

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
4. Property Code 24514		3. API Number 30-015-38109
5. Property Name PARKWAY 16 STATE COM		6. Well No. 002H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	21	19S	29E	D	200	N	350	W	EDDY

8. Pool Information

SCANLON DRAW;BONE SPRING	55510
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3330
14. Multiple N	15. Proposed Depth 12700	16. Formation Bone Spring	17. Contractor	18. Spud Date 8/10/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" 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	17.5	13.375	48	300	400	0
Int1	12.25	9.625	36	1350	300	0
Int2	8.75	7	26	8150	1000	0
Prod	6.125	4.5	11.6	12700	0	0

Casing/Cement Program: Additional Comments

MOC proposes to drill & test the Bone Springs 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 Yates formation for safety & insurance purposes. If commercial, production casing will be run & will utilize packer/port system. No cmt is required. Will stimulate as need for production.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1500	Schaffer
DoubleRam	3000	3000	Schaffer
Annular	3000	2500	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 NMOC guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Monty Whetstone	Approved By: Randy Dade	
Title: Vice President Operations	Title: District Supervisor	
Email Address: prodmgr@mewbourne.com	Approved Date: 8/26/2010	Expiration Date: 8/26/2012
Date: 7/13/2010	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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Energy, Minerals and Natural Resources
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1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 116977

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-38109	2. Pool Code 55510	3. Pool Name SCANLON DRAW;BONE SPRING
4. Property Code 24514	5. Property Name PARKWAY 16 STATE COM	6. Well No. 002H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3330

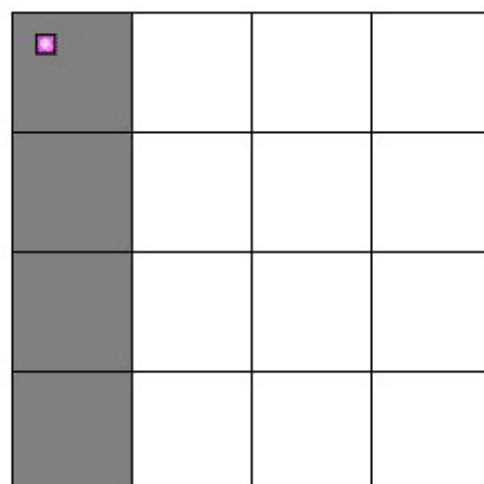
10. Surface Location

UL - Lot D	Section 21	Township 19S	Range 29E	Lot Idn	Feet From 200	N/S Line N	Feet From 350	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 16	Township 19S	Range 29E	Lot Idn D	Feet From 330	N/S Line N	Feet From 350	E/W Line W	County EDDY
12. Dedicated Acres 160.00		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 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.

E-Signed By: Monty Whetstone
 Title: Vice President Operations
 Date: 7/13/2010

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.

Surveyed By: Gary Jones
 Date of Survey: 7/1/2010
 Certificate Number: 7977

Permit Comments

Operator: MEWBOURNE OIL CO , 14744

Well: PARKWAY 16 STATE COM #002H

API: 30-015-38109

Created By	Comment	Comment Date
NMYOUNG	Mud Program: 0-300' FW spud mud w/Lime for pH & LCM as needed. 300'-1350' Brine water w/lime for pH & LCM as needed. 1350'- 7100' (MD) FW w/lime for pH. 7100' - TD FW mud w/polymer.	7/8/2010
NMYOUNG	Will mail plat showing both sections showing Sec 21 for SHL & Sec 16 for BHL. Also will mail C144 CLEZ to NMOCD Artesia office.	7/13/2010

Permit Conditions of Approval

Operator: MEWBOURNE OIL CO , 14744

Well: PARKWAY 16 STATE COM #002H

API: 30-015-38109

OCD Reviewer	Condition
Artesia	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string