

DATE IN 2/24/2015	SUSPENSE	ENGINEER <i>[Signature]</i>	LOGGED IN 2/25/2015	TYPE SWD -1557	APP NO. PMM1505633009
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Steven J. Smith
 Print or Type Name

[Signature]
 Signature

Sr. Landman
 Title

2-18-15
 Date

ssmith@newbourne.com
 e-mail Address

- SWD
 - newbourne Oil Company
 14744
 well
 - Salado Drawg
 SWD #1
 30-025 - pending

2015 FEB 24 P 3:11
 RECEIVED OGD

Pool
 - SWD; Bay
 Canyon -
 Cherry Canyon
 96802

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: 1/14/15

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: _____

Salado Draw 9 SWD #1 C-108
Additional Details

- VI.** There are no wells within the ½ mile area of review penetrating the Delaware on record.
- VII.**
1. Proposed average rate of 2500 bwpd and maximum rate of 10,000 bwpd.
 2. Closed system.
 3. Proposed average injection pressure is unknown and the maximum injection pressure is 1050 psig (0.2 psi/ft x 5250 ft).
 4. Injection fluid will be formation water from the Mewbourne Oil Company operated wells in the surrounding area. To date, Mewbourne has drilled Bone Spring wells in the Avalon Shale in sections 9 and 10 of 26S-33E. Water analysis from Mewbourne's Salado Draw 10 Fed 1H is attached.
 5. We will be injecting into the Delaware. A water analysis for the Delaware formation is attached from 17-26S-32E.
- VIII.**
1. The proposed injection interval is within the Delaware Mountain group which is porous sandstone from 4900' to 9000'. While there is no Delaware production in the ½ mile area of review for this well, the Upper Bell Canyon (4960'-5030') produces to the East in sections 10 and 15 26S-33E. As a result, we have limited our injection interval to the lower Bell Canyon and Cherry Canyon members from 5250' to 7000'.
 2. The underground fresh water aquifers (unnamed) are present at shallow depths down to about 100', shallower than the depth of the 9 5/8" csg. setting. There are no known fresh water intervals underlying the injecting formation.
- IX.** The proposed stimulation is a cased-hole acid treatment of 10000 gallons of 7.5% HCL. If necessary, the well will be fracture stimulated.
- X.** Well logs will be filed with the division after the drilling of the well.
- XI.** There are no fresh water wells of record within one mile of the proposed location.
- XII.** 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.
- XIII.** See attached Proof of Notice

INJECTION WELL DATA SHEET

OPERATOR: Mewbourne Oil Company

WELL NAME & NUMBER: Salado Draw 9 SWD #1

WELL LOCATION: 660' FSL & 2642' FWL
FOOTAGE LOCATION

UNIT LETTER N SECTION 9 TOWNSHIP 26S RANGE 33

WELLBORE SCHEMATIC (See Attached)WELL CONSTRUCTION DATASurface CasingHole Size: 12 1/4"
Cement with: +/- 500 sxCasing Size: 9 5/8" @ 1000'
Top of Cement: Surface
(visual)Intermediate Casing

Hole Size: 8 3/4"

Casing Size: 7" @ 7000'
DVT @ 4900'
Top of Cement: Surface
(visual)

Cement with: +/- 2000 sx

TD @ 7000'

Injection Interval

5250'-7000'

INJECTION WELL DATA SHEET

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

Type of Packer: Arrowset 1X (nickel plated) 3 1/2" x 7"

Packer Setting Depth: +/- 5250'

Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? **Yes**

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

2. Name of the Injection Formation: **Delaware, perforated**
3. Name of Field or Pool (if applicable): **SWD; Bell Canyon-Cherry Canyon**
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.

No

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 – Ramsey Sand (Upper Bell Canyon, Delaware) ~ 4960-5030'
Underlying producing zone – Avalon Shale ~ 9000'

Mewbourne Oil Company

Proposed

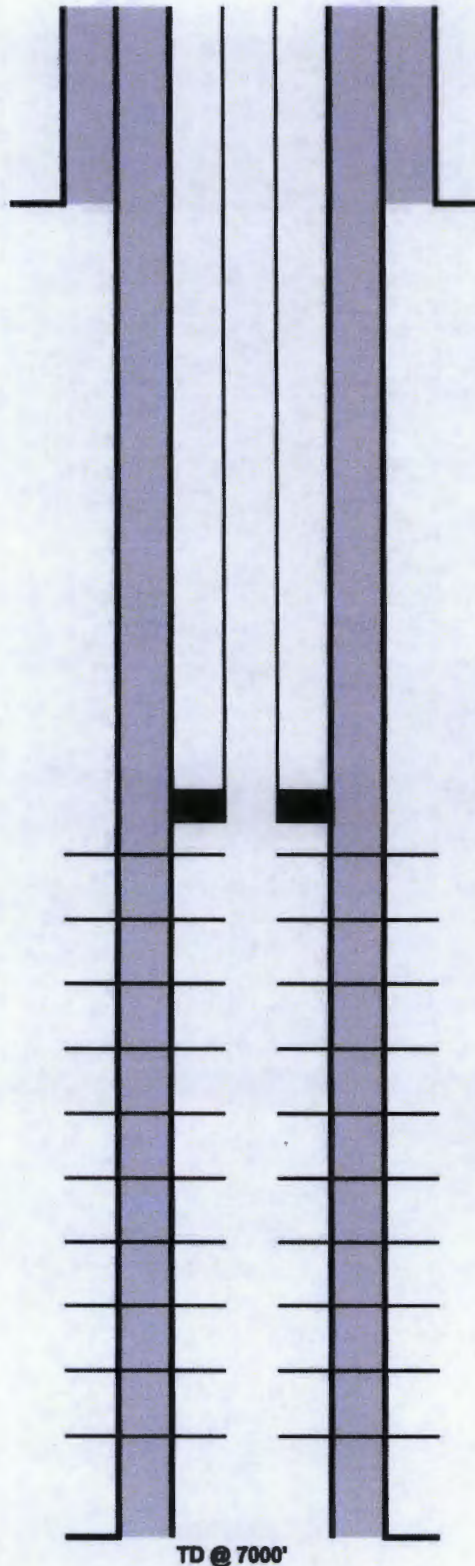
Well Name: Salado Draw 9 SWD #1

Last Updated by: T Cude on 01/14/2015

12 1/4" x 9 5/8" 40# J55 LT&C
Set @ 500' *7000*
Cmt w/ 500 sx, circ to pit

DVT
Set @ 4900' ✓

8 3/4" x 7" 26# J55 LT&C
Cmt w/ 2000 sx, circ to pit
Set @ 7000'



Injection String

3 1/2" 9.3" L80 TK99 IPC lined tub
3 1/2" x 7" Arrowset 1X Packer (nl)
Set @ 5225'
Uppermost Perf: 5250'

Delaware Perfs

Bell Canyon & Cherry Canyon
Perf interval from 5250'-7000'

Lowermost Perf: 7000'

MEWBOURNE OIL COMPANY
P. O. BOX 7698
TYLER, TEXAS 75711

Lease Salado Draw "10" Fed Com Well No 1H Location 330' FNL & 1690' FWL
County Lea ST NM Section 10 TwnShp 26S Rng 33E
Section _____ Blk _____ Survey _____
Filename _____ Page 1

API No. 30-025-40124

DATE	DAILY REPORTS
AUG 13 2013	TP 200#. CP 100#. 44 BO, 84 BW, 219 MCF. LP 55#. Water analysis from 08/12/13: SG @ 1.125, Temp 70°, pH 7.24, Na 58862, Ca 2800, Mg 480, Fe 10, CL 96000, SO4 300, HCO3 839 (all in Mg/L).

Russel Fed 17
Delaware

Analytical Laboratory Report for:
**MEWBOURNE OIL
COMPANY**

Account Representative:
Mossman, Willis



DownHole SAT™ Scale Prediction @ 100 deg. F

[
]

Lab Test Number	Sample Date	Location
2011111305	05/03/2011	Russel Fed 17
Mineral Scale	Saturation Index	Momentary Excess (lbs/1000 bbls)
Calcite (CaCO3)	0.01	-
Strontianite (SrCO3)	0.00	-0.07
Anhydrite (CaSO4)	0.08	-0.64
Gypsum (CaSO4*2H2O)	0.08	-1427.49
Barite (BaSO4)	0.42	-1541.08
Celestite (SrSO4)	0.22	-3.90
Siderite (FeCO3)	0.01	-501.39
Halite (NaCl)	0.23	-0.06
Iron sulfide (FeS)	0.00	-223502.44
Calcite (CaCO3)	0.01	-9.96
Strontianite (SrCO3)	0.00	-0.07
Anhydrite (CaSO4)	0.08	-0.64
Gypsum (CaSO4*2H2O)	0.08	-1427.49
Barite (BaSO4)	0.42	-1541.08
Celestite (SrSO4)	0.22	-3.90
Siderite (FeCO3)	0.01	-501.39
Halite (NaCl)	0.23	-0.06
Iron sulfide (FeS)	0.00	-223502.44
		-9.96

Interpretation of DHSat Results:

The Saturation Index is calculated for each mineral species independently and is a measure of the degree of supersaturation (driving force for precipitation) under the conditions modeled. This value ranges from 0 to infinity with 1.0 representing a condition of equilibrium where scale will neither dissolve nor precipitate. Values less than 1.0 are undersaturated and values greater than 1.0 are supersaturated. The Momentary excess is a measure of how much scale would have to precipitate to bring the system back to a non-scaling condition. This value ranges from negative (dissolving) to positive (precipitating) values. The Momentary Excess represents the amount of scale possible while the Saturation Level represents the probability that scale will form.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

January 13, 2014

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
Attn: Mr. Phillip Goetze

Re: Salado Draw 9 SWD #1

Mr. Goetze,

In accordance with item XII on Mewbourne Oil Company's C-108 filed for the captioned salt water disposal well, Mewbourne Oil Company has examined geologic and engineering data and has found that there is no evidence of faulting or any other hydrologic connection between the proposed disposal zone and any underground sources of drinking water.

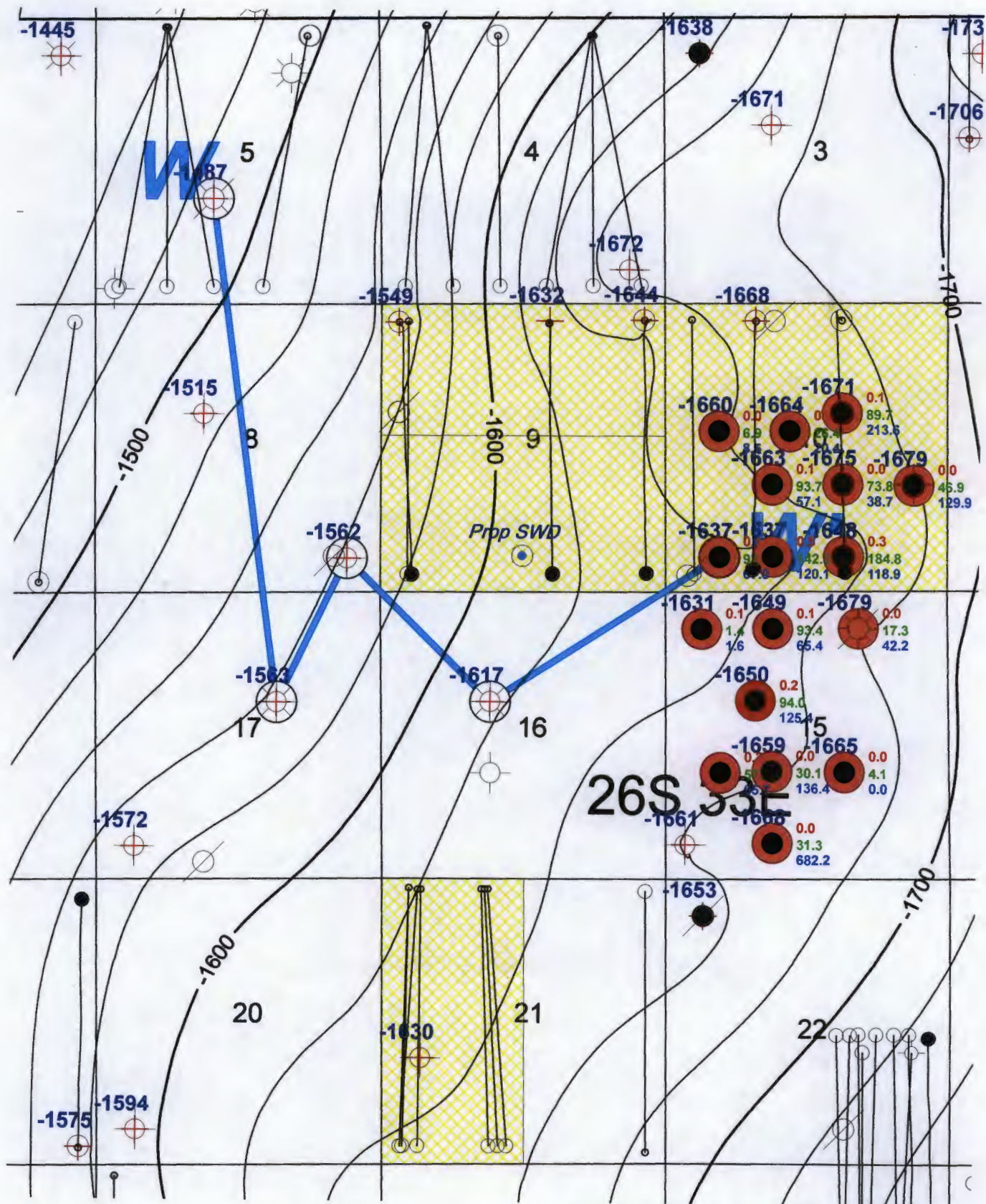
Should you have any questions, please email me at tcude@mewbourne.com or call me at (432) 682-3715.

Sincerely yours,

MEWBOURNE OIL COMPANY



Travis Cude
Reservoir Engineer



Delaware Production

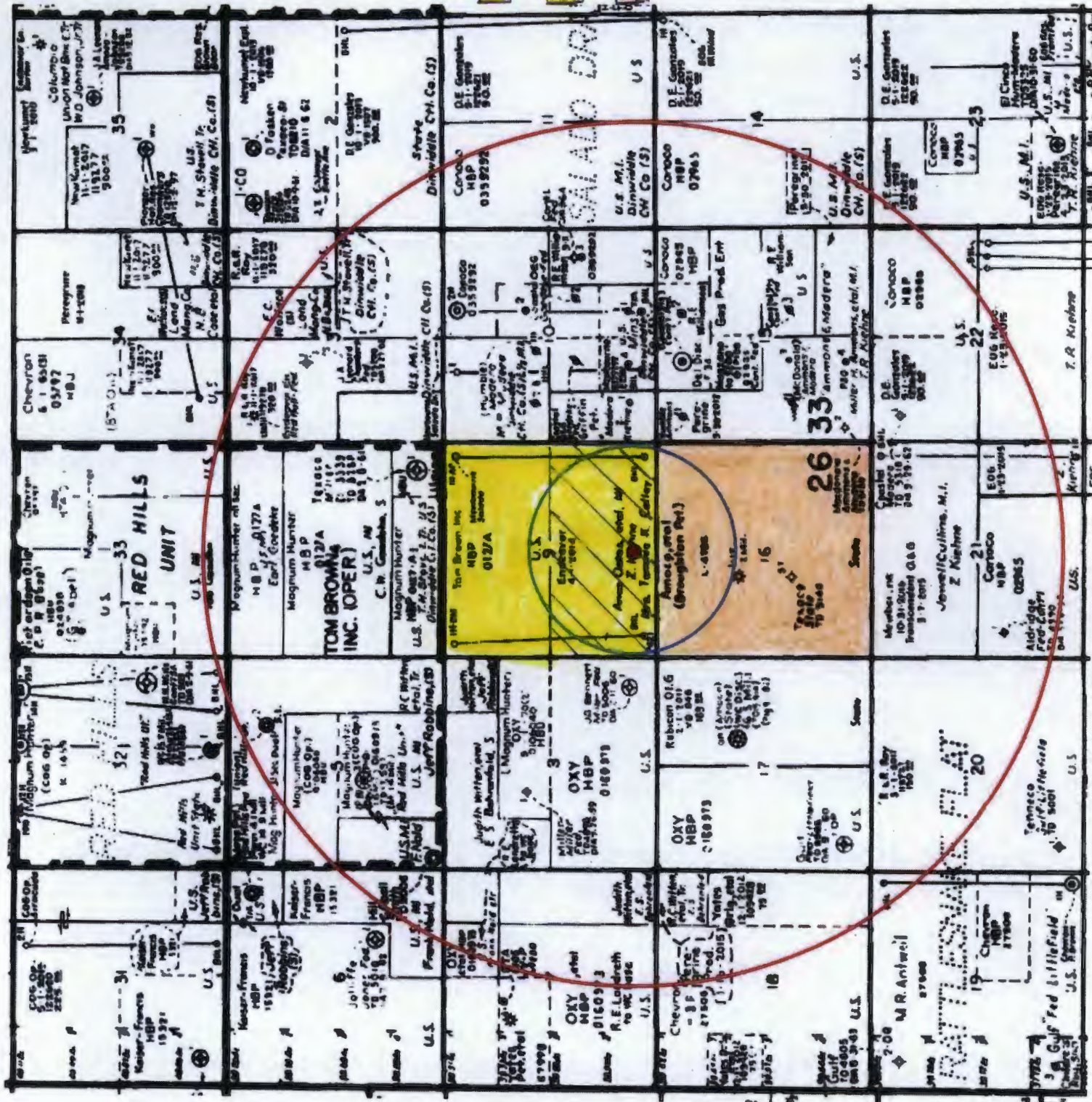


Cum BCFG
Cum MBO
Cum MBW



 Mewbourne Oil Company		
Salado Draw SWD Proposal Delaware Structure Map Section 9, T26S/R33E Lea County, NM		
Author: R. Townsend	C.I. = 20'	Date: 7 January, 2015
	Scale: Fit Page	

Mawbourne O.I Company
 Mawbourne O.I Company & EOResources, Inc.
 Apache Corp



MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

February 17, 2015

Hand Delivered

EOG Resources, Inc.
Attn: Mr. Paul Boland
P. O. Box 2267
Midland, Texas 79705

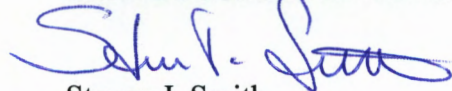
Re: C-108 Application for SWD Well
Salado Draw "9" SWD #1
SW/4SE/4 Section 9, T-26-S, R-33-E
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval for a salt water disposal well in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 15 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Received this 17th day of February, 2015

EOG RESOURCES, INC.

By: Janelle Row

Name: Janelle Row

Enclosure

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

January 27, 2015

Certified Mail

Apache Corporation
Attn: Ms. Michelle Hanson
303 Veterans Airpark Lane, Suite 3000
Midland, Texas 79705-4561

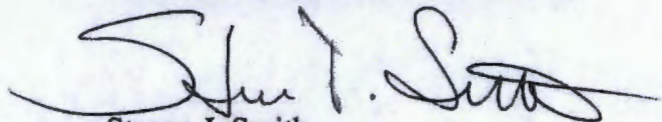
Re: C-108 Application for SWD Well
Salado Draw "9" SWD #1
SW/4SE/4 Section 9, T-26-S, R-33-E
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval for a salt water disposal well in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 15 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

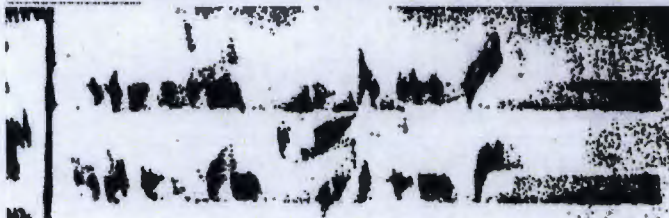
Enclosure

Date: January 29, 2015

Simple Certified:

The following is in response to your January 29, 2015 request for delivery information on your Certified Mail™/RRE item number 9414810699945007651273. The delivery record shows that this item was delivered on January 29, 2015 at 9:48 am in MIDLAND, TX 79705. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Michelle Hanson
Apache Corporation
303 VETERANS AIRPARK LN STE 3000
MIDLAND, TX 79705
Reference #: Salado Draw 9 SWD ss

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

February 25, 2015

Certified Mail

Battle Axe Ranch
Attn: Mr. Oliver Kiehne
P. O. Box 135
Orla, Texas 79770

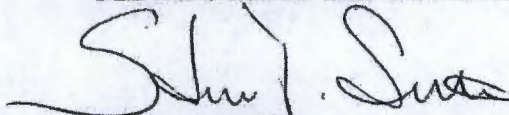
Re: C-108 Application for SWD Well
Salado Draw "9" SWD #1
SW/4SE/4 Section 9, T-26-S, R-33-E
Lea County, New Mexico

Dear Mr. Kiehne:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking approval for a salt water disposal well in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 15 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Enclosure

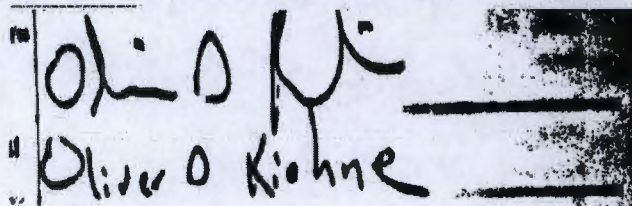


Date: February 27, 2015

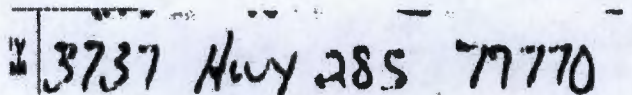
Simple Certified:

The following is in response to your February 27, 2015 request for delivery information on your Certified Mail™/RRE item number 9414810699945008158184. The delivery record shows that this item was delivered on February 27, 2015 at 9:47 am in ORLA, TX 79770. The scanned image of the recipient information is provided below.

Signature of Recipient :

A scanned image of a handwritten signature. The signature is written in black ink on a white background. It appears to be "Oliver O Kiehne". There is a horizontal line drawn across the signature.

Address of Recipient :

A scanned image of a handwritten address. The address is written in black ink on a white background. It reads "3737 Hwy 285 79770".

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

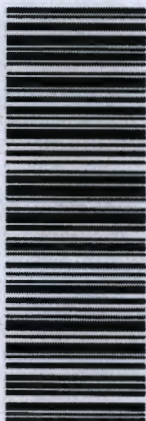
Sincerely,
United States Postal Service

Mr. Oliver Kiehne
Battle Axe Ranch
PO Box 135
Orla, TX 79770
Reference #: Salado Draw 9 SWD 1
Item ID: Salado Draw 9 SWD 1

Mewbourne Oil Company
Steve Smith
500 West Texas, Suite 1020
MIDLAND TX 79701-4279

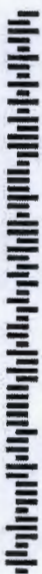
Salado Draw 9 SWD 1

USPS CERTIFIED MAIL



9414 8106 9994 5008 1581 84

Battle Axe Ranch
Mr. Oliver Kiehne
PO Box 135
ORLA TX 79770-0135



US POSTAGE AND FEES PAID
FIRST CLASS
Feb 25 2015
Mailed from ZIP 79701
3 oz First Class Mail
Flat Rate
CID: 68133



endicia.com

071500534813

Goetze, Phillip, EMNRD

From: Steve Smith <ssmith@Mewbourne.com>
Sent: Friday, June 19, 2015 2:18 PM
To: Goetze, Phillip, EMNRD
Cc: Drew Robison; Travis Cude
Subject: RE: Question on Application for Salado Draw SWD Wells
Attachments: Surface Owner Letter - Salado Draw 9 SWD 1.pdf

Phillip,

The owner of the surface is Battle Axe Ranch. Attached is a copy of my letter dated February 25, 2015 along with evidence of receipt.

Let me know if you need anything else.

Steve Smith



Mewbourne Oil Company

Phone: (432) 682-3715

Fax: (432) 685-4170

Email: SSmith@Mewbourne.com

Address: 500 W Texas, Suite 1020, Midland, Tx 79701

From: Goetze, Phillip, EMNRD [mailto:Phillip.Goetze@state.nm.us]
Sent: Friday, June 19, 2015 1:38 PM
To: Steve Smith
Subject: Question on Application for Salado Draw SWD Wells

RE: Salado Draw 9 No. 1; N-Sec 9-T26S-R33E

Steve:

I am finishing up the draft order on the Salado Draw 9 No. 1 and need one more piece of information. In the application, there is no identification of the surface owner for the location of the SWD. Please provide this information since notification of the surface owner is required in Rule 19.15.26.8(B)(2). Thank you. PRG

Phillip R. Goetze, P.G.

Engineering and Geological Services Bureau, Oil Conservation Division

1220 South St. Francis Drive, Santa Fe, NM 87505

O: 505.476.3466 F: 505.476.3462

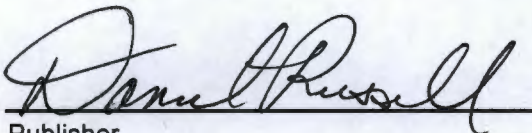
phillip.goetze@state.nm.us

Affidavit of Publication

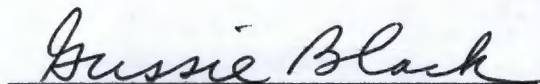
STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

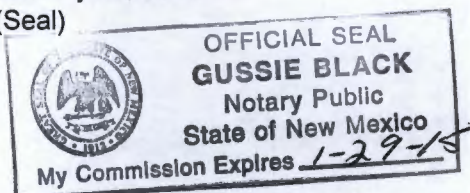
Beginning with the issue dated
January 21, 2015
and ending with the issue dated
January 21, 2015.


Publisher

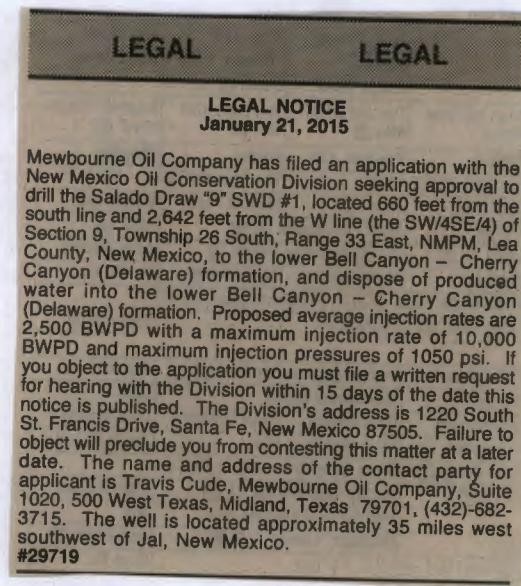
Sworn and subscribed to before me this
21st day of January 2015.


Business Manager

My commission expires
January 29, 2015
(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said



01102551

00150548

DREW GREENE
MEWBOURNE OIL COMPANY
P.O. BOX 7698
TYLER, TX 75711

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

February 18, 2015

Certified Mail

New Mexico Oil Conservation Division
Attn: Director
1220 South St. Francis Dr.
Santa Fe, NM 87505

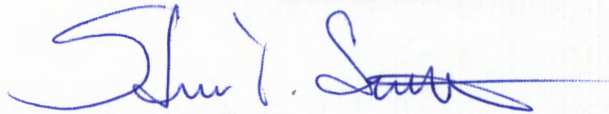
Re: C-108 Application for SWD Well
Salado Draw "9" SWD #1
SW/4SE/4 Section 9, T-26-S, R-33-E
Lea County, New Mexico

Dear Director:

Enclosed are an original and one copy of Mewbourne Oil Company's C-108 application for administrative approval of its proposed Salado Draw "9" SWD #1. This will be a new drill salt water disposal well in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Please feel free to contact me at (432) 682-3715 or via email at ssmith@mewbourne.com if there are any questions.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith
Senior Landman

Enclosure

RECEIVED
2015 FEB 24 P



C-108 Review Checklist:

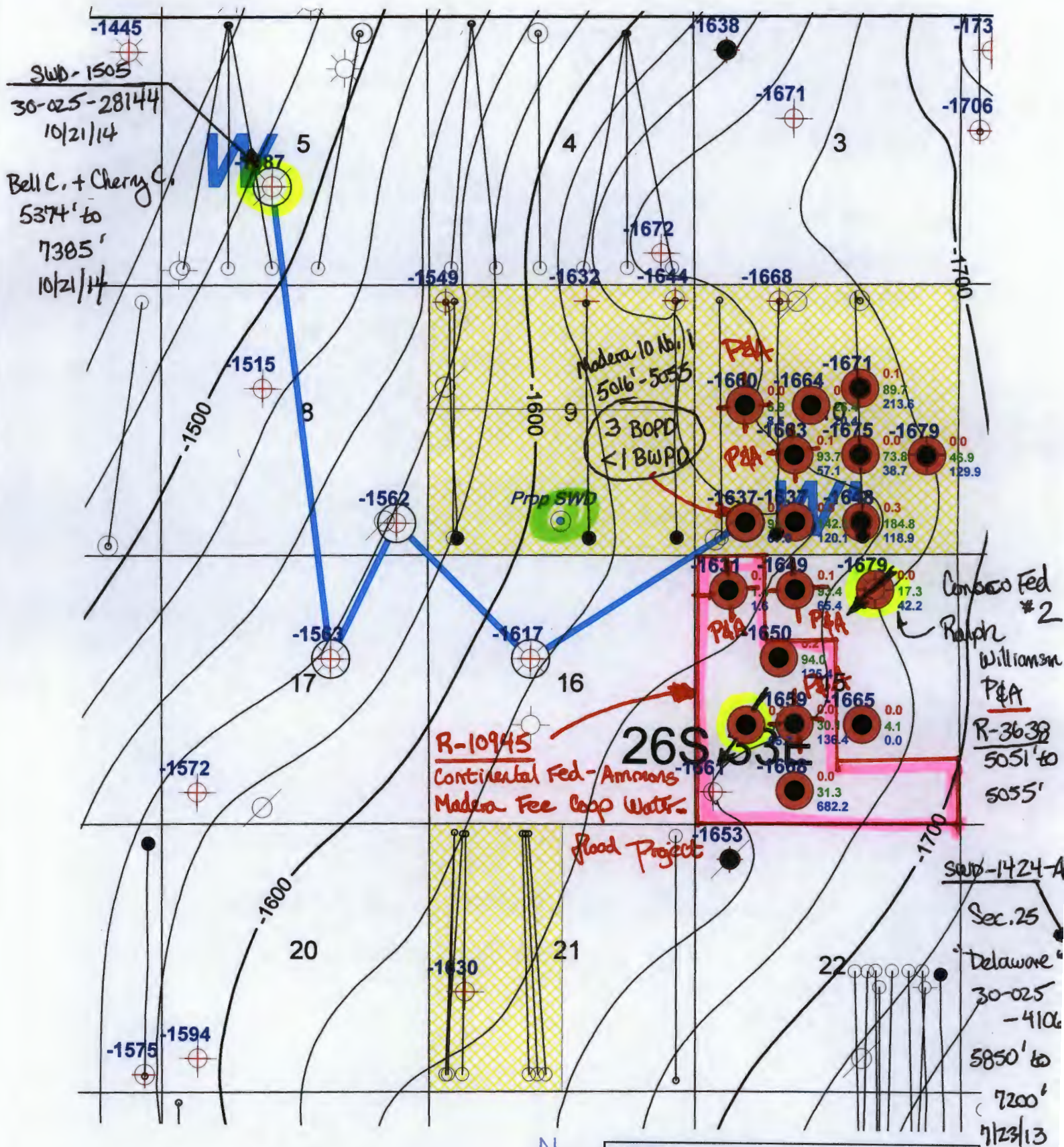
Received 02/24/15 Add. Request: 06/19/15 Reply Date: 06/19/15 Suspended: — [Ver 15]ORDER TYPE: WFX / PMX / SWD Number: 1557 Order Date: 06/19/15 Legacy Permits/Orders: NAWell No. 1 Well Name(s): Salado Draw 9 SWDAPI: 30-0 25-Pending Spud Date: TBD New or Old: New (UIC Class II Primacy 03/07/1982)Footages 660 FSL / 242 FWL Lot — or Unit N Sec 9 Tsp 26S Rge 33E County LeaGeneral Location: ±35 mi west of Jal / north of TX / NM border Pool: Bell C / Cherry C / or SWD: Delaware Pool No.: 96802BLM 100K Map: Jal Operator: Mawbourne Oil Company OGRID: 14744 Contact: Steve SmithCOMPLIANCE RULE 5.9: Total Wells: 880 Inactive: 0 Fincl Assur: Yes Compl. Order? No IS 5.9 OK? Yes Date: 06/19/2015WELL FILE REVIEWED ☒ Current Status: No APD on fileWELL DIAGRAMS: NEW: Proposed ☒ or RE-ENTER: Before Conv. ☐ After Conv. ☐ Logs in Imaging: NonePlanned Rehab Work to Well: NA

Well Construction Details	Sizes (In) Borehole / Pipe	Setting Depths (ft)	Not consistent with area	Cement Sx or CI	Cement Top and Determination Method
Planned ☒ or Existing <u>Surface</u>	12 1/4 / 9 5/8	0 to 500	Stage Tool	500	Circulate to surf.
Planned ☒ or Existing <u>Interm/Prod</u>	8 3/4 / 7	0 to 7000	Drat	2000	Circulate to surf.
Planned ☐ or Existing <u>Interm/Prod</u>	—	—	4000'	—	—
Planned ☐ or Existing <u>Prod/Liner</u>	—	—	—	—	—
Planned ☐ or Existing <u>Liner</u>	—	—	—	—	—
Planned ☒ or Existing <u>OH / PERF</u>	8 3/4 / 7	5250 to 7000	Inj Length	1750	Completion/Operation Details:

Injection Lithostratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.		<u>Rustler</u>	<u>—</u>	Drilled TD <u>—</u> PBTD <u>—</u>
Confining Unit: <u>Litho</u> Struc. <u>Por</u>	<u>+177</u>	<u>Lamar</u>	<u>5073</u>	NEW TD <u>7000</u> NEW PBTD <u>—</u>
Proposed Inj Interval TOP:	<u>5250</u>	<u>Bell Canyon</u>	<u>5093</u>	NEW Open Hole ☐ or NEW Perfs ☒
Proposed Inj Interval BOTTOM:	<u>7000</u>	<u>Cherry Canyon</u>	<u>6176</u>	Tubing Size <u>3 1/2</u> in. Inter Coated? <u>Yes</u>
Confining Unit: Litho. Struc. <u>Por</u>	<u>+673</u>	<u>Brushy Canyon</u>	<u>7673</u>	Proposed Packer Depth <u>5225</u> ft
Adjacent Unit: Litho. Struc. Por.		<u>Bone Spring</u>	<u>9099</u>	Min. Packer Depth <u>5150</u> (100-ft limit)
				Proposed Max. Surface Press. <u>1050</u> psi
				Admin. Inj. Press. <u>1050</u> (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P No Noticed? NA BLM Sec Ord No WIPP No Noticed? NA Salt/Salado T: — B: — NW: Cliff House fm NAFRESH WATER: Aquifer Alluvial / possible Dairy Max Depth <700' HYDRO AFFIRM STATEMENT By Qualified Person ☒NMOSE Basin: Carlsbad CAPITAN REEF: thru ☐ adj ☐ NA No. Wells within 1-Mile Radius? 0 FW Analysis NADisposal Fluid: Formation Source(s) Bone Spring producers Analysis? Yes On Lease ☐ Operator Only ☒ or Commercial ☐Disposal Int: Inject Rate (Avg/Max BWPD): 2500/10000 Protectable Waters? No Source: Previous production System: Closed ☒ or Open ☐HC Potential: Producing Interval? No Formerly Producing (Area) Yes Method: Logs/DST/P&A/Other X-section provided 2-Mile Radius Pool Map ☒AOR Wells: 1/2-M Radius Map? Yes Well List? NA Total No. Wells Penetrating Interval: 0 Horizontals? 0Penetrating Wells: No. Active Wells 0 Num Repairs? 0 on which well(s)? — Diagrams? NonePenetrating Wells: No. P&A Wells 0 Num Repairs? 0 on which well(s)? — Diagrams? NoneNOTICE: Newspaper Date 01/21/15 Mineral Owner Fee Surface Owner Kiehne / Battle N. Date 02/27/15RULE 26.7(A): Identified Tracts? Yes Affected Persons: Apache / EOG Add. Info Are Ranch N. Date 02/17/15Order Conditions: Issues: Surface casing; HC potential; DV-tool & amt program; <1500' intervalAdd Order Cond: Mudlog + Salinity calc / chemistry / CBL if not circulated / injection survey



Delaware Production

● Cum BCFG
● Cum MBO
● Cum MBW



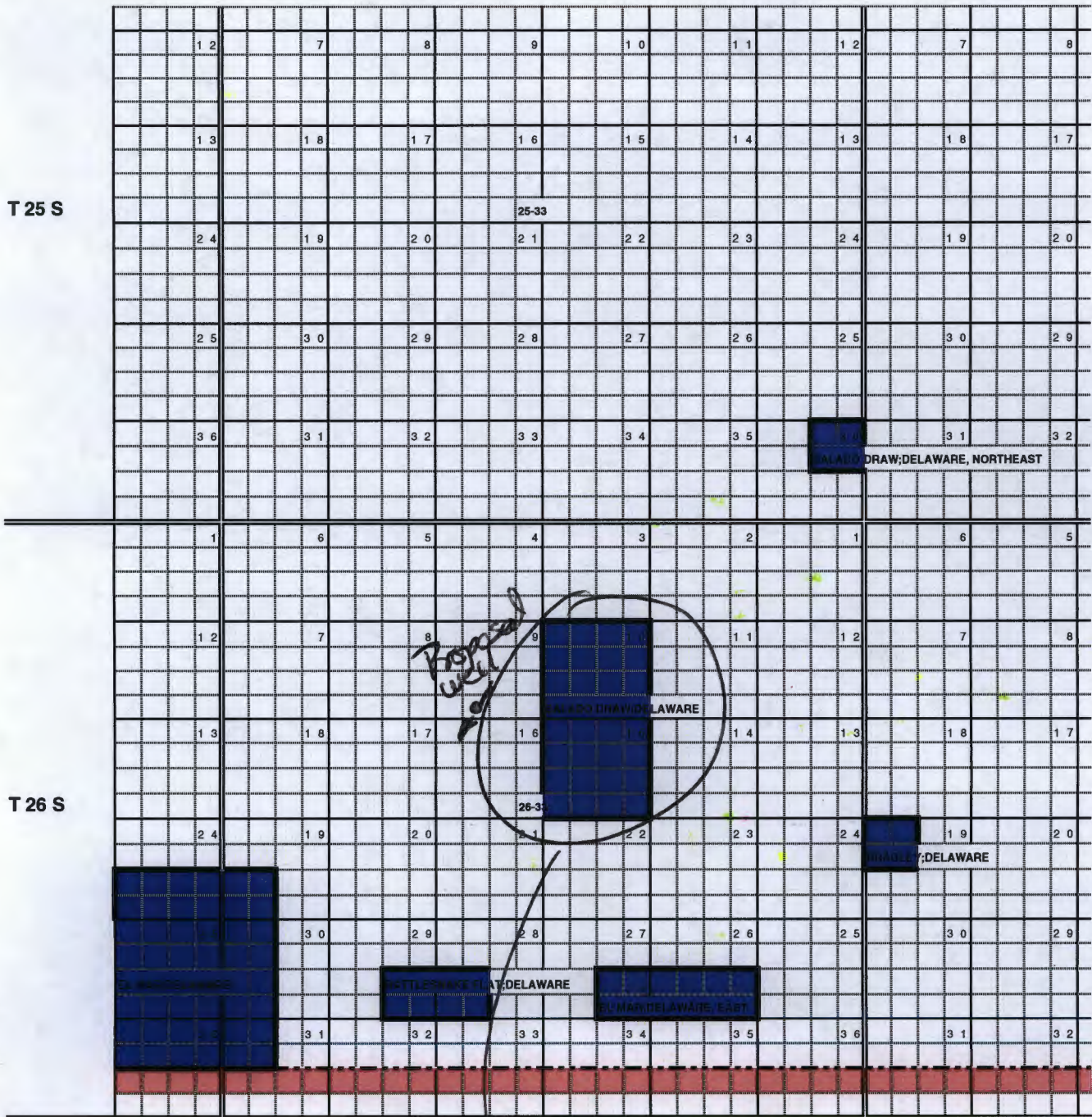
MOC Mewbourne Oil Company		
Salado Draw SWD Proposal		
Delaware Structure Map Section 9, T26S/R33E Lea County, NM		
Author: R. Townsend	C.I. = 20' Scale: Fit Page	Date: 7 January, 2015

T 25 S

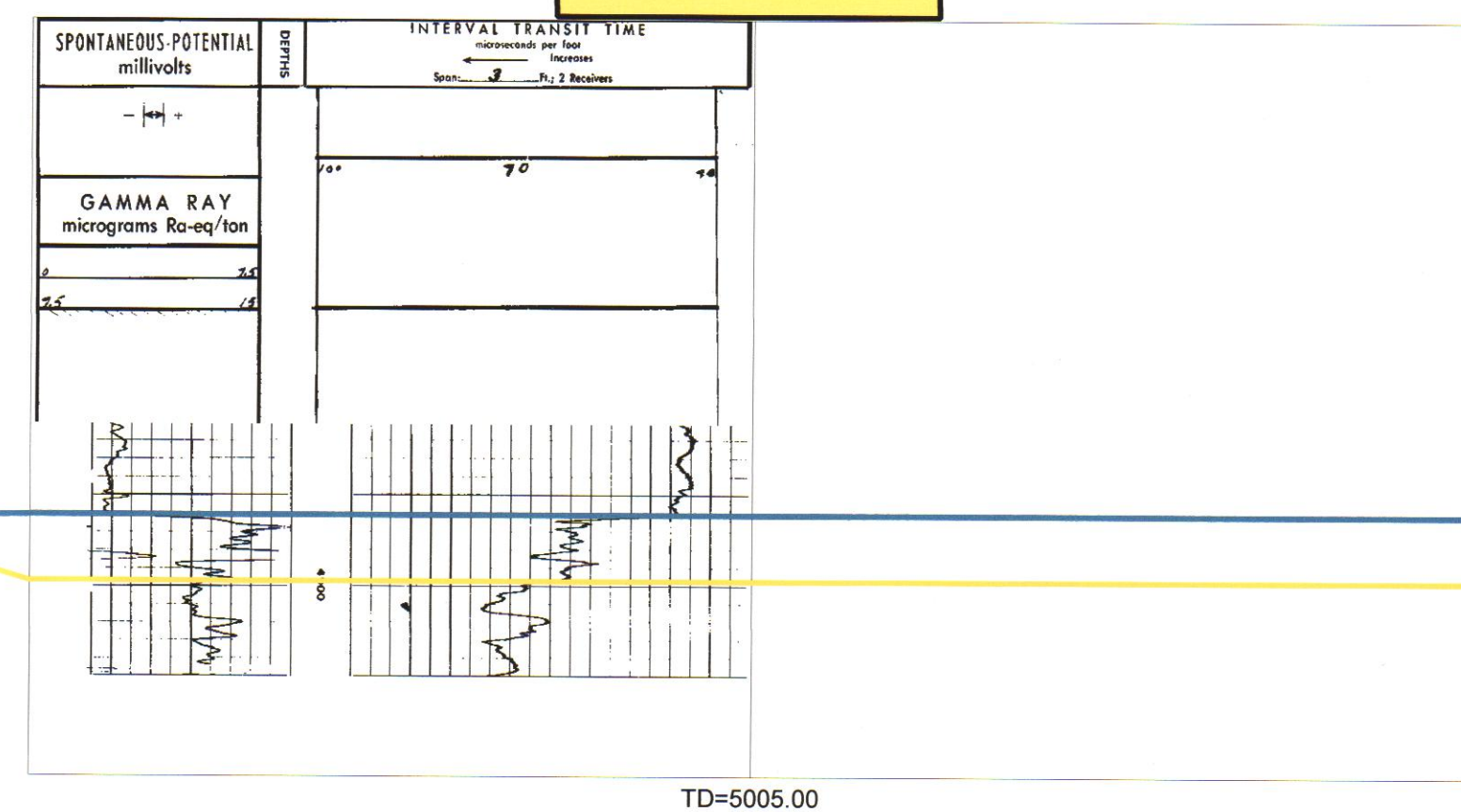
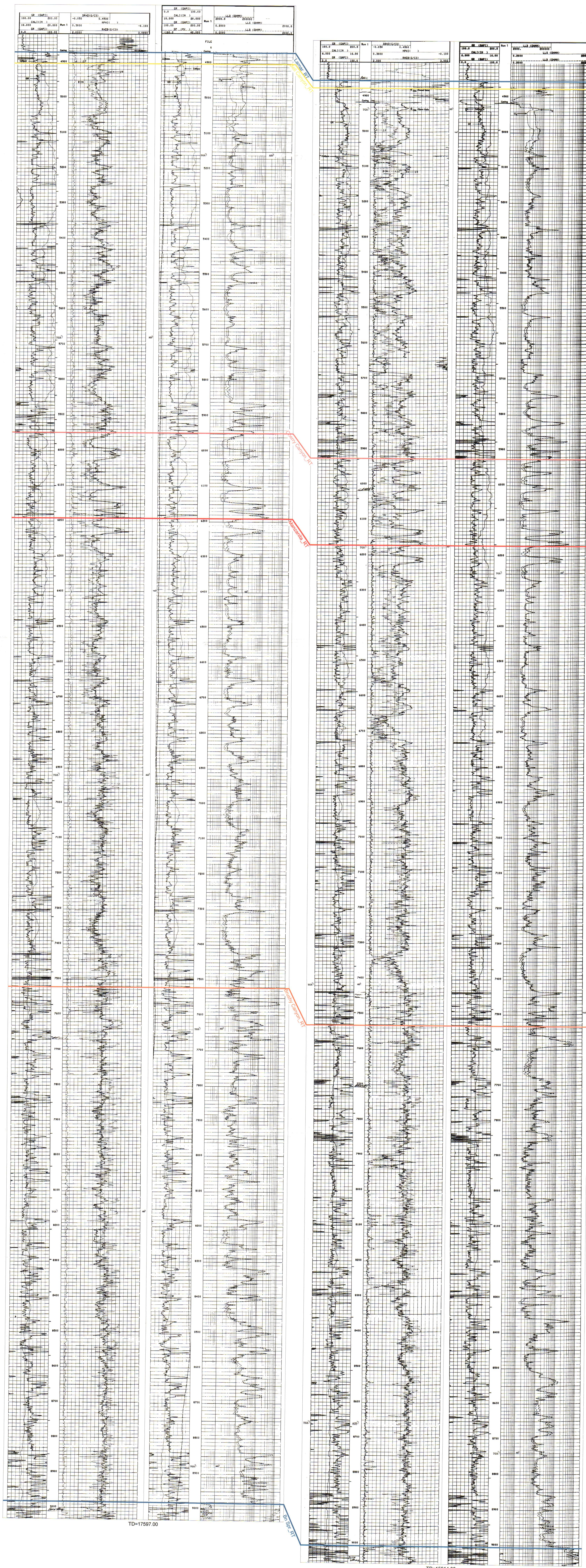
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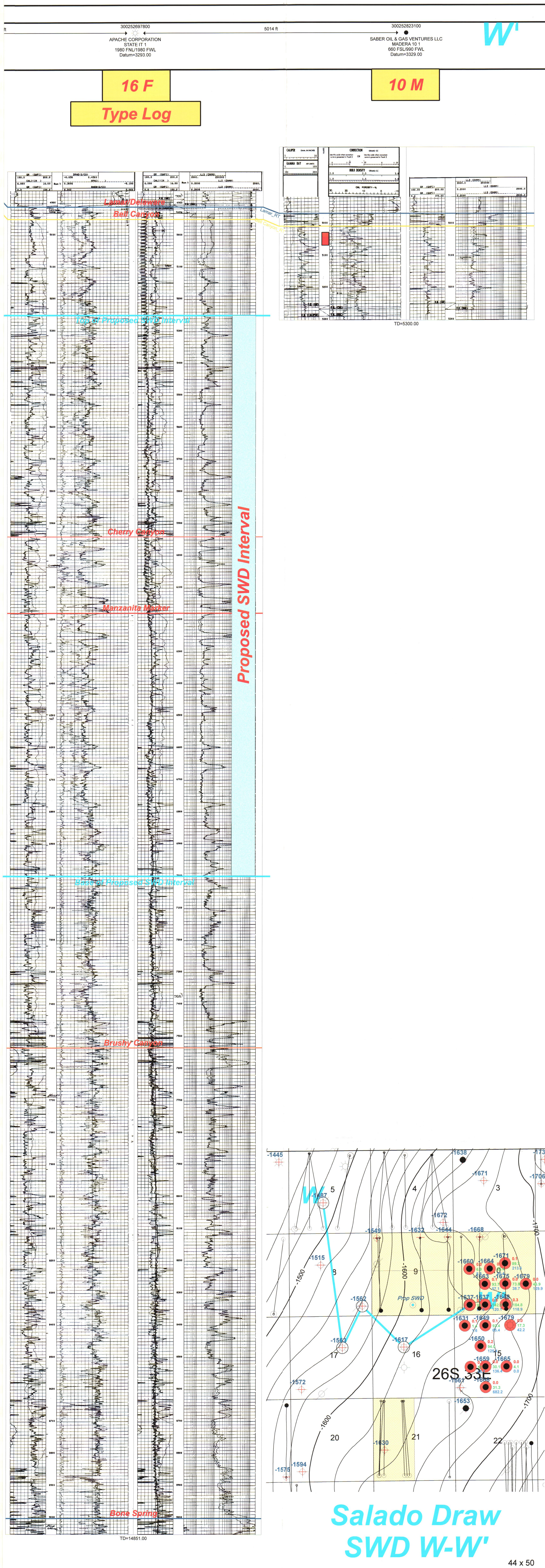
R 33 E

Closest
Production identified by
Mawbourne



8 P





Second half of map