

**OCD-ARTESIA**

FORM APPROVED  
OMB No 1004-0137  
Expires July 31, 2010

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

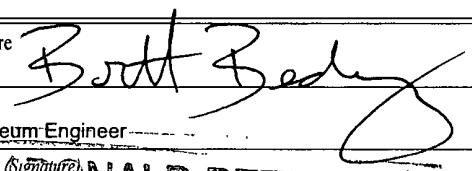

**RECEIVED**  
OCT 20 2011  
NMOCD ARTESIA

1a Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No. NM1693
1b Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name
2 Name of Operator Mewbourne Oil Company		7 If Unit or CA Agreement, Name and No.
3a Address PO BOX 5270 Hobbs, NM 88241	3b Phone No. (include area code) 575-393-5905	8 Lease Name and Well No. Pine Box "17" AP Fed #1H <b>LS8888</b>
4 Location of Well (Report location clearly and in accordance with any State requirements *) At surface 342' FNL & 427' FEL (Unit A) At proposed prod zone 330' FSL & 350' FVL (Unit P)		9 API Well No. <b>30-015-39545</b>
14 Distance in miles and direction from nearest town or post office* 17 miles NW of Carlsbad, NM		10 Field and Pool, or Exploratory N. Seven Rivers Glorietta- Yeso <b>LS7565</b>
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 342'	16 No. of acres in lease 320	11 Sec., T. R. M. or Blk. and Survey or Area Sec 17, T20S, R25E
17 Spacing Unit dedicated to this well 160	18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 225'	12 County or Parish Eddy
19 Proposed Depth 6862' MD 2578' TVD <input checked="" type="checkbox"/>	20 BLM/BIA Bond No. on file NM1693, Nationwide	13 State NM
21 Elevations (Show whether DF, KDB, RT, GL, etc) 3480' GL <input checked="" type="checkbox"/>	22 Approximate date work will start* 10/15/2011	23 Estimated duration 15 days

**24. Attachments**

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- |   |   |
|---|---|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan.   | 5. Operator certification   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office) | 6. Such other site specific information and/or plans as may be required by the BLM.             |

25. Signature 	Name (Printed/Typed) Brett Bednarz	Date 09/20/2011
Title Petroleum Engineer		
Approved by (Signature) 	Name (Printed/Typed) DONALD PETERSON	Date OCT 17 2011
Title FIELD MANAGER		Office CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

**APPROVAL FOR TWO YEARS**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

\*(Instructions on page 2)

Roswell Controlled Water Basin

Approval Subject to General Requirements  
& Special Stipulations Attached

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

**Drilling Program**  
**Mewbourne Oil Company**  
Pine Box "17" AP Federal #1H  
342' FNL & 427' FEL (SHL)  
Sec 17-T20S-R25E  
Eddy County, New Mexico

**1. The estimated tops of geological markers are as follows:**

Grayburg	425'
*San Andres	710'
*Upper Yeso	2155'
*Glorietta	2295'
*Yeso	2465'

**2. Estimated depths of anticipated fresh water, oil, or gas:**

Water	Fresh water is anticipated @ 190' and will be protected by setting surface casing at 735' and cementing to surface.
Hydrocarbons	Oil and gas are anticipated in the above (*) formations. These zones will be protected by casing as necessary.

**3. Pressure control equipment:**

A 2000# WP annular BOP will be installed after running 9 5/8" & 7" casing. Pressure tests will be conducted and BOPE will remain in use until completion of drilling operations. The BOP will be inspected and operated daily to ensure mechanical integrity and the inspection will be recorded on the daily drilling report.

Will test the BOPE to 1500# with a third party testing company before drilling below shoe as per BLM Onshore Oil and Gas Order #2.

4. MOC proposes to drill a vertical wellbore to 1945' & kick off to horizontal @ 2517' TVD. The well will be drilled to 6862' MD (2578' TVD). See attached directional plan.

**5. Proposed casing and cementing program:**

**A. Casing Program:**

<u>Hole Size</u>	<u>Casing</u>	<u>Wt/Ft.</u>	<u>Grade</u>	<u>Depth</u>	<u>Jt Type</u>
12 1/4"	9 5/8" (new)	36#	J55	0'-735'	LT&C
8 3/4"	7" (new)	26#	J55	0'-1945'	LT&C
8 3/4"	7" (new)	26#	J55	1945'-2845' MD	BT&C
6 1/8"	4 1/2" (new)	11.6#	J55	2645'-6862' MD	LT&C

Minimum casing design factors: Collapse 1.125, Burst 1.0, Tensile strength 1.8.

\*Subject to availability of casing.

## B. Cementing Program:

- i. Surface Casing: 350 sacks class "C" w/2% CaCl<sub>2</sub>. Yield at 1.34 cuft/sk. Cmt circulated to surface with 100% excess.
- ii. Production Casing: 150 sacks Class C light cement w/ salt & LCM additives. Yield at 2.05 cuft/sk. 400 sacks Class C cement w/ fluid loss & R3 additives. Yield at 1.33 cuft/sk Cmt circulated to surface with 25% excess.
- iii. Production Liner: This will be a Packer/Port completion from TD up inside 7" casing with packer type liner hanger

\*Referring to above blends of light cement: (wt% fly ash : wt% cement : wt% bentonite of the total of first two numbers). Generic names of additives are used since the availability of specific company and products are unknown at this time.

## 6. Mud Program:

<u>Interval</u>	<u>Type System</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0'-735'	FW spud mud	8.6-9.0	32-34	NA
735'-1845' (KOP-100')	Fresh water	8.4-8.6	28-30	NA
1845'- TD	FW w/Polymer	8.5-8.7	32-35	20

## 7. Evaluation Program:

Samples: 10' samples from surface casing to TD.  
Logging: Gyro, CN, & GR Surface to 1845'. GR 1845' - TVD

## 8. Downhole Conditions

Zones of abnormal pressure:	None anticipated
Zones of lost circulation:	Anticipated in surface and intermediate holes
Maximum bottom hole temperature:	100 degree F
Maximum bottom hole pressure:	8.4 lbs/gal gradient or less

## 9. Anticipated Starting Date:

Mewbourne Oil Company intends to drill this well as soon as possible after receiving approval with approximately 15 days involved in drilling operations and an additional 10 days involved in completion operations on the project.

# **Mewbourne Oil Co**

**Eddy County, New Mexico**

**Sec 17-20S-25E**

**Pine Box 17 AP Fed #1H**

**Wellbore #1**

**Plan: Design #1**

## **DDC Well Planning Report**

**17 May, 2011**



# DDC Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Pine Box 17 AP Fed #1H
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3498.0usft (Patterson UTI #101)
Project:	Eddy County, New Mexico	MD Reference:	WELL @ 3498.0usft (Patterson UTI #101)
Site:	Sec 17-20S-25E	North Reference:	Grid
Well:	Pine Box 17 AP Fed #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Project:	Eddy County, New Mexico		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site:	Sec 17-20S-25E		
Site Position:		Northing:	574,694.25 usft
From:	Map	Easting:	448,901.26 usft
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "
		Latitude:	32° 34' 47.393 N
		Longitude:	104° 29' 57.203 W
		Grid Convergence:	-0.09 °

Well:	Pine Box 17 AP Fed #1H		
Well Position	+N/-S	0.0 usft	Northing: 574,694.25 usft
	+E/-W	0.0 usft	Easting: 448,901.26 usft
Position Uncertainty	0.0 usft	Wellhead Elevation:	Ground Level: 3,479.0 usft

Wellbore:	Wellbore #1		
-----------	-------------	--	--

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (hT)
	IGRF2010	5/17/2011	8.05	60 36	48,733

Design:	Design #1		
---------	-----------	--	--

Audit Notes:			
Version:	Phase:	PLAN	Tie On Depth: 0.0

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	178.77

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,944.1	0.00	0.00	1,944.1	0.0	0.0	0.00	0.00	0.00	0.00	
2,835.4	89.13	178.77	2,517.0	-564.1	12.1	10.00	10.00	20.06	178.77	
6,862.0	89.13	178.77	2,578.0	-4,589.3	98.5	0.00	0.00	0.00	0.00	PBHL Pine Box 17

# DDC Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Pine Box 17 AP Fed #1H
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3498.0usft (Patterson UTI #101)
Project:	Eddy County, New Mexico	MD Reference:	WELL @ 3498.0usft (Patterson UTI #101)
Site:	Sec 17-20S-25E	North Reference:	Grid
Well:	Pine Box 17 AP Fed #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
Build 10°/100' @ 1944' MD									
1,944.1	0.00	0.00	1,944.1	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	5.59	178.77	1,999.9	-2.7	0.1	2.7	10.00	10.00	0.00
2,100.0	15.59	178.77	2,098.1	-21.1	0.5	21.1	10.00	10.00	0.00
2,200.0	25.59	178.77	2,191.6	-56.2	1.2	56.2	10.00	10.00	0.00
2,300.0	35.59	178.77	2,277.6	-107.0	2.3	107.0	10.00	10.00	0.00
2,400.0	45.59	178.77	2,353.4	-172.0	3.7	172.0	10.00	10.00	0.00
2,500.0	55.59	178.77	2,416.8	-249.1	5.3	249.2	10.00	10.00	0.00
2,600.0	65.59	178.77	2,465.8	-336.1	7.2	336.2	10.00	10.00	0.00
2,700.0	75.59	178.77	2,499.0	-430.3	9.2	430.4	10.00	10.00	0.00
2,800.0	85.59	178.77	2,515.4	-528.8	11.3	528.9	10.00	10.00	0.00
EOB @ 2835' MD / 89.13° Inc / 178.77° Azm / 2517' TVD									
2,835.4	89.13	178.77	2,517.0	-564.1	12.1	564.3	10.00	10.00	0.00
2,900.0	89.13	178.77	2,518.0	-628.7	13.5	628.9	0.00	0.00	0.00
3,000.0	89.13	178.77	2,519.5	-728.7	15.6	728.8	0.00	0.00	0.00
3,100.0	89.13	178.77	2,521.0	-828.6	17.8	828.8	0.00	0.00	0.00
3,200.0	89.13	178.77	2,522.5	-928.6	19.9	928.8	0.00	0.00	0.00
3,300.0	89.13	178.77	2,524.0	-1,028.6	22.1	1,028.8	0.00	0.00	0.00
3,400.0	89.13	178.77	2,525.5	-1,128.5	24.2	1,128.8	0.00	0.00	0.00
3,500.0	89.13	178.77	2,527.1	-1,228.5	26.4	1,228.8	0.00	0.00	0.00
3,600.0	89.13	178.77	2,528.6	-1,328.5	28.5	1,328.8	0.00	0.00	0.00
3,700.0	89.13	178.77	2,530.1	-1,428.4	30.7	1,428.8	0.00	0.00	0.00
3,800.0	89.13	178.77	2,531.6	-1,528.4	32.8	1,528.7	0.00	0.00	0.00
3,900.0	89.13	178.77	2,533.1	-1,628.4	34.9	1,628.7	0.00	0.00	0.00
4,000.0	89.13	178.77	2,534.6	-1,728.3	37.1	1,728.7	0.00	0.00	0.00
4,100.0	89.13	178.77	2,536.2	-1,828.3	39.2	1,828.7	0.00	0.00	0.00
4,200.0	89.13	178.77	2,537.7	-1,928.3	41.4	1,928.7	0.00	0.00	0.00
4,300.0	89.13	178.77	2,539.2	-2,028.2	43.5	2,028.7	0.00	0.00	0.00
4,400.0	89.13	178.77	2,540.7	-2,128.2	45.7	2,128.7	0.00	0.00	0.00
4,500.0	89.13	178.77	2,542.2	-2,228.2	47.8	2,228.7	0.00	0.00	0.00
4,600.0	89.13	178.77	2,543.7	-2,328.1	50.0	2,328.7	0.00	0.00	0.00
4,700.0	89.13	178.77	2,545.2	-2,428.1	52.1	2,428.6	0.00	0.00	0.00
4,800.0	89.13	178.77	2,546.8	-2,528.1	54.3	2,528.6	0.00	0.00	0.00
4,900.0	89.13	178.77	2,548.3	-2,628.0	56.4	2,628.6	0.00	0.00	0.00

# DDC Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Pine Box 17 AP Fed #1H
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3498.0usft (Patterson UTI #101)
Project:	Eddy County, New Mexico	MD Reference:	WELL @ 3498.0usft (Patterson UTI #101)
Site:	Sec 17-20S-25E	North Reference:	Grid
Well:	Pine Box 17 AP Fed #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
5,000.0	89.13	178.77	2,549.8	-2,728.0	58.5	2,728.6	0.00	0.00	0.00	
5,100.0	89.13	178.77	2,551.3	-2,827.9	60.7	2,828.6	0.00	0.00	0.00	
5,200.0	89.13	178.77	2,552.8	-2,927.9	62.8	2,928.6	0.00	0.00	0.00	
5,300.0	89.13	178.77	2,554.3	-3,027.9	65.0	3,028.6	0.00	0.00	0.00	
5,400.0	89.13	178.77	2,555.8	-3,127.8	67.1	3,128.6	0.00	0.00	0.00	
5,500.0	89.13	178.77	2,557.4	-3,227.8	69.3	3,228.6	0.00	0.00	0.00	
5,600.0	89.13	178.77	2,558.9	-3,327.8	71.4	3,328.5	0.00	0.00	0.00	
5,700.0	89.13	178.77	2,560.4	-3,427.7	73.6	3,428.5	0.00	0.00	0.00	
5,800.0	89.13	178.77	2,561.9	-3,527.7	75.7	3,528.5	0.00	0.00	0.00	
5,900.0	89.13	178.77	2,563.4	-3,627.7	77.9	3,628.5	0.00	0.00	0.00	
6,000.0	89.13	178.77	2,564.9	-3,727.6	80.0	3,728.5	0.00	0.00	0.00	
6,100.0	89.13	178.77	2,566.5	-3,827.6	82.1	3,828.5	0.00	0.00	0.00	
6,200.0	89.13	178.77	2,568.0	-3,927.6	84.3	3,928.5	0.00	0.00	0.00	
6,300.0	89.13	178.77	2,569.5	-4,027.5	86.4	4,028.5	0.00	0.00	0.00	
6,400.0	89.13	178.77	2,571.0	-4,127.5	88.6	4,128.4	0.00	0.00	0.00	
6,500.0	89.13	178.77	2,572.5	-4,227.5	90.7	4,228.4	0.00	0.00	0.00	
6,600.0	89.13	178.77	2,574.0	-4,327.4	92.9	4,328.4	0.00	0.00	0.00	
6,700.0	89.13	178.77	2,575.5	-4,427.4	95.0	4,428.4	0.00	0.00	0.00	
6,800.0	89.13	178.77	2,577.1	-4,527.4	97.2	4,528.4	0.00	0.00	0.00	
TD @ 6862' MD / 2578' TVD										
6,862.0	89.13	178.77	2,578.0	-4,589.3	98.5	4,590.4	0.00	0.00	0.00	

Design Targets										
Target Name	hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL Pine Box 17 AF	- plan hits target center	0.00	0.00	2,578.0	-4,589.3	98.5	570,104.92	448,999.75	32° 34' 1.979 N	104° 29' 55.969 W
- Point										

Plan Annotations					
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment	
		+N/-S (usft)	+E/-W (usft)		
1,944.1	1,944.1	0.0	0.0	Build 10°/100' @ 1944' MD	
2,835.4	2,517.0	-564.1	12.1	EOB @ 2835' MD / 89.13° Inc / 178.77° Azm / 2517' TVD	
6,862.0	2,578.0	-4,589.3	98.5	TD @ 6862' MD / 2578' TVD	

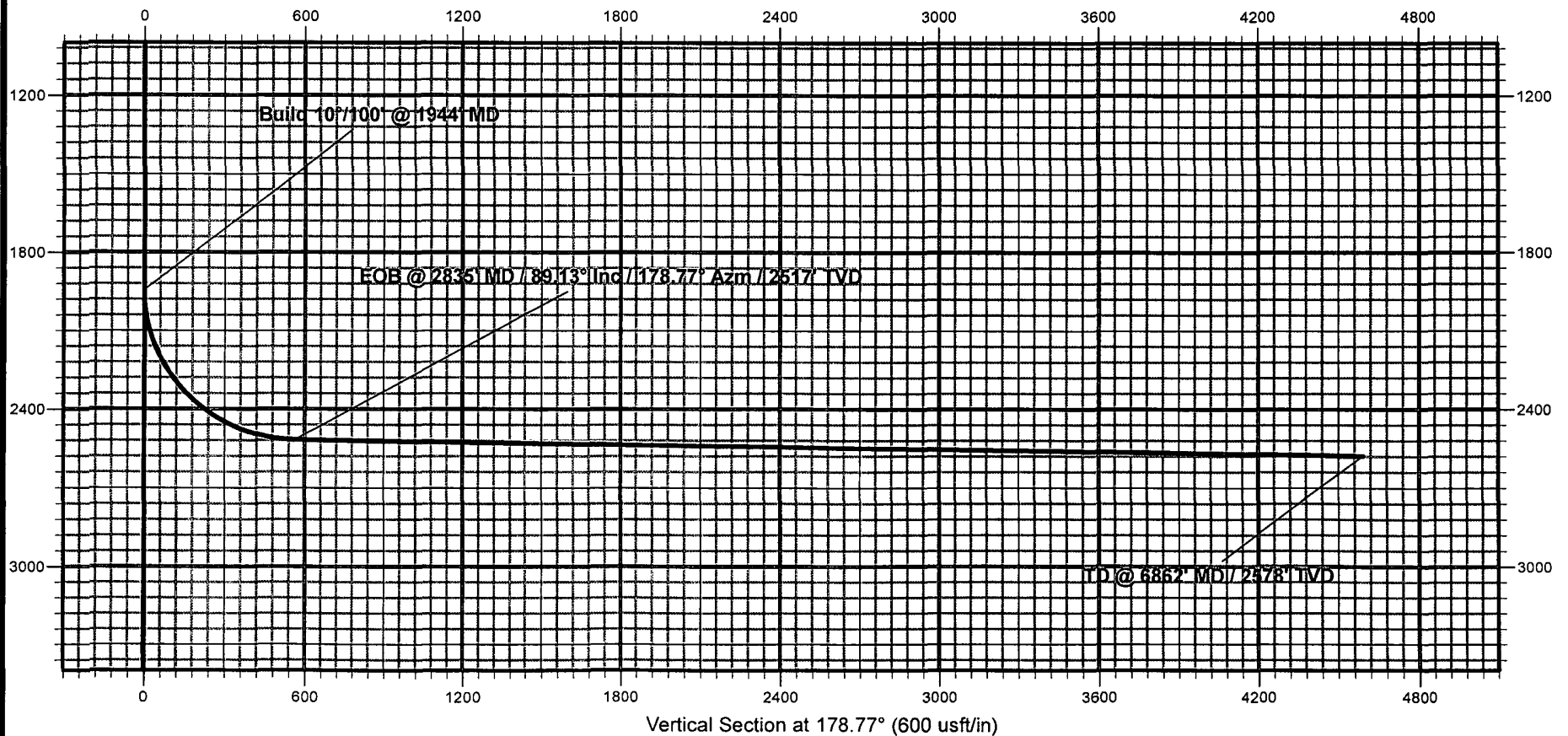
# Mewbourne Oil Company



Eddy County, New Mexico

Pine Box 17 AP Fed #1H

Quote 110374

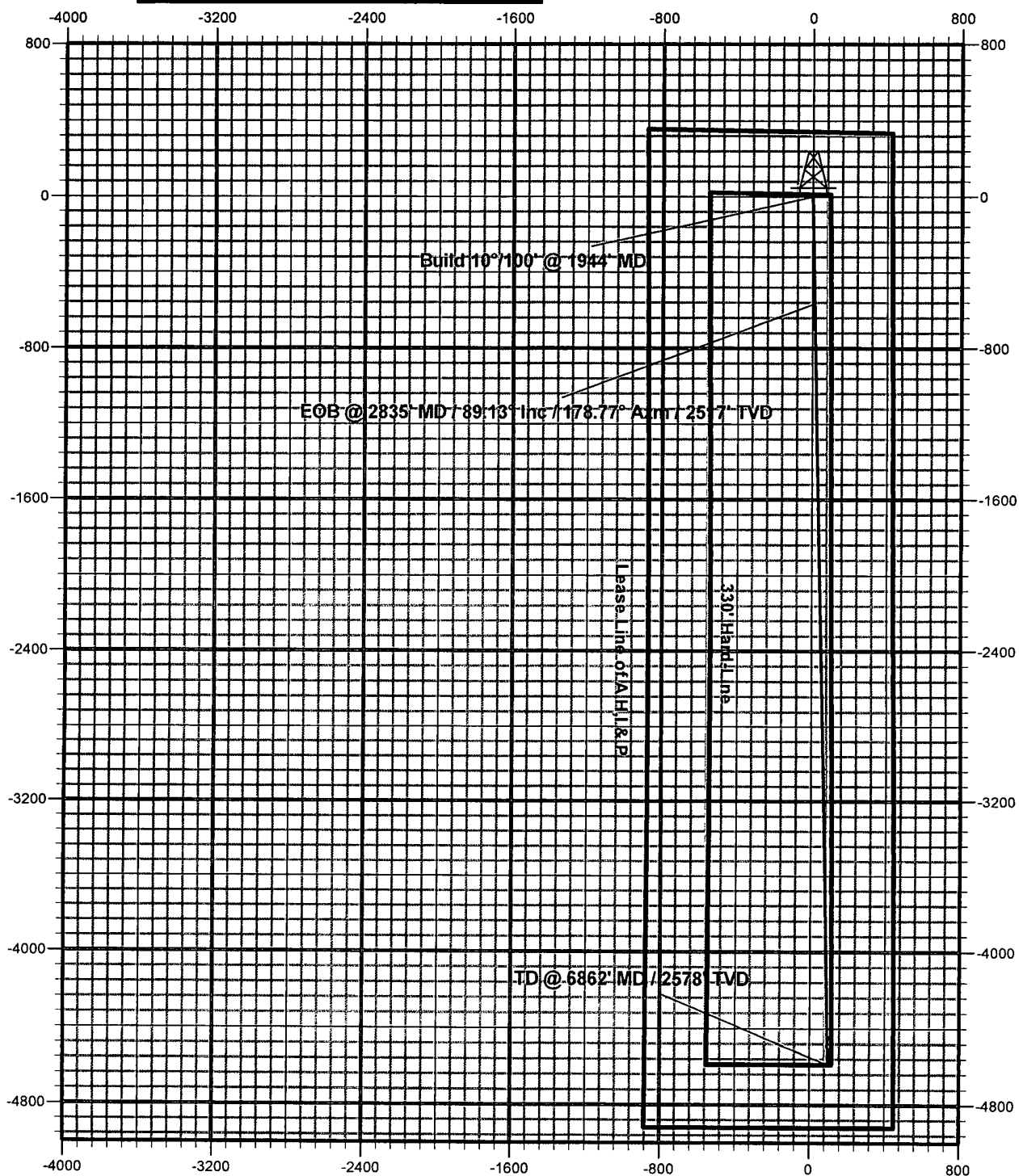




# Mewbourne Oil Comapny



Eddy County, New Mexico  
Pine Box 17 AP Fed #1H  
Quote 110374



8 3/4" & 6 1/8" Hole

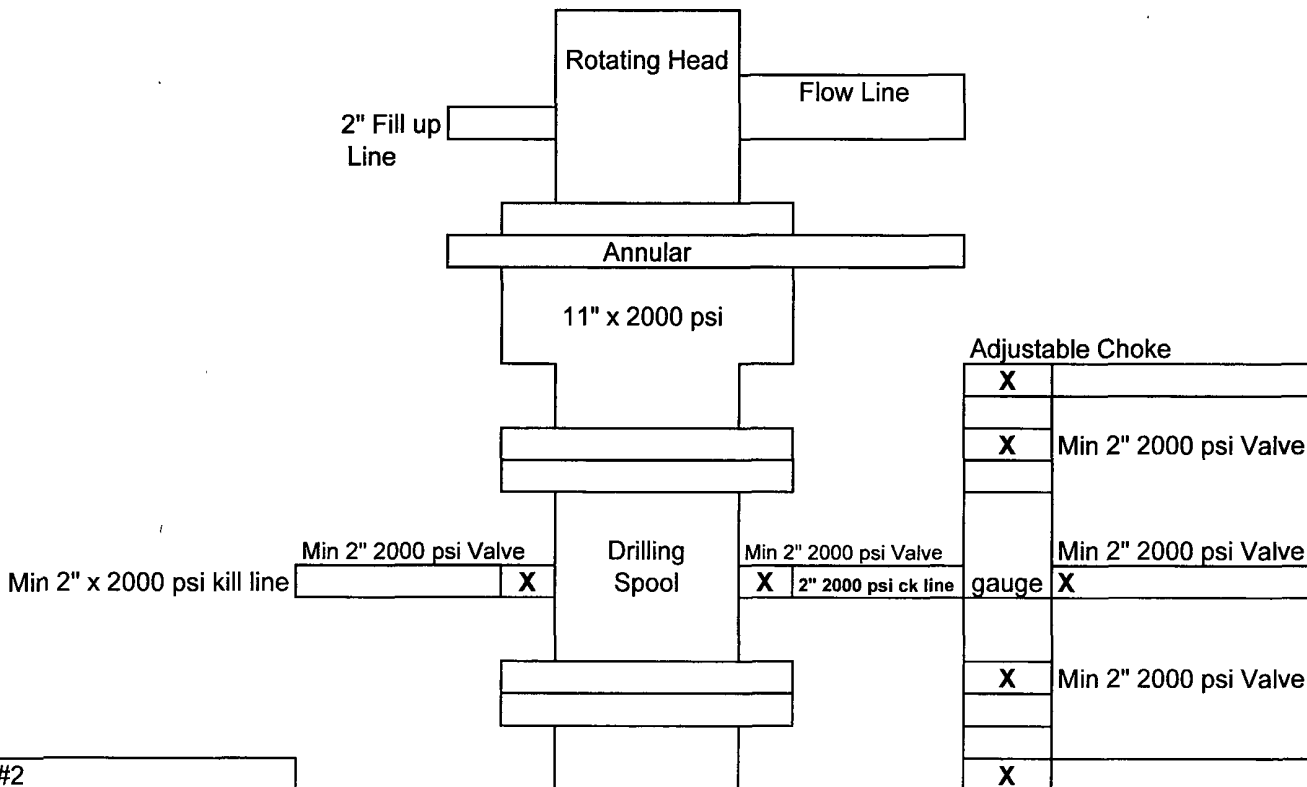


Exhibit #2

Pine Box 17 Fed Com #1H  
342' FNL & 427' FEL  
Sec 17-T20S-R25E  
Eddy, County  
New Mexico

**Notes Regarding Blowout Preventer**

**Mewbourne Oil Company**

Pine Box "17" AP Federal Com #1H

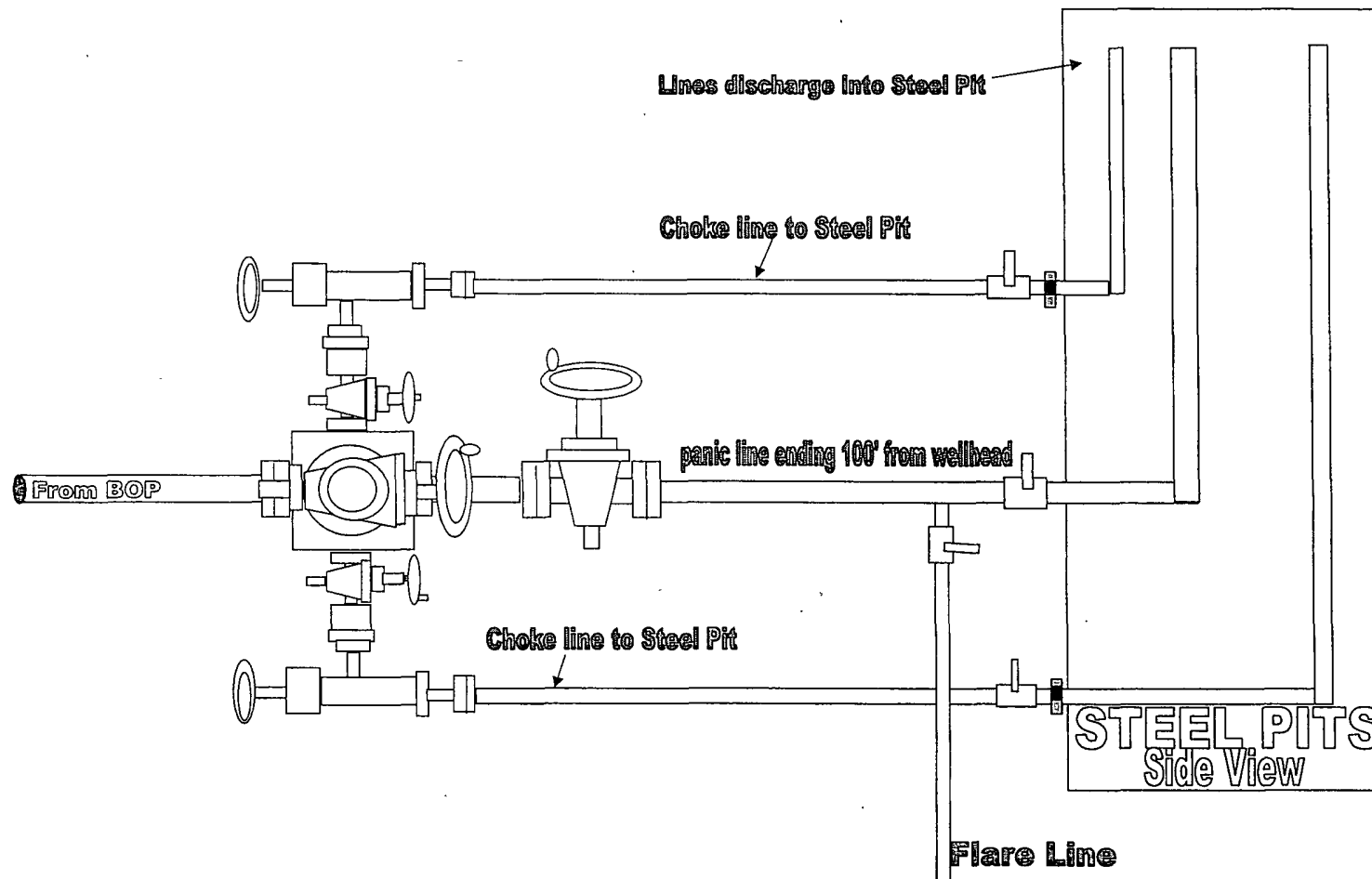
342' FNL & 427' FEL (SHL)

Sec 17-T20S-R25E

Eddy County, New Mexico

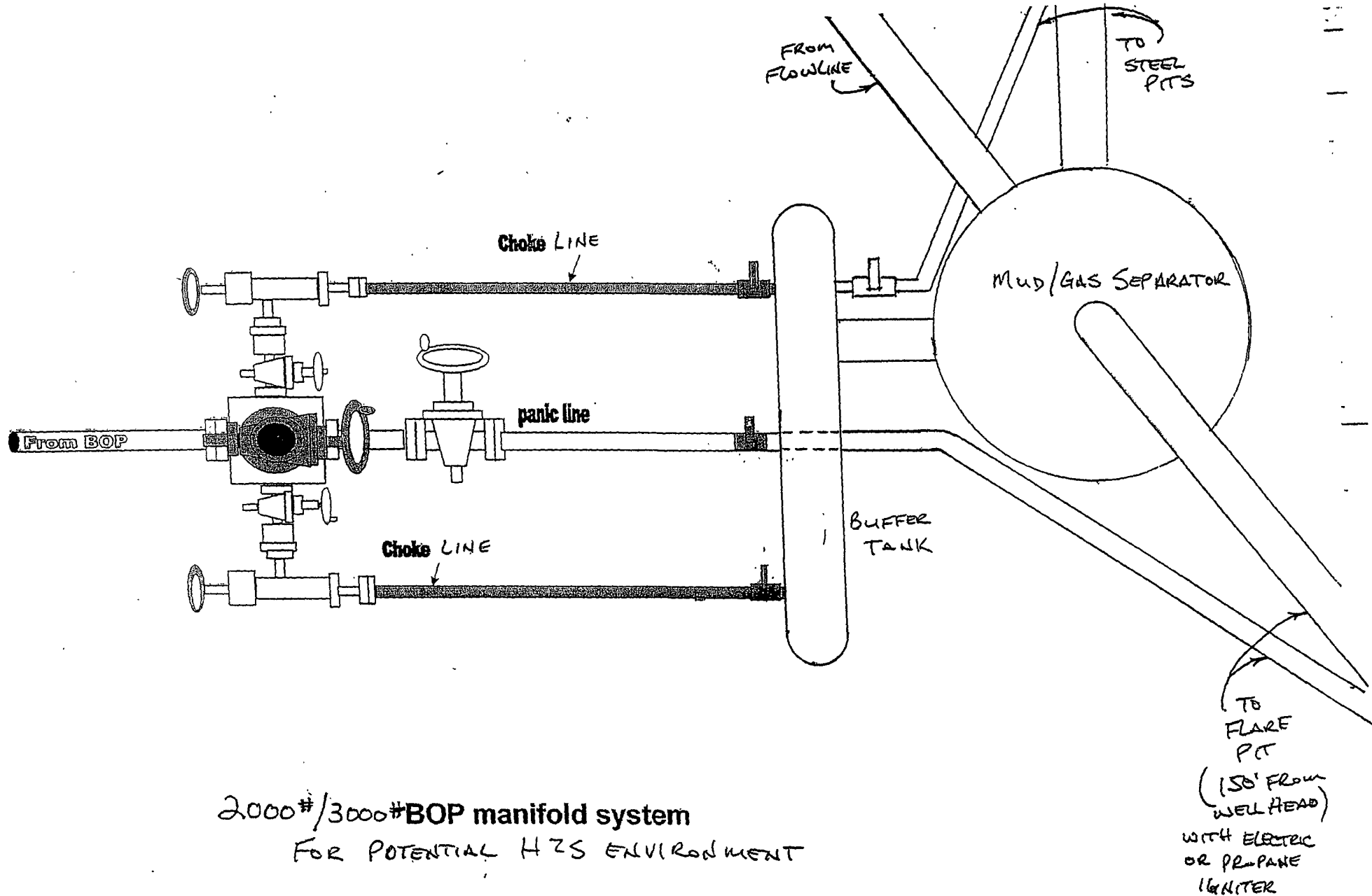
- I. Drilling nipple (bell nipple) to be constructed so that it can be removed without the use of a welder through the opening of the rotary table, with minimum internal diameter equal to blowout preventer bore.
- II. Blowout preventer and all fittings must be in good condition with a minimum 2000 psi working pressure on 9 5/8" & 7" casing.
- III. Safety valve must be available on the rig floor at all times with proper connections to install in the drill string. Valve must be full bore with minimum 2000 psi working pressure.
- IV. Equipment through which bit must pass shall be at least as large as internal diameter of the casing.
- V. A kelly cock shall be installed on the kelly at all times.

Blowout preventer closing equipment to include and accumulator of at least 40 gallon capacity, two independent sources of pressure on closing unit, and meet all other API specifications.



2000# & 3000# BOP manifold system for Exhibit 2 & 2A

See  
COH



## DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

Operator Newbourne OGRID # 14744  
 Well Name & # PING BOX "17" Surface Type (F) (S) (P)  
 Location: UL A, Sect 17, Township 20 s, RNG 25 e, Sub-surface Type (F) (S) (P)

A. Date C101 rec'd 10/20/2011 C101 reviewed 10/27/2011

B. 1. Check mark, Information is OK on Forms:

OGRID ☒, BONDING ☐, PROP CODE ☐, WELL # ☐, SIGNATURE ☐

2. Inactive Well list as of: 10/27/2011 # wells 603 # Inactive wells 3

a. District Grant APD but see number of inactive wells:

No letter required ☒; Sent Letter to Operator ☐, to Santa Fe ☐

3. Additional Bonding as of: 10/27/2011

a. District Denial because operator needs addition bonding:

No Letter required ☒; Sent Letter to Operator ☐, To Santa Fe ☐

b. District Denial because of Inactive well list and Financial Assurance:

No Letter required ☒; Sent Letter to Operator ☐, To Santa Fe ☐

C. C102 YES ☒, NO ☐, Signature ☒

1. Pool N. SEVEN RIVERS GLACIOTA-YOE, Code 87565

a. Dedicated acreage ☐, What Units ☐

b. SUR. Location Standard ☐: Non-Standard Location ☐

c. Well shares acres: Yes ☐, No ☐, # of wells ☐ plus this well # ☐

2. 2<sup>nd</sup>. Operator in same acreage, Yes ☐, No ☐

Agreement Letter ☐, Disagreement letter ☐

3. Intent to Directional Drill Yes ☒, No ☐

a. Dedicated acreage 160, What Units A-H-I-P

b. Bottomhole Location Standard ☒, Non-Standard Bottomhole ☐

4. Downhole Commingle: Yes ☐, No ☒

a. Pool #2 ☐, Code ☐, Acres ☐

Pool #3 ☐, Code ☐, Acres ☐

Pool #4 ☐, Code ☐, Acres ☐

5. POTASH Area Yes ☐, No ☒

D. Blowout Preventer Yes ☒, No ☐

E. H2S Yes ☒, No ☐

F. C144 Pit Registration Yes ☐, No ☐

G. Does APD require Santa Fe Approval:

1. Non-Standard Location: Yes ☐, No ☒, NSL # ☐

2. Non-Standard Proration: Yes ☐, No ☒, NSP # ☐

3. Simultaneous Dedication: Yes ☐, No ☒, SD # ☐

Number of wells ☐ Plus # ☐

4. Injection order Yes ☐, No ☒; PMX # ☐ or WFX # ☐

5. SWD order Yes ☐, NO ☒; SWD # ☐

6. DHC from SF ☐; DHC-HOB ☐; Holding ☐

7. OCD Approval Date 10/27/2011

API #30-015- 39545

8. Reviewers ☐

38886  
w/ duplicate