

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
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 272535

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

1. Operator Name and Address MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241		2. OGRID Number 14744
4. Property Code 317055		3. API Number 30-015-46339
5. Property Name SAPPHIRE 11 12 B2CC STATE COM		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
D	11	19S	29E	D	1310	N	1290	W	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	12	19S	29E	C	660	N	2565	W	Eddy

9. Pool Information

60660	60660
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3360
16. Multiple N	17. Proposed Depth 14767	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 10/26/2019
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	220	200	0
Int1	12.25	9.625	36	3370	700	0
Prod	8.75	7	29	8332	620	3170
Liner1	6.125	4.5	13.5	14767	290	7592

Casing/Cement Program: Additional Comments

MOC proposed to drill & test the Bone Springs formation. H2S rule 118 does not apply because MOC has researched the area & no high concentrations were found. Will have on location & working all H2S safety equipment before Yates formation for safety & insurance purposes. Will stimulate as needed for production.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1500	Schaffer
Double Ram	3000	3000	Schaffer
Annular	3000	1500	Schaffer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Monty Whetstone	Approved By: Raymond Podany
Title: Vice President Operations	Title: Geologist
Email Address: prodmgr@mewbourne.com	Approved Date: 10/4/2019 Expiration Date: 10/4/2021
Date: 9/27/2019 Phone: 903-561-2900	Conditions of Approval Attached

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	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>E-Signed By: Monty Whetstone</p> <p>Title: Vice President Operations</p> <p>Date: 9/27/2019</p>
	<p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Robert Howett</p> <p>Date of Survey: 10/20/2016</p> <p>Certificate Number: 19680</p>

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GAS CAPTURE PLAN

Date: 10/4/2019

☒ Original

Operator & OGRID No.: [14744] MEWBOURNE OIL CO

☐ Amended - Reason for
Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
SAPPHIRE 11 12 B2CC STATE COM #001H	30-015-46339	D-11-19S-29E	1310N 1290W	500	None	ONLINE AFTER FRAC

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Enterprise Field Services, LLC and will be connected to Enterprise Field Services, LLC High Pressure gathering system located in Eddy County, New Mexico. It will require 500' of pipeline to connect the facility to High Pressure gathering system. MEWBOURNE OIL CO provides (periodically) to Enterprise Field Services, LLC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, MEWBOURNE OIL CO and Enterprise Field Services, LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enterprise Field Services, LLC Processing Plant located in Sec. 17, Twn. 19S, Rng. 31E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Enterprise Field Services, LLC system at that time. Based on current information, it is MEWBOURNE OIL CO's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

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Form APD Comments

Permit 272535

PERMIT COMMENTS

Operator Name and Address: MEWBOURNE OIL CO [14744] P.O. Box 5270 Hobbs, NM 88241		API Number: 30-015-46339
		Well: SAPPHIRE 11 12 B2CC STATE COM #001H

Created By	Comment	Comment Date
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Santa Fe, NM 87505

Form APD Conditions

Permit 272535

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:		API Number:
MEWBOURNE OIL CO [14744]		30-015-46339
P.O. Box 5270		Well:
Hobbs, NM 88241		SAPPHIRE 11 12 B2CC STATE COM #001H
OCD Reviewer	Condition	
rpodany	Will require a directional survey with the C-104	
rpodany	Cement is required to circulate on both surface and intermediate1 strings of casing	

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 60660		³ Pool Name TURKEY TRACK; BONE SPRING					
⁴ Property Code		⁵ Property Name SAPPHIRE 11/12 B2CC STATE COM						⁶ Well Number 1H	
⁷ OGRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3360'	
¹⁰ Surface Location									
UL or lot no. D	Section 11	Township 19S	Range 29E	Lot Idn	Feet from the 1310	North/South line NORTH	Feet from the 1290	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. C	Section 12	Township 19S	Range 29E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 2565	East/West line WEST	County EDDY
¹² Dedicated Acres 200		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p>CORNER DATA NAD 83 GRID - NM EAST</p> <p>A: FOUND 1/2" REBAR N: 606848.2 - E: 627266.7</p> <p>B: FOUND 1/2" REBAR N: 612102.4 - E: 627248.6</p> <p>C: FOUND 12"x5"x9" LIMESTONE ROCK N: 612112.8 - E: 629887.6</p> <p>D: FOUND 1/2" REBAR N: 612096.5 - E: 632531.2</p> <p>E: FOUND 1/2" REBAR N: 612083.0 - E: 635199.6</p> <p>F: FOUND BRASS CAP "1916" N: 612069.4 - E: 637838.3</p> <p>G: FOUND BRASS CAP "1916" N: 609427.4 - E: 637829.9</p> <p>H: FOUND BRASS CAP "1916" N: 606787.6 - E: 637820.9</p> <p>I: FOUND 1" IRON PIPE N: 606817.4 - E: 632546.4</p> <p>J: FOUND 1/2" REBAR N: 606833.5 - E: 629908.6</p>		<p>17 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 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.</p> <p>Signature: <i>Bradley Bishop</i> Date: 9-20-19 Printed Name: BRADLEY BISHOP E-mail Address: BBISHOP@MEWBOURNE.COM</p>
<p>18 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.</p> <p>9-17-2019 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <i>Robert M. Howett</i></p> <p>19680 Certificate Number</p>		<p>16</p> <p>S 89°46'28" W 2639.66' C N 89°38'55" W 2644.25' D N 89°42'37" W 2669.02' E N 89°42'13" W 2639.41' F</p> <p>1290' S.L. 2565' B.H.</p> <p>PROJECT AREA PRODUCING AREA</p> <p>11 12</p> <p>GEODETIC DATA NAD 83 GRID - NM EAST</p> <p>SURFACE LOCATION N: 610797.8 - E: 628542.8 LAT: 32.6788075° N LONG: 104.0499077° W</p> <p>GEODETIC DATA NAD 83 GRID - NM EAST</p> <p>BOTTOM HOLE N: 611423.7 - E: 635097.6 LAT: 32.6804782° N LONG: 104.0285982° W</p> <p>N 00°11'51" W 5255.46' N 00°11'51" W 5280.47' N 00°11'00" W 2642.69' S 00°11'42" W 2640.45' N 89°40'51" W 2640.52' N 89°38'58" W 2640.48' N 89°40'34" W 5275.86'</p>

Job No: LS19090898

Intent ☒ As Drilled ☐

API #

Operator Name:
Mewbourne Oil Co.

Property Name:
Sapphire 11/12 B2CC State Com

Well Number
1H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
D	11	19S	29E		660	N	945	W	Eddy
Latitude					Longitude				NAD
32.6805919					-104.0510291				83

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
C	11	19S	29E		660	N	1420	W	Eddy
Latitude					Longitude				NAD
32.6805784					-104.0483809				83

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
C	12	19S	29E		660	N	2565	W	Eddy
Latitude					Longitude				NAD
32.6804762					-104.0285983				83

Is this well the defining well for the Horizontal Spacing Unit?

☐ Y

Is this well an infill well?

☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:

Property Name:

Well Number

KZ 06/29/2018