State of New Mexico

Form C-101 Permit 125957

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

•	erator Name and Address VBOURNE OIL CO	OGRID Number 14744	
H	Po Box 5270 lobbs, NM 88241	3. API Number 30-015-38422	
4. Property Code 38179	5. Property Name THREE PALMS 36 STATE COM	6. Wett No. 002H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	36	198	29E	H	1980	N	330	E	EDDY

8. Pool Information

PARKWAY:BONE SPRING 49622

Additional Well Information

9. Work Type	10. Wett Type	11. Cable/Rotary	12. Lease Type	13. Ground Level Elevation	
New Well	OIL		State	3335	
14. Multiple	15. Proposed Depth	16. Formation			
N	12500	Bone Spring			
Depth to Ground	water	Distance from nearest fres	h water well	Distance to nearest surface water	
Pit: Liner: Synthetic Closed Loop Syste	mils thick	Clay Pit Volume:	bbls Drilling Method: Fresh Water X Brine	Diesel/Oil-based Gas/Air	

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	26	20	94	200	400	0
Int1	17.5	13.375	54.5	1400	200	0
Int1	17.5	13.375	48	1100	700	0
Int2	12.25	9.625	36	3500	900	0
Prod	8.75	7	26	8700	700	
Liner1	6.125	4.5	11.6	12500	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	
DoubleRam	5000	5000	Schaffer
Annular	5000	2500	Schaffer

I hereby certify that the information g of my knowledge and belief. I further certify that the drilling p	ven above is true and complete to the best	OIL CONSERVATION DIVISION		
NMOCD guidelines , a general p OCD-approved plan .	ermit , or an (attached) alternative	Approved By: Randy Dade		
Printed Name: Electronically fr	led by Monty Whetstone	Title: District Supervisor		
Title: Vice President Operation	s	Approved Date: 1/18/2011	Expiration Date: 1/18/2013	
Email Address: prodmgr@mev	bourne.com		the Control of the Co	
Date: 1/18/2011	Phone: 903-561-2900	Conditions of Approval Atta	ched	

District I

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

District I

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

Form C-102 Permit 125957

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3	3. Pool Name	
30-015-38422	49622 PARKWAY		BONE SPRING	
4. Property Code	5. Property 1	Name	6. Well No.	
38179	THREE PALMS 36 STATE COM		002H	
7. OGRID No.	8. Operator Name		9. Elevation	
14744	MEWBOURNE OIL CO 3335			

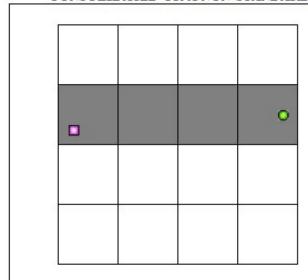
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	36	19S	29E	In the second of	1980	N	330	E	EDDY

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
E	36	19S	29E	E	2310	N	330	W	EDDY
	cated Acres	13. J	oint 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: 1/18/2011

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: 4/19/2010 Certificate Number: 7977

Permit Comments

Operator: MEWBOURNE OIL CO , 14744 Well: THREE PALMS 36 STATE COM #002H

API: 30-015-38422

Created By	Comment	Comment Date
NMYOUNG	Mud Program: 0-200' FW w/sweeps. 200'-1400' Brine w/sweeps. 1400'- 7500 FW w/sweeps. 7500' - TD FW mud w/polymer.	1/18/2011
Artesia	Land S/S	1/18/2011

Permit Conditions of Approval

Operator: MEWBOURNE OIL CO , 14744 Well: THREE PALMS 36 STATE COM #002H

API: 30-015-38422

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