

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

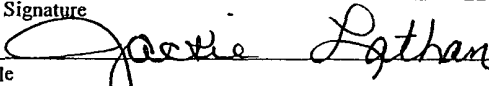
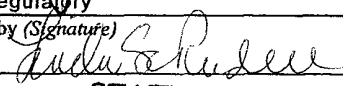
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER		5. Lease Serial No. NM 27276 NM-56541 (SL) NM-124209 (BHL)
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Mewbourne Oil Company - 14744		7. If Unit or CA Agreement, Name and No.
3a. Address PO Box 5270 Hobbs, NM 88241		8. Lease Name and Well No. Dorado 34 Fed Com #1H 38603
3b. Phone No. (include area code) 575-393-5905		9. API Well No. 30-015-38984
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface (SL) 1850' FSL & 620' FEL Unit I At proposed prod. zone (BHL) 1850' FSL & 330' FWL Unit L		10. Field and Pool, or Exploratory South Leo Bone Spring 37920
11. Sec., T., R., M., or Blk. and Survey or Area Sec 34, T18S, R30E		12. County or Parish Eddy
13. State NM		14. Distance in miles and direction from nearest town or post office* 7 1/2 Miles S of Loco Hills
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 620	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. 1049	19. Proposed Depth 8513' TVD 12600' MD	20. BLM/BIA Bond No. on file NM1693, Nationwide
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3435' GL	22. Approximate date work will start* ASAP	23. Estimated duration 45

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall 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 shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Jackie Lathan	Date 01/26/11
Title Hobbs Regulatory		
Approved by (Signature) 	Name (Printed/Typed) Linda S.C. Rundle	Date 4/12/11
Title 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.

(Instructions on reverse)

CAPITAN CONTROLLED WATER BASIN

K 2 04/29/11

SEE ATTACHED FOR
CONDITIONS OF APPROVALAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED
APR 14 2011

BY:

**United States Department of the Interior
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287**

Statement Accepting Responsibility for Operations

Operator Name: Mewbourne Oil Company
Street or Box: P.O. Box 5270
City, State: Hobbs, New Mexico
Zip Code: 88241

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted of the leased land or portion thereof, as described below.

BLM# 27274 BA
Lease Number: Lease Number #NM-56541 & NM-124209

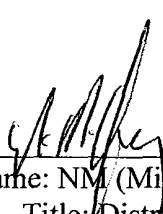
Legal Description of Land: Section 34, T-18S, R-30E Eddy County, New Mexico.
Location @ 1850' FSL & 620' FEL.

Formation (if applicable): Bone Springs

Bond Coverage: \$150,000

BLM Bond File: NM1693, Nationwide

Authorized Signature: _____


Name: NM (Micky) Young
Title: District Manager
Date: 2/1/11

Drilling Program
Mewbourne Oil Company
Dorado "34" Federal Com #1H
1850' FSL & 620' FEL (SHL)
Sec 34-T18S-R30E
Eddy County, New Mexico

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

Rustler	350'
Top Salt	600'
Base Salt	1200'
Yates	1800'
*Queen	2850'
Grayburg	3300'
San Andres	3500'
Delaware	4225'
*Bone Springs	5650'

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

Water	Fresh water will be protected by setting surface casing at 375' 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 will be installed after running 13 3/8" casing. A 3000# WP Double Ram BOP and 2000# WP Annular will be installed after running 7" & 9 5/8" casing. Pressure tests will be conducted prior to drilling out under all casing strings. BOP controls will be installed prior to drilling under surface casing and will remain in use until completion of drilling operations. BOPE will be inspected and operated as recommended in Onshore Order #2. A kelly cock and a sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position when the kelly is not in use. Will test the 7" & 9 5/8" BOPE to 3000# and the Annular to 1500# with a third party testing company before drilling below each shoe, but will test again, if needed, in 30 days from the 1st test as per BLM Onshore Oil and Gas Order #2.

4. MOC proposes to drill a vertical wellbore to 7940' & kick off to horizontal @ 8513' TVD. The well will be drilled to 12600' MD (8403' TVD). See attached directional plan.

5. Proposed casing and cementing program:

A. Casing Program:

Hole Size	Casing	Wt/Ft.	Grade	Depth	Jt Type
17 1/2"	13 3/8" (new)	48#	H40	0'-375' 500'	ST&C
12 1/4"	9 5/8" (new)	36#	J55	0'-1900' 1750'	LT&C
8 3/4"	7" (new)	26#	P110	0'-7940' MD	LT&C
8 3/4"	7" (new)	26#	P110	7940'-8840' MD	BT&C
6 1/8"	4 1/2" (new)	11.6#	P110	8640'-12600' MD	LT&C

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

*Subject to availability of casing.

See COA

B. Cementing Program:

See
COA

- i. Surface Casing: 240 sks Class C cement containing 2% CaCl₂. Yield at 1.34 cuft/sk. Cmt circulated to surface w/23% excess.
- ii. Intermediate Casing: 235sacks Class C light (35:65:4) cement with salt and LCM additives. Yield at 2.12 cuft/sk. 200 sacks Class C cement w/2% CaCl₂ and fluid loss additives. Yield at 1.18 cuft/sk Cmt circulated to surface w/25% excess.
- iii. Production Casing: 550 sacks Class H light cement (35:65:4) with salt, fluid loss, and LCM additives. Yield at 2.12 cuft/sk. 400 sacks Class H cement containing fluid loss additives. Yield at 1.18 cuft/sk Cmt circulated to surface w/25% excess.
- iv. Production Liner: This will be a Packer/Port completion from TD up inside 7" casing with packer type liner hanger.

**Mewbourne Oil Company reserves the right to change cement designs as hole conditions may warrant.*

6. Mud Program:

Interval	Type System	Weight	Viscosity	Fluid Loss
0'-375' ⁵⁰⁰	FW spud mud	8.6-9.0	32-34	NA
375'-1900' ¹⁷⁵⁰	Brine water	10.0-10.2	28-30	NA
1900'- TD	FW w/Polymer	8.5-8.7	32-35	15

7. Evaluation Program: See COA

Samples: 10' samples from surface casing to TD
Logging: Gyro from KOP -100' (7840') to surface. GR from surface to TVD.

8. Downhole Conditions

Zones of abnormal pressure:	None anticipated
Zones of lost circulation:	Anticipated in surface and intermediate holes
Maximum bottom hole temperature:	120 degree F
Maximum bottom hole pressure:	8.3 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 40 days involved in drilling operations and an additional 10 days involved in completion operations on the project.

Mewbourne Oil Co

Eddy, New Mexico

Sec 34-18S-30E

Dorado 34 Fed Com #1H

Wellbore #1

Plan: Design #1

DDC Well Planning Report

01 February, 2011



DDC
Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Dorado 34 Fed Com #1H
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3453.0usft (Patterson UTI #45/47)
Project:	Eddy, New Mexico	MD Reference:	WELL @ 3453.0usft (Patterson UTI #45/47)
Site:	Sec 34-18S-30E	North Reference:	Grid
Well:	Dorado 34 Fed Com #1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Project:	Eddy, 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 34-18S-30E		
Site Position:		Northing:	619,173.32 usft
From:	Map	Easting:	617,078.21 usft
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16"
		Latitude:	32° 42' 5.860 N
		Longitude:	103° 57' 9.827 W
		Grid Convergence:	0.21 °

Well:	Dorado 34 Fed Com #1H		
Well Position	+N/-S	0.0 usft	Northing: 619,173.32 usft
	+E/-W	0.0 usft	Easting: 617,078.21 usft
Position Uncertainty	0.0 usft	Wellhead Elevation:	Ground Level: 3,435.0 usft

Wellbore:	Wellbore #1		
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Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (mT)
	IGRF2010	2/1/2011	7.84	60.57	48,899

Design:	Design #1		
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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	269.89

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	
7,940.3	0.00	0.00	7,940.3	0.0	0.0	0.00	0.00	0.00	0.00	
8,857.1	91.68	269.89	8,513.0	-1.1	-589.8	10.00	10.00	-9.83	269.89	
12,599.0	91.68	269.89	8,403.0	-8.4	-4,330.0	0.00	0.00	0.00	0.00	PBHL Dorado 34 F

DDC Well Planning Report



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Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3453.0usft (Patterson UTI #45/47)
Project:	Eddy, New Mexico	MD Reference:	WELL @ 3453.0usft (Patterson UTI #45/47)
Site:	Sec 34-18S-30E	North Reference:	Grid
Well:	Dorado 34 Fed Com #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
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00
5,100.0	0.00	0.00	5,100.0	0.0	0.0	0.0	0.00	0.00	0.00
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00
5,300.0	0.00	0.00	5,300.0	0.0	0.0	0.0	0.00	0.00	0.00

DDC
Well Planning Report



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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)
5,400.0	0.00	0.00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00
5,500.0	0.00	0.00	5,500.0	0.0	0.0	0.0	0.00	0.00	0.00
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00
5,700.0	0.00	0.00	5,700.0	0.0	0.0	0.0	0.00	0.00	0.00
5,800.0	0.00	0.00	5,800.0	0.0	0.0	0.0	0.00	0.00	0.00
5,900.0	0.00	0.00	5,900.0	0.0	0.0	0.0	0.00	0.00	0.00
6,000.0	0.00	0.00	6,000.0	0.0	0.0	0.0	0.00	0.00	0.00
6,100.0	0.00	0.00	6,100.0	0.0	0.0	0.0	0.00	0.00	0.00
6,200.0	0.00	0.00	6,200.0	0.0	0.0	0.0	0.00	0.00	0.00
6,300.0	0.00	0.00	6,300.0	0.0	0.0	0.0	0.00	0.00	0.00
6,400.0	0.00	0.00	6,400.0	0.0	0.0	0.0	0.00	0.00	0.00
6,500.0	0.00	0.00	6,500.0	0.0	0.0	0.0	0.00	0.00	0.00
6,600.0	0.00	0.00	6,600.0	0.0	0.0	0.0	0.00	0.00	0.00
6,700.0	0.00	0.00	6,700.0	0.0	0.0	0.0	0.00	0.00	0.00
6,800.0	0.00	0.00	6,800.0	0.0	0.0	0.0	0.00	0.00	0.00
6,900.0	0.00	0.00	6,900.0	0.0	0.0	0.0	0.00	0.00	0.00
7,000.0	0.00	0.00	7,000.0	0.0	0.0	0.0	0.00	0.00	0.00
7,100.0	0.00	0.00	7,100.0	0.0	0.0	0.0	0.00	0.00	0.00
7,200.0	0.00	0.00	7,200.0	0.0	0.0	0.0	0.00	0.00	0.00
7,300.0	0.00	0.00	7,300.0	0.0	0.0	0.0	0.00	0.00	0.00
7,400.0	0.00	0.00	7,400.0	0.0	0.0	0.0	0.00	0.00	0.00
7,500.0	0.00	0.00	7,500.0	0.0	0.0	0.0	0.00	0.00	0.00
7,600.0	0.00	0.00	7,600.0	0.0	0.0	0.0	0.00	0.00	0.00
7,700.0	0.00	0.00	7,700.0	0.0	0.0	0.0	0.00	0.00	0.00
7,800.0	0.00	0.00	7,800.0	0.0	0.0	0.0	0.00	0.00	0.00
7,900.0	0.00	0.00	7,900.0	0.0	0.0	0.0	0.00	0.00	0.00
Build 10°/100' @ 7940' MD									
7,940.3	0.00	0.00	7,940.3	0.0	0.0	0.0	0.00	0.00	0.00
8,000.0	5.97	269.89	7,999.9	0.0	-3.1	3.1	10.00	10.00	0.00
8,100.0	15.97	269.89	8,097.9	0.0	-22.1	22.1	10.00	10.00	0.00
8,200.0	25.97	269.89	8,191.2	-0.1	-57.9	57.9	10.00	10.00	0.00
8,300.0	35.97	269.89	8,276.8	-0.2	-109.2	109.2	10.00	10.00	0.00
8,400.0	45.97	269.89	8,352.2	-0.3	-174.7	174.7	10.00	10.00	0.00
8,500.0	55.97	269.89	8,415.1	-0.5	-252.3	252.3	10.00	10.00	0.00
8,600.0	65.97	269.89	8,463.6	-0.7	-339.6	339.6	10.00	10.00	0.00
8,700.0	75.97	269.89	8,496.2	-0.8	-434.1	434.1	10.00	10.00	0.00
8,800.0	85.97	269.89	8,511.8	-1.0	-532.7	532.7	10.00	10.00	0.00
EOB @ 8857' MD / 91.68° Inc / 269.89° Azm / 8513' TVD									
8,857.1	91.68	269.89	8,513.0	-1.1	-589.8	589.8	10.00	10.00	0.00
8,900.0	91.68	269.89	8,511.8	-1.2	-632.6	632.6	0.00	0.00	0.00
9,000.0	91.68	269.89	8,508.8	-1.4	-732.6	732.6	0.00	0.00	0.00
9,100.0	91.68	269.89	8,505.9	-1.6	-832.5	832.6	0.00	0.00	0.00
9,200.0	91.68	269.89	8,502.9	-1.8	-932.5	932.5	0.00	0.00	0.00
9,300.0	91.68	269.89	8,500.0	-2.0	-1,032.5	1,032.5	0.00	0.00	0.00
9,400.0	91.68	269.89	8,497.1	-2.2	-1,132.4	1,132.4	0.00	0.00	0.00
9,500.0	91.68	269.89	8,494.1	-2.4	-1,232.4	1,232.4	0.00	0.00	0.00
9,600.0	91.68	269.89	8,491.2	-2.6	-1,332.3	1,332.3	0.00	0.00	0.00
9,700.0	91.68	269.89	8,488.2	-2.8	-1,432.3	1,432.3	0.00	0.00	0.00
9,800.0	91.68	269.89	8,485.3	-3.0	-1,532.2	1,532.2	0.00	0.00	0.00
9,900.0	91.68	269.89	8,482.4	-3.2	-1,632.2	1,632.2	0.00	0.00	0.00
10,000.0	91.68	269.89	8,479.4	-3.4	-1,732.2	1,732.2	0.00	0.00	0.00
10,100.0	91.68	269.89	8,476.5	-3.6	-1,832.1	1,832.1	0.00	0.00	0.00
10,200.0	91.68	269.89	8,473.5	-3.8	-1,932.1	1,932.1	0.00	0.00	0.00

DDC Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Dorado 34 Fed Com #1H
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3453.0usft (Patterson UTI #45/47)
Project:	Eddy, New Mexico	MD Reference:	WELL @ 3453.0usft (Patterson UTI #45/47)
Site:	Sec 34-18S-30E	North Reference:	Grid
Well:	Dorado 34 Fed Com #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)
10,300.0	91.68	269.89	8,470.6	-3.9	-2,032.0	2,032.0	0.00	0.00	0.00
10,400.0	91.68	269.89	8,467.6	-4.1	-2,132.0	2,132.0	0.00	0.00	0.00
10,500.0	91.68	269.89	8,464.7	-4.3	-2,231.9	2,231.9	0.00	0.00	0.00
10,600.0	91.68	269.89	8,461.8	-4.5	-2,331.9	2,331.9	0.00	0.00	0.00
10,700.0	91.68	269.89	8,458.8	-4.7	-2,431.9	2,431.9	0.00	0.00	0.00
10,800.0	91.68	269.89	8,455.9	-4.9	-2,531.8	2,531.8	0.00	0.00	0.00
10,900.0	91.68	269.89	8,452.9	-5.1	-2,631.8	2,631.8	0.00	0.00	0.00
11,000.0	91.68	269.89	8,450.0	-5.3	-2,731.7	2,731.7	0.00	0.00	0.00
11,100.0	91.68	269.89	8,447.1	-5.5	-2,831.7	2,831.7	0.00	0.00	0.00
11,200.0	91.68	269.89	8,444.1	-5.7	-2,931.6	2,931.6	0.00	0.00	0.00
11,300.0	91.68	269.89	8,441.2	-5.9	-3,031.6	3,031.6	0.00	0.00	0.00
11,400.0	91.68	269.89	8,438.2	-6.1	-3,131.6	3,131.6	0.00	0.00	0.00
11,500.0	91.68	269.89	8,435.3	-6.3	-3,231.5	3,231.5	0.00	0.00	0.00
11,600.0	91.68	269.89	8,432.4	-6.5	-3,331.5	3,331.5	0.00	0.00	0.00
11,700.0	91.68	269.89	8,429.4	-6.7	-3,431.4	3,431.4	0.00	0.00	0.00
11,800.0	91.68	269.89	8,426.5	-6.9	-3,531.4	3,531.4	0.00	0.00	0.00
11,900.0	91.68	269.89	8,423.5	-7.1	-3,631.3	3,631.3	0.00	0.00	0.00
12,000.0	91.68	269.89	8,420.6	-7.2	-3,731.3	3,731.3	0.00	0.00	0.00
12,100.0	91.68	269.89	8,417.7	-7.4	-3,831.2	3,831.3	0.00	0.00	0.00
12,200.0	91.68	269.89	8,414.7	-7.6	-3,931.2	3,931.2	0.00	0.00	0.00
12,300.0	91.68	269.89	8,411.8	-7.8	-4,031.2	4,031.2	0.00	0.00	0.00
12,400.0	91.68	269.89	8,408.8	-8.0	-4,131.1	4,131.1	0.00	0.00	0.00
12,500.0	91.68	269.89	8,405.9	-8.2	-4,231.1	4,231.1	0.00	0.00	0.00
TD @ 12599' MD / 8403' TVD									
12,599.0	91.68	269.89	8,403.0	-8.4	-4,330.0	4,330.0	0.00	0.00	0.00

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL Dorado 34 Fed	0.00	0.00	8,403.0	-8.4	-4,330.0	619,164.91	612,748.20	32° 42' 5.928 N	103° 58' 0.501 W
- hit/miss target									
- Shape									
- plan hits target center									
- Point									

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
7,940.3	7,940.3	0.0	0.0	Build 10°/100' @ 7940' MD
8,857.1	8,513.0	-1.1	-589.8	EOB @ 8857' MD / 91.68° Inc / 269.89° Azm / 8513' TVD
12,599.0	8,403.0	-8.4	-4,330.0	TD @ 12599' MD / 8403' TVD

Notes Regarding Blowout Preventer

Mewbourne Oil Company

Dorado "34" Federal Com #1H

1850' FSL & 620' FEL (SHL)

Sec 34-T18S-R30E

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" casing and 3000 psi working pressure on 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 3000 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.

Mewbourne Oil Company
BOP Scematic for
12 1/4" Hole

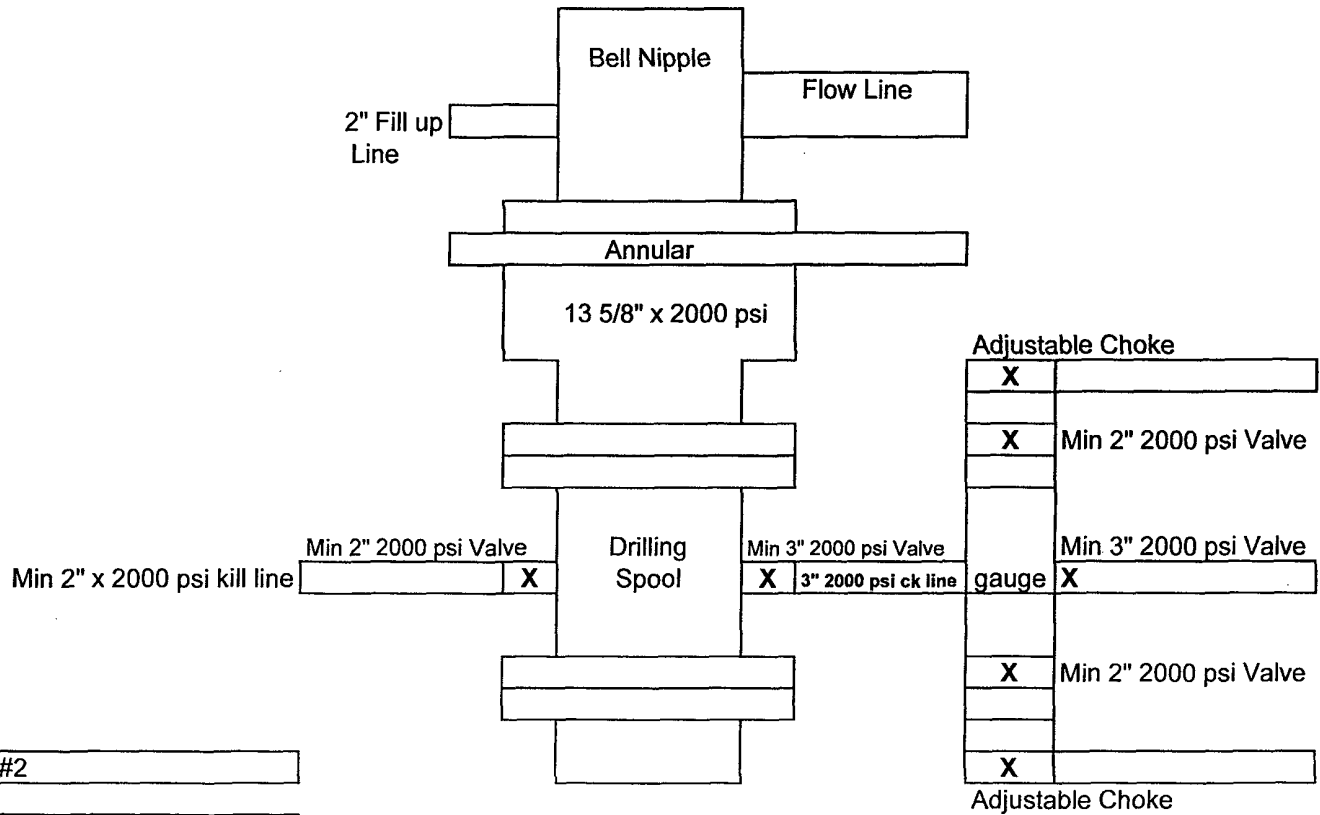


Exhibit #2

Dorado "34" Fed Com #1H
1850' FSL & 620' FEL
Sec 34-T18S-R30E
Eddy, County
New Mexico

Mewbourne Oil Company
 BOP Schematic for
 6 1/8" & 8 3/4" Hole

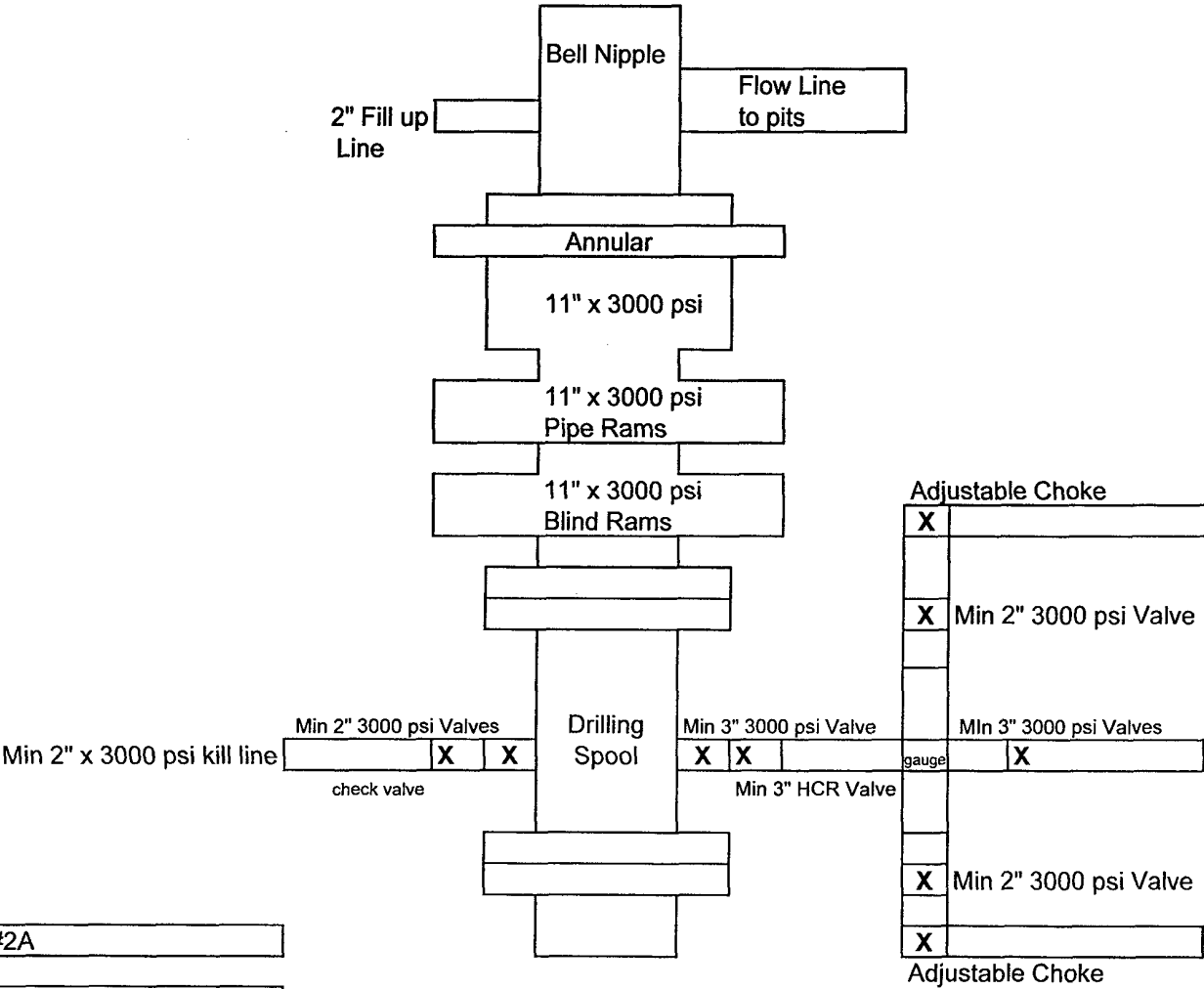
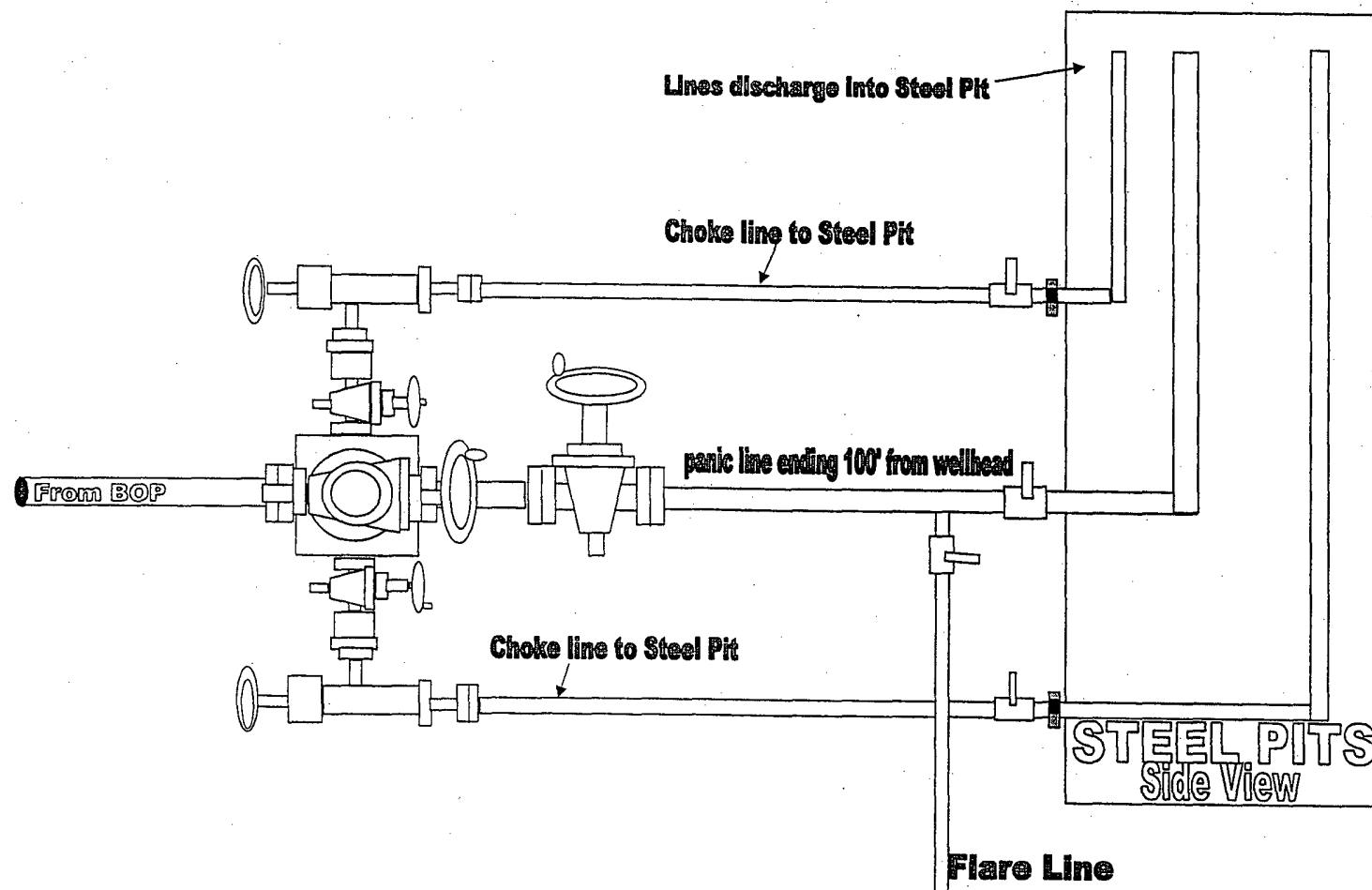


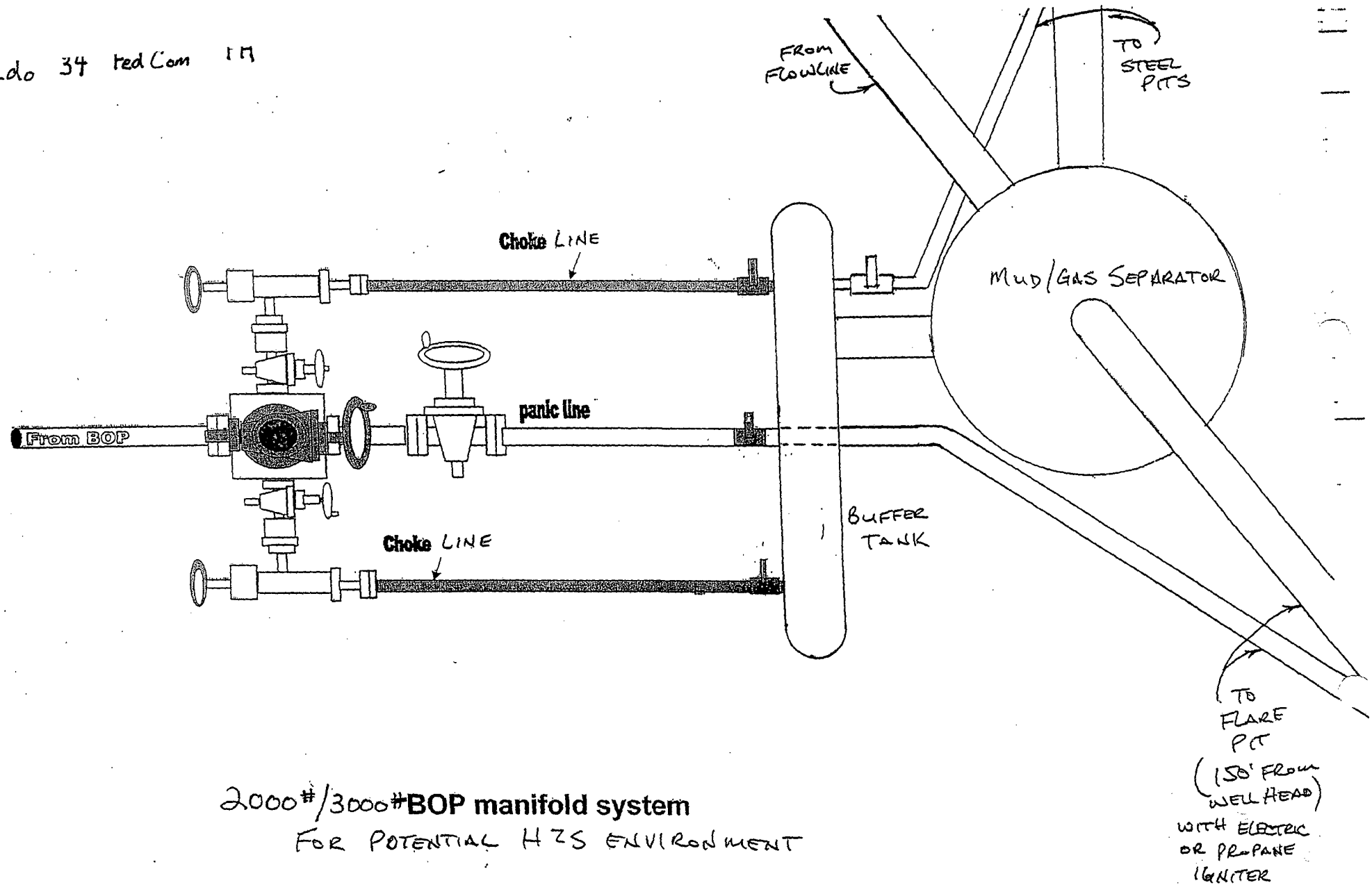
Exhibit #2A

Dorado "34" Fed Com #1H
 1850' FSL & 620' FEL
 Sec 34-T18S-R30E
 Eddy, County
 New Mexico



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

Colorado 34 Red Com 17



2000#/3000#BOP manifold system
FOR POTENTIAL H₂S ENVIRONMENT

DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

38603 Operator NEUBOURNE OIL CO OGRID # 14744
Well Name & # DORADO 34 FED COM #1H Surface Type (F) (S) (P)
Location: UL E, Sect 34, Township 18 s, RNG 30 e,
L 34 - 18 - 30 Sub-surface Type (F) (S) (P)

A. Date C101 rec'd / / C101 reviewed / /

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

OGRID X BONDING FED PROP CODE , WELL # , SIGNATURE

2. Inactive Well list as of: 4/29/11 # wells 390, # Inactive wells 5

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

No letter required X; Sent Letter to Operator , to Santa Fe

3. Additional Bonding as of: 4/29/11

a. District Denial because operator needs addition bonding:

No Letter required X; Sent Letter to Operator , To Santa Fe

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

No Letter required X; Sent Letter to Operator , To Santa Fe

C. C102 YES , NO , Signature

1. Pool LEO-BONE SPRING, Code 37920

a. Dedicated acreage 160, What Units FJKL

b. SUR. Location Standard X; Non-Standard Location

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

2. 2nd. Operator in same acreage, Yes , No

Agreement Letter , Disagreement letter 1

3. Intent to Directional Drill Yes , No

a. Dedicated acreage 160, What Units FJKL

b. Bottomhole Location Standard , Non-Standard Bottomhole

4. Downhole Commingle: Yes , No X

a. Pool #2 , Code , Acres

Pool #3 , Code , Acres

Pool #4 , Code , Acres

5. POTASH Area Yes , No FED

D. Blowout Preventer Yes X, No

E. H2S Yes , No PART FED APD

F. C144 Pit Registration Yes , No X, need

G. Does APD require Santa Fe Approval:

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

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

3. Simultaneous Dedication: Yes , No X, SD #

Number of wells Plus #

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

5. SWD order Yes , NO X; SWD #

6. DHC from SF ; DHC-HOB ; Holding

7. OCD Approval Date / /

API #30-015-- 38984

8. Reviewers