State of New Mexico

Form C-101 Permit 126103

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

	or Name and Address OURNE OIL CO	2. OGRID Number 14744
Po Box 5270 Hobbs, NM 88241	o Box 5270	3. API Number 30-025-40036
4. Property Code 35339	5. Property Name RED HAWK 32 STATE	6. Well No. 003H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	32	198	34E	H	1980	N	330	E	LEA

8. Pool Information

AP	ACHE RIDGE;BONE SPRING	2260

Additional Well Information

9. Work Type	10. Wett Type	11. Cable/Rotary	12. Lease Type	13. Ground Level Elevation	
New Well	OIL		State	3670	
14. Multiple	15. Proposed Depth	16. Formation	17. Contractor	18. Spud Date	
N	15190	Bone Spring		4/15/2011	
Depth to Ground	water	Distance from nearest from	esh 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	17.5	13.375	48	1100	300	0
Int1	12.25	9.625	40	3600	100	0
Int1	12.25	9.625	36	3300	800	0
Prod	8.75	7	26	11180	900	3000
Liner1	6.125	4.5	11.6	15190	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	5000	5000	Schaffer
Annular	5000	2500	Schaffer

I hereby certify that the information gi of my knowledge and belief. I further certify that the drilling pi	ven above is true and complete to the best	OIL CONSERVATION DIVISION		
	ermit , or an (attached) alternative	Approved By: Paul Kautz		
Printed Name: Electronically fi	led by Monty Whetstone	Title: Geologist		
Title: Vice President Operation	IS	Approved Date: 1/31/2011	Expiration Date: 1/31/2013	
Email Address: prodmgr@mev	bourne.com	14.00		
Date: 1/20/2011	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 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 126103

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

111	LLL LOCATION AND ACK	LAGE DEDICATION	LAI	
1. API Number	2. Pool Code	3	Pool Name	
30-025-40036	2260 APACHE R		IDGE;BONE SPRING	
4. Property Code	5. Property	Name	6. Well No.	
35339	RED HAWK 32 STATE		003H	
7. OGRID No.	8. Operator Name		9. Elevation	
14744	MEWBOURNE OIL CO		3670	

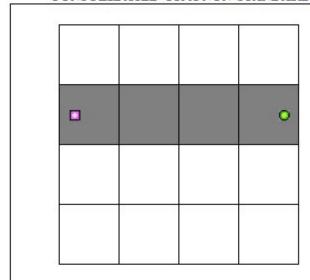
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	32	198	34E	In the second of	1980	N	330	E	LEA

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	32	198	34E	E	1980	N	330	W	LEA
12. Dedi	cated Acres	13. J	oint or Infill	14	. Consolidation	Code		15. Order No.	
16	0.00								

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: 1/20/2011

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: 1/19/2011 Certificate Number: 7977

Permit Comments

Operator: MEWBOURNE OIL CO , 14744 Well: RED HAWK 32 STATE #003H

API: 30-025-40036

Created By	Comment	Comment Date
NMYOUNG	Mud Program: 0-500 FW w/sweeps. 500' - 3600' Brine. 3600' - 10200' FW. 10200' - TD FW w/polymer.	1/20/2011
pkautz	Land S/S	1/26/2011
DMULL	OCD Hobbs office has received form C-144CLEZ. OCD Permit Number P1-02850.	1/31/2011

Permit Conditions of Approval

Operator: MEWBOURNE OIL CO , 14744 Well: RED HAWK 32 STATE #003H

API: 30-025-40036

OCD Reviewer	Condition
pkautz	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
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite
pkautz	Must use fresh water mud above Rustler Anhydrite