District I 1625 N. French Dr., Hobbs, NM 88240

Phone:(575) 393-6161 Fax:(575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> State of New Mexico Energy, Minerals and Natural Resources

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

Form C-101 August 1, 2011

Permit 137712

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

	tor Name and Address BOURNE OIL CO	2. OGRID Number	
Po Box 5270 Hobbs, NM 88241		14744 3. API Number 30-015-39423	
4. Property Code	5. Property Name	6. Wett No.	
38827	DELAWARE RANCH 11 FEE		

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	11	26S	28E	N	330	S	2260	W	EDDY

8. Pool Information

RED BLUFF;BONE SPRING, SOUTH 51010

Additional Well Information

9. Work Type	10. Wett Type	11. Cable/Rotary	12. Lease Type	13. Ground Level Elevation
New Well	OIL		Private	2970
14. Multiple	15. Proposed Depth	16. Formation	17. Contractor	18. Spud Date
N	11900	Bone Spring	E	10/15/2011

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	625	625	0
Int1	12.25	9.625	36	2600	1200	0
Int2	8.75	7	26	7300	1000	2400
Prod	6.125	4.5	11.6	11900	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

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

of my knowledge and belief.	ion given above is true and complete to the best ng pit will be constructed according to	OIL CONSERVATION DIVISION			
	eral permit , or an (attached) alternative	Approved By: Randy Dade			
Printed Name: Electronica	lly filed by Monty Whetstone	Title: District Supervisor			
Title: Vice President Oper	ations	Approved Date: 9/22/2011	Expiration Date: 9/22/2013		
Email Address: prodmgr@	mewbourne.com	100 mm			
Date: 9/21/2011 Phone: 903-561-2900		Conditions of Approval Attached			

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Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505 Form C-102 August 1, 2011

Permit 137712

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39423	2. Pool Code 51010	RED BLUFF	3. Pool Name RED BLUFF;BONE SPRING, SOUTH	
4. Property Code 38827	5. Property Name DELAWARE RANCH 11 FEE		6. Well No. 003H	
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO		9. Elevation 2970	

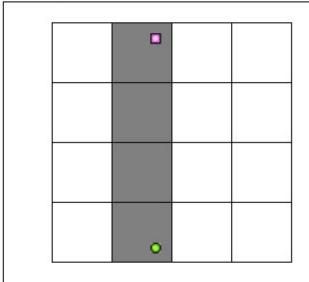
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	11	26S	28E		330	S	2260	W	EDDY

11. Bottom Hole Location If Different From Surface

-									
JL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	11	26S	28E	С	330	N	2260	W	EDDY
12. Dedicated Acres 13. Joint or Infil1 160.00		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: 9/21/2011

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: 9/15/2011
Certificate Number: 7977

Permit Comments

Operator: MEWBOURNE OIL CO , 14744 Well: DELAWARE RANCH 11 FEE #003H

API: 30-015-39423

Created By	Comment	Comment Date
Artesia	Land p/P	9/22/2011

Permit Conditions of Approval

Operator: MEWBOURNE OIL CO , 14744 Well: DELAWARE RANCH 11 FEE #003H

API: 30-015-39423

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