

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-8161 Fax:(505) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-8178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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 189346

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

1. Operator Name and Address MEWBOURNE OIL CO PO Box 5270 Hobbs, NM 88241		2. OGRID Number 14744
4. Property Code 313503		3. API Number 30-025-41986
5. Property Name SCHARB 10 B3NC STATE		6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	10	19S	34E	N	185	S	1980	W	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	10	19S	34E	C	330	N	1750	W	Lea

9. Pool Information

QUAIL RIDGE;BONE SPRING	50460
-------------------------	-------

Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3857
16. Multiple N	17. Proposed Depth 15300	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 7/31/2014
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	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1785	1250	0
Surf	17.5	13.375	48	1200	0	0
Int1	12.25	9.625	36	3400	0	0
Int1	12.25	9.625	40	3650	750	0
Prod	8.75	5.5	17	15300	1250	3450

Casing/Cement Program: Additional Comments

MOC proposed to drill & test the Bone Springs 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 equipment before Yates formation for safety & insurance purposes.
--

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1500	Schaffer
Double Ram	3000	3000	Schaffer
Annular	3000	1500	Schaffer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ , if applicable. Signature: _____ Printed Name: Electronically filed by Monty Whetstone Title: Vice President Operations Email Address: prodmgr@mewbourne.com Date: 7/23/2014	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 7/24/2014 Conditions of Approval Attached
Phone: 903-561-2900	Expiration Date: 7/24/2016

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 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) 334-8178 Fax:(505) 334-8170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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 189346

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41986	2. Pool Code 50460	3. Pool Name QUAIL RIDGE;BONE SPRING
4. Property Code 313503	5. Property Name SCHARB 10 B3NC STATE	6. Well No. 001H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3857

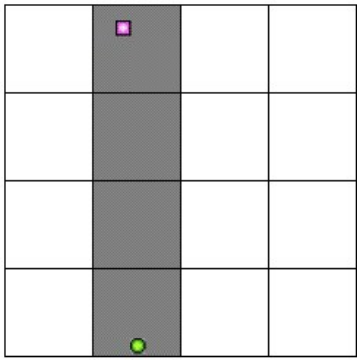
10. Surface Location

UL - Lot N	Section 10	Township 19S	Range 34E	Lot Idn N	Feet From 185	N/S Line S	Feet From 1980	E/W Line W	County Lea
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	-------------------	---------------	---------------

11. Bottom Hole Location If Different From Surface

UL - Lot C	Section 10	Township 19S	Range 34E	Lot Idn C	Feet From 330	N/S Line N	Feet From 1750	E/W Line W	County Lea
12. Dedicated Acres 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>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.</i> E-Signed By: Monty Whetstone Title: Vice President Operations Date: 7/23/2014 SURVEYOR CERTIFICATION <i>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.</i> Surveyed By: Robert Howett Date of Survey: 11/15/2013 Certificate Number: 19680
---	---

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
Phone:(575) 749-1283 Fax:(575) 749-9720
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 APD Comments

Permit 189346

PERMIT COMMENTS

Operator Name and Address: MEWBOURNE OIL CO [14744] PO Box 5270 Hobbs, NM 88241		API Number: 30-025-41986
		Well: SCHARB 10 B3NC STATE #001H

Created By	Comment	Comment Date
DMULL	State / State	7/24/2014

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
 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 APD Conditions

Permit 189346

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MEWBOURNE OIL CO [14744] PO Box 5270 Hobbs, NM 88241	API Number: 30-025-41986
	Well: SCHARB 10 B3NC STATE #001H

OCD Reviewer	Condition
DMULL	Will require a directional survey with the C-104
pkautz	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
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --