Oil Cons. N.M. DIV-Dist. 2 June 1990)2 1301 W. Grand Avenue FORM APP TIVED 1004-0135 UNITED STATES DEPARTMENT OF THE INTERIOR Artesia, NM 88210 Expires: March 31, 1993 BUREA!! OF LAND JANAGEMENT 5. Lease Designation and Serial No. NM-17095 QUNDRY NO ICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name se this to a different reservoir. ປີse "APPLICATION FOR PERMIT-" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 32680 1. Type of W Gas 8. Well Name and No. Well Well Esperanza 12 Federal Com #1 2. Name of Operator Mewbourne Oil Company 14744 9. API Well No. 3. Address and Telephone No. 30-015-32935 PO Box 5270, Hobbs, NM 88241 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Shugart Strawn 11. County or Parish, State 990' FNL & 1650' FEL, Unit Letter B of Sec 12-T21S-R27E Eddy County, NM 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Other Spud & Csq jobs Disnose Water 13. Describe Proposed or Completed Operations (Clearly state all pertinet details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markders and zones pertinent to this work.)* 09-19-03...MI & Spud 171/2" hole. TD'ed hole @ 422'. Ran 422' 13 3/8" 48# H-40 ST/C csg. Cemented w/ 250 sks Poz 'C' w/ additives. Mixed @ 12.5 #/g w/ 1.98 yd. Tailed w/ 200 sks 'C' w/ 2% CaCl2. Mixed @ 14.8 #/g w/ 1.34 yd. Circl 55 sks to pit. WOC 18 hrs. Test Annular to 750 psi. Drill out w/12 1/4" bit. 09-24-03...TD'ed 12 1/4" hole @ 2634. Ran 2634' 9 5/8" 40# J55/N80 LT/C csg. Cemented w/ 180 sks 'H' w/ additives. Mixed @ 14.6 #/g w/ 1.52 yd. Followed w/ 900 sks 'C' w/ additives. Mixed @ 12.5 #/g w/ 1.96 yd. Tailed w/ 200 sks 'C' w/ 2% CaCl2. Mixed @ 14.8 #/g w/ 1.34 yd. Circl 75 sks to pit. WOC 18 hrs. Test Annular to 2000 psi: Drill out w/ 12 1/4" bit. ACCEPTED FOR RECORD 3.0 LES BABYAK PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001, makes 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.