State of New Mexico

Form C-101 Permit 84958

77690

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

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

IM I DI CITITO I I OIL	THE DESCRIPTION OF THE BUILDING TO BRIDE, THE BUILDING TH								
1	Operator Name and Address	2. OGRID Number							
Iv	14744								
	PO BOX 5270 HOBBS , NM 88241	3. API Number							
	110000, 14141 60241	30-025-39338							
4. Property Code	5. Property Name	6. Well No.							
37582	INLAND 26 STATE COM	001							

7. Surface Location

8	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	Н	26	21S	34E	Н	1980	N	660	E	LEA

8. Pool Information

GRAMA RIDGE;MORROW, EAST (GAS)

Additional Well Information

	501	Addid	onar wen m	torritation	0.6	
9. Work Type New Well	10. Well Ty GAS	ре 11	. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3702	
14. Montriple N	15. Proposed 13300				18. Spud Date 12/1/2008	
Depth to Ground	l water	Distan	ce from nearest fresh	ı water well	Distance to nearest surface water	
Pit: Liner: Synthetic Closed Loop Syste		s thick Clay Pi	Volume:	bbls Drilling Method: Fresh Water X Brine	Diesel/Oil-based Gas/Air	

19. Proposed Casing and Cement Program

Туре	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	1700	1200	0
Int1	12.25	9.625	40	5450	1800	0
Prod	8.75	4.5	11.6	13300	1500	5200

Casing/Cement Program: Additional Comments

MOC proposes to drill & test the Morrow formation. H2S rule 118 does not apply because MOC has researched this area & no high concentrations were found. Will have on location & working all H2S safety equipment before Yates formation for safety & insurance purposes. If commercial, production casing will be run & cemented. Will perforate & stimulate as needed for production.

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1000	Schaffer
DoubleRam	5000	5000	Schaffer
Annular	5000	2500	Schaffer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to	OIL CONSERVATION DIVISION				
NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .	Approved By: Paul Kautz				
Printed Name: Electronically filed by Monty Whetstone	Title: Geologist				
Title: Vice President Operations	Approved Date: 2/5/2009 Expiration Date: 2/5/2011				
Email Address: prodmgr@mewbourne.com					
Date: 11/18/2008 Phone: 903-561-2900					

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

<u>District II</u>

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

<u>District III</u> 1000 Rio Brazos Rd., Azzec, 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

Form C-102 Permit 84958

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

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1. API Number	2. Pool Code	3. Pool Name				
30-025-39338	77690	grama ridge;morrow, east (gas)				
4. Property Code	5. Property Name		6. Well No.			
37582	INLAND 26 S	001				
7. OGRID No.	8. Operato	or Name	9. Elevation			
14744	MEWBOUR	3702				

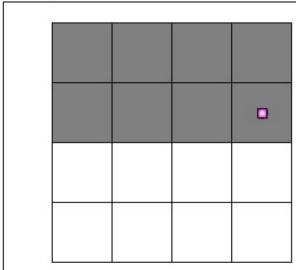
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
Н	26	21S	34E		1980	N	660	E	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	То	ownship	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
107571575	ated Acres		13. J	foint 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: 11/18/2008

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: 11/10/2008
Certificate Number: 7977

Permit Comments

Operator: MEWBOURNE OIL CO , 14744 Well: INLAND 26 STATE COM #001

API: 30-025-39338

Created By	Comment	Comment Date
NMYOUNG	Mud Program: 0-1700' FW spud mud. 1700'-5450' BW w/starch. LCM & salt gel as needed. 5450'-TD FW/cut BW w/starch & additives.	11/12/2008
DMULL	OCD has received form C-144 "Pit Registration". OCD Permit Number P1-00897.	2/4/2009
DMULL	OCD has received a copy of letter to the other Operator, OXY USA WTP Limited Partnership. Sharing 320 acres, N/2, Grama Ridge Morrow East.	2/4/2009