

## 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 30-015-39198
4. Property Code 38701	5. Property Name ZIRCON 1 STATE	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
M	1	19S	29E	M	500	S	330	W	EDDY

## 8. Pool Information

TURKEY TRACK:BONE SPRING	60660
--------------------------	-------

### Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3378
14. Multiple N	15. Proposed Depth 12480	16. Formation Bone Spring	17. Contractor	18. Spud Date 9/1/2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mils 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	300	0
Int1	12.25	9.625	36	1380	500	0
Int2	8.75	7	26	8450	800	0
Prod	6.125	4.5	11.6	12480	0	

**Casing/Cement Program: Additional Comments**

MOC proposes to drill & test 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 needed for production.

### Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1500	Schaffer
DoubleRam	3000	3000	Schaffer
Annular	3000	1500	Schaffer

<p>I hereby certify that the information given above is true and complete to the best of my knowledge and belief.</p> <p>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"/> .</p>	<p>OIL CONSERVATION DIVISION</p>	
<p>Printed Name: Electronically filed by Monty Whetstone</p>	<p>Approved By: Randy Dade</p>	
<p>Title: Vice President Operations</p>	<p>Title: District Supervisor</p>	
<p>Email Address: prodmgr@mewbourne.com</p>	<p>Approved Date: 7/11/2011      Expiration Date: 7/11/2013</p>	
<p>Date: 7/11/2011      Phone: 903-561-2900</p>	<p>Conditions of Approval Attached</p>	

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

Form C-102  
Permit 134184

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-39198	2. Pool Code 60660	3. Pool Name TURKEY TRACK;BONE SPRING
4. Property Code 38701	5. Property Name ZIRCON 1 STATE	6. Well No. 001H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3378

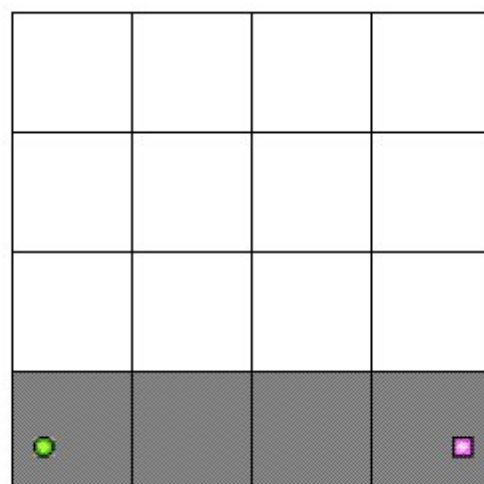
**10. Surface Location**

UL - Lot M	Section 1	Township 19S	Range 29E	Lot Idn	Feet From 500	N/S Line S	Feet From 330	E/W Line W	County EDDY
---------------	--------------	-----------------	--------------	---------	------------------	---------------	------------------	---------------	----------------

**11. Bottom Hole Location If Different From Surface**

UL - Lot P	Section 1	Township 19S	Range 29E	Lot Idn P	Feet From 500	N/S Line S	Feet From 330	E/W Line E	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: 7/11/2011

**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: 4/6/2011  
Certificate Number: 7977

## Permit Comments

Operator: MEWBOURNE OIL CO , 14744

Well: ZIRCON 1 STATE #001H

API: 30-015-39198

Created By	Comment	Comment Date
NMYOUNG	Mud program: 0-300 FW w/sweeps. 300-1380' Brine. 1380-TD Cut Brine	7/11/2011
Artesia	LAND S/S	7/11/2011

# Permit Conditions of Approval

Operator: MEWBOURNE OIL CO , 14744

Well: ZIRCON 1 STATE #001H

API: 30-015-39198

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