

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

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

1. Operator Name and Address MEWBOURNE OIL CO PO BOX 5270 HOBBS , NM 88241		2. OGRID Number 14744
		3. API Number 30-015-35661
4. Property Code 36292	5. Property Name HACKBERRY HILLS 31 STATE	6. Well No. 001Y

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	31	21S	26E	P	710	S	660	E	EDDY

8. Pool Information

AVALON,MORROW (GAS)	70920
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3327
14. Multiple N	15. Proposed Depth 11300	16. Formation Morrow	17. Contractor	18. Spud Date 6/20/2007
Depth to Ground water 115		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 24000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	26	13.375	48	400	600	0
Int1	12.25	9.625	40	2100	1200	0
Prod	8.75	5.5	17	11300	500	7500

Casing/Cement Program: Additional Comments

If major loss circulation conditions develop in the 12 1/4" hole, MOC will ream out the 12 1/4" hole with 17 1/2" bit & run 13 3/8" 54.5# J55 to cover loss circulation interval & cement will be circulated to surface. MOC proposes to drill & test the Morrow & intermediate formations. H2S rule 118 does not apply because MOC has researched this area & no high concentrations were found. Will have on location & working all H2S safety equipment before Capitan formation for safety & insurance purposes. If commercial, production casing will be run & cemented. Will perforate & stimulate as needed for production.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Schaffer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Bryan Arant	
Printed Name: Electronically filed by Monty Whetstone	Title: Geologist	
Title: Vice President Operations	Approved Date: 6/12/2007	Expiration Date: 6/12/2008
Email Address: prodmgr@mewbourne.com		
Date: 6/8/2007	Phone: 903-561-2900	Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 55042

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-35661	2. Pool Code 70920	3. Pool Name AVALON MORROW (GAS)
4. Property Code 36292	5. Property Name HACKBERRY HILLS 31 STATE	6. Well No. 001Y
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3327

10. Surface Location

UL - Lot P	Section 31	Township 21S	Range 26E	Lot Idn	Feet From 710	N/S Line S	Feet From 660	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill	14. Consolidation Code	15. Order No.						

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

	OPERATOR CERTIFICATION <i>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(s) or has a right to drill this well at this 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.</i> E-Signed By: Monty Whetstone Title: Vice President Operations Date: 6/8/2007	
	SURVEYOR CERTIFICATION <i>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.</i> Surveyed By: Gary Jones Date of Survey: 5/29/2007 Certificate Number: 7977	

Permit Comments

Operator: MEWBOURNE OIL CO , 14744

Well: HACKBERRY HILLS 31 STATE #001Y

API: 30-015-35661

Created By	Comment	Comment Date
NMYOUNG	The reserve pit was built for the original well (Hackberry Hills 31 St #1). The #1Y will utilize existing reserve pit.	6/8/2007
NMYOUNG	Mud Program: 0-400' FW with mud sweeps. 400-2100' FS with mud sweeps. 2100-8000' Cut Brine. 8000-TD Cut Brine with starch mud.	6/8/2007

Permit Conditions of Approval

Operator: MEWBOURNE OIL CO , 14744

Well: HACKBERRY HILLS 31 STATE #001Y

API: 30-015-35661

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	Please notify OCD time of spud and time to witness the cementing of the surface and intermediate casing strings.
BArrant	As noted, operator to drill surface and intermediate holes with fresh water mud.
BArrant	Please review other condition of approval by hard copy.
BArrant	Cement to cover all oil, gas and water bearing zones.