H Surface Type (F) (S) (P)
 Location: UL A, Sect 1, Twnship 26 s, RNG 29 e, Sub-surface Type (F) (S) (P)
P 1 26 29

A. Date C101 rec'd / / C101 reviewed / /

B. 1. Check mark, Information is OK on Forms:

OGRID X, BONDING FED, PROP CODE X, WELL # X, SIGNATURE X

2. Inactive Well list as of: 4/8/11 # wells 567, # Inactive wells 5

a. District Grant APD but see number of inactive wells:

No letter required X; Sent Letter to Operator , to Santa Fe

3. Additional Bonding as of: 4/8/11

a. District Denial because operator needs addition bonding:

No Letter required X; Sent Letter to Operator , To Santa Fe

b. District Denial because of Inactive well list and Financial Assurance:

No Letter required X; Sent Letter to Operator , To Santa Fe

C. C102 YES X, NO , Signature X

1. Pool CORRAL CANYON; POKE SPRING, SOUTH, Code 13354

a. Dedicated acreage 160, What Units AHIP

b. SUR. Location Standard X; Non-Standard Location

c. Well shares acres: Yes , No X, # of wells plus this well #

2. 2nd. Operator in same acreage, Yes , No X

Agreement Letter , Disagreement letter

3. Intent to Directional Drill Yes X, No

a. Dedicated acreage 160, What Units AHIP

b. Bottomhole Location Standard X; Non-Standard Bottomhole

4. Downhole Commingle: Yes , No X

a. Pool #2 , Code , Acres

Pool #3 , Code , Acres

Pool #4 , Code , Acres

5. POTASH Area Yes , No FED

D. Blowout Preventer Yes X, No

E. H2S Yes , No , PART FED API

F. C144 Pit Registration Yes , No X need

G. Does APD require Santa Fe Approval:

1. Non-Standard Location: Yes , No X, NSL #

2. Non-Standard Proration: Yes , No X, NSP #

3. Simultaneous Dedication: Yes , No X, SD #

Number of wells Plus #

4. Injection order Yes , No X; PMX # or WFX #

5. SWD order Yes , NO X; SWD #

6. DHC from SF ; DHC-HOB ; Holding

7. OCD Approval Date 4/8/11

API #30-0 15-38673

8. Reviewers X