

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 277089

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
		3. API Number 30-015-46629
4. Property Code 327010	5. Property Name VICKSBURG 25 26 B2IL STATE COM	6. Well No. 001H

7. Surface Location

UL - Lot I	Section 25	Township 19S	Range 28E	Lot Idn I	Feet From 1630	N/S Line S	Feet From 450	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot L	Section 26	Township 19S	Range 28E	Lot Idn L	Feet From 2000	N/S Line S	Feet From 100	E/W Line W	County Eddy
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9. Pool Information

SCANLON DRAW;BONE SPRING	55510
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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 3308
16. Multiple N	17. Proposed Depth 17827	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 2/13/2020
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	54.5	300	280	0
Int1	12.25	9.625	36	3000	630	0
Prod	8.75	7	26	7800	620	2800
Liner1	6.125	4.5	13.5	17827	420	7230

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 ☒ and/or 19.15.14.9 (B) NMAC ☒ , if applicable.	OIL CONSERVATION DIVISION	
Signature:		
Printed Name: Electronically filed by Monty Whetstone	Approved By: Raymond Podany	
Title: Vice President Operations	Title: Geologist	
Email Address: prodmgr@mewbourne.com	Approved Date: 1/23/2020	Expiration Date: 1/23/2022
Date: 1/13/2020	Phone: 903-561-2900	Conditions of Approval Attached

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Form C-102

August 1, 2011

Permit 277089

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-46629	2. Pool Code 55510	3. Pool Name SCANLON DRAW;BONE SPRING
4. Property Code 327010	5. Property Name VICKSBURG 25 26 B2IL STATE COM	6. Well No. 001H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3308

10. Surface Location

UL - Lot I	Section 25	Township 19S	Range 28E	Lot Idn I	Feet From 1630	N/S Line S	Feet From 450	E/W Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot L	Section 26	Township 19S	Range 28E	Lot Idn L	Feet From 2000	N/S Line S	Feet From 100	E/W Line W	County Eddy
12. Dedicated Acres 320.00	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>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> E-Signed By: Monty Whetstone Title: Vice President Operations Date: 1/13/2020
	SURVEYOR CERTIFICATION <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> Surveyed By: Robert Howett Date of Survey: 10/20/2016 Certificate Number: 19680

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GAS CAPTURE PLAN

Date: 1/23/2020

☒ 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
VICKSBURG 25 26 B2IL STATE COM #001H	30-015-46629	I-25-19S-28E	1630S 0450E	200	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 Lea County, New Mexico. It will require 3400' 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. 28, Twn. 21S, Rng. 37E, Lea 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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Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form APD Comments

Permit 277089

PERMIT COMMENTS

Operator Name and Address: MEWBOURNE OIL CO [14744] P.O. Box 5270 Hobbs, NM 88241		API Number: 30-015-46629
		Well: VICKSBURG 25 26 B2IL STATE COM #001H

Created By	Comment	Comment Date
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Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form APD Conditions

Permit 277089

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:		API Number:
MEWBOURNE OIL CO [14744]		30-015-46629
P.O. Box 5270		Well:
Hobbs, NM 88241		VICKSBURG 25 26 B2IL 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 55510	³ Pool Name SCANLON DRAW - BONE SPRING
⁴ Property Code	⁵ Property Name VICKSBURG 25/26 B2IL STATE COM	⁶ Well Number 1H
⁷ OGRID NO. 14744	⁸ Operator Name MEWBOURNE OIL COMPANY	⁹ Elevation 3308'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
I	25	19S	28E		1630	SOUTH	450	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	26	19S	28E		2000	SOUTH	100	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

16 GEODETIC DATA NAD 83 GRID - NM EAST SURFACE LOCATION N: 592678.1 - E: 605969.0 LAT: 32.6291461° N LONG: 104.1233906° W BOTTOM HOLE N: 592981.2 - E: 596084.0 LAT: 32.6300289° N LONG: 104.1554983° W CORNER DATA NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1941" N: 590981.1 - E: 595983.8 B: FOUND BRASS CAP "1941" N: 593620.0 - E: 595984.1 C: FOUND BRASS CAP "1941" N: 596258.7 - E: 595984.2 D: FOUND BRASS CAP "1941" N: 596295.7 - E: 601180.7 E: FOUND BRASS CAP "1941" N: 596322.3 - E: 603791.7 F: FOUND BRASS CAP "1941" N: 596349.6 - E: 606403.0 G: FOUND BRASS CAP "1941" N: 593708.8 - E: 606413.7 H: FOUND BRASS CAP "1941" N: 591051.6 - E: 606427.5 I: FOUND BRASS CAP "1941" N: 591033.4 - E: 603813.3 J: FOUND 1" IRON PIPE N: 591014.6 - E: 601198.3 K: FOUND BRASS CAP "1941" N: 590996.8 - E: 598590.3 L: FOUND BRASS CAP "1941" N: 593655.1 - E: 601188.6 PROJECT AREA PRODUCING AREA B.H. S.L. 100' 2000' 450' 1630' S 89°35'30" W 5197.89' S 89°24'56" W 2611.82' S 89°24'05" W 2612.04' N 00°10'15" W 2641.24' N 00°13'20" W 2641.20' N 00°13'58" W 2641.51' N 00°17'48" W 2657.91' S 89°39'17" W 2607.18' S 89°36'30" W 2609.24' S 89°35'16" W 2615.23' S 89°36'09" W 2614.86'	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. Signature: <u>BRADLEY BISHOP</u> Date: <u>1-13-20</u> Printed Name: <u>BRADLEY BISHOP</u> E-mail Address: <u>BBISHOP@MEWBOURNE.COM</u> 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. 1-11-2020 Date of Survey Signature and Seal of Professional Surveyor: <u>ROBERT M. HOWETT</u> 19680 Certificate Number LS20010019
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Intent ☐ As Drilled ☐

API #		
Operator Name:	Property Name:	Well Number

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

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