

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-101
August 1, 2011
Permit 189352

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 313540		3. API Number 30-015-42535
5. Property Name Zircon 2 B1LI State		6. Well No. 002H

7. Surface Location

UL - Lot	L	Section	2	Township	19S	Range	29E	Lot Idn	L	Feet From	1975	N/S Line	S	Feet From	125	E/W Line	W	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	I	Section	2	Township	19S	Range	29E	Lot Idn	I	Feet From	1750	N/S Line	S	Feet From	330	E/W Line	E	County	Eddy
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9. Pool Information

TURKEY TRACK;BONE SPRING	60660
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3390
16. Multiple N	17. Proposed Depth 11620	18. Formation 1st 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	48	305	315	0
Int1	12.25	9.625	36	1320	320	0
Prod	8.75	7	26	7251	720	1120
Liner1	6.125	4.5	13.5	11620	0	7051

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. If commercial, production casing will be run & will utilize pkr/port system. No cmt is required. Will stimulate as needed for production.

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: 7/25/2014	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 7/30/2014 Expiration Date: 7/30/2016 Conditions of Approval Attached
Phone: 903-561-2900	

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Form C-102
August 1, 2011
Permit 189352

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42535	2. Pool Code 60660	3. Pool Name TURKEY TRACK BONE SPRING
4. Property Code 313540	5. Property Name Zircon 2 B1LI State	6. Well No. 002H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3390

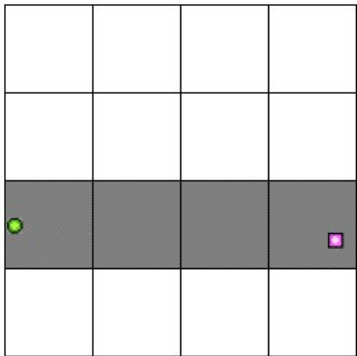
10. Surface Location

UL - Lot L	Section 2	Township 19S	Range 29E	Lot Idn L	Feet From 1975	N/S Line S	Feet From 125	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot I	Section 2	Township 19S	Range 29E	Lot Idn I	Feet From 1750	N/S Line S	Feet From 330	E/W Line E	County Eddy
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: 7/25/2014 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: 12/4/2013 Certificate Number: 19680
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Form APD Comments

Permit 189352

PERMIT COMMENTS

Operator Name and Address: MEWBOURNE OIL CO [14744] PO Box 5270 Hobbs, NM 88241		API Number: 30-015-42535
		Well: Zircon 2 B1LI State #002H
Created By	Comment	Comment Date
CSHAPARD	Land s/S	7/29/2014

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Form APD Conditions

Permit 189352

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MEWBOURNE OIL CO [14744] PO Box 5270 Hobbs, NM 88241		API Number: 30-015-42535
		Well: Zircon 2 B1LI State #002H
OCD Reviewer	Condition	
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	