

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 272030

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 326214		3. API Number 30-015-46382
5. Property Name HIGH NOON 22 27 W1KN STATE COM		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
L	22	25S	28E	L	2220	S	1190	W	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	27	25S	28E	N	330	S	2310	W	Eddy

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 State	15. Ground Level Elevation 2975
16. Multiple N	17. Proposed Depth 17203	18. Formation Wolfcamp	19. Contractor	20. Spud Date 11/11/2019
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	440	365	0
Int1	12.25	9.625	36	2435	545	0
Prod	8.75	7	26	10000	870	2235
Liner1	6.125	4.5	13.5	17203	325	9220

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: 10/18/2019 Expiration Date: 10/18/2021
Date: 10/11/2019 Phone: 903-561-2900	Conditions of Approval Attached

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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 272030

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-46382	2. Pool Code 98220	3. Pool Name PURPLE SAGE;WOLFCAMP (GAS)
4. Property Code 326214	5. Property Name HIGH NOON 22 27 W1KN STATE COM	6. Well No. 002H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 2975

10. Surface Location

UL - Lot L	Section 22	Township 25S	Range 28E	Lot Idn L	Feet From 2220	N/S Line S	Feet From 1190	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot N	Section 27	Township 25S	Range 28E	Lot Idn N	Feet From 330	N/S Line S	Feet From 2310	E/W Line W	County Eddy
12. Dedicated Acres 480.00	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

	<p align="center">OPERATOR CERTIFICATION</p> <p><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></p> <p>E-Signed By: Monty Whetstone</p> <p>Title: Vice President Operations</p> <p>Date: 10/11/2019</p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p><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></p> <p>Surveyed By: Robert Howett</p> <p>Date of Survey: 11/1/2017</p> <p>Certificate Number: 19680</p>

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GAS CAPTURE PLAN

Date: 10/18/2019

☒ Original Operator & OGRID No.: [14744] MEWBOURNE OIL CO

☐ 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
HIGH NOON 22 27 W1KN STATE COM #002H	30-015-46382	L-22-25S-28E	2220S 1190W	500	None	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 SENDERO CARLSBAD NGL, LLC and will be connected to SENDERO CARLSBAD NGL, LLC High Pressure gathering system located in Eddy County, New Mexico. It will require 3400' of pipeline to connect the facility to High Pressure gathering system. MEWBOURNE OIL CO provides (periodically) to SENDERO CARLSBAD NGL, LLC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, MEWBOURNE OIL CO and SENDERO CARLSBAD NGL, LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at SENDERO CARLSBAD NGL, LLC Processing Plant located in Sec. 31, Twn. 23S, Rng. 28E, Eddy County, New Mexico. 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 SENDERO CARLSBAD NGL, LLC system at that time. Based on current information, it is MEWBOURNE OIL CO'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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Oil Conservation Division
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Form APD Comments

Permit 272030

PERMIT COMMENTS

Operator Name and Address: MEWBOURNE OIL CO [14744] P.O. Box 5270 Hobbs, NM 88241		API Number: 30-015-46382
		Well: HIGH NOON 22 27 W1KN STATE COM #002H

Created By	Comment	Comment Date
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Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form APD Conditions

Permit 272030

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MEWBOURNE OIL CO [14744] P.O. Box 5270 Hobbs, NM 88241		API Number: 30-015-46382
		Well: HIGH NOON 22 27 W1KN STATE COM #002H
OCD Reviewer	Condition	
rpodany	Cement is required to circulate on both surface and intermediate1 strings of casing	
rpodany	Will require a directional survey with the C-104	

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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 POOL					
⁴ Property Code		⁵ Property Name HIGH NOON 22/27 W1KN STATE COM						⁶ Well Number 2H	
⁷ OGRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 2975'	
¹⁰ Surface Location									
UL or lot no. L	Section 22	Township 25S	Range 28E	Lot Idn	Feet from the 2220	North/South line SOUTH	Feet from the 1190	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. N	Section 27	Township 25S	Range 28E	Lot Idn	Feet from the 330	North/South line SOUTH	Feet from the 2310	East/West line WEST	County EDDY
¹² Dedicated Acres 480		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.

	<p>17 OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature: <i>Bradley Bishop</i> Date: 9-11-19 Printed Name: BRADLEY BISHOP E-mail Address: BBISHOP@MEWBOURNE.COM</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey: 8-22-2019 Signature and Seal of Professional Surveyor: <i>Robert M. Howett</i> Certificate Number: 19680</p>

Job No: LS19080847

Intent ☒ As Drilled ☐

API #		
Operator Name: Mewbourne Oil Co.	Property Name: High Noon 22/27 W1KN St Com	Well Number 2H

Kick Off Point (KOP)

UL K	Section 22	Township 25S	Range 28E	Lot	Feet 2615	From N/S S	Feet 2158	From E/W W	County Eddy
Latitude 32.1153937					Longitude -104.0767617				NAD 83

First Take Point (FTP)

UL K	Section 22	Township 25S	Range 28E	Lot	Feet 2295	From N/S S	Feet 2171	From E/W W	County Eddy
Latitude 32.1145140					Longitude -104.0767320				NAD 83

Last Take Point (LTP)

UL N	Section 27	Township 25S	Range 28E	Lot	Feet 330	From N/S S	Feet 2310	From E/W W	County Eddy
Latitude 32.0943561					Longitude -104.0760511				NAD 83

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

Is this well an infill well? ☐ N

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

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018