

11/28/16

Geologic Summary: Flower Draw 2 SWD #1

In the Flower Draw 2 SWD #1, the Devonian formation consists mainly of Dolomite and Limestone. We encountered no hydrocarbon shows of any kind in the Devonian formation.

There are no Devonian producers within a fifteen mile radius of the Flower Draw. Of the seven wells in the area that penetrated the Devonian, five are Devonian SWD's and the remaining two had wet drill stem tests in the Devonian.

The closest Devonian SWD to the Flower Draw is the SRO SWD #102 (30-015-21398). It is located about three miles to the southwest and updip of the Flower Draw. It was found to be non-productive in the Devonian due to a wet drill stem test when it was originally drilled in 1974 and then was converted into a Devonian SWD in June of 2010. Since its conversion in 2010, 11,709,422 barrels of water have been injected into the Devonian. It is an active SWD that is currently operated by Concho. Mewbourne's Fuller 14 Fed SWD #1 (30-015-43630) is located about six miles to the southeast and down dip of the Flower Draw. It was recently drilled and approved for injection into the Devonian and we have been injecting since August, 2016.

When the Devonian formation does produce, it tends to be productive because of a closed deep structural feature. When looking at the structure map provided of the top of the Devonian, you can see there are no structural features present that might indicate a potentially productive Devonian.

In conclusion, the Devonian formation around the Flower Draw 2 SWD #1 is not productive. There have been numerous drill stem tests in the area, all of which recovered a substantial amount of formation water and no hydrocarbons. There are also a number of active Devonian SWD's in the immediate vicinity of the Flower Draw. As further confirmation, the open-hole disposal interval was isolated and swab tested, recovering 507 barrels of fluid with no indication of oil or gas. A water sample was caught on 11/20/16 and tested 58,000 mg/L (ppm) Chloride.

Sincerely,



Jason J. Lodge

Geologist

Mewbourne Oil Company