Form 3160-5 (September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR OCD-ARTESIA BUREAU OF LAND MANAGEMENT

| | - P | | , - | |
|----------|---------|---|-----|--|
| | | | | |
| Lease Se | rial No | • | | |
| | | | | |

6 If Indian, Allottee or Tribe Name

FORM APPROVED

OMB No 1004-0135

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

| SUBMIT IN TR | RIPLICATE - Other inst | ructions on reverse | side | 7 If Unit or C. | A/Agreement, Name and/or No |
|--|--|---|--|------------------------------|---|
| Type of Well Onl Well Gas Well Name of Operator Mewbourne Oil Company 147 a Address PO Box 5270 Hobbs, NM 88 L Location of Well (Footage, Sec | 240 | APR - 1 20 OCD-ARTS 3b. Phone No. (include 505-393-5905 | uo Sia | 9. API Well N 30-015-3316 | 19" Federal Com #1 No. 60 Pool, or Exploratory Area Morrow |
| 1980' FSL & 393' FEL, Unit L | etter I of Sec 19-T21S-R27E | | | Eddy County | y, NM |
| 12. CHECK AP | PROPRIATE BOX(ES) T | O INDICATE NATUR | E OF NOTICE, RE | EPORT, OR C | OTHER DATA |
| TYPE OF SUBMISSION | | TYF | 'E OF ACTION | | |
| Notice of Intent Subsequent Report Final Abandonment Notice | Acidize Alter Casing Casing Repair Change Plans Convert to Injection | Deepen Fracture Treat New Construction Plug and Abandon Plug Back | Production (Start/ Reclamation Recomplete Temporarily Aba Water Disposal | | Water Shut-Off Well Integrity Other Downhole commingle adding new zones |

Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof if the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Mewbourne Oil Company request approval to DHC Burton Flat Morrow & La Huerta Atoka. Morrow is currently producing from 11286' to 11334' with

500 MCF, 0 BO, 1 BW. The Atoka is to be perforated from 10598' to 10616', 10838' to 10846', 10980' to 10986', 11076' to 11084' & 11150' to 11156' and flow with anticipated rates of 1000 MCF, 3 BO, 3 BW. Commingling of these 2 pools will not reduce the value of remaining reserves. The ownership of both pools is identical. Both zones included in NM-0354232.

Procedure to downhole commingle: Perforate Atoka @ 10598' to 10616', 10838' to 10846', 10980' to 10986', 11076' to 11084' & 11150' to 11156' & flowtest well & PWOL. Produce well until rates fall below 1000 MCF/d. Pull tbg Set temporary plug to isolate Morrow perfs @ 11286' to 11334'. RIH w/tbg & set pkr @ 10500' Frac Atoka perfs @ 10598 to 11156' w/3000 gals of 15% HCl & 50000# of HSP_Flow test & PWOL Produce well until rate falls below 1000 MCF/d. Release pkr & pull tbg Drill out plug over Morrow perfs Land EOT @ 11270 & PWOL

| | | , | | | and the second | minute ? |
|--|----------|-------------------------|---------------------|------------|----------------|---------------|
| | | | APPI | | | |
| 14 1 hereby certify that the foregoing is true and correct Name (Printed/Typed) | Title | | MAR | 28 | 2008 | Prof. |
| Robin Terrell | 1 11110 | Sr Production Eng | ineer | | | ķ., |
| Signature That SM | Date | 03/18/08 | PETROLE | NW EV | IGINEER | |
| THIS SPACE FOR FEDER | AL OR | STATE OFFICE | USE COL | 432 | | |
| Approved by (Signature) | | Name (Printed/Typed) | | Title | | |
| Conditions of approval, if any, are attached Approval of this notice does not war certify that the applicant holds legal or equitable title to those rights in the subject which would entitle the applicant to conduct operations thereon | | Office | | | Date | |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for a | ny nerso | on knowingly and will | fully to make to ar | ny denastr | ment or agency | of the United |

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SUBJECT TO LIKE APPROVAL BY STATE Accepted for record - NMOCD

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107A Revised June 10, 2003

District II

1301 W Grand Avenue Artesia, NM 88210

District IV

District III
1000 Rio Brazos Road, Aztec, NM 87410

1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

APPLICATION TYPE _Single Well Establish Pre-Approved Pools EXISTING WELLBORE __X_ Yes ____No

APPLICATION FOR DOWNHOLE COMMINGLING

| • | | | | | | | |
|-------------------------------|---------------|------------------------------------|----------------------|----------|--|--|--|
| Mewbourne Oil (| Company | PO Box 5270, Hobbs, NM 88240 | | | | | |
| Operator | | Address | • | | | | |
| Esperanza "19" Federal Com #1 | | I - Sec 19, T21S, R27E | Eddy | | | | |
| Lease . | Well No. | Unit Letter-Section-Township-Range | County | | | | |
| OGRID No14744 | Property Code | _33255 API No30-015-33160_ | Lease Type:X_Federal | StateFee | | | |

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|---|--|-------------------|--|
| Pool Name | La Huerta Atoka | | Burton Flat Morrow |
| Pool Code | · | | 73280 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 10598' - 11156' | | 11286' - 11334' |
| Method of Production (Flowing or Artificial Lift) | Flowing | | Flowing |
| Bottomhole Pressure (Note Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone) | | | |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | | | |
| Producing, Shut-In or New Zone | New Zone | | Producing |
| Date and Otl/Gas/Water Rates of Last Production. (Note For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date: Est. Rate: Rates:1000 MCF 3 BO, 3 BW | Date: | Date: 03/18/08 Rates:500 MCF 0 BO, 1 BW |
| Fixed Allocation Percentage (Note If allocation is based upon something other | Oil Gas | Oil Gas | Oil Gas |
| than current or past production, supporting data or explanation will be required.) | 100 % 66 % | % % | 0 % 34 % |

ADDITIONAL DATA

| Are all working, toyary and overriding toyary interests identical in an commingted zones? | Y esX | |
|---|-------|------|
| If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? | Yes | No |
| Are all produced fluids from all commingled zones compatible with each other? | YesX | No |
| Will commingling decrease the value of production? | Yes | No_X |
| If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? | YesX | No |
| NMOCD Reference Case No applicable to this well: | | |
| Attachments. . C-102 for each zone to be commingled showing its spacing unit and acreage dedication. Production curve for each zone for at least one year (If not available, attach explanation.) For zones with no production history, estimated production rates and supporting data. Data to support allocation method or formula. Notification list of working, royalty and overriding royalty interests for uncommon interest cases. Any additional statements, data or documents required to support commingling. | | |

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required

List of other orders approving downhole commingling within the proposed Pre-Approved Pools List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

| I hereby certify that the information above is true and | d complete to the best of my knowledge and belief. |
|---|--|
| SIGNATURE W | _TITLE_Sr Production EngineerDATE 03/19/08 |
| TYPE OR PRINT NAME_Robin Terrell | TELEPHONE NO. (575)_393-5905 |
| E-MAIL ADDRESSrterrell@mewbourne.com | |

Instruction on back Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION P.O. Box 2088

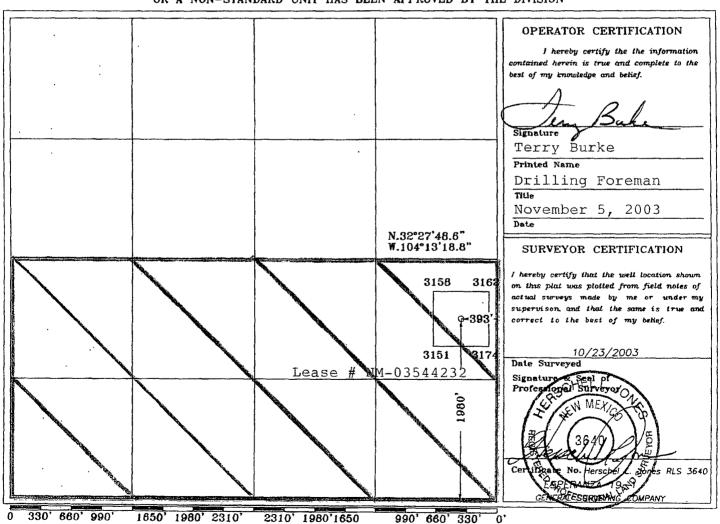
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API | Number | | | Pool Code | | | Pool Name | | |
|------------------|-----------|--------------|-------------|---------------|-----------------|------------------|---------------|----------------|----------|
| • | | | | | | La Hucita | Atoka Gas | Pool | |
| Property C | ode | [| | | Property Nam | | | Well Na | mber |
| • • • | | | | ESPE | ERANZA "19" FE | DERAL COM. | | 1 | |
| OGRID No |). | | | | Operator Nam | ie | | Eleva | ion |
| 14744 | | | MEWB | OURNE OIL COM | PANY | | 3159' | | |
| Surface Location | | | | | | | | | |
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| ı | 19 | 215 | 27E | | 1980 | SOUTH | 393 | EAST | EDDY |
| | L, , | <u> </u> | Bottom | Hole Loc | eation If Diffe | rent From Sur | face | <u> </u> | <u> </u> |
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| | | | | | | | , | | |
| Dedicated Acres | s Joint o | r Infill Co | nsolidation | Code Or | der No. | | <u> </u> | | |
| 315.08 | | | | | | | | | |

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



instruction on back

State Lease - 4 Copies Fee Lease - 3 Copies

Submit to Appropriate District Office

811 South First, Artesia, NM 88210 DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 DISTRICT IV 2040 South Pacheco, Santa Fe, NN 87505

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| . API Number | Pool Code | Paol Name | |
|---------------|-----------|-----------------------|-------------|
| • | l l | E. Burton Flat Morrow | |
| Property Code | Prop | erty Name | Well Number |
| } | ESPERANZA | "19" FEDERAL COM. | 1 |
| OGRID No. | Oper | etor Name | Elevation |
| 14744 | MEWBOURNE | OIL COMPANY | 3159' |
| | Surfa | ce Location | |

| UL or lot No. | Section | Township | Range | lot idn | Feet from the | North/South line | Feet from the | East/West line | County | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|---|
| 1 | 19 | 215 | 27E | i | 1980 | SOUTH | 393 | EAST | EDDY | ! |

Bottom Hole Location If Different From Surface

| 1 | UL or lot No. | Section | Township | Range | Lot ldn | Feet from the | North/South line | · Feet from the | East/West line | County |
|---|-----------------|----------|-----------|--------------|---------|---------------|------------------|-----------------|----------------|--------|
| | | | • | | | | | | | 1 |
| Ī | Dedicated Acres | Joint of | Infill Co | neilabilos (| ode Ore | ier No. | | | | |
| | 315.08 | | | | | | | | | ļ |

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

