

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

OCD-HOBBS
HOBBS OCD

JUL 18 2011

RECEIVED

ATS-11-487
FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

1a. Type of Work: ☒ DRILL ☐ REENTER

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

2. Name of Operator

Mewbourne Oil Company (14744)

3a. Address

PO Box 5270 Hobbs, NM 88241

3b. Phone No (include area code)

575-393-5905

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

At surface 2070' FNL & 150' FEL (SL) Unit H Sec 27

At proposed prod zone 2150' FNL & 330' FEL (BHL) Unit H Sec 26

UNORTHODOX
LOCATION

14. Distance in miles and direction from nearest town or post office*

10 South of Maljamar, NM

15. Distance from proposed*
location to nearest
property or lease line, ft
(Also to nearest drig unit line, if any) 150'

16 No of Acres in lease

40

17. Spacing Unit dedicated to this well

160

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

201'

19. Proposed Depth

14286' MD

9525' TVD

20. BLM/BIA Bond No. on file

NM1693, Nationwide

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

3747' 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.

2 A Drilling Plan

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)

4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above)

5 Operator certification

6. Such other site specific information and/or plans as may be required by the
authorized officer

25 Signature

Jackie Lathan

Name (Printed/Typed)

Jackie Lathan

Date

03/31/11

Title

Hobbs Regulatory

Approved by (Signature)

/s/ Don Peterson

Name (Printed/Typed)

Date

JUL 13 2011

Title

FIELD MANAGER

Office

CARLSBAD FIELD 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)

K2 06/11/11

Capitan Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

HOBBS OCD

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

JUL 18 2011

RECEIVED

Form C-102

Revised July 16, 2010

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40225	Pool Code 50510	Pool Name QUERECHO PLAINS LOWER BONE SPRING
Property Code 38744	Property Name QUERECHO "26" FEDERAL COM	Well Number 1H
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3747'

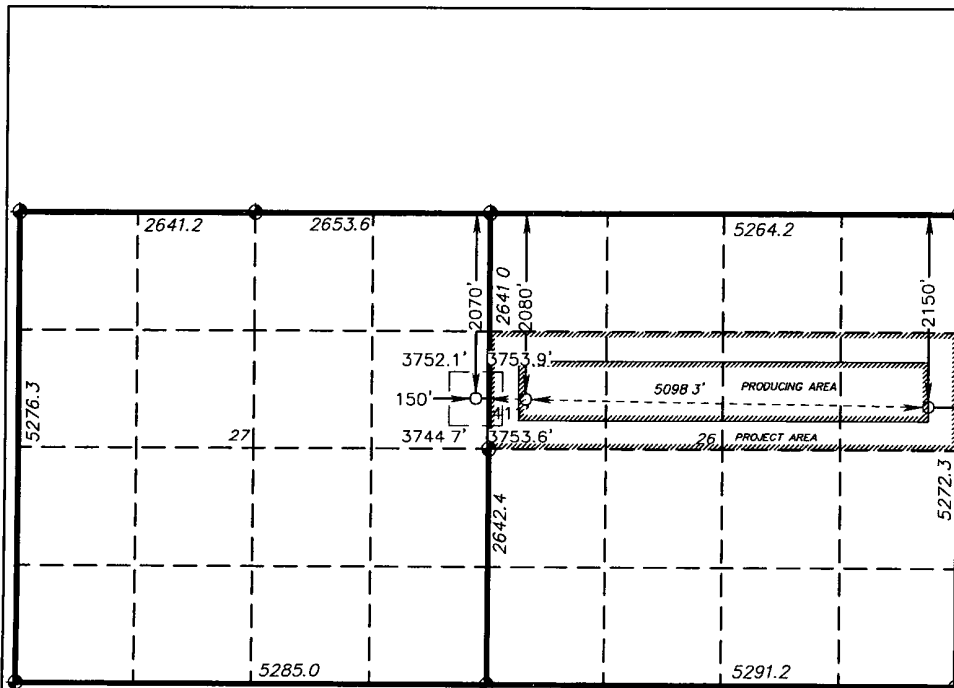
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	27	18 S	32 E		2070	NORTH	150	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	26	18 S	32 E		2150	NORTH	330	EAST	LEA
Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.						

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



SURFACE LOCATION

Lat - N 32°43'11.65"
Long - W 103°44'44.00"
NMSPCE- N 626112.769
E 680771.337
(NAD-27)

PROPOSED BOTTOM
HOLE LOCATION

Lat - N 32°43'10.66"
Long - W 103°43'43.33"
NMSPCE- N 626041.420
E 685869.527
(NAD-27)

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location, or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature Jackie Lathan Date _____

Printed Name Jackie Lathan

Email Address 330' jathan@mewbourne.com

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief

Date Submitted MARCH 10, 2011

Signature [Signature]
Professional Surveyor

7977

Certificate No. 6067 L. Jones 7977

BASIN SURVEYS 24245

Drilling Program
Mewbourne Oil Company
 Querecho "26" Federal Com #1H
 2070' FNL & 150' FEL (SHL)
 Sec 27-T18S-R32E
 Lea County, New Mexico

HOBBS OCD

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

Rustler	1140'
Yates	2700'
*Queen	3930'
*Delaware	5260'
*Bone Springs	6970'

4/28/11

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

Water	Fresh water is anticipated @ 225' and will be protected by setting surface casing at 1165' 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 3/4" 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 1st test as per BLM Onshore Oil and Gas Order #2.

4. MOC proposes to drill a vertical wellbore to 8860' & kick off to horizontal @ 9432' TVD. The well will be drilled to 14286' MD (9525' TVD). See attached directional plan.

5. Proposed casing and cementing program:

A. Casing Program:						
<u>Hole Size</u>	<u>Casing</u>	<u>Wt/Ft.</u>	<u>Grade</u>	<u>Depth</u>	<u>Jt Type</u>	
<i>See COA</i> 17 1/2"	13 3/4" (new)	48#	H40	0'-1165' / 1185	ST&C	
12 1/4"	9 5/8" (new)	36#	J55	0'-2800'	LT&C	
8 3/4"	7" (new)	26#	P110	0'-8860' MD	LT&C	
8 3/4"	7" (new)	26#	P110	8860'-9760' MD	BT&C	
6 1/8"	4 1/2" (new)	11.6#	P110	9560'-14286' MD	LT&C	

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

See COA - *Subject to availability of casing.

Querecho 26 Fed Com #1H

2150' FNL & 330' FWL (SL) Section 26, T18S, R32E
2150' FNL & 330' FEL (BHL) Section 26, T18S, R32E
Eddy County, New Mexico

2150' FNL & 330' FEL (BHL) Section 26, 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% CaCl₂. Yield at 1.34 cuft/sk. Cmt circulated to surface w/25% excess.
- 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'-1165' / 1165'	FW spud mud	8.6-9.0	32-34	NA
1165'-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' (8760') to surface. GR from 8760' 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 26-18S-32E

Querecho 26 Federal Com #1H

HOBBS OCD

Wellbore #1

JUL 18 2011

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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 26 Federal Com #1H
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3765.0usft (Patterson UTI)
Project:	Lea County, NM	MD Reference:	WELL @ 3765.0usft (Patterson UTI)
Site:	Sec 26-18S-32E	North Reference:	Grid
Well:	Querecho 26 Federal Com #1H	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 26-18S-32E			
Site Position:		Northings:	626,112.77 usft	Latitude:	32° 43' 11.650 N
From:	Map	Easting:	680,771.33 usft	Longitude:	103° 44' 44.000 W
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.32 °

Well	Querecho 26 Federal Com #1H					
Well Position	+N/-S	0.0 usft	Northings:	626,112.77 usft	Latitude:	32° 43' 11.650 N
	+E/-W	0.0 usft	Easting:	680,771.33 usft	Longitude:	103° 44' 44.000 W
Position Uncertainty	0.0 usft		Wellhead Elevation:		Ground Level:	3,747.0 usft

Wellbore					
Wellbore #1					
Magnetics	Model Name	Sample Date	Declination	Dip Angle	Field Strength
			(°)	(°)	(nT)
	IGRF2010	3/24/2011	7.73	60.62	48,917

Design:	Design #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction
	(usft)	(usft)	(usft)	(°)
	0.0	0.0	0.0	90.80

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	
8,859.2	0.00	0.00	8,859.2	0.0	0.0	0.00	0.00	0.00	0.00	
9,747.5	88.83	90.80	9,432.0	-7.9	561.2	10.00	10.00	10.22	90.80	
14,285.9	88.83	90.80	9,525.0	-71.3	5,098.2	0.00	0.00	0.00	0.00	PBHL Querecho 26

DDC Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Querecho.26 Federal Com #1H
Company:	Mewbourne Oil Co	TVD Reference:	WELL @ 3765.0usft (Patterson UTI)
Project:	Lea County, NM	MD Reference:	WELL @ 3765.0usft (Patterson UTI)
Site:	Sec 26-18S-32E	North Reference:	Grid
Well:	Querecho 26 Federal 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



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Querecho 26 Federal Com #1H
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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
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' @ 8859' MD									
8,859.2	0.00	0.00	8,859.2	0.0	0.0	0.0	0.00	0.00	0.00
8,900.0	4.08	90.80	8,900.0	0.0	1.5	1.5	10.00	10.00	0.00
9,000.0	14.08	90.80	8,998.6	-0.2	17.2	17.2	10.00	10.00	0.00
9,100.0	24.08	90.80	9,093.0	-0.7	49.9	49.9	10.00	10.00	0.00
9,200.0	34.08	90.80	9,180.3	-1.4	98.4	98.4	10.00	10.00	0.00
9,300.0	44.08	90.80	9,257.8	-2.3	161.3	161.4	10.00	10.00	0.00
9,400.0	54.08	90.80	9,323.2	-3.3	236.8	236.8	10.00	10.00	0.00
9,500.0	64.08	90.80	9,374.5	-4.5	322.5	322.5	10.00	10.00	0.00
9,600.0	74.08	90.80	9,410.2	-5.8	415.8	415.8	10.00	10.00	0.00
9,700.0	84.08	90.80	9,429.1	-7.2	513.8	513.9	10.00	10.00	0.00
EOB @ 9748' MD / 88.83° Inc / 90.80° Azm / 9432' TVD									
9,747.5	88.83	90.80	9,432.0	-7.9	561.2	561.2	10.00	10.00	0.00
9,800.0	88.83	90.80	9,433.1	-8.6	613.7	613.7	0.00	0.00	0.00
9,900.0	88.83	90.80	9,435.2	-10.0	713.7	713.7	0.00	0.00	0.00
10,000.0	88.83	90.80	9,437.2	-11.4	813.6	813.7	0.00	0.00	0.00
10,100.0	88.83	90.80	9,439.3	-12.8	913.6	913.7	0.00	0.00	0.00
10,200.0	88.83	90.80	9,441.3	-14.2	1,013.6	1,013.7	0.00	0.00	0.00

DDC Well Planning Report



Database: EDM 5000.1 Single User Db
Company: Mewbourne Oil Co
Project: Lea County, NM
Site: Sec 26-18S-32E
Well: Querecho 26 Federal Com #1H
Wellbore: Wellbore #1
Design: Design #1

Local Co-ordinate Reference: Well Querecho 26 Federal Com #1H
TVD Reference: WELL @ 3765.0usft (Patterson UTI)
MD Reference: WELL @ 3765.0usft (Patterson UTI)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

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	88.83	90.80	9,443.4	-15.6	1,113.5	1,113.6	0.00	0.00	0.00
10,400.0	88.83	90.80	9,445.4	-17.0	1,213.5	1,213.6	0.00	0.00	0.00
10,500.0	88.83	90.80	9,447.5	-18.4	1,313.5	1,313.6	0.00	0.00	0.00
10,600.0	88.83	90.80	9,449.5	-19.8	1,413.4	1,413.6	0.00	0.00	0.00
10,700.0	88.83	90.80	9,451.5	-21.2	1,513.4	1,513.6	0.00	0.00	0.00
10,800.0	88.83	90.80	9,453.6	-22.6	1,613.4	1,613.5	0.00	0.00	0.00
10,900.0	88.83	90.80	9,455.6	-24.0	1,713.3	1,713.5	0.00	0.00	0.00
11,000.0	88.83	90.80	9,457.7	-25.4	1,813.3	1,813.5	0.00	0.00	0.00
11,100.0	88.83	90.80	9,459.7	-26.8	1,913.3	1,913.5	0.00	0.00	0.00
11,200.0	88.83	90.80	9,461.8	-28.2	2,013.3	2,013.5	0.00	0.00	0.00
11,300.0	88.83	90.80	9,463.8	-29.6	2,113.2	2,113.4	0.00	0.00	0.00
11,400.0	88.83	90.80	9,465.9	-31.0	2,213.2	2,213.4	0.00	0.00	0.00
11,500.0	88.83	90.80	9,467.9	-32.4	2,313.2	2,313.4	0.00	0.00	0.00
11,600.0	88.83	90.80	9,470.0	-33.8	2,413.1	2,413.4	0.00	0.00	0.00
11,700.0	88.83	90.80	9,472.0	-35.2	2,513.1	2,513.3	0.00	0.00	0.00
11,800.0	88.83	90.80	9,474.1	-36.6	2,613.1	2,613.3	0.00	0.00	0.00
11,900.0	88.83	90.80	9,476.1	-38.0	2,713.0	2,713.3	0.00	0.00	0.00
12,000.0	88.83	90.80	9,478.2	-39.4	2,813.0	2,813.3	0.00	0.00	0.00
12,100.0	88.83	90.80	9,480.2	-40.8	2,913.0	2,913.3	0.00	0.00	0.00
12,200.0	88.83	90.80	9,482.3	-42.2	3,012.9	3,013.2	0.00	0.00	0.00
12,300.0	88.83	90.80	9,484.3	-43.6	3,112.9	3,113.2	0.00	0.00	0.00
12,400.0	88.83	90.80	9,486.4	-45.0	3,212.9	3,213.2	0.00	0.00	0.00
12,500.0	88.83	90.80	9,488.4	-46.4	3,312.9	3,313.2	0.00	0.00	0.00
12,600.0	88.83	90.80	9,490.5	-47.8	3,412.8	3,413.2	0.00	0.00	0.00
12,700.0	88.83	90.80	9,492.5	-49.2	3,512.8	3,513.1	0.00	0.00	0.00
12,800.0	88.83	90.80	9,494.6	-50.6	3,612.8	3,613.1	0.00	0.00	0.00
12,900.0	88.83	90.80	9,496.6	-52.0	3,712.7	3,713.1	0.00	0.00	0.00
13,000.0	88.83	90.80	9,498.7	-53.4	3,812.7	3,813.1	0.00	0.00	0.00
13,100.0	88.83	90.80	9,500.7	-54.8	3,912.7	3,913.1	0.00	0.00	0.00
13,200.0	88.83	90.80	9,502.8	-56.2	4,012.6	4,013.0	0.00	0.00	0.00
13,300.0	88.83	90.80	9,504.8	-57.6	4,112.6	4,113.0	0.00	0.00	0.00
13,400.0	88.83	90.80	9,506.9	-59.0	4,212.6	4,213.0	0.00	0.00	0.00
13,500.0	88.83	90.80	9,508.9	-60.4	4,312.5	4,313.0	0.00	0.00	0.00
13,600.0	88.83	90.80	9,511.0	-61.8	4,412.5	4,413.0	0.00	0.00	0.00
13,700.0	88.83	90.80	9,513.0	-63.2	4,512.5	4,512.9	0.00	0.00	0.00
13,800.0	88.83	90.80	9,515.0	-64.6	4,612.5	4,612.9	0.00	0.00	0.00
13,900.0	88.83	90.80	9,517.1	-66.0	4,712.4	4,712.9	0.00	0.00	0.00
14,000.0	88.83	90.80	9,519.1	-67.3	4,812.4	4,812.9	0.00	0.00	0.00
14,100.0	88.83	90.80	9,521.2	-68.7	4,912.4	4,912.8	0.00	0.00	0.00
14,200.0	88.83	90.80	9,523.2	-70.1	5,012.3	5,012.8	0.00	0.00	0.00
TD @ 14286' MD / 9525' TVD									
14,285.9	88.83	90.80	9,525.0	-71.3	5,098.2	5,098.7	0.00	0.00	0.00

Design Targets

Target Name	hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL Querecho 26 F	- plan hits target center	0.00	0.00	9,525.0	-71.3	5,098.2	626,041.42	685,869.52	32° 43' 10.660 N	103° 43' 44.332 W
- Point										

DDC

Well Planning Report



Database: EDM 5000.1 Single User Db
Company: Mewbourne Oil Co
Project: Lea County, NM
Site: Sec 26-18S-32E
Well: Querecho 26 Federal Com #1H
Wellbore: Wellbore #1
Design: Design #1

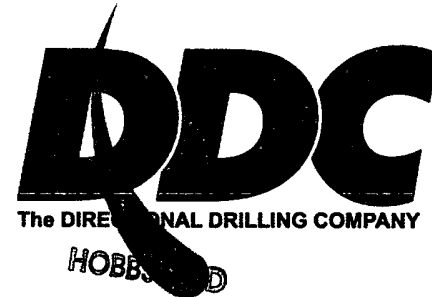
Local Co-ordinate Reference:
TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well Querecho 26 Federal Com #1H
 WELL @ 3765.0usft (Patterson UTI)
 WELL @ 3765.0usft (Patterson UTI)
 Grid:
 Minimum Curvature

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
+N/-S (usft)	+E/-W (usft)			
8,859.2	8,859.2	0.0	0.0	Build 10°/100' @ 8859' MD
9,747.5	9,432.0	-7.9	561.2	EOB @ 9748' MD / 88.83° Inc / 90.80° Azm / 9432' TVD
14,285.9	9,525.0	-71.3	5,098.2	TD @ 14286' MD / 9525' TVD

Mewbourne Oil Company



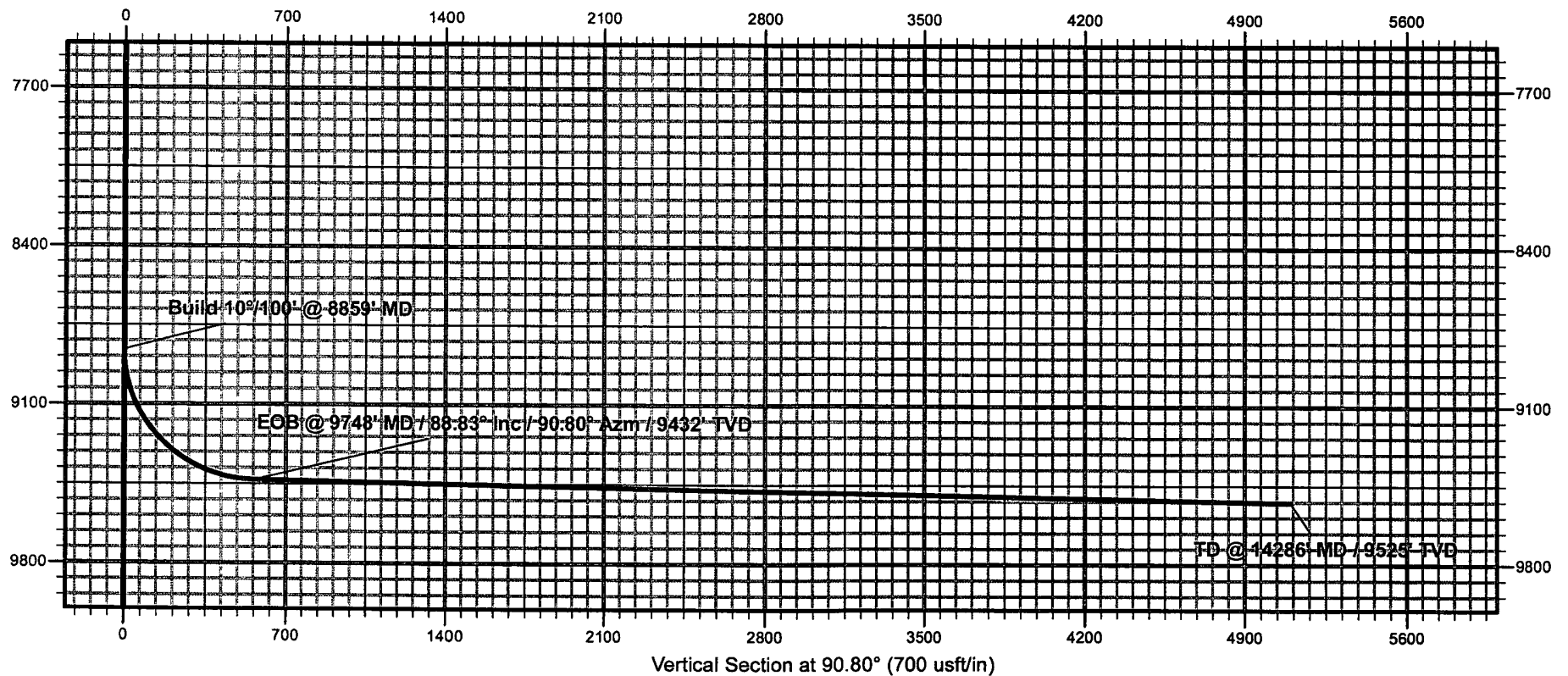
JUL 18 2011

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Lea County, NM

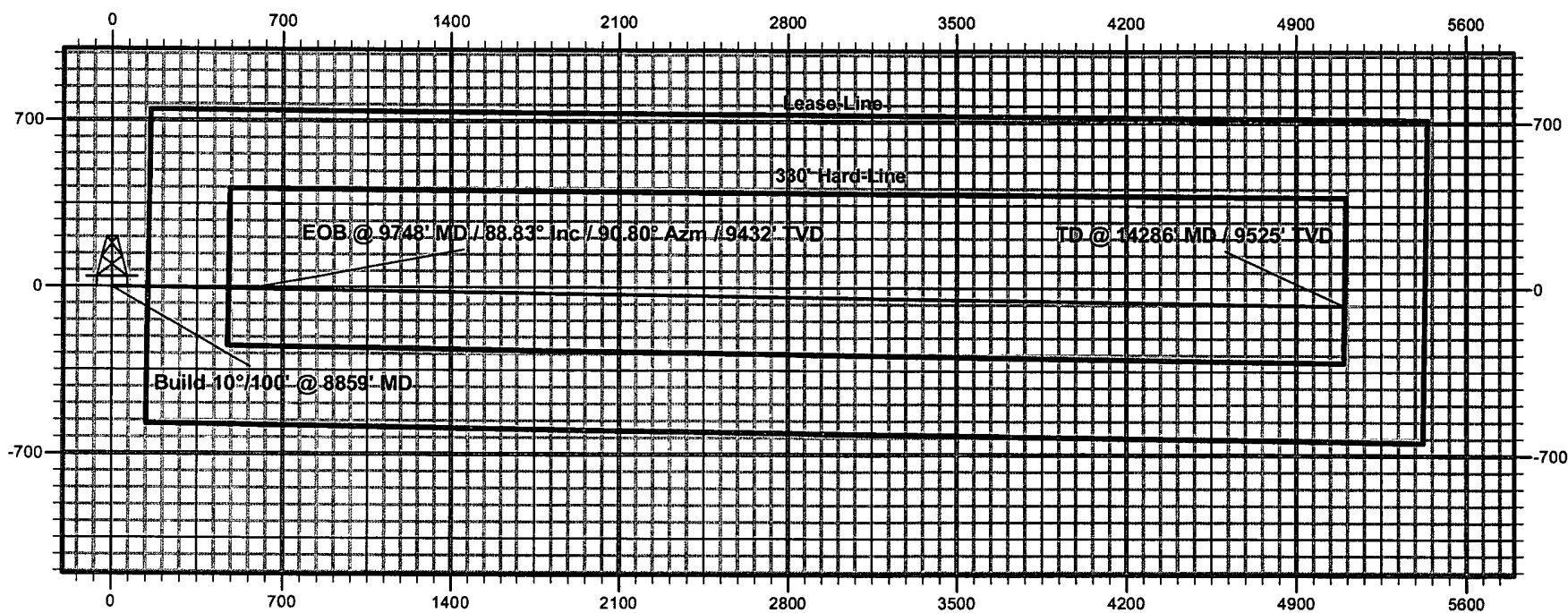
Querecho 26 Federal Com #1H

Quote 110254



Mewbourne Oil Company

Lea County, NM
Querecho 26 Federal Com #1H
Q110254



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

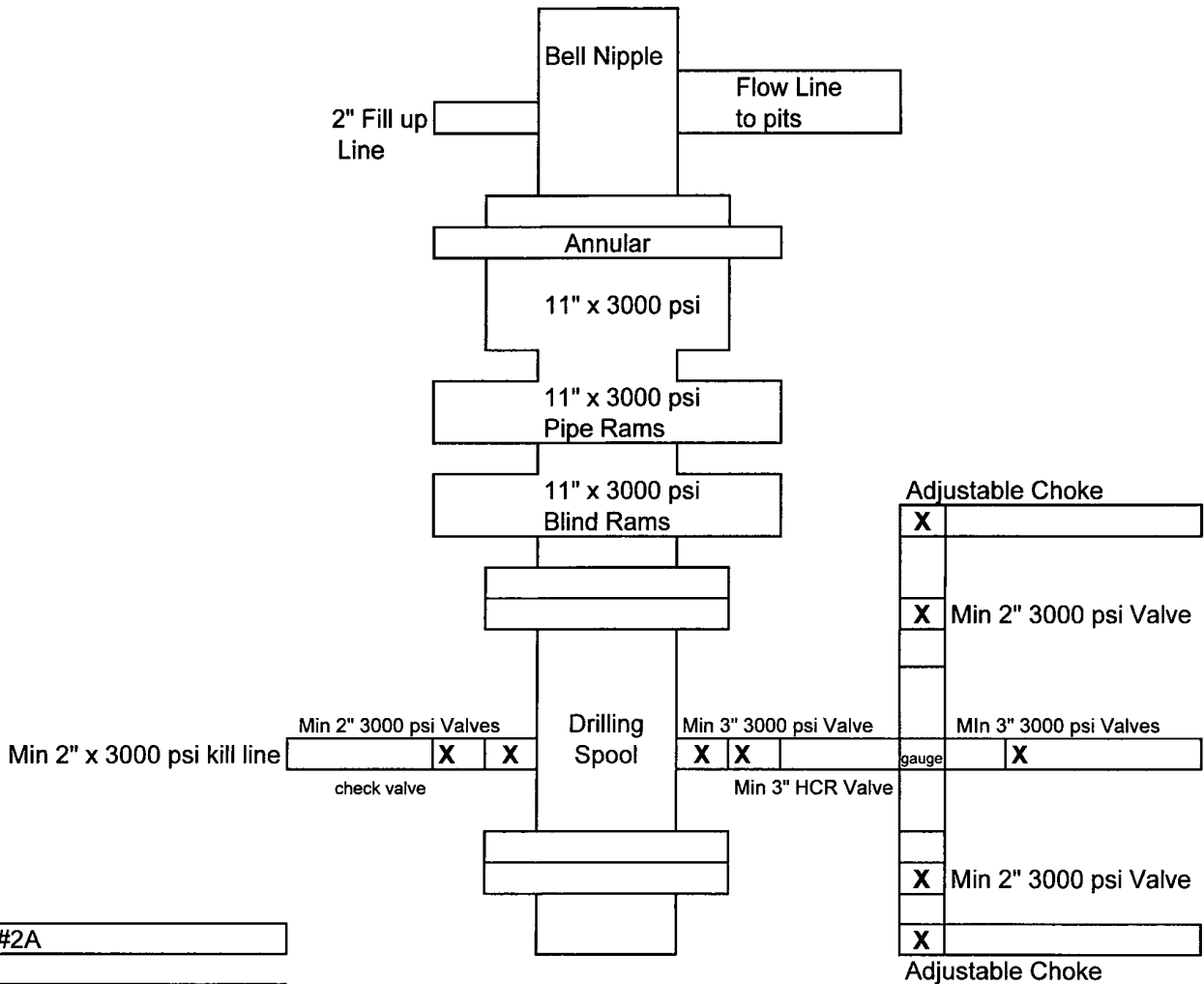


Exhibit #2A

Querecho 26 Fed Com #1H
2070' FNL & 150' FEL
Sec 27, T18S, R32E
Lea, County
New Mexico

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

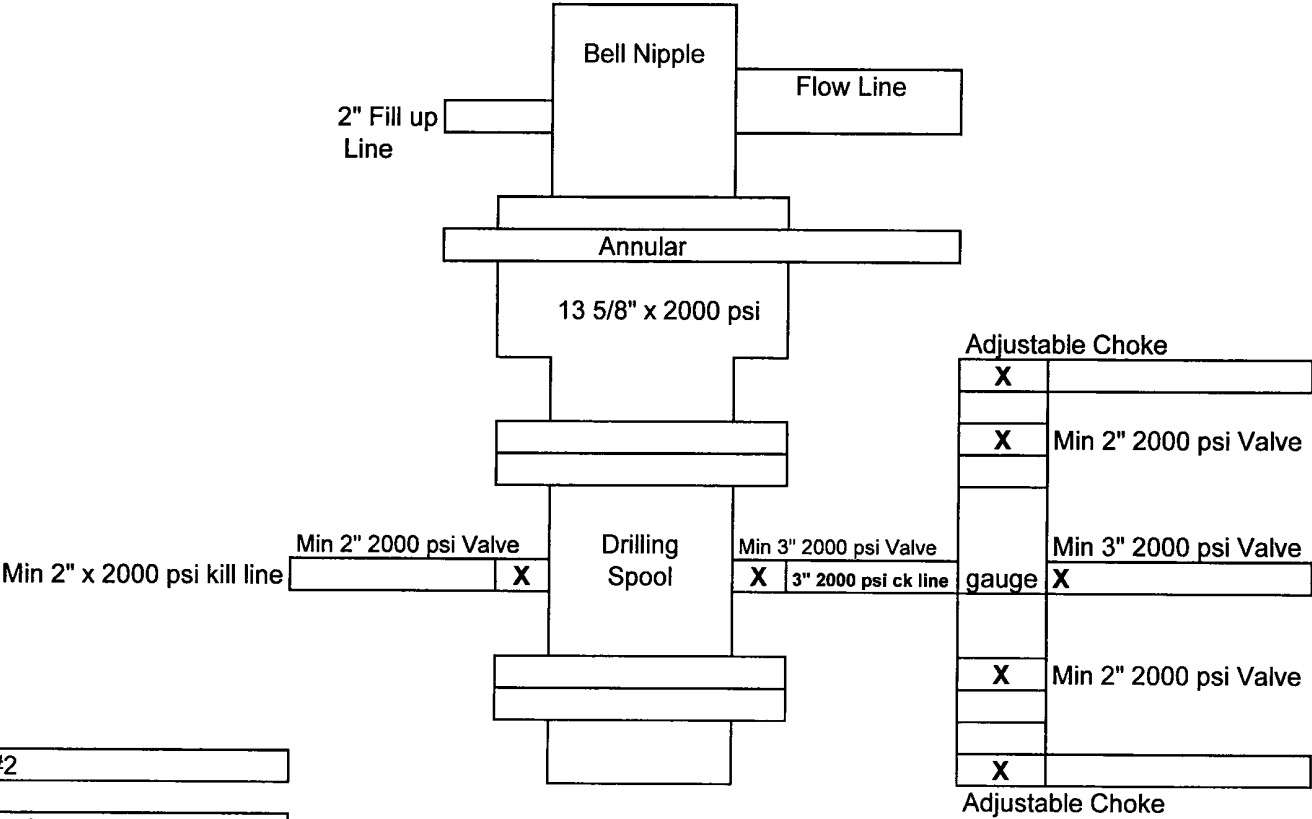
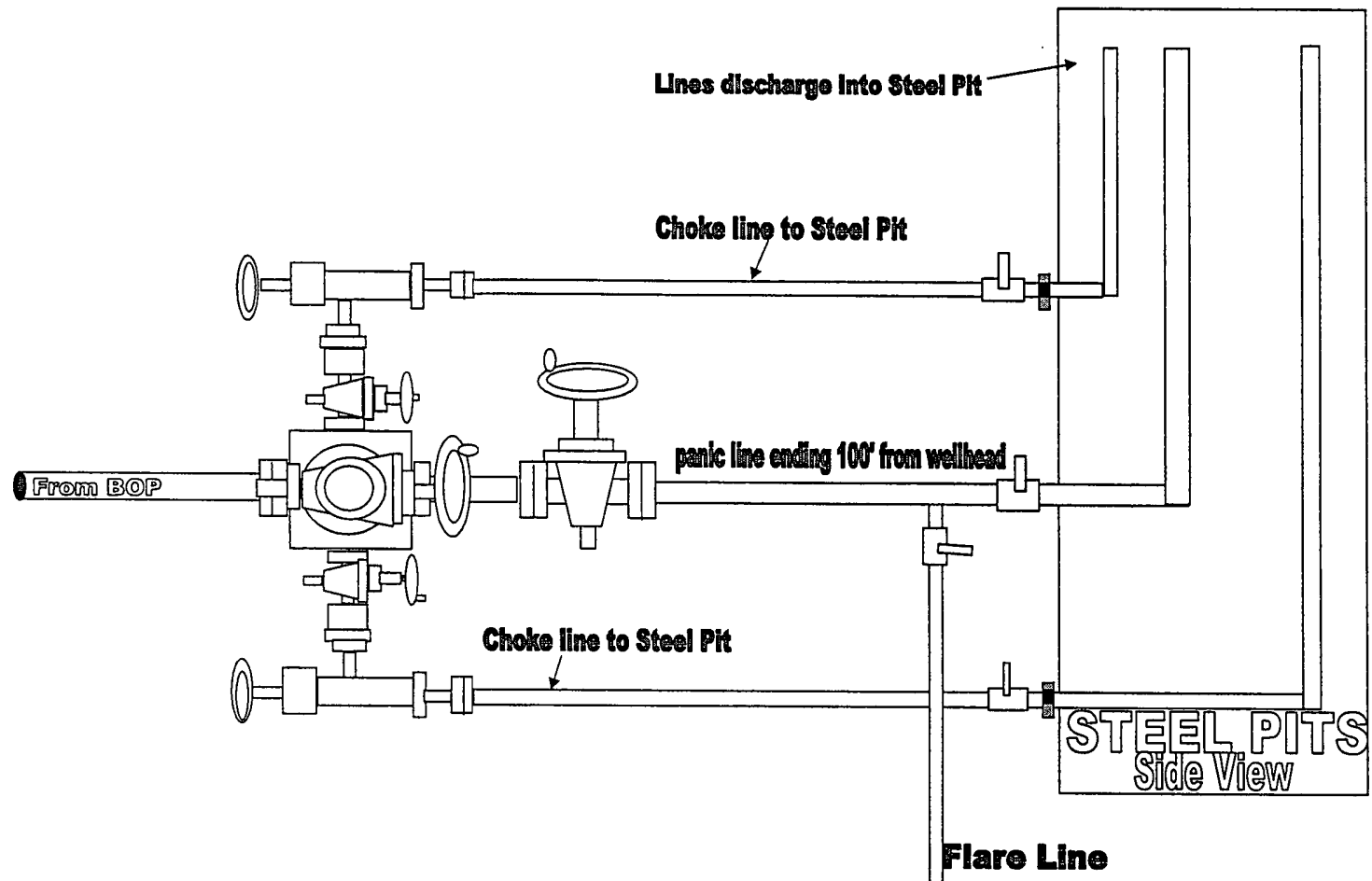
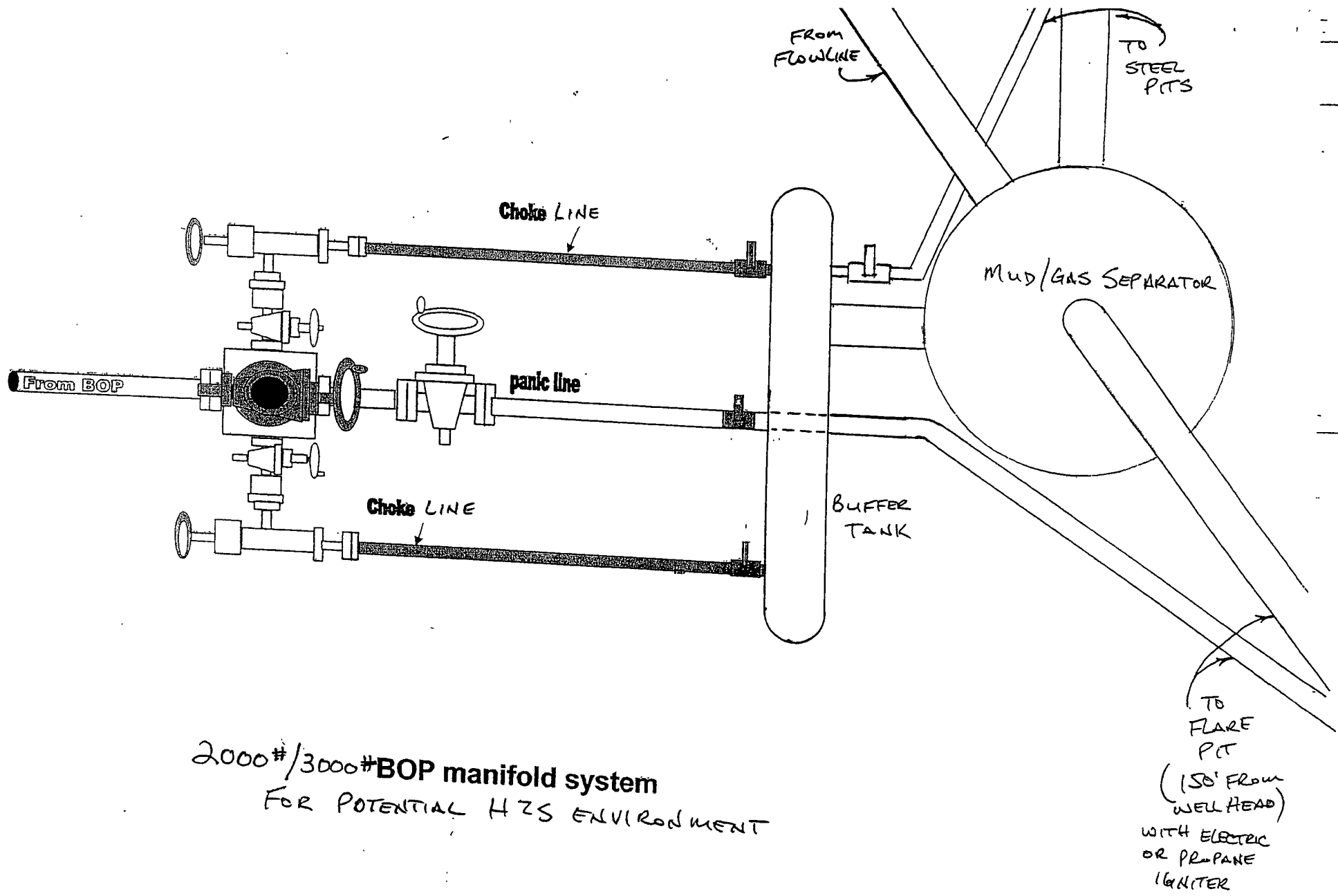


Exhibit #2

Querecho 26 Fed Com #1H
2070' FNL & 150' FEL
Sec 27, T18S, R32E
Lea, County
New Mexico



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



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

Notes Regarding Blowout Preventer

Mewbourne Oil Company

Querecho 26 Federal Com #1H

2070' FNL & 150' FEL (SHL)

Sec 27-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'

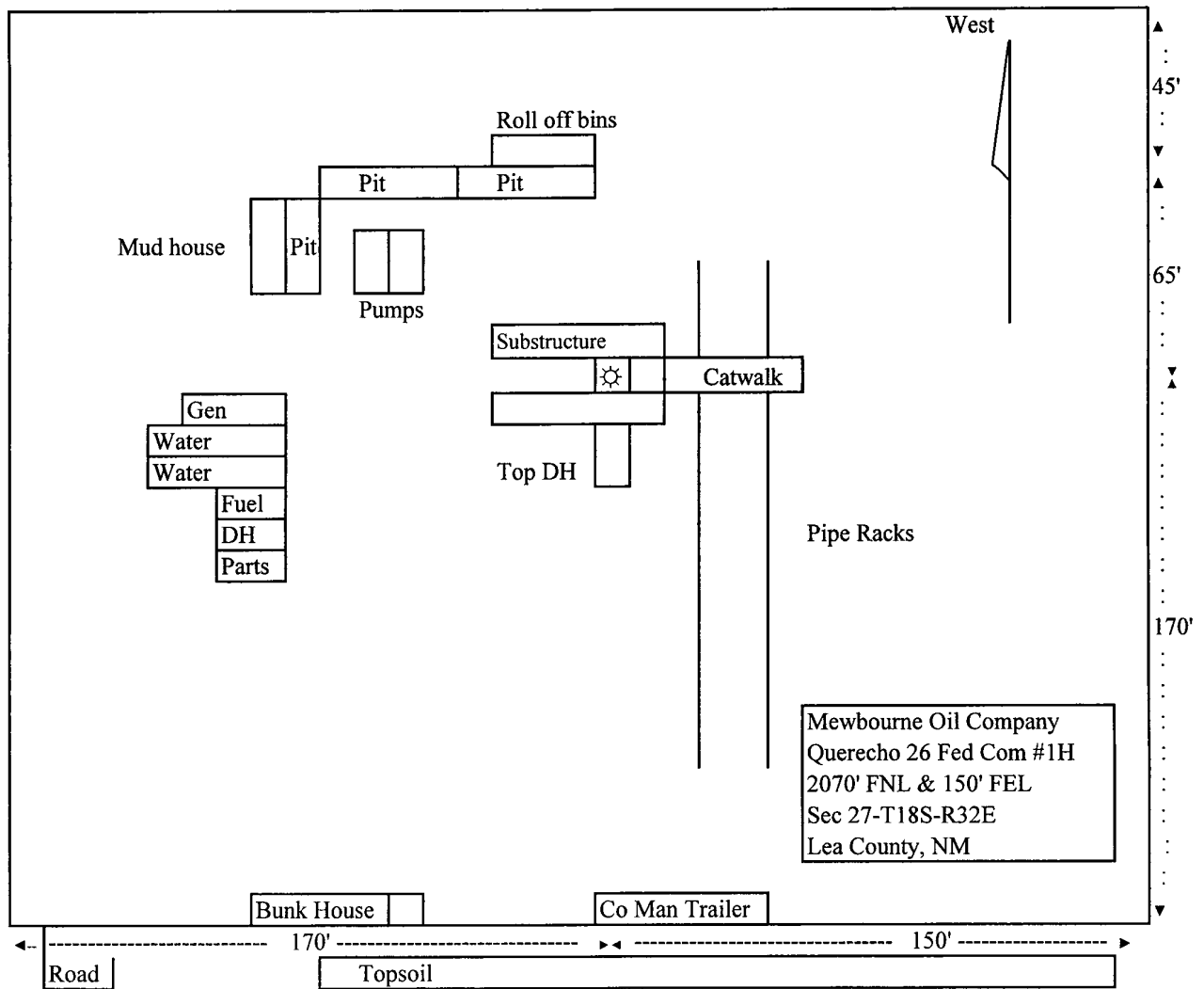


Exhibit 5