

OCD-ARTESIA

AT3-11-221

FORM APPROVED
OMB No 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SECRETARY'S POTASH

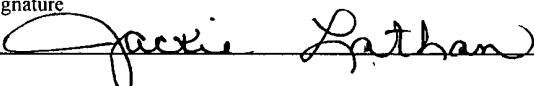
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER		Lease Serial No. NM-61582	
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator: Mewbourne Oil Company - 14744		7. If Unit or CA Agreement, Name and No	
3a. Address PO Box 5270 Hobbs, NM 88241		8. Lease Name and Well No Four Peaks 35 Fed #1H 38688	
3b. Phone No. (include area code) 575-393-5905		9. API Well No 30-014-39188	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 560' FNL & 330' FWL (SL) Unit D At proposed prod. zone 990' FNL & 330' FEL (BHL) Unit A,		10. Field and Pool, or Exploratory Turkey Track Bone Springs 49622	
14. Distance in miles and direction from nearest town or post office* 20 miles NE of Carlsbad, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 35 - T19S - R29E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig unit line, if any) 330'		12. County or Parish Eddy	
16. No. of Acres in lease 160		13. State NM	
17. Spacing Unit dedicated to this well 160			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 345'		20. BLM/BIA Bond No. on file NM1693, Nationwide	
19. Proposed Depth 12524' MD 8223' TVD		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3315' GL	
22. Approximate date work will start* ASAP		23. Estimated duration 45	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form.

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer |

25. Signature 	Name (Printed/Typed) Jackie Lathan	Date 03/03/11
Title Hobbs Regulatory		
Approved by (Signature) /s/ Linda S. C. Rundell	Name (Printed/Typed) /s/ Linda S. C. Rundell	Date JUN 14 2011
Title STATE DIRECTOR		Office NM STATE OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

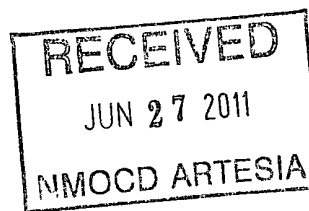
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

KZ 07/06/11

CAPITAN CONTROLLED WATER BASIN

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

**United States Department of the Interior
Bureau of Land Management
Carlsbad Field Office
620 E Greene Street
Carlsbad, New Mexico 88201-1287**

Statement Accepting Responsibility for Operations

Operator Name: Mewbourne Oil Company
Street or Box: P.O. Box 5270
City, State: Hobbs, New Mexico
Zip Code: 88241

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted of the leased land or portion thereof, as described below.

Lease Number: Lease Number NM-61582

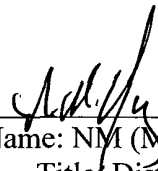
Legal Description of Land: Section 35, T-19S, R-29E Lea County, New Mexico.
Location @ 560' FNL & 330' FWL.

Formation (if applicable): Bone Spring

Bond Coverage: \$150,000

BLM Bond File: NM1693, Nationwide

Authorized Signature: _____


Name: NM (Micky) Young
Title: District Manager
Date: 3/1/11

Drilling Program
Mewbourne Oil Company
Four Peaks "35" Federal #1H
560" FNL & 330' FWL (SHL)
Sec 35-T19S-R29E
Eddy County, New Mexico

1. The estimated tops of geological markers are as follows:

Rustler	150'
Top Salt	325'
Base Salt	950'
Yates	1450'
Capitan	1700'
*Delaware	3300'
*Bone Springs	5660'

2. Estimated depths of anticipated fresh water, oil, or gas:

Water	Fresh water is anticipated at 75' and will be protected by setting surface casing at 175' and cementing to surface.
Hydrocarbons	Oil and gas are anticipated in the above (*) formations. These zones will be protected by casing as necessary.

3. Pressure control equipment:

** See COA*

A 2M diverter will be installed after running 20" casing. A 2000# WP Annular will be installed after running 13 3/8" casing. A 3000# WP Double Ram BOP and 3000# WP Annular will be installed after running 9 5/8" & 7" casing strings. Pressure tests will be conducted prior to drilling out under all casing strings. BOP controls will be installed prior to drilling under surface casing and will remain in use until completion of drilling operations. BOPE will be inspected and operated as recommended in Onshore Order #2. A kelly cock and a sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position when the kelly is not in use. Will test the 7" & 9 5/8" BOPE to 3000# and both Annular BOPs to 1500# with a third party testing company before drilling below each shoe, but will test again, if needed, in 30 days from the 1st test as per BLM Onshore Oil and Gas Order #2.

4. MOC proposes to drill a vertical wellbore to 7555' & kick off to horizontal @ 8128' TVD. The well will be drilled to 12524' MD (8223' TVD). See attached directional plan.

5. Proposed casing and cementing program:

A. Casing Program:

Hole Size	Casing	Wt/Ft	Grade	Depth	Jt Type
26"	20"	94#	K55	0'-175'	BT&C
17 1/2"	13 3/8" (new)	48#	J55	0'-1000'	ST&C
17 1/2"	13 3/8" (new)	54.5#	J55	1000'-1550'	ST&C
12 1/4"	9 5/8" (new)	36#	J55	0'-3300'	LT&C
8 3/4"	7" (new)	26#	P110	0'-7555' MD	LT&C
8 3/4"	7" (new)	26#	P110	7555'-8455' MD	BT&C
6 1/8"	4 1/2" (new)	11.6#	P110	8250'-12524' MD	LT&C

Minimum casing design factors: Collapse 1.125, Burst 1.0, Tensile strength 1.8.

*Subject to availability of casing.

B. Cementing Program:

- i. Surface Casing: 125 sx Class C light cement (35:65:4) with salt and LCM additives. Yield at 2.0 cuft/sk. 200 sx Class C cement with 2% CaCl₂. Yield at 1.34 cuft/sk. Cmt circulated to surface with 100% excess.
- ii. 1st Intermediate Casing: 550sacks Class C light cement (35:65:4) with salt and LCM additives. Yield at 2.0 cuft/sk. 200 sacks Class C cement w/2% CaCl₂. Yield at 1.34 cuft/sk Cmt circulated to surface w/25% excess.
- iii. 2nd Intermediate Casing: 500sacks Class C light cement (35:65:4) with salt and LCM additives. Yield at 2.0 cuft/sk. 200 sacks Class C cement w/2% CaCl₂. Yield at 1.34 cuft/sk Cmt circulated to surface w/25% excess.
- iii. Production Casing: 250 sacks Class H light cement (35:65:4) with fluid loss, LCM, & salt additives. Yield at 2.12 cuft/sk. 400 sacks Class H cement containing fluid loss additives. Yield at 1.18 cuft/sk cmt calculated to tie into 9 5/8" casing at 3000' w/25% excess.
- iv. Production Liner: This will be a Packer/Port completion from TD up inside 7" casing with packer type liner hanger.

Tie-Back
Above Root
* See COA

See COA (*Mewbourne Oil Company reserves the right to change cement designs as hole conditions may warrant.)

6. Mud Program:

See COA

Interval	Type System	Weight	Viscosity	Fluid Loss
0'-175'	FW spud mud	8.6-9.0	32-34	NA
175'-1550'	Brine water	10.0-10.2	28-30	NA
1550'-7500'	FW	8.3-8.6	28-30	NA
7500'-TD	FW w/Polymer	8.5-8.7	32-35	15

7. Evaluation Program:

Samples: 10' samples from surface casing to TD
Logging: GR & Gyro from KOP -100' (7455') to surface. GR from 7455' to TD.

8. Downhole Conditions

Zones of abnormal pressure: None anticipated
Zones of lost circulation: Anticipated in surface and intermediate holes
Maximum bottom hole temperature: 120 degree F
Maximum bottom hole pressure: 8.3 lbs/gal gradient or less

9. Anticipated Starting Date:

Mewbourne Oil Company intends to drill this well as soon as possible after receiving approval with approximately 40 days involved in drilling operations and an additional 10 days involved in completion operations on the project.

See COA

Mewbourne Oil Co

Eddy, New Mexico

Sec35-19S-29E

Four Peaks 35 Fed Com #1H

Wellbore #1

Plan: Design #1

DDC Well Planning Report

25 February, 2011



DDC Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Four Peaks 35 Fed Com #1H
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3333.0usft (Patterson UTI #45/47)
Project:	Eddy, New Mexico	MD Reference:	WELL @ 3333.0usft (Patterson UTI #45/47)
Site:	Sec35-19S-29E	North Reference:	Grid
Well:	Four Peaks 35 Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Project	Eddy, New Mexico		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site	Sec35-19S-29E		
Site Position:	Northing:	590,381.51 usft	Latitude: 32° 37' 21.895 N
From: Map	Easting:	586,446.05 usft	Longitude: 104° 3' 9.204 W
Position Uncertainty:	0.0 usft	Slot Radius: 13-3/16"	Grid Convergence: 0.15°

Well	Four Peaks 35 Fed Com #1H		
Well Position	+N/-S	0.0 usft	Northing: 590,381.51 usft
	+E/-W	0.0 usft	Easting: 586,446.05 usft
Position Uncertainty	0.0 usft	Wellhead Elevation:	Ground Level: 3,315.0 usft

Wellbore	Wellbore #1		
Magnetics	Model Name	Sample Date	Declination
	IGRF2010	2/25/2011	(°) 7.87
			Dip Angle (°) 60.48
			Field Strength (nT) 48,834

Design	Design #1		
Audit Notes:			
Version:	Phase:	PLAN	Tie On Depth: 0.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W
	(usft)	(usft)	(usft)
	0.0	0.0	0.0
			Direction (°) 95.60

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
7,555.2	0.00	0.00	7,555.2	0.0	0.0	0.00	0.00	0.00	0.00	
8,441.9	88.67	95.60	8,128.0	-54.6	556.9	10.00	10.00	10.78	95.60	
12,523.5	88.67	95.60	8,223.0	-453.0	4,618.0	0.00	0.00	0.00	0.00	PBHL Four Peaks 3

DDC Well Planning Report



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Project:	Eddy, New Mexico	MD Reference:	WELL @ 3333.0usft (Patterson UTI #45/47)
Site:	Sec35-19S-29E	North Reference:	Grid
Well:	Four Peaks 35 Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00
5,100.0	0.00	0.00	5,100.0	0.0	0.0	0.0	0.00	0.00	0.00
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00
5,300.0	0.00	0.00	5,300.0	0.0	0.0	0.0	0.00	0.00	0.00

DDC Well Planning Report



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Wellbore:	Wellbore #1		
Design:	Design #1		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/S (usft)	+E/W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
5,400.0	0.00	0.00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,500.0	0.00	0.00	5,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,700.0	0.00	0.00	5,700.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,800.0	0.00	0.00	5,800.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,900.0	0.00	0.00	5,900.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,000.0	0.00	0.00	6,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,100.0	0.00	0.00	6,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,200.0	0.00	0.00	6,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,300.0	0.00	0.00	6,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,400.0	0.00	0.00	6,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,500.0	0.00	0.00	6,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,600.0	0.00	0.00	6,600.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,700.0	0.00	0.00	6,700.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,800.0	0.00	0.00	6,800.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,900.0	0.00	0.00	6,900.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,000.0	0.00	0.00	7,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,100.0	0.00	0.00	7,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,200.0	0.00	0.00	7,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,300.0	0.00	0.00	7,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,400.0	0.00	0.00	7,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,500.0	0.00	0.00	7,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
Build 10°/100' @ 7555' MD										
7,555.2	0.00	0.00	7,555.2	0.0	0.0	0.0	0.00	0.00	0.00	
7,600.0	4.48	95.60	7,600.0	-0.2	1.7	1.8	10.00	10.00	0.00	
7,700.0	14.48	95.60	7,698.5	-1.8	18.1	18.2	10.00	10.00	0.00	
7,800.0	24.48	95.60	7,792.6	-5.0	51.3	51.5	10.00	10.00	0.00	
7,900.0	34.48	95.60	7,879.6	-9.8	100.2	100.7	10.00	10.00	0.00	
8,000.0	44.48	95.60	7,956.6	-16.0	163.4	164.2	10.00	10.00	0.00	
8,100.0	54.48	95.60	8,021.5	-23.4	238.9	240.1	10.00	10.00	0.00	
8,200.0	64.48	95.60	8,072.3	-31.8	324.6	326.1	10.00	10.00	0.00	
8,300.0	74.48	95.60	8,107.3	-41.0	417.6	419.6	10.00	10.00	0.00	
8,400.0	84.48	95.60	8,125.5	-50.6	515.4	517.8	10.00	10.00	0.00	
EOB @ 8442' MD / 88.67° Inc / 95.60° Azm / 8128' TVD										
8,441.9	88.67	95.60	8,128.0	-54.6	556.9	559.6	10.00	10.00	0.00	
8,500.0	88.67	95.60	8,129.4	-60.3	614.8	617.7	0.00	0.00	0.00	
8,600.0	88.67	95.60	8,131.7	-70.1	714.3	717.7	0.00	0.00	0.00	
8,700.0	88.67	95.60	8,134.0	-79.8	813.8	817.7	0.00	0.00	0.00	
8,800.0	88.67	95.60	8,136.3	-89.6	913.3	917.7	0.00	0.00	0.00	
8,900.0	88.67	95.60	8,138.7	-99.4	1,012.8	1,017.6	0.00	0.00	0.00	
9,000.0	88.67	95.60	8,141.0	-109.1	1,112.3	1,117.6	0.00	0.00	0.00	
9,100.0	88.67	95.60	8,143.3	-118.9	1,211.8	1,217.6	0.00	0.00	0.00	
9,200.0	88.67	95.60	8,145.6	-128.6	1,311.3	1,317.6	0.00	0.00	0.00	
9,300.0	88.67	95.60	8,148.0	-138.4	1,410.8	1,417.5	0.00	0.00	0.00	
9,400.0	88.67	95.60	8,150.3	-148.2	1,510.3	1,517.5	0.00	0.00	0.00	
9,500.0	88.67	95.60	8,152.6	-157.9	1,609.7	1,617.5	0.00	0.00	0.00	
9,600.0	88.67	95.60	8,155.0	-167.7	1,709.2	1,717.4	0.00	0.00	0.00	
9,700.0	88.67	95.60	8,157.3	-177.4	1,808.7	1,817.4	0.00	0.00	0.00	
9,800.0	88.67	95.60	8,159.6	-187.2	1,908.2	1,917.4	0.00	0.00	0.00	
9,900.0	88.67	95.60	8,161.9	-197.0	2,007.7	2,017.4	0.00	0.00	0.00	
10,000.0	88.67	95.60	8,164.3	-206.7	2,107.2	2,117.3	0.00	0.00	0.00	
10,100.0	88.67	95.60	8,166.6	-216.5	2,206.7	2,217.3	0.00	0.00	0.00	
10,200.0	88.67	95.60	8,168.9	-226.2	2,306.2	2,317.3	0.00	0.00	0.00	

DDC Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Four Peaks 35 Fed Com #1H
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3333.0usft (Patterson UTI #45/47)
Project:	Eddy, New Mexico	MD Reference:	WELL @ 3333.0usft (Patterson UTI #45/47)
Site:	Sec35-19S-29E	North Reference:	Grid
Well:	Four Peaks 35 Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
10,300.0	88.67	95.60	8,171.2	-236.0	2,405.7	2,417.3	0.00	0.00	0.00
10,400.0	88.67	95.60	8,173.6	-245.8	2,505.2	2,517.2	0.00	0.00	0.00
10,500.0	88.67	95.60	8,175.9	-255.5	2,604.7	2,617.2	0.00	0.00	0.00
10,600.0	88.67	95.60	8,178.2	-265.3	2,704.2	2,717.2	0.00	0.00	0.00
10,700.0	88.67	95.60	8,180.6	-275.0	2,803.7	2,817.1	0.00	0.00	0.00
10,800.0	88.67	95.60	8,182.9	-284.8	2,903.2	2,917.1	0.00	0.00	0.00
10,900.0	88.67	95.60	8,185.2	-294.6	3,002.7	3,017.1	0.00	0.00	0.00
11,000.0	88.67	95.60	8,187.5	-304.3	3,102.2	3,117.1	0.00	0.00	0.00
11,100.0	88.67	95.60	8,189.9	-314.1	3,201.7	3,217.0	0.00	0.00	0.00
11,200.0	88.67	95.60	8,192.2	-323.8	3,301.2	3,317.0	0.00	0.00	0.00
11,300.0	88.67	95.60	8,194.5	-333.6	3,400.7	3,417.0	0.00	0.00	0.00
11,400.0	88.67	95.60	8,196.9	-343.4	3,500.2	3,517.0	0.00	0.00	0.00
11,500.0	88.67	95.60	8,199.2	-353.1	3,599.7	3,616.9	0.00	0.00	0.00
11,600.0	88.67	95.60	8,201.5	-362.9	3,699.1	3,716.9	0.00	0.00	0.00
11,700.0	88.67	95.60	8,203.8	-372.6	3,798.6	3,816.9	0.00	0.00	0.00
11,800.0	88.67	95.60	8,206.2	-382.4	3,898.1	3,916.8	0.00	0.00	0.00
11,900.0	88.67	95.60	8,208.5	-392.2	3,997.6	4,016.8	0.00	0.00	0.00
12,000.0	88.67	95.60	8,210.8	-401.9	4,097.1	4,116.8	0.00	0.00	0.00
12,100.0	88.67	95.60	8,213.1	-411.7	4,196.6	4,216.8	0.00	0.00	0.00
12,200.0	88.67	95.60	8,215.5	-421.4	4,296.1	4,316.7	0.00	0.00	0.00
12,300.0	88.67	95.60	8,217.8	-431.2	4,395.6	4,416.7	0.00	0.00	0.00
12,400.0	88.67	95.60	8,220.1	-441.0	4,495.1	4,516.7	0.00	0.00	0.00
12,500.0	88.67	95.60	8,222.5	-450.7	4,594.6	4,616.7	0.00	0.00	0.00
12,523.5	88.67	95.60	8,223.0	-453.0	4,618.0	4,640.1	0.00	0.00	0.00

Design Targets

Target Name	hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL Four Peaks 35	- plan hits target center	0.00	0.00	8,223.0	-453.0	4,618.0	589,928.50	591,064.00	32° 37' 17.288 N	104° 2' 15.222 W
	- Point									

Plan Annotations

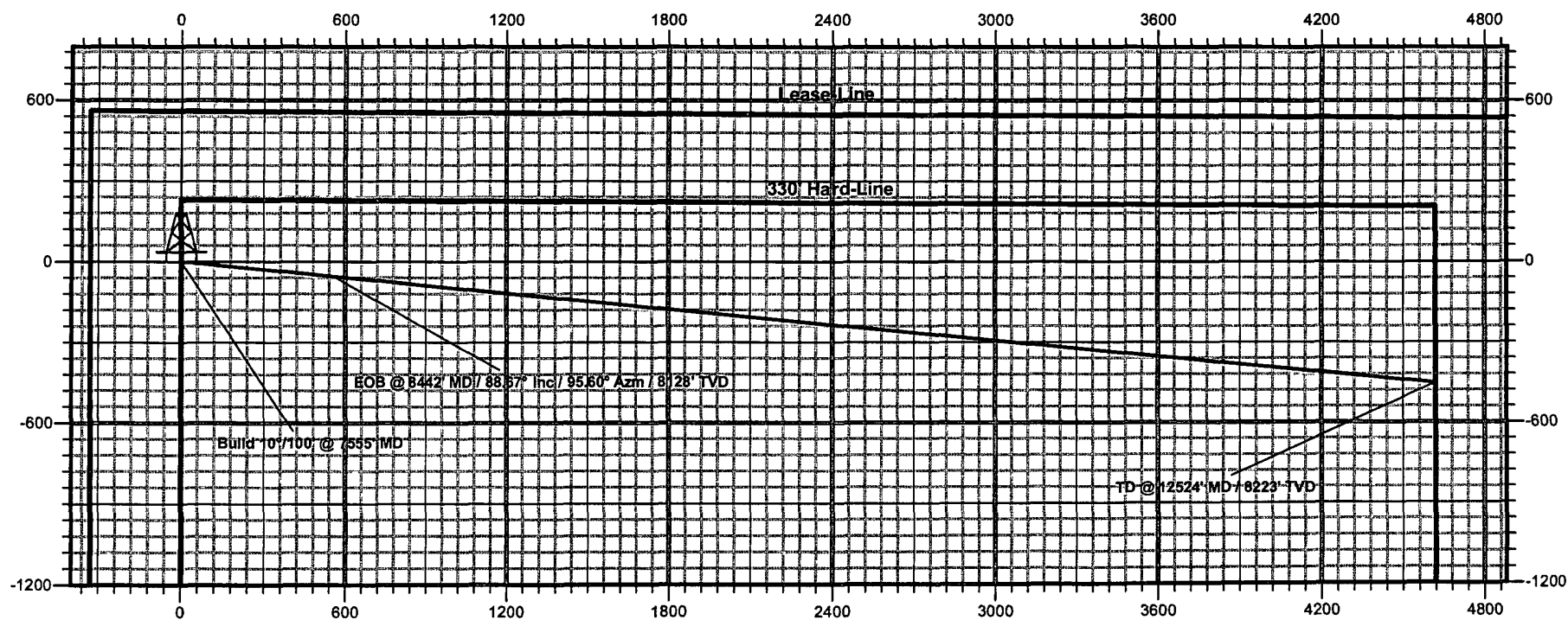
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
7,555.2	7,555.2	0.0	0.0	Build 10°/100' @ 7555' MD
8,441.9	8,128.0	-54.6	556.9	EOB @ 8442' MD / 88.67° Inc / 95.60° Azm / 8128' TVD
12,523.5	8,223.0	-453.0	4,618.0	TD @ 12524' MD / 8223' TVD

Mewbourne Oil Company

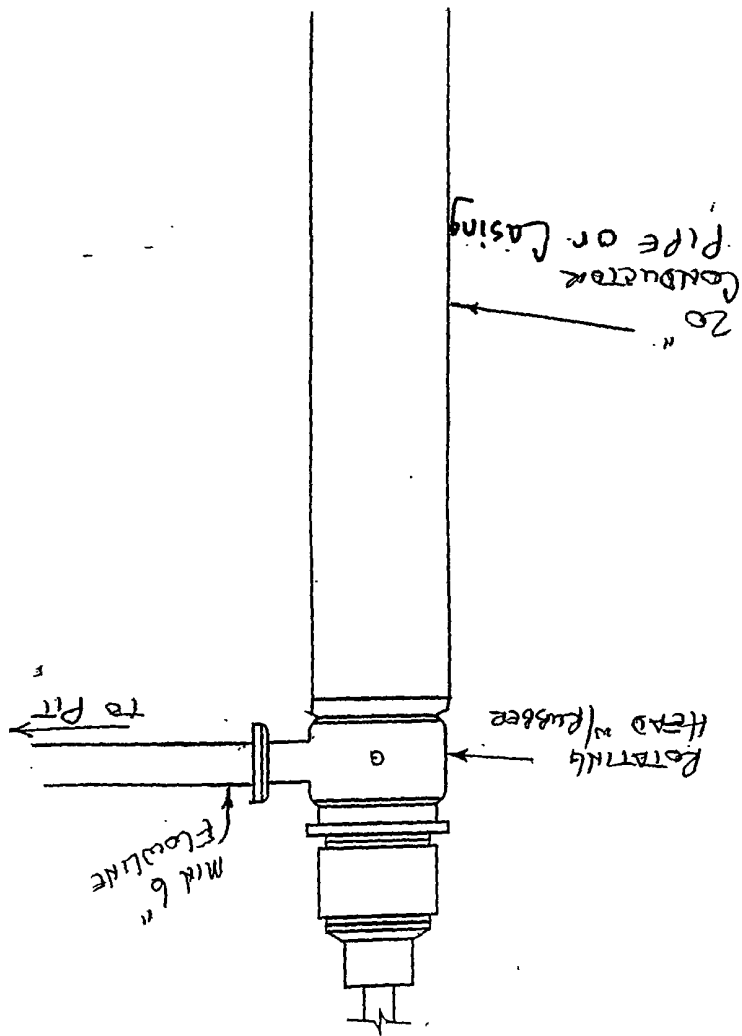
Eddy, New Mexico

Four Peaks 35 Fed Com #1 H

Q110140



20" Diverter System



Mewbourne Oil Company
BOP Schematic for
12 1/4" Hole

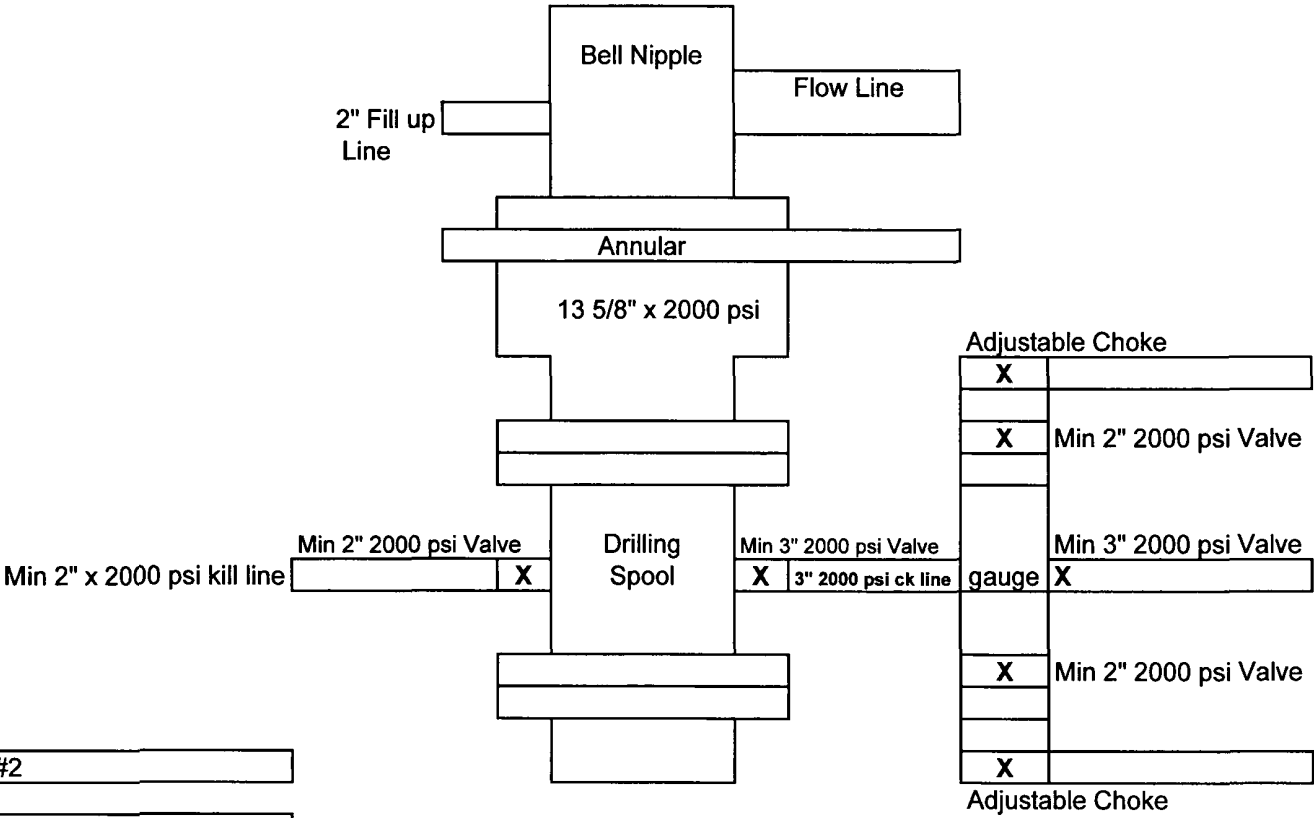


Exhibit #2

Four Peaks 35 Fed #1H
560' FNL & 330' FWL
Sec 35-T19S-R29E
Eddy, County
New Mexico

Mewbourne Oil Company
BOP Schematic for
6 1/8" & 8 3/4" Holes

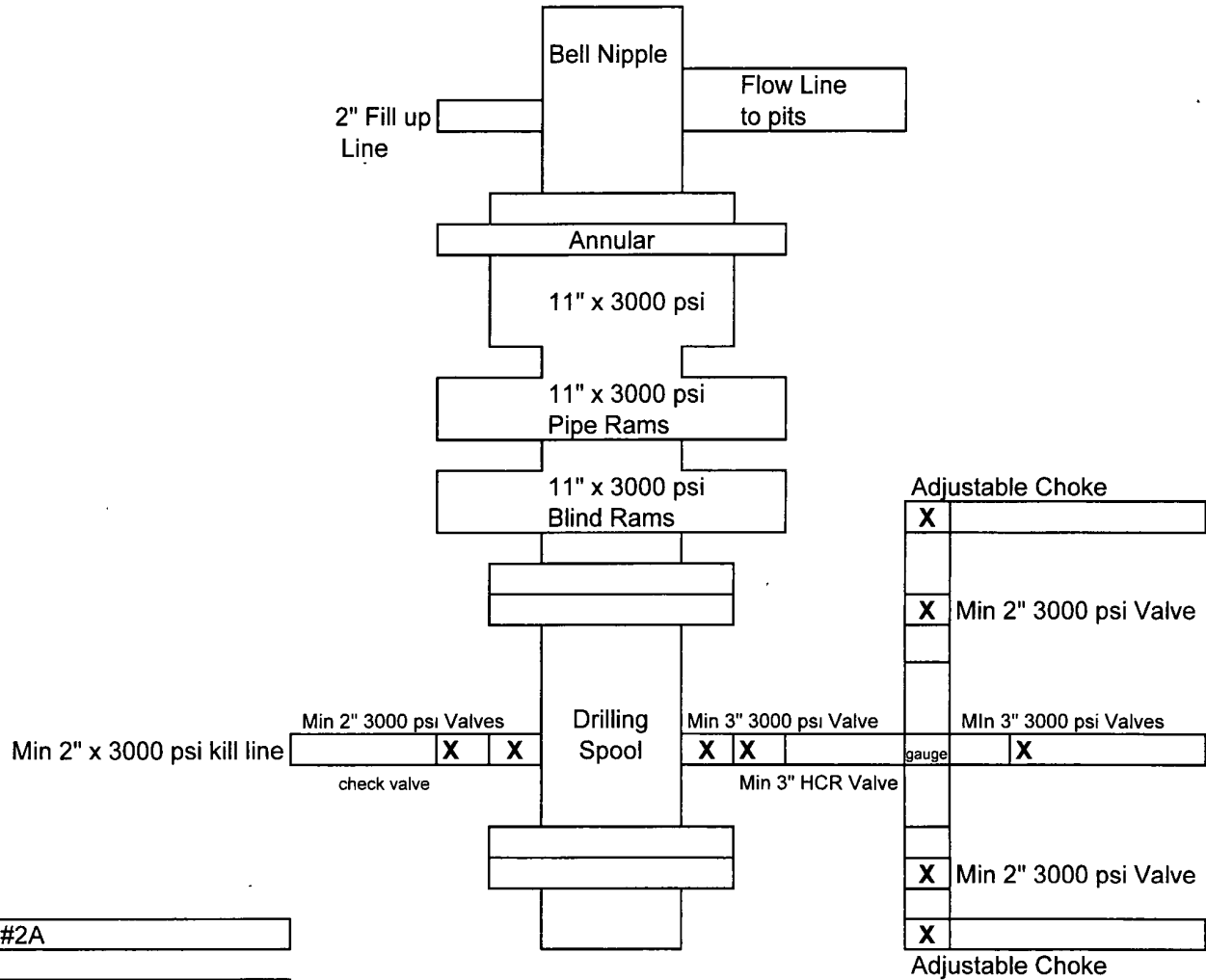


Exhibit #2A

Four Peaks 35 Fed #1H
560' FNL & 330' FWL
Sec 35-T19S-R29E
Eddy, County
New Mexico

Notes Regarding Blowout Preventer

Mewbourne Oil Company

Four Peaks 35 Federal #1H
560' FNL & 330' FWL (SHL)
Sec 35-T19S-R29E
Eddy County, New Mexico

- I. Drilling nipple (bell nipple) to be constructed so that it can be removed without the use of a welder through the opening of the rotary table, with minimum internal diameter equal to blowout preventer bore.
- II. Blowout preventer and all fittings must be in good condition with a minimum 2000 psi working pressure on 13 3/8" casing and 3000 psi working pressure on 9 5/8" & 7".
- III. Safety valve must be available on the rig floor at all times with proper connections to install in the drill string. Valve must be full bore with minimum 3000 psi working pressure.
- IV. Equipment through which bit must pass shall be at least as large as internal diameter of the casing.
- V. A kelly cock shall be installed on the kelly at all times.

Blowout preventer closing equipment to include and accumulator of at least 40 gallon capacity, two independent sources of pressure on closing unit, and meet all other API specifications.

Closed Loop Pad Dimensions 280' x 320'

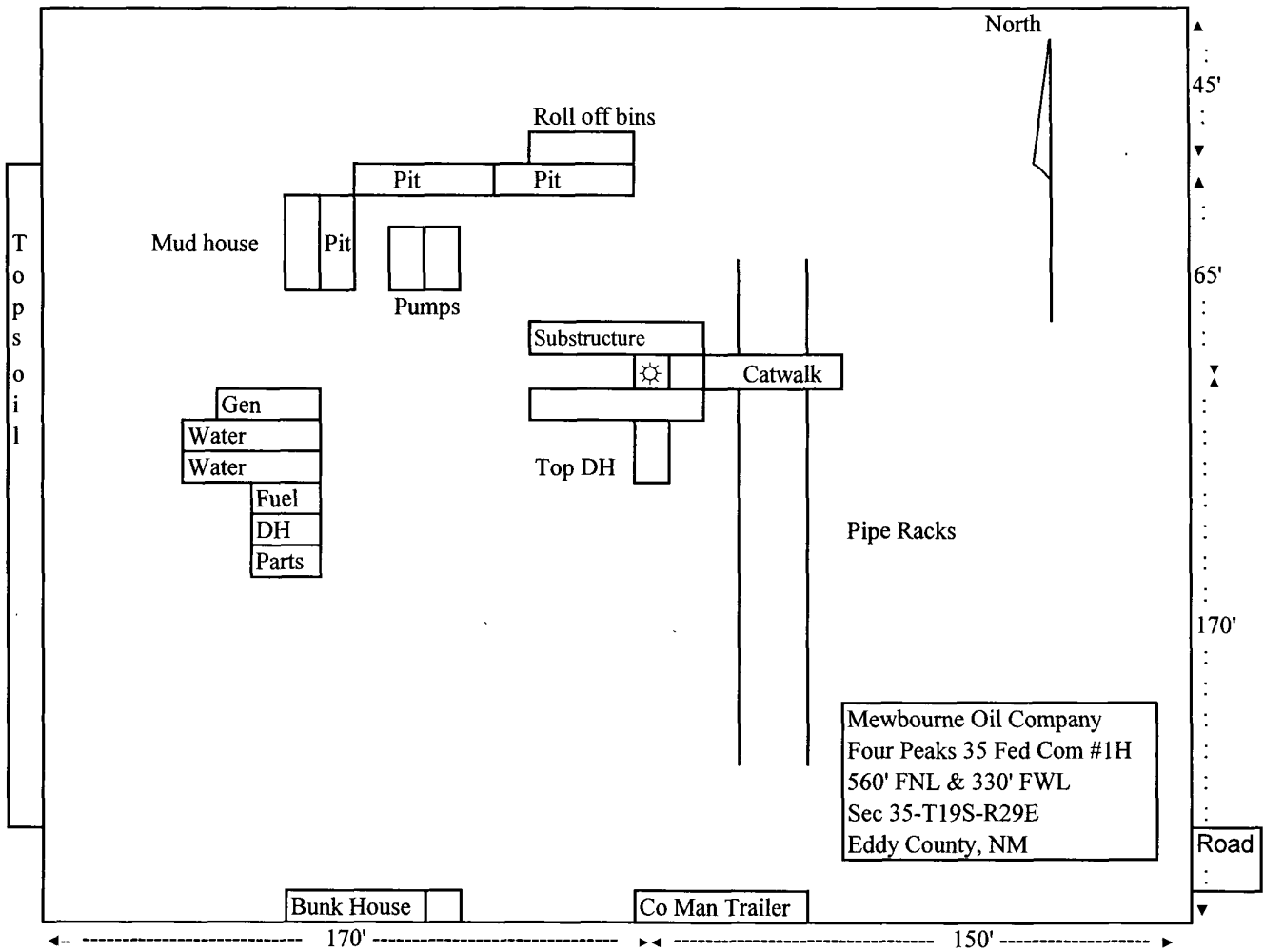
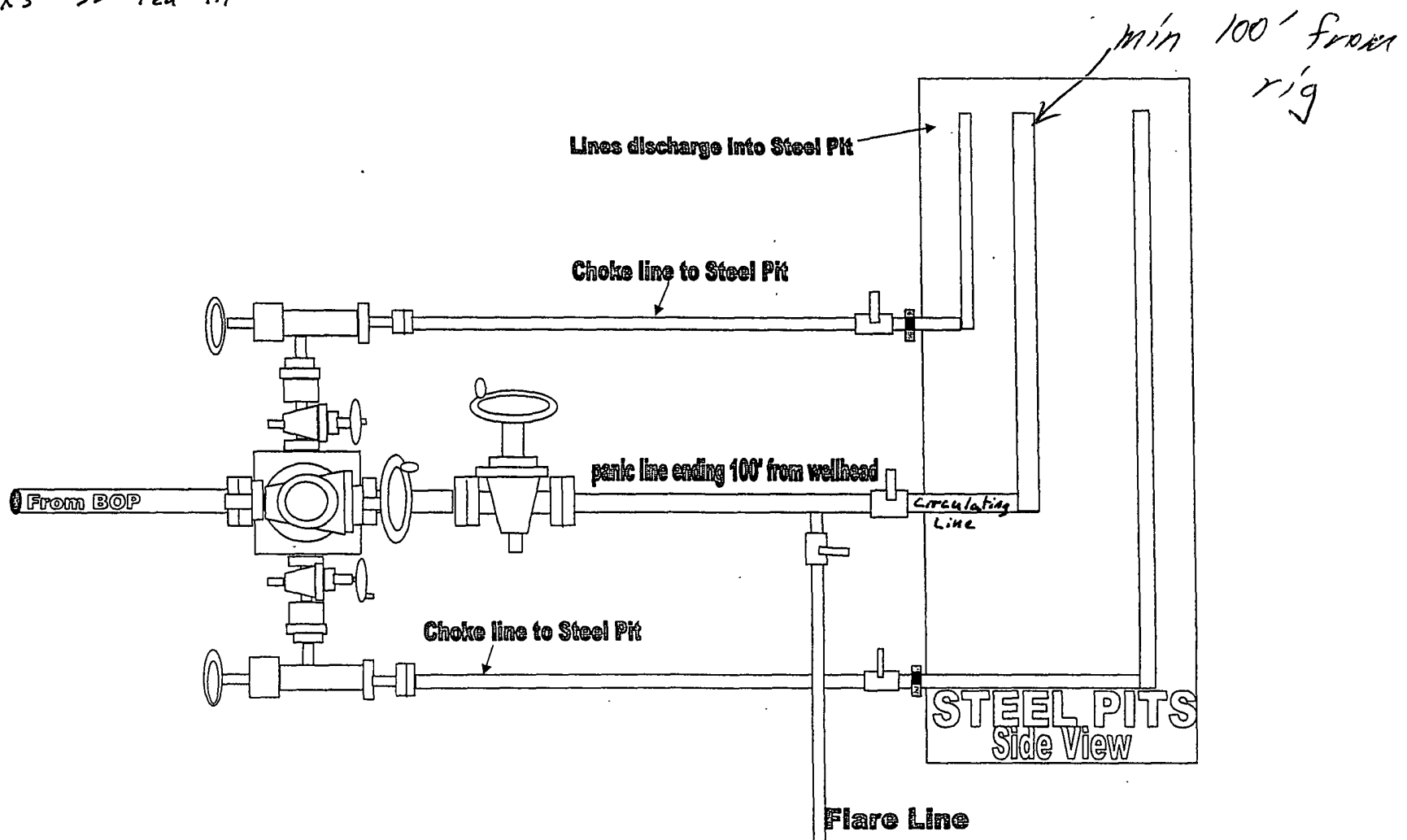


Exhibit 5

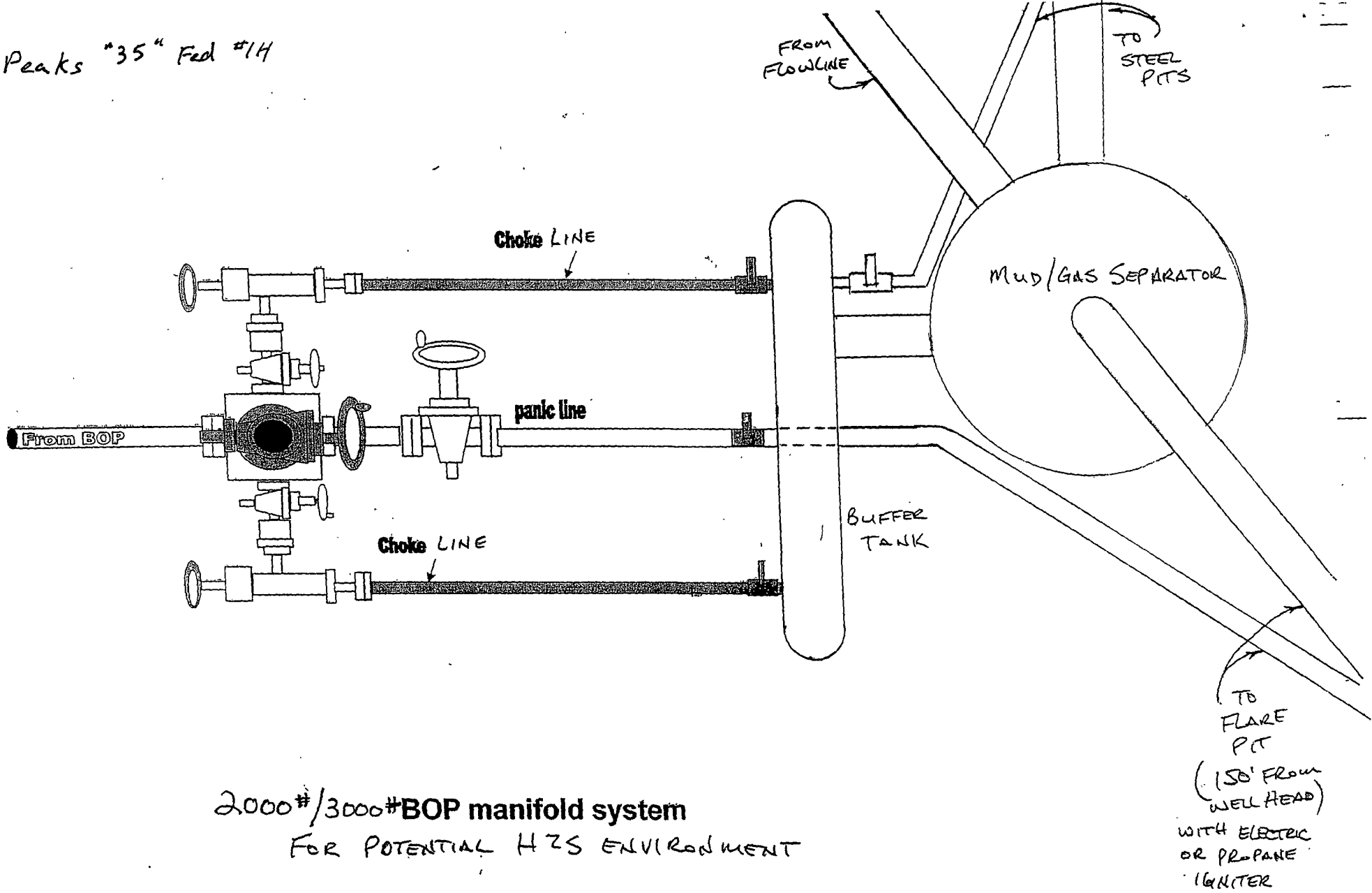
Four Peaks 33 Feb 17



2000# & 3000# BOP manifold system for Exhibit 2 & 2A

Note:
Panic Line Min.. 100' From Rig

our Peaks "35" Fed #14



2000#/3000#BOP manifold system
FOR POTENTIAL H₂S ENVIRONMENT

DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

Operator NEWBOURNE OIL CO OGRID # 14744
 Well Name & # FOUR PEAKS 35 FED #14 Surface Type (F) (S) (P)
 Location: UL , Sect , Twnship s, RNG e, Sub-surface Type (F) (S) (P)

A. Date C101 rec'd / / C101 reviewed / /

B. 1. Check mark, Information is OK on Forms:

OGRID X, BONDING FED, PROP CODE X, WELL # X, SIGNATURE X

2. Inactive Well list as of: 2/6/11 # wells 581, # Inactive wells 5

a. District Grant APD but see number of inactive wells:

No letter required X; Sent Letter to Operator , to Santa Fe

3. Additional Bonding as of: 2/6/11

a. District Denial because operator needs addition bonding:

No Letter required X; Sent Letter to Operator , To Santa Fe

b. District Denial because of Inactive well list and Financial Assurance.

No Letter required X; Sent Letter to Operator , To Santa Fe

C. C102 YES X NO Signature X

1. Pool PARKWAY; BONE SPRING Code 49622

a. Dedicated acreage 160, What Units ABCD

b. SUR. Location Standard X; Non-Standard Location

c. Well shares acres: Yes , No , # of wells plus this well #

2. 2nd. Operator in same acreage, Yes , No

Agreement Letter , Disagreement letter

3. Intent to Directional Drill Yes X, No

a. Dedicated acreage 160, What Units ABCD

b. Bottomhole Location Standard X, Non-Standard Bottomhole

4. Downhole Commingle: Yes , No X

a. Pool #2 , Code , Acres

Pool #3 , Code , Acres

Pool #4 , Code , Acres

5. POTASH Area Yes , No X

D. Blowout Preventer Yes X, No

E. H2S Yes X, No

F. C144 Pit Registration Yes , No , need

G. Does APD require Santa Fe Approval:

1. Non-Standard Location: Yes , No X, NSL #

2. Non-Standard Proration: Yes , No X, NSP #

3. Simultaneous Dedication: Yes , No X, SD #

Number of wells Plus #

4. Injection order Yes , No X; PMX # or WFX #

5. SWD order Yes , NO X; SWD #

6. DHC from SF ; DHC-HOB ; Holding

7. OCD Approval Date 2/6/11

API #30-0 15-39185

8. Reviewers

*Presenting
OK to approve*