<u>District I</u> 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 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-101 August 1, 2011

Permit 150437

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

	tor Name and Address BOURNE OIL CO	2. OGRID Number 14744	
Po Box 5270 Hobbs, NM 88241		3. API Number 30-015-40399	
4. Property Code	5. Property Name	6. Well No.	
39277	SAN LORENZO 9 PA FEE	001H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	9	25S	28E	P	170	S	380	E	EDDY

8. Pool Information

SAN LORENZO:BONE SPRING	53600
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Additional Well Information

9. Work Type New Well	10. Wei		11. Cable/Rotary	12. Lesse Type Private	13. Ground Level Elevation 2945
14. Multiple	15. Prop	osed Depth	16. Formation	17. Contractor	18. Spud Date
N	12	2610	Bone Spring	200	7/15/2012
Depth to Ground	water		Distance from nearest fresh water	r well	Distance to nearest surface water

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	400	400	0
Int1	12.25	9.625	36	2600	700	0
Prod	8.75	7	26	8500	1000	2000
Prod	6.125	4.5	13.5	12610	0	0

Casing/Cement Program: Additional Comments

MOC proposes to drill & test the Bone Springs formation. H2S rule 118 does not apply. 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, 4 1/2 liner will be run & will use pkr port system (no cmt) in the lateral hole. 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

I hereby certify that the information g of my knowledge and belief. I further certify that the drilling p	iven above is true and complete to the best it will be constructed according to	OIL CONSERVATION DIVISION				
	ermit , or an (attached) alternative	Approved By: Randy Dade				
Printed Name: Electronically f	led by Monty Whetstone	Title: District Supervisor				
Title: Vice President Operation	1S	Approved Date: 6/19/2012	Expiration Date: 6/19/2014			
Email Address: prodmgr@mev	vbourne.com		The state of the s			
Date: 6/15/2012	Phone: 903-561-2900	Conditions of Approval Atta	ched			

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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 150437

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code		Pool Name
30-015-40399	53600		ZO;BONE SPRING
4. Property Code	5. Property		6. Well No.
39277	SAN LORENZO		001H
7. OGRID No.	8. Operator Name		9. Elevation
14744	MEWBOURNE OIL CO		2945

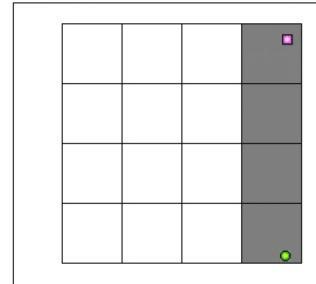
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	9	25S	28E		170	S	380	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
A	9	25S	28E	A	330	N	330	E	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: 6/15/2012

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: 6/8/2012 Certificate Number: 7977

Permit Comments

Operator: MEWBOURNE OIL CO , 14744 Well: SAN LORENZO 9 PA FEE #001H

API: 30-015-40399

Created By	Comment	Comment Date
NMYOUNG	Mud Program: 0-400' FW. 400' - 2600' Brine. 2600' - 8500' Cut Brine. 8500' - 12610' Cut Brine w/mud. We will send a C-102 showing both surface location & BHL along with an directional plan.	6/15/2012
CSHAPARD	Land p/P	6/18/2012

Permit Conditions of Approval

Operator: MEWBOURNE OIL CO , 14744 Well: SAN LORENZO 9 PA FEE #001H

API: 30-015-40399

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