

|   |   |                               |
|---|---|-------------------------------|
| 1. Operator Name and Address<br>MEWBOURNE OIL CO<br>PO BOX 5270<br>HOBBS , NM 88241 |   | 2. OGRID Number<br>14744      |
|   |   | 3. API Number<br>30-015-38067 |
| 4. Property Code<br>38258   | 5. Property Name<br>WINCHESTER 36 STATE | 6. Well No.<br>002H           |

|               |               |                 |              |              |                  |               |                   |               |                |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot<br>C | Section<br>36 | Township<br>19S | Range<br>28E | Lot Idn<br>C | Feet From<br>150 | N/S Line<br>N | Feet From<br>2130 | E/W Line<br>W | County<br>EDDY |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|----------------|

|                        |       |
|------------------------|-------|
| WINCHESTER:BONE SPRING | 65010 |
|------------------------|-------|

|   |                             |  |                         |                                    |
|---|-----------------------------|--|-------------------------|------------------------------------|
| 9. Work Type<br>New Well  | 10. Well Type<br>OIL        | 11. Cable/Rotary                       | 12. Lease Type<br>State | 13. Ground Level Elevation<br>3309 |
| 14. Multiple<br>N   | 15. Proposed Depth<br>12600 | 16. Formation<br>Bone Spring           | 17. Contractor          | 18. Spud Date<br>9/15/2010         |
| Depth to Ground water   |                             | Distance from nearest fresh water well |                         | Distance to nearest surface water  |
| Pit: Liner: Synthetic <input type="checkbox"/> mls thick      Clay <input type="checkbox"/> Pit Volume:      bbls      Drilling Method:   |                             |  |                         |                                    |
| Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> |                             |  |                         |                                    |

| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5      | 13.375      | 48               | 300           | 400             | 0             |
| Int1 | 12.25     | 9.625       | 36               | 1200          | 300             | 0             |
| Int2 | 8.75      | 7           | 26               | 8000          | 1000            | 0             |
| Prod | 6.125     | 4.5         | 11.6             | 12600         | 0               | 0             |

MOC proposes to drill & test the Bone Springs formations. 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 & will utilize packer/port system. No cmt is required. Will stimulate as need for production.

| Type      | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| Annular   | 2000             | 1500          | Schaffer     |
| DoubleRam | 3000             | 3000          | Schaffer     |
| Annular   | 3000             | 2500          | Schaffer     |

Conditions of Approval Attached

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

**District II**  
 1301 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 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-102  
 Permit 117846

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |   |  |
|-------------------------------|---|--|
| 1. API Number<br>30-015-38067 | 2. Pool Code<br>65010                   | 3. Pool Name<br>WINCHESTER,BONE SPRING |
| 4. Property Code<br>38258     | 5. Property Name<br>WINCHESTER 36 STATE | 6. Well No.<br>002H                    |
| 7. OGRID No.<br>14744         | 8. Operator Name<br>MEWBOURNE OIL CO    | 9. Elevation<br>3309                   |

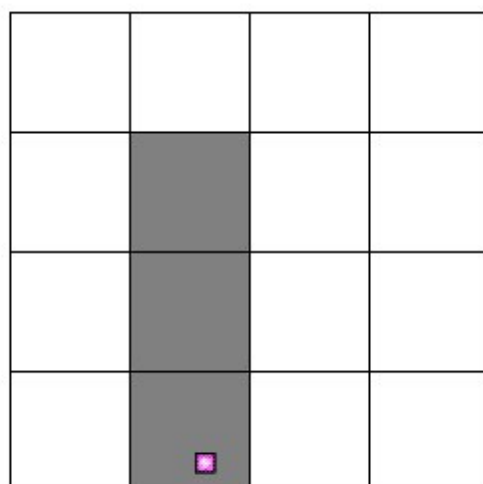
**10. Surface Location**

|               |               |                 |              |         |                  |               |                   |               |                |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot<br>C | Section<br>36 | Township<br>19S | Range<br>28E | Lot Idn | Feet From<br>150 | N/S Line<br>N | Feet From<br>2130 | E/W Line<br>W | County<br>EDDY |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|

**11. Bottom Hole Location If Different From Surface**

|                               |               |                     |              |                        |                  |               |                   |               |                |
|-------------------------------|---------------|---------------------|--------------|------------------------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot<br>N                 | Section<br>36 | Township<br>19S     | Range<br>29E | Lot Idn<br>N           | Feet From<br>330 | N/S Line<br>S | Feet From<br>2130 | E/W Line<br>W | County<br>EDDY |
| 12. Dedicated Acres<br>160.00 |               | 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 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: 7/23/2010

**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: 7/1/2010  
 Certificate Number: 7977

## Permit Comments

**Operator:** MEWBOURNE OIL CO , 14744

**Well:** WINCHESTER 36 STATE #002H

**API:** 30-015-38067

| Created By | Comment  | Comment Date |
|------------|--|--------------|
| NMYOUNG    | Mud Program: 0-300' FW spud mud w/lime for pH & LCM as needed. 300'-1200' Brine w/lime for pH & LCM as needed. 1200' - 7000' FW w/Lime for pH. 7000' - 12600 FW w/polymer. | 7/23/2010    |
| NMYOUNG    | C-144 CLEZ & directional plan mailed to NMOCD Artesia.   | 7/23/2010    |



# Permit Conditions of Approval

**Operator:** MEWBOURNE OIL CO , 14744

**Well:** WINCHESTER 36 STATE #002H

**API:** 30-015-38067

| OCD<br>Reviewer | Condition  |
|-----------------|--|
| Artesia         | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |