

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 C-101
August 1, 2011
Permit 271175

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

1. Operator Name and Address MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241		2. OGRID Number 14744
4. Property Code 326041		3. API Number 30-015-46228
5. Property Name SQUINTS 4 5 W01L FEE		6. Well No. 001H

7. Surface Location

UL - Lot L	Section 3	Township 22S	Range 27E	Lot Idn L	Feet From 1360	N/S Line S	Feet From 205	E/W Line W	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot L	Section 5	Township 22S	Range 27E	Lot Idn L	Feet From 1980	N/S Line S	Feet From 330	E/W Line W	County Eddy
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9. Pool Information

PURPLE SAGE;WOLFCAMP (GAS)	98220
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Additional Well Information

11. Work Type New Well	12. Well Type GAS	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3102
16. Multiple N	17. Proposed Depth 19117	18. Formation Wolfcamp	19. Contractor	20. Spud Date 9/15/2019
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	400	340	0
Int1	12.25	9.625	36	1755	415	0
Prod	8.75	7	26	9100	850	1555
Liner1	6.125	4.5	13.5	19117	430	8423

Casing/Cement Program: Additional Comments

MOC proposed to drill & test the Wolfcamp 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. Will stimulate as needed for production.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	2500	Schaffer
Double Ram	5000	5000	Schaffer
Annular	5000	2500	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 <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Monty Whetstone	Approved By: Raymond Podany
Title: Vice President Operations	Title: Geologist
Email Address: prodmgr@mewbourne.com	Approved Date: 8/16/2019 Expiration Date: 8/16/2021
Date: 8/16/2019 Phone: 903-561-2900	Conditions of Approval Attached

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220		³ Pool Name PURPLE SAGE - WOLFCAMP GAS					
⁴ Property Code		⁵ Property Name SQUINTS 4/5 WOIL FEE						⁶ Well Number 1H	
⁷ OGRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3102'	
¹⁰ Surface Location									
UL or lot no. L	Section 3	Township 22S	Range 27E	Lot Idn	Feet from the 1360	North/South line SOUTH	Feet from the 205	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. L	Section 5	Township 22S	Range 27E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 330	East/West line WEST	County EDDY
¹² Dedicated Acres 640		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

¹⁶ GEODETIC DATA NAD 83 GRID - NM EAST SURFACE LOCATION N: 515980.4 - E: 587003.7 LAT: 32.4184100°N LONG: 104.1853413°W GEODETIC DATA NAD 83 GRID - NM EAST BOTTOM HOLE N: 516634.6 - E: 576515.8 LAT: 32.4202438°N LONG: 104.2193275°W		CORNER DATA NAD 83 GRID - NM EAST A: FOUND 1" PIPE N: 514658.2 - E: 576248.6 B: FOUND 1/2" REBAR N: 519847.0 - E: 576084.2 C: FOUND ALUMINUM CAP "PS8510" N: 519860.3 - E: 578748.8 D: FOUND 1" PIPE N: 519870.8 - E: 581409.2 E: FOUND 2-7/8" PIPE N: 519890.4 - E: 586723.6 F: FOUND BRASS CAP "1943" N: 519898.7 - E: 589389.6 G: FOUND BRASS CAP "1943" N: 519919.3 - E: 592053.3 H: CALCULATED CORNER N: 514637.5 - E: 592113.5		17 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 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. Signature: <i>Bradley Bishop</i> Date: 8-15-19 Printed Name: BRADLEY BISHOP E-mail Address: BBISHOP@MEWBOURNE.COM	
18 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. Date of Survey: 08-01-2019 Signature and Seal of Professional Surveyor: <i>Robert M. Howett</i> Certificate Number: 19680				Job No: LS19070775	

Intent ☒ As Drilled ☐

API #		
Operator Name: Mewbourne Oil Co.	Property Name: Squints 4/5 W0IL Fee	Well Number 1H

Kick Off Point (KOP)

UL M	Section 3	Township 22S	Range 27E	Lot	Feet 1980	From N/S S	Feet 150	From E/W W	County Eddy
Latitude 32.4201162					Longitude -104.1855548				NAD 83

First Take Point (FTP)

UL P	Section 4	Township 22S	Range 27E	Lot	Feet 1980	From N/S S	Feet 330	From E/W E	County Eddy
Latitude 32.4201225					Longitude -104.1871178				NAD 83

Last Take Point (LTP)

UL M	Section 5	Township 22S	Range 27E	Lot	Feet 1980	From N/S S	Feet 330	From E/W W	County Eddy
Latitude 32.4202438					Longitude -104.2193275				NAD 83

Is this well the defining well for the Horizontal Spacing Unit? ☐ N

Is this well an infill well? ☐ Y

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name: Mewbourne Oil Co.	Property Name: Squints 4/5 W0PM Fee	Well Number 1H

KZ 06/29/2018

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Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 8-15-19

☒ Original

Operator & OGRID No.: Mewbourne Oil Company - 14744

☐ Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Squints 4/5 W01L Fee #1H		L- 3- 22S - 27E	1360' FSL & 205' FWL	0	NA	ONLINE AFTER FRAC

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Western and will be connected to Western low/high pressure gathering system located in EDDY County, New Mexico. It will require 3,400 ' of pipeline to connect the facility to low/high pressure gathering system. Mewbourne Oil Company provides (periodically) to Western a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Mewbourne Oil Company and Western have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Western Processing Plant located in Sec. 36, Blk. 58 T1S, Culberson County, Texas. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Western system at that time. Based on current information, it is Operator's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

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Form APD Comments

Permit 271175

PERMIT COMMENTS

Operator Name and Address: MEWBOURNE OIL CO [14744] P.O. Box 5270 Hobbs, NM 88241		API Number: 30-015-46228
		Well: SQUINTS 4 5 W0IL FEE #001H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 271175

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MEWBOURNE OIL CO [14744] P.O. Box 5270 Hobbs, NM 88241		API Number: 30-015-46228
		Well: SQUINTS 4 5 W01L FEE #001H
OCD Reviewer	Condition	
rpodany	Will require a directional survey with the C-104	
rpodany	Cement is required to circulate on both surface and intermediate1 strings of casing	