District I 1825 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 184460

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

| Operator Name and Address MEWBOURNE OIL CO | | 2. OGRID Number 14744 |
|--|--|-------------------------------|
| PO Box 5270 Hobbs, NM 88241 | | 3. API Number 30-015-42435 |
| 4. Property Code 313360 | Property Name Quick Draw 10 Y2AP Fee | 6. Well No. 002H |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| Α | 10 | 20S | 25E | Α | 330 | N | 850 | E | Eddy |

8. Proposed Bottom Hole Location

| UL - Lot | | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| F | - | 10 | 208 | 25E | Р | 330 | S | 850 | E | Eddy |

9. Pool Information

| N. SEVEN RIVERS; GLORIETA-YESO | 97565 |
|--------------------------------|-------|

Additional Well Information

| 11. Work Type | 12. Well Type | 13. Cable/Rotary | 14. Lesse Type | 15. Ground Level Elevation |
|-----------------------|--------------------|-----------------------------------|----------------|-----------------------------------|
| New Well | OIL | | Private | 3395 |
| 18. Multiple | 17. Proposed Depth | 18. Formation | 19. Contractor | 20. Spud Date |
| N | 7200 | Yeso | | 6/16/2014 |
| 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 | Sads of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|----------------|---------------|
| Surf | 12.25 | 9.625 | 36 | 810 | 375 | 0 |
| Int1 | 8.75 | 7 | 26 | 3200 | 400 | 0 |
| Prod | 6.125 | 4.5 | 13.5 | 7200 | 0 | 0 |

Casing/Cement Program: Additional Comments

MOC proposed to drill & test the Yeso 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 equiptment before drilling the surface csg shoe for safety & insurance purposes. 4 1/2" liner will be run & will use pkr port system in lateral hole. Will stimulate as needed for production.

22. Proposed Blowout Prevention Program

| Туре | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular | 2000 | 1500 | Schaffer |
| Double Ram | 3000 | 2500 | Schaffer |
| Annular | 3000 | 1500 | Schaffer |

| knowledge and l | belief. I have complied with 19.15.14.9 (A) | true and complete to the best of my NMAC ⊠ and/or 19.15.14.9 (B) NMAC | | OIL CONSE | ERVATION DIVISION |
|-----------------|--|--|------------------|---------------------|--|
| Printed Name: | Electronically filed by Monty Whe | tstone | Approved By: | Randy Dade | |
| Title: | Vice President Operations | | Title: | District Supervisor | 83 - 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |
| Email Address: | prodmgr@mewbourne.com | 176-8-9 Full (176-176) | Approved Date: | 6/17/2014 | Expiration Date: 6/17/2016 |
| Date: | 6/13/2014 | Phone: 903-561-2900 | Conditions of Ap | proval Attached | 010 8 010 0 0 00 00 00 0 |

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

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 **District III**

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

Form C-102 August 1, 2011

Permit 184460

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number | 2. Pool Code | 3. Pool Name | |
|----------------------------|--|--------------------------------|--|
| 30-015-42435 | 97565 | N. SEVEN RIVERS; GLORIETA-YESO | |
| 4. Property Code 313360 | Property Name Quick Draw 10 Y2AP Fee | 6. Well No. 002H | |
| 7. OGRID No. | 8. Operator Name | 9. Elevation | |
| 14744 | MEWBOURNE OIL CO | 3395 | |

10. Surface Location

| | 10. Surface Eccutori | | | | | | | | |
|--|----------------------|-----|-----|---|-----|---|-----|--------|------|
| UL - Lot Section Township Range Lot Idn Feet From N/S Line Feet From E/W Line County | | | | | | | | County | |
| Α | 10 | 208 | 25E | A | 330 | N | 850 | E | Eddy |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-------------------------------|---------|----------|---------------------|---------|-----------------------|----------|-----------|---------------|--------|
| Р | 10 | 20S | 25E | Р | 330 | S | 850 | E | Eddy |
| 12. Dedicated Agres 160.00 | | | 13. Joint or Infill | | 14. Consolidation Co. | de | | 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

| | 0 |
|--|---|
| | |
| | |
| | |

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: 6/13/2014

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: Robert Howett
Date of Survey: 6/4/2014
Certificate Number: 19680

Form APD Comments

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-8161 Fax:(575) 393-0720 District II

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State of New Mexico **Energy, Minerals and Natural Resources** Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Permit 184460

PERMIT COMMENTS

| Operator Name and Address: | API Number: |
|----------------------------|------------------------------|
| MEWBOURNE OIL CO [14744] | 30-015-42435 |
| PO Box 5270 | Well: |
| Hobbs, NM 88241 | Quick Draw 10 Y2AP Fee #002H |
| | |

| Created By | Comment | Comment Date |
|------------|----------|--------------|
| CSHAPARD | Land p/P | 6/16/2014 |

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Permit 184460

Form APD Conditions

PERMIT CONDITIONS OF APPROVAL

| Operator Name and Address: | API Number: |
|----------------------------|------------------------------|
| MEWBOURNE OIL CO [14744] | 30-015-42435 |
| PO Box 5270 | Well: |
| Hobbs, NM 88241 | Quick Draw 10 Y2AP Fee #002H |

| OCD | Condition |
|----------|--|
| Reviewer | |
| CSHAPARD | 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 |