

HOBBBS OGD

ATS-11-599  
FORM APPROVED  
OMB No 1004-0136  
Expires January 31, 2004

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JUL 18 2011

APPLICATION FOR PERMIT TO DRILL OR REENTER

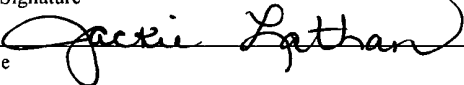
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|                                                                                                                                                                                                                              |                                                            |                                                                                 |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------------|--|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER                                                                                                                                 |                                                            | 7. If Unit or CA Agreement, Name and No.                                        |  |
| 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                  |                                                            | 8. Lease Name and Well No. <b>38711</b>                                         |  |
| 2. Name of Operator<br><b>Mewbourne Oil Company</b> <b>14744</b>                                                                                                                                                             |                                                            | 9. API Well No.<br><b>30-025-40190</b>                                          |  |
| 3a. Address<br><b>PO Box 5270 Hobbs, NM 88241</b>                                                                                                                                                                            |                                                            | 10. Field and Pool, or Exploratory<br><b>Querecho Plains Lower BS</b>           |  |
| 3b. Phone No. (include area code)<br><b>575-393-5905</b>                                                                                                                                                                     |                                                            | 11. Sec., T., R., M., or Blk. and Survey or Area<br><b>Sec 28 - T18S - R32E</b> |  |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *)<br>At surface <b>500' FNL &amp; 460' FEL (SL) Unit A</b><br>At proposed prod zone <b>500' FNL &amp; 330' FWL (BHL) Unit D</b> |                                                            | 12. County or Parish<br><b>Lea</b>                                              |  |
| 14. Distance in miles and direction from nearest town or post office*<br><b>10 South of Maljamar, NM</b>                                                                                                                     |                                                            | 13. State<br><b>NM</b>                                                          |  |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>460'</b>                                                                                            | 16. No. of Acres in lease<br><b>80</b>                     | 17. Spacing Unit dedicated to this well<br><b>160</b>                           |  |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>922'</b>                                                                                                       | 19. Proposed Depth<br><b>13650' MD</b><br><b>9418' TVD</b> | 20. BLM/BIA Bond No. on file<br><b>NM1693, Nationwide</b>                       |  |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.)<br><b>3745' GL</b>                                                                                                                                                       | 22. Approximate date work will start*<br><b>ASAP</b>       | 23. Estimated duration<br><b>40</b>                                             |  |

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<br> | Name (Printed/Typed)<br><b>Jackie Lathan</b> | Date<br><b>03/31/11</b>    |
| Title<br><b>Hobbs Regulatory</b>                                                                     |                                              |                            |
| Approved by (Signature)                                                                              | Name (Printed/Typed)                         | Date<br><b>JUL 13 2011</b> |
| Title<br><b>FIELD MANAGER</b>                                                                        |                                              |                            |
| Office<br><b>CARLSBAD FIELD OFFICE</b>                                                               |                                              |                            |

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.

APPROVAL FOR TWO YEARS

Conditions of approval, if any, are attached

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

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Approval Subject to General Requirements  
& Special Stipulations Attached

**Drilling Program**  
**Mewbourne Oil Company**  
 Querecho "28" Federal Com #2H  
 500' FNL & 460' FEL (SHL)  
 Sec 28-T18S-R32E  
 Lea County, New Mexico

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

|               |       |
|---------------|-------|
| Rustler       | 1100' |
| Yates         | 2700' |
| *Queen        | 3860' |
| *Delaware     | 4660' |
| *Bone Springs | 7925' |

*4/20/11 MMR*

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

|              |                                                                                                                      |
|--------------|----------------------------------------------------------------------------------------------------------------------|
| Water        | Fresh water is anticipated @ 375' and will be protected by setting surface casing at 1425' 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 3000# 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 all annulars to 1500# with a third party testing company before drilling below each shoe, but will test again, if needed, in 30 days from the 1<sup>st</sup> test as per BLM Onshore Oil and Gas Order #2.

4. MOC proposes to drill a vertical wellbore to 8845' & kick off to horizontal @ 9418' TVD. The well will be drilled to 13650' MD (9408' 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'-1125' 1160   | ST&C    |
| 12 1/4"   | 9 5/8" (new)  | 36#    | J55   | 0'-2800'        | LT&C    |
| 8 3/4"    | 7" (new)      | 26#    | P110  | 0'-8845' MD     | LT&C    |
| 8 3/4"    | 7" (new)      | 26#    | P110  | 8845'-9745' MD  | BT&C    |
| 6 1/8"    | 4 1/2" (new)  | 11.6#  | P110  | 9545'-13700' MD | LT&C    |

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

\*Subject to availability of casing.

*See COA*

*See COA*

**MEWBOURNE OIL COMPANY**  
**Querecho 28 Fed Com #2H**  
**500' FNL & 460' FEL (SL) Section 28, T18S, R32E**  
**500' FNL & 330' FWL (BHL) Section 28, T18S, R32E**  
**Eddy County, New Mexico**

[illegible]

## B. Cementing Program:

- i. Surface Casing: 340 sacks \*Lite "C" (35:65:4) cement w/salt and lost circulation material additives. Yield at 2.15 cuft/sk. 200 sks class "C" w/1% CaCl<sub>2</sub>. Yield at 1.34 cuft/sk. Cmt circulated to surface w/25% excess.
- See  
CofA ← ii. Intermediate Casing: 250 sacks \*Lite "C" (35:65:4) cement w/lost circulation material additives. Yield at 2.15 cuft/sk. 400 sks class "C" neat. Yield at 1.33 cuft/sk. Cmt circulated to surface w/25% excess.
- iii. Production Casing: 370 sacks \*Lite "H" (35:65:6) cement w/salt and fluid loss additives. Yield at 2.47 cuft/sk. 400 sks class "H" w/salt and fluid loss additives. Yield at 1.18 cuft/sk. Cmt calculated to tieback into intermediate casing @ 2400' w/25% excess.

\*Referring to above blends of lite 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.

*liner will be installed with packers and ports.*

\*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'-1125' 1160 | FW spud mud  | 8.6-9.0   | 32-34     | NA         |
| 1125'-2800'   | Brine water  | 10.0-10.2 | 28-30     | NA         |
| 2800'-8750'   | FW           | 8.3-8.6   | 28-30     | NA         |
| 8750'- TD     | FW w/Polymer | 8.5-8.7   | 32-35     | 15         |

## 7. Evaluation Program:

Samples: 10' samples from surface casing to TD  
Logging: GR, Neutron, & Gyro from KOP -100' (8745') to surface. GR from 8745' to TD.

## 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**

**Lea County, NM**

**Sec 28-18S-32E**

**Querecho 28 Federal Com #2H**

**Wellbore #1**

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**Plan: Design #1**

## **DDC Well Planning Report**

**24 March, 2011**



# DDC Well Planning Report



|           |                             |                              |                                   |
|-----------|-----------------------------|------------------------------|-----------------------------------|
| Database: | EDM 5000.1 Single User Db   | Local Co-ordinate Reference: | Well Querecho 28 Federal Com #2H  |
| Company:  | Mewbourne Oil Co            | TVD Reference:               | WELL @ 3763.0usft (Patterson UTI) |
| Project:  | Lea County, NM              | MD Reference:                | WELL @ 3763.0usft (Patterson UTI) |
| Site:     | Sec 28-18S-32E              | North Reference:             | Grid                              |
| Well:     | Querecho 28 Federal Com #2H | Survey Calculation Method:   | Minimum Curvature                 |
| Wellbore: | Wellbore #1                 |                              |                                   |
| Design:   | Design #1                   |                              |                                   |

|             |                                      |               |                |
|-------------|--------------------------------------|---------------|----------------|
| Project:    | Lea County, NM                       |               |                |
| 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 28-18S-32E |                   |                   |
| Site Position:        |                | Northing:         | 627,657.52 usft   |
| From:                 | Map            | Easting:          | 675,165.03 usft   |
| Position Uncertainty: | 0.0 usft       | Slot Radius:      | 13-3/16 "         |
|                       |                | Latitude:         | 32° 43' 27.238 N  |
|                       |                | Longitude:        | 103° 45' 49.524 W |
|                       |                | Grid Convergence: | 0.31°             |

|                      |                             |                     |           |                 |              |                   |
|----------------------|-----------------------------|---------------------|-----------|-----------------|--------------|-------------------|
| Well                 | Querecho 28 Federal Com #2H |                     |           |                 |              |                   |
| Well Position        | +N-S                        | 0.0 usft            | Northing: | 627,657.52 usft | Latitude:    | 32° 43' 27.238 N  |
|                      | +E-W                        | 0.0 usft            | Easting:  | 675,165.03 usft | Longitude:   | 103° 45' 49.524 W |
| Position Uncertainty | 0.0 usft                    | Wellhead Elevation: |           | Ground Level:   | 3,745.0 usft |                   |

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

| Magnetics | Model Name | Sample Date | Declination<br>(°) | Dip Angle<br>(°) | Field Strength<br>(nT) |
|-----------|------------|-------------|--------------------|------------------|------------------------|
|           | IGRF2010   | 3/24/2011   | 7.74               | 60.62            | 48,917                 |

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

|                   |                            |                |                |                  |     |
|-------------------|----------------------------|----------------|----------------|------------------|-----|
| Audit Notes:      |                            |                |                |                  |     |
| Version:          |                            | Phase:         | PLAN           | Tie On Depth:    | 0.0 |
| Vertical Section: | Depth From (TVD)<br>(usft) | +N-S<br>(usft) | +E-W<br>(usft) | Direction<br>(°) |     |
|                   | 0.0                        | 0.0            | 0.0            | 269.93           |     |

| Plan Sections               |                    |                |                             |                |                |                               |                              |                             |            |                  |
|-----------------------------|--------------------|----------------|-----------------------------|----------------|----------------|-------------------------------|------------------------------|-----------------------------|------------|------------------|
| Measured<br>Depth<br>(usft) | Inclination<br>(°) | Azimuth<br>(°) | Vertical<br>Depth<br>(usft) | +N-S<br>(usft) | +E-W<br>(usft) | Dogleg<br>Rate<br>(°/100usft) | Build<br>Rate<br>(°/100usft) | Turn<br>Rate<br>(°/100usft) | TFO<br>(°) | Target           |
| 0.0                         | 0.00               | 0.00           | 0.0                         | 0.0            | 0.0            | 0.00                          | 0.00                         | 0.00                        | 0.00       |                  |
| 8,845.0                     | 0.00               | 0.00           | 8,845.0                     | 0.0            | 0.0            | 0.00                          | 0.00                         | 0.00                        | 0.00       |                  |
| 9,746.5                     | 90.15              | 269.93         | 9,418.0                     | -0.7           | -574.4         | 10.00                         | 10.00                        | -9.99                       | 269.93     |                  |
| 13,649.2                    | 90.15              | 269.93         | 9,408.0                     | -5.7           | -4,477.1       | 0.00                          | 0.00                         | 0.00                        | 0.00       | PBHL Querecho 28 |

# DDC Well Planning Report



|           |                             |                              |                                   |
|-----------|-----------------------------|------------------------------|-----------------------------------|
| Database: | EDM 5000.1 Single User Db   | Local Co-ordinate Reference: | Well: Querecho 28 Federal Com #2H |
| Company:  | Mewbourne Oil Co            | TVD Reference:               | WELL @ 3763.0usft (Patterson-UT)  |
| Project:  | Lea County, NM              | MD Reference:                | WELL @ 3763.0usft (Patterson-UT)  |
| Site:     | Sec 28-18S-32E              | North Reference:             | Grid                              |
| Well:     | Querecho 28 Federal Com #2H | 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



|           |                             |                              |                                   |
|-----------|-----------------------------|------------------------------|-----------------------------------|
| Database: | EDM 5000.1 Single User Db   | Local Co-ordinate Reference: | Well Querecho 28 Federal Com #2H  |
| Company:  | Mewbourne Oil Co            | TVD Reference:               | WELL @ 3763.0usft (Patterson UTI) |
| Project:  | Lea County, NM              | MD Reference:                | WELL @ 3763.0usft (Patterson UTI) |
| Site:     | Sec 28-18S-32E              | North Reference:             | Grid                              |
| Well:     | Querecho 28 Federal Com #2H | 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) |
| 5,400.0                                               | 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                  |
| 8,000.0                                               | 0.00            | 0.00        | 8,000.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 8,100.0                                               | 0.00            | 0.00        | 8,100.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 8,200.0                                               | 0.00            | 0.00        | 8,200.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 8,300.0                                               | 0.00            | 0.00        | 8,300.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 8,400.0                                               | 0.00            | 0.00        | 8,400.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 8,500.0                                               | 0.00            | 0.00        | 8,500.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 8,600.0                                               | 0.00            | 0.00        | 8,600.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 8,700.0                                               | 0.00            | 0.00        | 8,700.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 8,800.0                                               | 0.00            | 0.00        | 8,800.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| Build 10°/100' @ 8845' MD                             |                 |             |                       |              |              |                         |                         |                        |                       |
| 8,845.0                                               | 0.00            | 0.00        | 8,845.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                   | 0.00                  |
| 8,900.0                                               | 5.50            | 269.93      | 8,899.9               | 0.0          | -2.6         | 2.6                     | 10.00                   | 10.00                  | 0.00                  |
| 9,000.0                                               | 15.50           | 269.93      | 8,998.1               | 0.0          | -20.8        | 20.8                    | 10.00                   | 10.00                  | 0.00                  |
| 9,100.0                                               | 25.50           | 269.93      | 9,091.7               | -0.1         | -55.8        | 55.8                    | 10.00                   | 10.00                  | 0.00                  |
| 9,200.0                                               | 35.50           | 269.93      | 9,177.7               | -0.1         | -106.5       | 106.5                   | 10.00                   | 10.00                  | 0.00                  |
| 9,300.0                                               | 45.50           | 269.93      | 9,253.7               | -0.2         | -171.4       | 171.4                   | 10.00                   | 10.00                  | 0.00                  |
| 9,400.0                                               | 55.50           | 269.93      | 9,317.2               | -0.3         | -248.4       | 248.4                   | 10.00                   | 10.00                  | 0.00                  |
| 9,500.0                                               | 65.50           | 269.93      | 9,366.4               | -0.4         | -335.4       | 335.4                   | 10.00                   | 10.00                  | 0.00                  |
| 9,600.0                                               | 75.50           | 269.93      | 9,399.7               | -0.5         | -429.5       | 429.5                   | 10.00                   | 10.00                  | 0.00                  |
| 9,700.0                                               | 85.50           | 269.93      | 9,416.2               | -0.7         | -528.0       | 528.0                   | 10.00                   | 10.00                  | 0.00                  |
| EOB @ 9747' MD / 90.15° Inc / 269.93° Azm / 9418' TVD |                 |             |                       |              |              |                         |                         |                        |                       |
| 9,746.5                                               | 90.15           | 269.93      | 9,418.0               | -0.7         | -574.4       | 574.4                   | 10.00                   | 10.00                  | 0.00                  |
| 9,800.0                                               | 90.15           | 269.93      | 9,417.8               | -0.8         | -628.0       | 628.0                   | 0.00                    | 0.00                   | 0.00                  |
| 9,900.0                                               | 90.15           | 269.93      | 9,417.6               | -0.9         | -728.0       | 728.0                   | 0.00                    | 0.00                   | 0.00                  |
| 10,000.0                                              | 90.15           | 269.93      | 9,417.3               | -1.1         | -828.0       | 828.0                   | 0.00                    | 0.00                   | 0.00                  |
| 10,100.0                                              | 90.15           | 269.93      | 9,417.1               | -1.2         | -928.0       | 928.0                   | 0.00                    | 0.00                   | 0.00                  |
| 10,200.0                                              | 90.15           | 269.93      | 9,416.8               | -1.3         | -1,028.0     | 1,028.0                 | 0.00                    | 0.00                   | 0.00                  |



# DDC Well Planning Report



|           |                             |                              |                                   |
|-----------|-----------------------------|------------------------------|-----------------------------------|
| Database: | EDM 5000.1 Single User Db   | Local Co-ordinate Reference: | Well Querecho 28 Federal Com #2H  |
| Company:  | Mewbourne Oil Co            | TVD Reference:               | WELL @ 3763.0usft (Patterson UTI) |
| Project:  | Lea County, NM              | MD Reference:                | WELL @ 3763.0usft (Patterson UTI) |
| Site:     | Sec 28-18S-32E              | North Reference:             | Grid                              |
| Well:     | Querecho 28 Federal Com #2H | 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                   | 90.15           | 269.93      | 9,416.5               | -1.4         | -1,128.0     | 1,128.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 10,400.0                   | 90.15           | 269.93      | 9,416.3               | -1.6         | -1,228.0     | 1,228.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 10,500.0                   | 90.15           | 269.93      | 9,416.0               | -1.7         | -1,328.0     | 1,328.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 10,600.0                   | 90.15           | 269.93      | 9,415.8               | -1.8         | -1,428.0     | 1,428.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 10,700.0                   | 90.15           | 269.93      | 9,415.5               | -2.0         | -1,528.0     | 1,528.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 10,800.0                   | 90.15           | 269.93      | 9,415.3               | -2.1         | -1,628.0     | 1,628.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 10,900.0                   | 90.15           | 269.93      | 9,415.0               | -2.2         | -1,728.0     | 1,728.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 11,000.0                   | 90.15           | 269.93      | 9,414.8               | -2.3         | -1,828.0     | 1,828.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 11,100.0                   | 90.15           | 269.93      | 9,414.5               | -2.5         | -1,928.0     | 1,928.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 11,200.0                   | 90.15           | 269.93      | 9,414.2               | -2.6         | -2,028.0     | 2,028.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 11,300.0                   | 90.15           | 269.93      | 9,414.0               | -2.7         | -2,128.0     | 2,128.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 11,400.0                   | 90.15           | 269.93      | 9,413.7               | -2.8         | -2,228.0     | 2,228.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 11,500.0                   | 90.15           | 269.93      | 9,413.5               | -3.0         | -2,328.0     | 2,328.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 11,600.0                   | 90.15           | 269.93      | 9,413.2               | -3.1         | -2,427.9     | 2,428.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 11,700.0                   | 90.15           | 269.93      | 9,413.0               | -3.2         | -2,527.9     | 2,528.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 11,800.0                   | 90.15           | 269.93      | 9,412.7               | -3.4         | -2,627.9     | 2,628.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 11,900.0                   | 90.15           | 269.93      | 9,412.5               | -3.5         | -2,727.9     | 2,728.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,000.0                   | 90.15           | 269.93      | 9,412.2               | -3.6         | -2,827.9     | 2,828.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,100.0                   | 90.15           | 269.93      | 9,412.0               | -3.7         | -2,927.9     | 2,928.0                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,200.0                   | 90.15           | 269.93      | 9,411.7               | -3.9         | -3,027.9     | 3,027.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,300.0                   | 90.15           | 269.93      | 9,411.4               | -4.0         | -3,127.9     | 3,127.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,400.0                   | 90.15           | 269.93      | 9,411.2               | -4.1         | -3,227.9     | 3,227.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,500.0                   | 90.15           | 269.93      | 9,410.9               | -4.3         | -3,327.9     | 3,327.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,600.0                   | 90.15           | 269.93      | 9,410.7               | -4.4         | -3,427.9     | 3,427.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,700.0                   | 90.15           | 269.93      | 9,410.4               | -4.5         | -3,527.9     | 3,527.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,800.0                   | 90.15           | 269.93      | 9,410.2               | -4.6         | -3,627.9     | 3,627.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 12,900.0                   | 90.15           | 269.93      | 9,409.9               | -4.8         | -3,727.9     | 3,727.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 13,000.0                   | 90.15           | 269.93      | 9,409.7               | -4.9         | -3,827.9     | 3,827.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 13,100.0                   | 90.15           | 269.93      | 9,409.4               | -5.0         | -3,927.9     | 3,927.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 13,200.0                   | 90.15           | 269.93      | 9,409.1               | -5.1         | -4,027.9     | 4,027.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 13,300.0                   | 90.15           | 269.93      | 9,408.9               | -5.3         | -4,127.9     | 4,127.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 13,400.0                   | 90.15           | 269.93      | 9,408.6               | -5.4         | -4,227.9     | 4,227.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 13,500.0                   | 90.15           | 269.93      | 9,408.4               | -5.5         | -4,327.9     | 4,327.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| 13,600.0                   | 90.15           | 269.93      | 9,408.1               | -5.7         | -4,427.9     | 4,427.9                 | 0.00                    | 0.00                   | 0.00                  |  |
| TD @ 13649' MD / 9408' TVD |                 |             |                       |              |              |                         |                         |                        |                       |  |
| 13,649.2                   | 90.15           | 269.93      | 9,408.0               | -5.7         | -4,477.1     | 4,477.1                 | 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         |  |
| - hit/miss target         |               |              |            |              |              |                 |                |                  |                   |  |
| - Shape                   |               |              |            |              |              |                 |                |                  |                   |  |
| PBHL Querecho 28 F        | 0.00          | 0.00         | 9,408.0    | -5.7         | -4,477.1     | 627,651.80      | 670,687.90     | 32° 43' 27.416 N | 103° 46' 41.932 W |  |
| - plan hits target center |               |              |            |              |              |                 |                |                  |                   |  |
| - Point                   |               |              |            |              |              |                 |                |                  |                   |  |

DDC  
Well Planning Report



|           |                             |                              |                                   |
|-----------|-----------------------------|------------------------------|-----------------------------------|
| Database: | EDM 5000.1 Single User Db   | Local Co-ordinate Reference: | Well Querecho 28 Federal Com #2H  |
| Company:  | Mewbourne Oil Co            | TVD Reference:               | WELL @ 3763.0usft (Patterson UTI) |
| Project:  | Lea County, NM              | MD Reference:                | WELL @ 3763.0usft (Patterson UTI) |
| Site:     | Sec 28-18S-32E              | North Reference:             | Grid                              |
| Well:     | Querecho 28 Federal Com #2H | Survey Calculation Method:   | Minimum Curvature                 |
| Wellbore: | Wellbore #1                 |                              |                                   |
| Design:   | Design #1                   |                              |                                   |

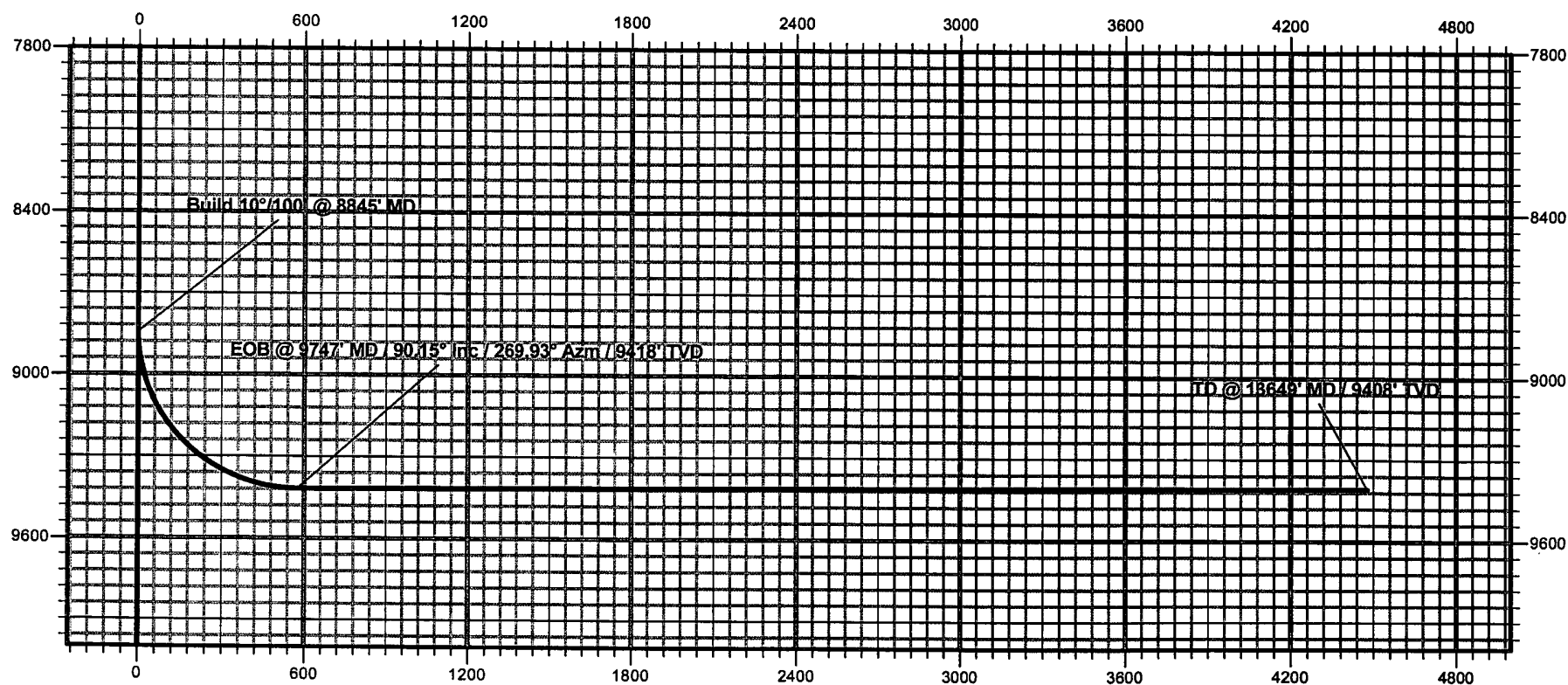
| Plan Annotations      |                       |                   |              |                                                       |
|-----------------------|-----------------------|-------------------|--------------|-------------------------------------------------------|
| Measured Depth (usft) | Vertical Depth (usft) | Local Coordinates |              | Comment                                               |
|                       |                       | +N/-S (usft)      | +E/-W (usft) |                                                       |
| 8,845.0               | 8,845.0               | 0.0               | 0.0          | Build 10"/100' @ 8845' MD                             |
| 9,746.5               | 9,418.0               | -0.7              | -574.4       | EOB @ 9747' MD / 90.15° Inc / 269.93° Azm / 9418' TVD |
| 13,649.2              | 9,408.0               | -5.7              | -4,477.1     | TD @ 13649' MD / 9408' TVD                            |

# Mewbourne Oil Company

Lea County, NM

Querecho 28 Federal Com #2H

Q110255



Vertical Section at 269.93° (600 usft/in)

# Mewbourne Oil Company

Lea County, NM

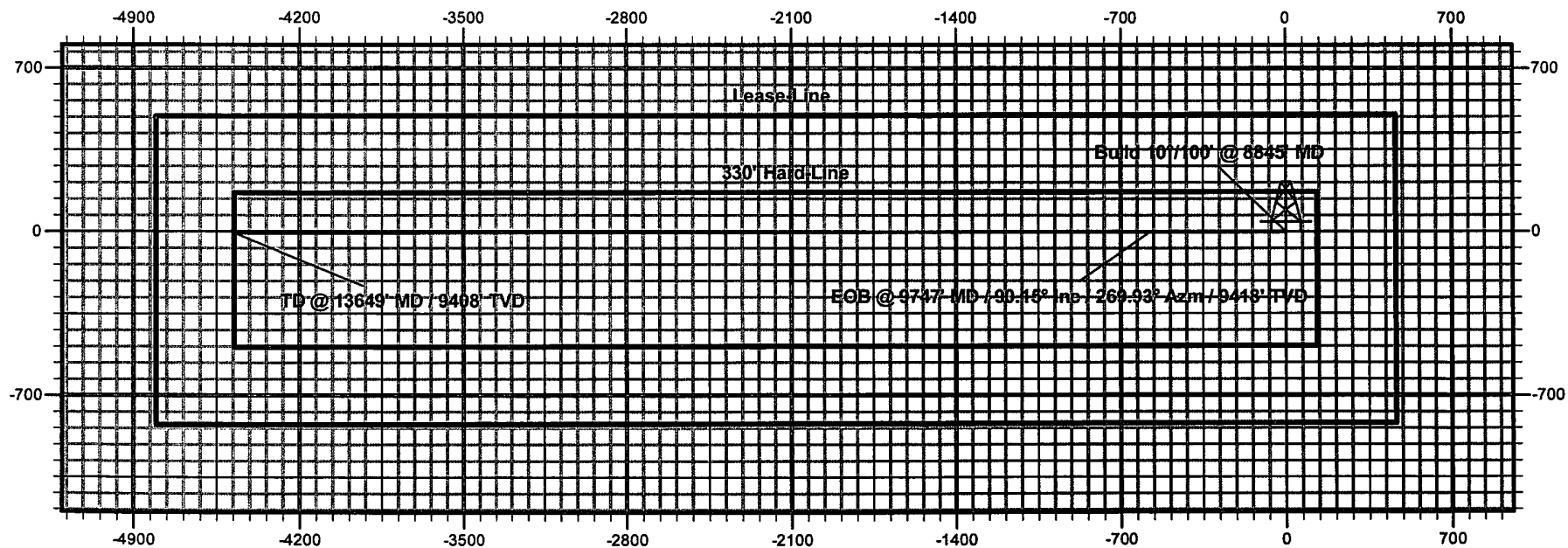
Querecho 28 Federal Com #2H

Q110255

HOBBS OCD

JUL 18 2011

RECEIVED



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

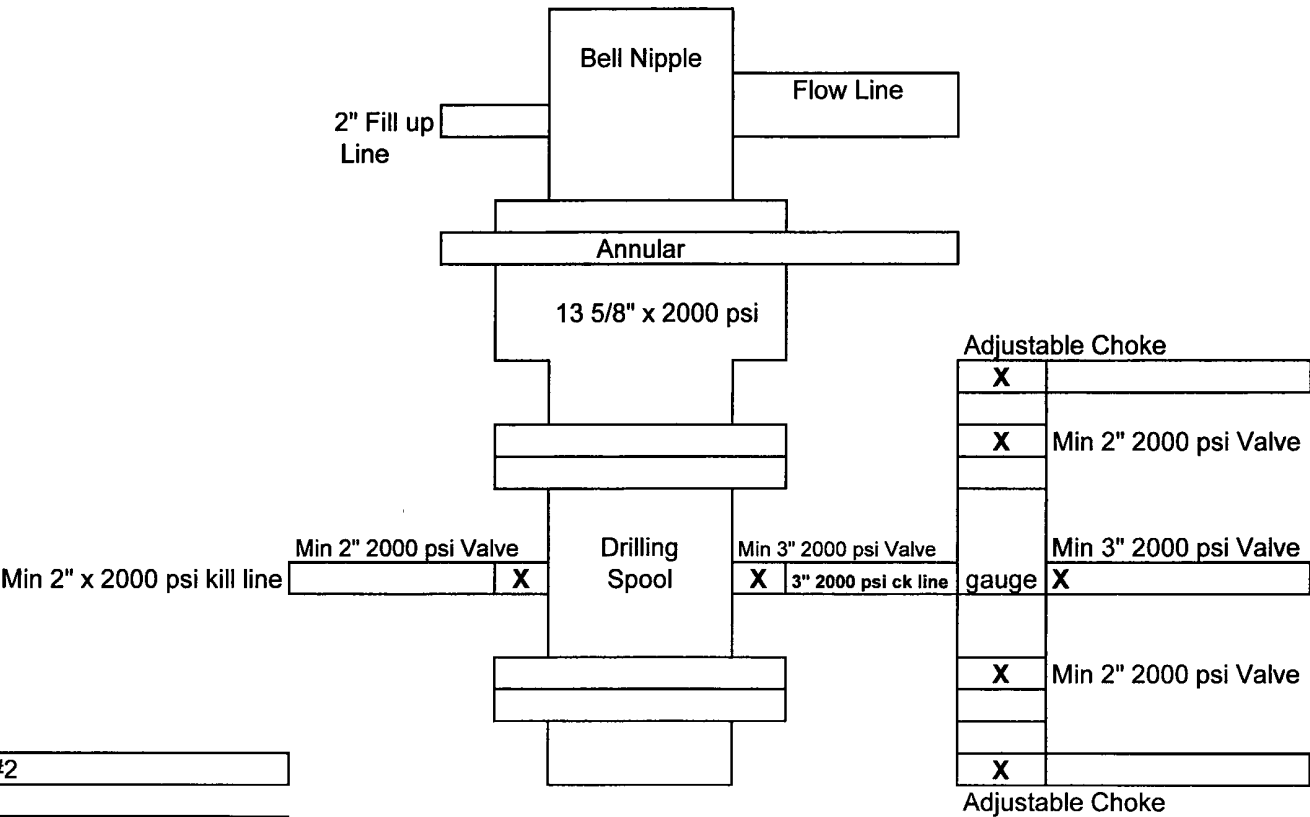


Exhibit #2

Querecho 28 Fed Com #H  
500' FNL & 460' FEL  
Sec 28, T18S, R32E  
Lea, County  
New Mexico

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

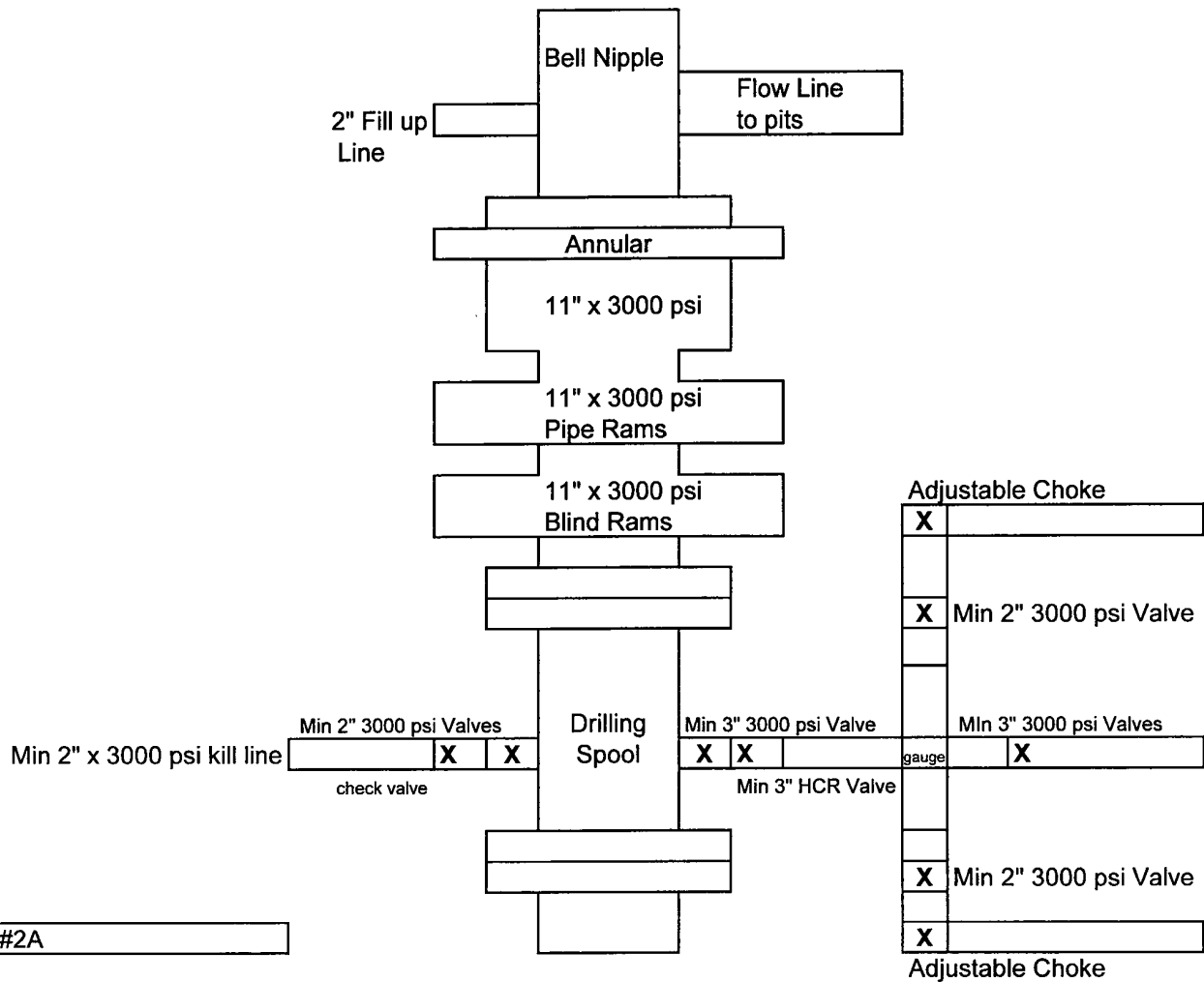
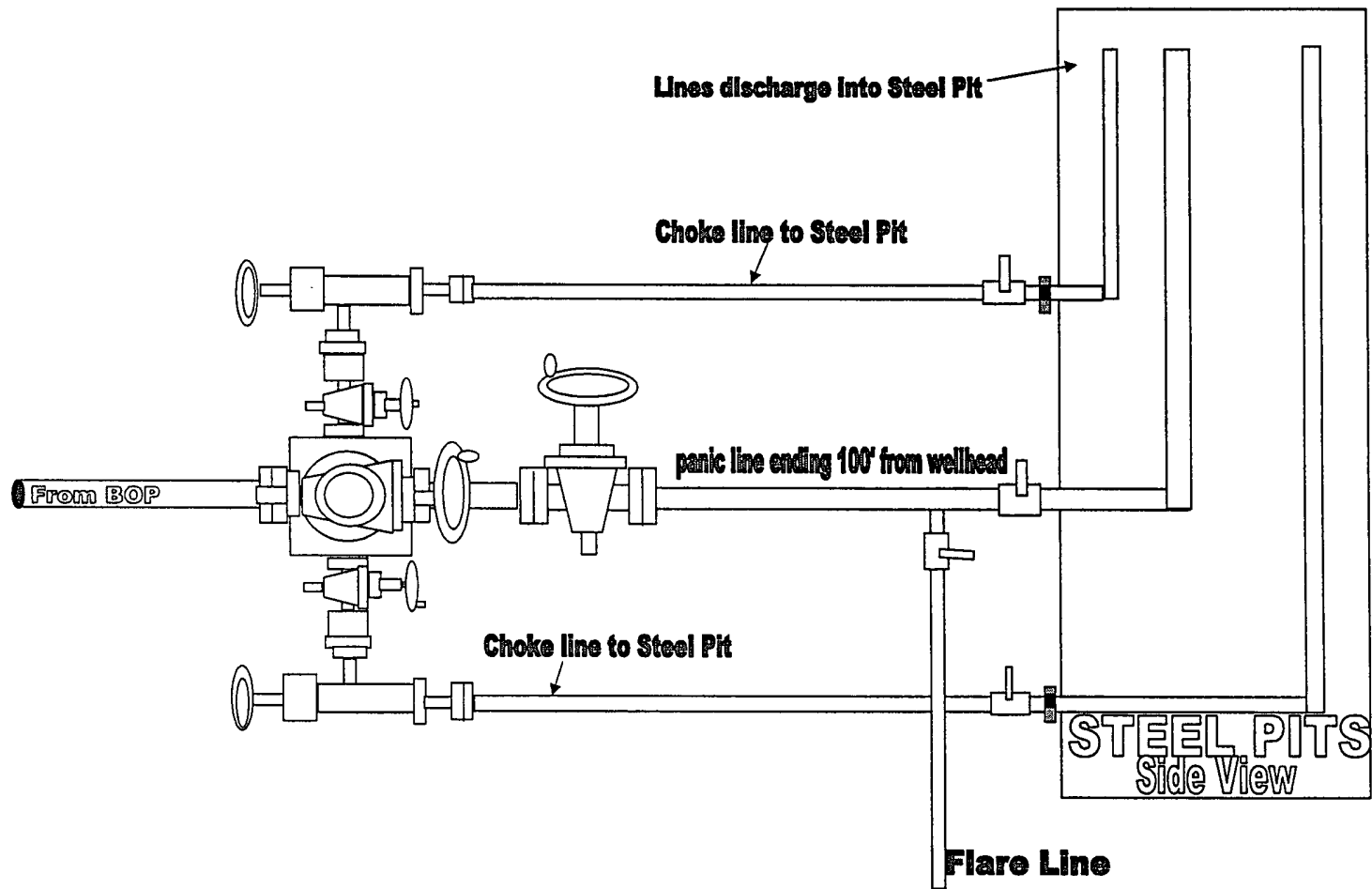
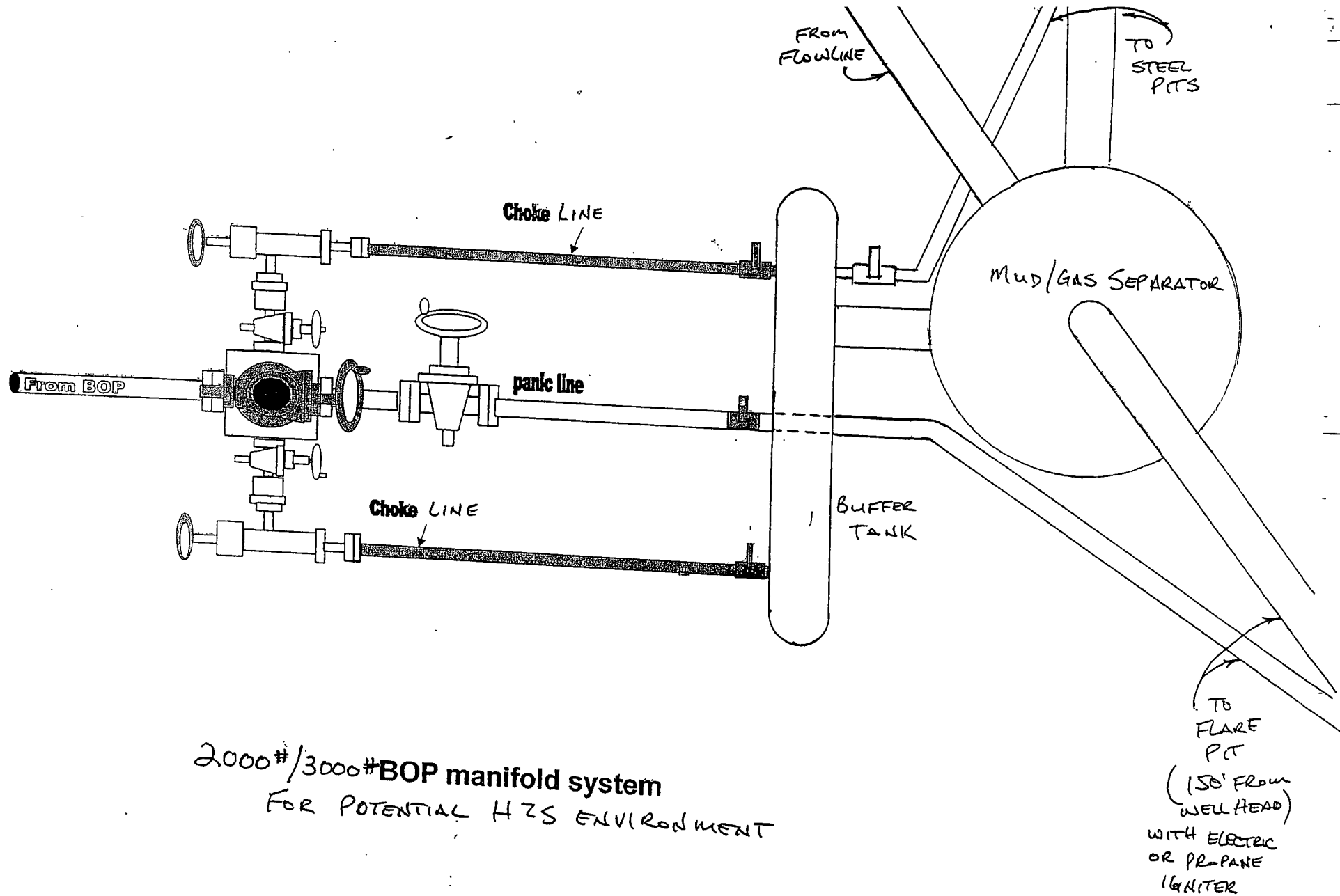


Exhibit #2A

Querecho 28 Fed Com #H  
500' FNL & 460' FEL  
Sec 28, T18S, R32E  
Lea, County  
New Mexico



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



2000#/3000# BOP manifold system  
FOR POTENTIAL H<sub>2</sub>S ENVIRONMENT



**Notes Regarding Blowout Preventer**

**Mewbourne Oil Company**

Querecho 28 Federal Com #2H

500' FNL & 460' FEL (SHL)

Sec 28-T18S-R32E

Lea 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 13  $\frac{3}{8}$ " casing and 3000 psi working pressure on 9  $\frac{5}{8}$ " & 7".
- 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.

Closed Loop Pad Dimensions 280' x 320'

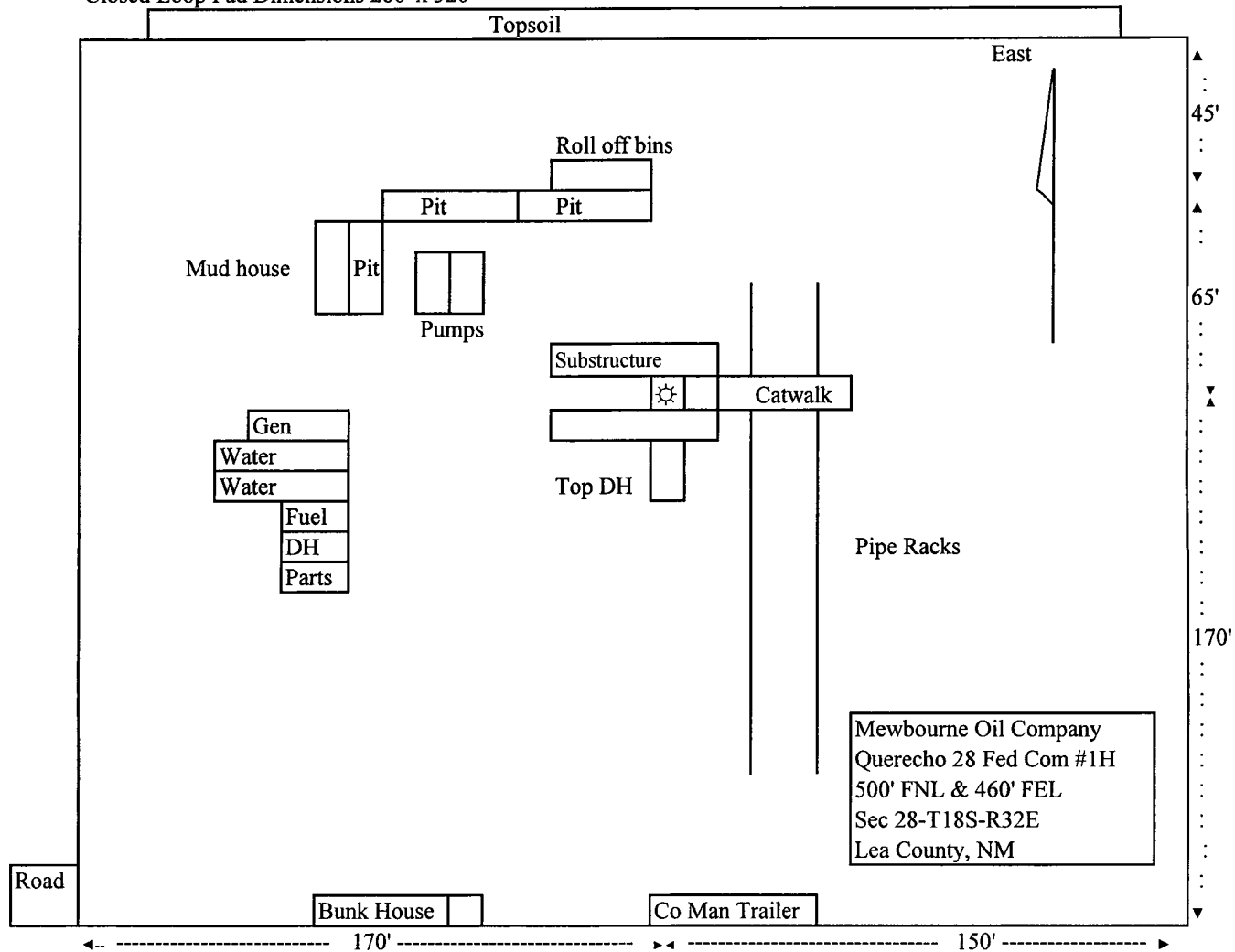


Exhibit 5