

OPERATOR'S COPY

SECRETARY'S POTASH

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No.
NMNM 27279, NM 93478 *8/1*

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
Aries "20" Fed Corn #3H

9. API Well No.
3001539432

10. Field and Pool, or Exploratory
Sand Tank Bone Spring

11. Sec., T. R. M. or Blk. and Survey or Area
Sec 20, T18S, R30E

12. County or Parish
Eddy

13. State
NM

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator Mewbourne Oil Co

3a. Address PO BOX 5270
Hobbs, NM 88241

3b. Phone No. (include area code)
575-393-5905

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface 1770' FSL & 220' FWL

At proposed prod. zone 1980' FSL & 330' FEL

**UNORTHODOX
LOCATION**

14. Distance in miles and direction from nearest town or post office*
28 miles Northeast of Carlsbad, NM

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) 220'

16. No. of acres in lease
80

17. Spacing Unit dedicated to this well
160

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. 1456'

19. Proposed Depth
8235' TVD
12669' MD

20. BLM/BIA Bond No. on file
NM1693, Nationwide

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3472'

22. Approximate date work will start*
10/15/2011

23. Estimated duration
42 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

N.M. Young

Name (Printed/Typed)
N.M. Young

Date
07/01/2011

Title

Hobbs District Manager

Approved by (Signature)

Jesse J. Turner

Name (Printed/Typed)

Jesse J. Turner

Date

9/12/2011

Title

ACTING STATE DIRECTOR

Office

NM STATE 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)

Capitan Controlled Water Basin

RECEIVED

DEC 14 2011

NMOC D ARTESIA

*(Instructions on page 2)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

EXHIBIT A

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED