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

District III 1000 Rio Brazos Rd., Aztec, NM 87410

Phone:(505) 334-6178 Fax:(505) 334-6170 District IV

Phone:(505) 476-3470 Fax:(505) 476-3462

1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources

Form C-101 August 1, 2011

Permit 146582

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

MEWI	Operator Name and Address MEWBOURNE OIL CO		
	Po Box 5270 obs, NM 88241	3. API Number 30-015-40210	
4. Property Code	5. Property Name	6. Well No.	
39188	LAYLA 35 MD FEE COM	001H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	35	238	28E	M	360	S	360	W	EDDY

8. Pool Information

	The body of the state of the st	77
MALAGA: DELAWARE, NORTH		42960

Additional Well Information

		Additional W.C.	ii Imioimation	
9. Work Type	10. Well Ty	e 11. Cable/Rota	ry 12. Lesse Type	13. Ground Level Elevation
New Well	OIL		Private	3021
14. Multiple	15. Proposed 1	epth 16. Formati	ion 17. Contractor	18. Spud Date
N	10602	Brushy Can	iyon	5/15/2012
Depth to Ground	water	Distance from neare	st fresh water well	Distance to nearest surface water

19. Proposed Casing and Cement Program

						<u> </u>
Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	375	375	0
Int1	12.25	9.625	36	2500	630	0
Prod	8.75	5.5	17	10602	800	2000

Casing/Cement Program: Additional Comments

MOC proposes to drill & test the Delaware formation. 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 drilling the surface csg shoe for safety & insurance purposes. If commercial, 5 1/2 production casing will be run & cemented back to 2000'. Will stimulate as needed for production.

Proposed Blowout Prevention Program

	Troposed Blomode I	e control i i ogi um	
Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1500	Schaffer
DoubleRam	3000	3000	Schaffer
Annular	3000	1500	Schaffer

I hereby certify that the information given ab of my knowledge and belief. I further certify that the drilling pit will i	50 50 5000 - 66 50	OIL CONSERVATION DIVISION			
NMOCD guidelines \square , a general permit OCD-approved plan \square .		Approved By: Randy Dade			
Printed Name: Electronically filed by	Monty Whetstone	Title: District Supervisor			
Title: Vice President Operations	100	Approved Date: 4/26/2012	Expiration Date: 4/26/2014		
Email Address: prodmgr@mewbourn	ne.com				
Date: 4/24/2012 Ph	one: 903-561-2900	Conditions of Approval Attached			

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240

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State of New Mexico

Energy, Minerals and Natural Resources

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

Permit 146582

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	100000000000000000000000000000000000000	Pool Name
30-015-40210	42960		ELAWARE, NORTH
4. Property Code	5. Property Name		6. Well No.
39188	LAYLA 35 MD FEE COM		001H
7. OGRID No.	8. Operator Name		9. Elevation
14744	MEWBOURNE OIL CO		3021

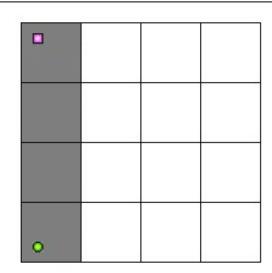
10. Surface Location

	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
5	M	35	238	28E		360	S	360	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
D	35	238	28E	D	330	N	360	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: 4/24/2012

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: 11/10/2010 Certificate Number: 7977

Permit Comments

Operator: MEWBOURNE OIL CO , 14744 Well: LAYLA 35 MD FEE COM #001H

API: 30-015-40210

Created By	Comment	Comment Date
NMYOUNG	Mud program: 0-375 FW. 375' to 2500' Brine water. 2500' to TD Cut Brine w/gel for viscosity. Will mail C-144 CLEZ & directional program to NMOCD Artesia.	4/24/2012
CSHAPARD	Land p/P	4/25/2012

Permit Conditions of Approval

Operator: MEWBOURNE OIL CO , 14744 Well: LAYLA 35 MD FEE COM #001H

API: 30-015-40210

OCD Reviewer	Condition
CSHAPARD	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