

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 38451 | | 3. API Number 30-015-38403 |
| 5. Property Name QUICK DRAW 10 HA | | 6. Well No. 001H |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| I | 10 | 20S | 25E | I | 2390 | S | 350 | E | EDDY |

8. Pool Information

| | |
|---------------|-------|
| CEMETARY;YESO | 11795 |
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Additional Well Information

| | | | | |
|--|----------------------------|--|---------------------------|------------------------------------|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3384 |
| 14. Multiple N | 15. Proposed Depth 4990 | 16. Formation Yeso Formation | 17. Contractor | 18. Spud Date 2/1/2011 |
| 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 | 12.25 | 9.625 | 36 | 830 | 350 | 0 |
| Prod | 8.75 | 7 | 26 | 2975 | 400 | 0 |
| Prod | 6.125 | 4.5 | 11.6 | 4990 | 0 | 0 |

Casing/Cement Program: Additional Comments

MOC proposes to drill & test the Yeso. Will have on location & working all H2S safety equipment before Queen formation. The 4 1/2" liner set @ 2775' to TD will utilize a packer port system (no cmt) in the lateral hole. 7" csg will be cemented & will provide lease line isolation.

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|---------|------------------|---------------|--------------|
| Annular | 2000 | 4000 | 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 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: 1/10/2011 | Expiration Date: 1/10/2013 |
| Date: 1/6/2011 | 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

State of New Mexico
Energy, Minerals and Natural Resources
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Santa Fe, NM 87505

Form C-102
 Permit 125381

WELL LOCATION AND ACREAGE DEDICATION PLAT

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|-------------------------------|--------------------------------------|-------------------------------|
| 1. API Number 30-015-38403 | 2. Pool Code 11795 | 3. Pool Name CEMETARY;YESO |
| 4. Property Code 38451 | 5. Property Name QUICK DRAW 10 HA | 6. Well No. 001H |
| 7. OGRID No. 14744 | 8. Operator Name MEWBOURNE OIL CO | 9. Elevation 3384 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot I | Section 10 | Township 20S | Range 25E | Lot Idn | Feet From 2390 | N/S Line S | Feet From 350 | E/W Line E | County EDDY |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|----------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|------------------------------|---------------|---------------------|--------------|------------------------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot A | Section 10 | Township 20S | Range 25E | Lot Idn A | Feet From 330 | N/S Line N | Feet From 350 | E/W Line E | County EDDY |
| 12. Dedicated Acres 80.00 | | 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

| | | |
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| | 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: 1/6/2011 | |
| | 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: 12/11/2010 Certificate Number: 7977 | | |

Permit Comments

Operator: MEWBOURNE OIL CO , 14744

Well: QUICK DRAW 10 HA #001H

API: 30-015-38403

| Created By | Comment | Comment Date |
|------------|---|--------------|
| NMYOUNG | Mud Program: 0-2075' FW. 2075' - TD FW w/polymer. | 1/6/2011 |

Permit Conditions of Approval

Operator: MEWBOURNE OIL CO , 14744

Well: QUICK DRAW 10 HA #001H

API: 30-015-38403

| 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 |