

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Operator Certification Data Report

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

| NAME: Bradley Bishop | | Signed on: 07/17/2018 |
|---|-----------|-----------------------|
| Title: Regulatory | | |
| Street Address: PO Box 5270 | | |
| City: Hobbs | State: NM | Zip: 88240 |
| Phone: (575)393-5905 | | |
| Email address: bbishop@mewbou | rne.com | |
| Field Representative | • | |
| | | |
| Representative Name: | | |
| Representative Name: Street Address: | | |
| | State: | Zip: |
| Street Address: | State: | Zip: |

WAFMSS

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

APD ID: 10400030345

Operator Name: MEWBOURNE OIL COMPANY

Well Name: GAZELLE 22 B2NC FED COM

Well Type: OIL WELL

Submission Date: 07/17/2018

Zip: 88240

Well Number: 2H Well Work Type: Drill Highlighted data reflects the most recent changes

02/25/2019

Application Data Report

Show Final Text

| APD ID: 10400030345 | Tie to previous NOS? | Submission Date: 07/17/2018 |
|------------------------------------|---------------------------------------|---------------------------------|
| BLM Office: CARLSBAD | User: Bradley Bishop | Title: Regulatory |
| Federal/Indian APD: FED | Is the first lease penetrated for pro | oduction Federal or Indian? FED |
| Lease number: NMNM132073 | Lease Acres: 320 | |
| Surface access agreement in place | e? Allotted? Reser | rvation: |
| Agreement in place? NO | Federal or Indian agreement: | |
| Agreement number: | | |
| Agreement name: | | |
| Keep application confidential? YES | ; | |
| Permitting Agent? NO | APD Operator: MEWBOURNE OI | L COMPANY |
| Operator letter of designation: | Gazelle22B2NCFedCom2H_operatorlettero | fdesignation_20180517130441.pdf |

Operator Info

Operator Organization Name: MEWBOURNE OIL COMPANY

Operator Address: PO Box 5270

Operator PO Box:

Operator City: Hobbs

Operator Phone: (575)393-5905

Operator Internet Address:

Section 2 - Well Information

| Well in Master Development Plan? NO | Mater Development Plan name: | |
|---|------------------------------|-------------------------|
| Well in Master SUPO? NO | Master SUPO name: | |
| Well in Master Drilling Plan? NO | Master Drilling Plan name: | |
| Well Name: GAZELLE 22 B2NC FED COM | Well Number: 2H | Well API Number: |
| Field/Pool or Exploratory? Field and Pool | Field Name: ANTELOPE RIDGE | Pool Name: BONE SPRIING |
| | | |

Is the proposed well in an area containing other mineral resources? USEABLE WATER

State: NM

Well Number: 2H

| Describe other minerals: | | | | |
|--|------------------|------------------------|---------|--------------------------|
| Is the proposed well in a Helium product | ion area? N | Use Existing Well Pad? | NO | New surface disturbance? |
| Type of Well Pad: SINGLE WELL | | Multiple Well Pad Name | : | Number: |
| Well Class: HORIZONTAL | | Number of Legs: | | |
| Well Work Type: Drill | | | | |
| Well Type: OIL WELL | | | | |
| Describe Well Type: | | | | |
| Well sub-Type: APPRAISAL | | | | |
| Describe sub-type: | | | | |
| Distance to town: 20 Miles | Distance to nea | arest well: 150 FT | Distanc | e to lease line: 185 FT |
| Reservoir well spacing assigned acres M | leasurement: 160 |) Acres | | |
| Well plat: Gazelle22B2NCFedCom2 | H_wellplat_2018 | 0717075342.pdf | | |
| Well work start Date: 09/17/2018 | | Duration: 60 DAYS | | |
| | | | | |

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Survey number:

| | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Meridian | Lease Type | Lease Number | Elevation | MD | TVD |
|-----|---------|--------------|---------|--------------|------|-------|---------|-------------------|----------|-----------|--------|-------|----------|------------|--------------|-----------|-----|-----|
| SHL | 200 | FSL | 175 | FWL | 23S | 34E | 22 | Aliquot | 32.28339 | | LEA | | NEW | F | NMNM | 347 | 27 | 27 |
| Leg | | | 0 | | | | | SESW | 77 | 103.4608 | | MEXI | | | 132073 | 1 | | |
| #1 | | | | | | | | | | 101 | | со | CO | | | | | |
| KOP | 10 | FSL | 185 | FWL | 23S | 34E | 22 | Aliquot | 32.28287 | - | LEA | NEW | NEW | F | NMNM | - | 991 | 991 |
| Leg | | | 0 | | | | | SESW | 73 | 103.4604 | | MEXI | | | 132073 | 643 | 4 | 0 |
| #1 | | | | | | | | | | 836 | | со | CO | | | 9 | | |
| PPP | 100 | FSL | 185 | FWL | 23S | 34E | 22 | Aliquot | 32.28311 | - | LEA | NEW | NEW | F | NMNM | - | 102 | 101 |
| Leg | | | 0 | | | | | SESW | 92 | 103.4604 | | MEXI | MEXI | | 132073 | 671 | 09 | 86 |
| #1 | | | | | | | | | | 838 | | со | СО | | | 5 | | |

Vertical Datum: NAVD88

Operator Name: MEWBOURNE OIL COMPANY Well Name: GAZELLE 22 B2NC FED COM

Well Number: 2H

| | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Meridian | Lease Type | Lease Number | Elevation | MD | TVD |
|-------------------|----------|--------------|----------|--------------|------|-------|---------|-------------------|----------------|----------------------|--------|-------------------|-------------------|------------|--------------|---------------|-----------|-----------|
| PPP Leg #1 | 364 1 | FNL | 185 0 | FWL | 23S | 34E | 22 | Aliquot SENW | 32.29010 66 | - 103.4604 901 | LEA | | NEW MEXI CO | s | STATE | - 691 7 | 128 17 | 103 88 |
| EXIT Leg #1 | 100 | FNL | 185 0 | FWL | 23S | 34E | 22 | Aliquot NENW | 32.29709 11 | - 103.4604 963 | LEA | | NEW MEXI CO | S | STATE | - 691 7 | 153 58 | 103 88 |
| BHL Leg #1 | 100 | FNL | 185 0 | FWL | 23S | 34E | 22 | Aliquot NENW | 32.29709 11 | - 103.4604 963 | LEA | NEW MEXI CO | | S | STATE | - 691 7 | 153 58 | 103 88 |

United States Department of the Interior Bureau of Land Management Carlsbad Field Office 620 E Greene Street Carlsbad, New Mexico 88201-1287

Statement Accepting Responsibility for Operations

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

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

| Lease Number: | NMNM 132073 |
|----------------------------|---|
| Legal Description of Land: | Section 22, T23S, R34E Lea County, New Mexico. Location @ 200 FSL & 1750 FWL |
| Formation (if applicable): | Bone Spring |
| Bond Coverage: | \$150,000 |
| BLM Bond File: | NM1693 nationwide, NMB000919 |

Broudly Cie

Authorized Signature:

Name: Bradley Bishop Title: Regulatory Manager Date: <u>5-17-18</u>

| District I |
|---|
| 1625 N. French Dr., Hobbs, NM 88240 |
| Phone: (575) 393-6161 Fax: (575) 393-0720 |
| District II |
| 911 C Einst St. Antonio NIM 99210 |

Phone: (575) 748-1283 Fax: (575) 748-9720 District III

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department 1220 South St. Francis Dr. OCD - HOBBS Santa Fe, NM 87505 OIL CONSERVATION DIVISION 02/26/2019

Form C-102 Revised August 1, 2011

AMENDED REPORT

RECEIVED WELL LOCATION AND A CREACE DEDICATION DLAT

| | | W | ELL L | JCAHO | N AND AC | REAGE DEDIC | LATION PLA | 1 | | | |
|--------------------------|--|----------|-------|------------------------|----------------------------------|------------------------|---------------|------------------------|----------|---------------|--|
| | API Number | r | | ² Pool Code | | ³ Pool Name | | | | | |
| 30-025-4 | 5646 | | 2 | 209 | ANTELOPE RIDGE BONE SPRING, WEST | | | | | G, WEST | |
| ⁴ Property Co | de | | | | 5 Property | Name | | | | 6 Well Number | |
| 325017 | | | | GAZELLI | E 22 B2NO | C FEDERAL C | ОМ | | | 2H | |
| 7 OGRID | 7 OGRID NO. 8 Operator Name | | | | | | | ⁹ Elevation | | | |
| 14744 | | | | MEWE | BOURNE O | IL COMPANY | | | 3471' | | |
| | | | | | ¹⁰ Surface | Location | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/W | est line | County | |
| Ν | 22 | 23S | 34E | | 200 | SOUTH | 1750 | WE | ST | LEA | |
| | ¹¹ 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/We | est line | County | |

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-------------------|------------|-------------|-----------------|-----------|---------------|------------------|---------------|----------------|--------|
| C | 22 | 23S | 34E | | 100 | NORTH | 1850 | WEST | LEA |
| 12 Dedicated Acre | s 13 Joint | or Infill 1 | 4 Consolidation | Code 15 (| Order No. | | | | |
| 160 | | | | | | | | | |

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



ΔFMSS

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

APD ID: 10400030345

Operator Name: MEWBOURNE OIL COMPANY

Well Name: GAZELLE 22 B2NC FED COM

Well Type: OIL WELL

Submission Date: 07/17/2018

Well Number: 2H

Well Work Type: Drill

Highlighted data reflects the most recent changes

02/25/2019

Drilling Plan Data Report

Show Final Text

Section 1 - Geologic Formations

| Formation | | | True Vertical | | | | Producing |
|-----------|-----------------|-----------|---------------|-------|------------------------|-------------------|-----------|
| ID | Formation Name | Elevation | Depth | Depth | Lithologies | Mineral Resources | |
| 1 | UNKNOWN | 3471 | 27 | 27 | | NONE | No |
| 2 | RUSTLER | 2522 | 970 | 970 | DOLOMITE,ANHYDRIT E | USEABLE WATER | No |
| 3 | TOP SALT | 1457 | 2035 | 2035 | SALT | NONE | No |
| 4 | BOTTOM SALT | -833 | 4325 | 4325 | SALT | NONE | No |
| 5 | LAMAR | -1583 | 5075 | 5075 | LIMESTONE | NATURAL GAS,OIL | No |
| 6 | BELL CANYON | -1608 | 5100 | 5100 | SANDSTONE | NATURAL GAS,OIL | No |
| 7 | CHERRY CANYON | -2353 | 5845 | 5845 | SHALE,SANDSTONE | NATURAL GAS,OIL | No |
| 8 | BRUSHY CANYON | -3778 | 7270 | 7270 | SANDSTONE | NATURAL GAS,OIL | No |
| 9 | BONE SPRING | -5083 | 8575 | 8575 | SANDSTONE | NATURAL GAS,OIL | No |
| 10 | BONE SPRING 1ST | -6158 | 9650 | 9650 | SANDSTONE | NATURAL GAS,OIL | No |
| 11 | BONE SPRING 2ND | -6683 | 10175 | 10175 | SANDSTONE | NATURAL GAS,OIL | Yes |

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M

Rating Depth: 15358

Equipment: Annular, Pipe Ram, Blind Ram

Requesting Variance? YES

Variance request: A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. Anchors are not required by the manufacturer. A multi-bowl wellhead is being used. See attached schematic.

Testing Procedure: BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested. Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly

Well Name: GAZELLE 22 B2NC FED COM

Well Number: 2H

cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

Choke Diagram Attachment:

Gazelle_22_B2NC_Fed_Com_2H_5M_BOPE_Choke_Diagram_20180712102730.pdf

 $Gazelle_22_B2NC_Fed_Com_2H_Flex_Line_Specs_20180712102744.pdf$

BOP Diagram Attachment:

Gazelle_22_B2NC_Fed_Com_2H_5M_BOPE_Schematic_20180712102755.pdf

 $Gazelle_22_B2NC_Fed_Com_2H_5M_Multi_Bowl_WH_20180712102804.pdf$

Section 3 - Casing

| Casing ID | String Type | Hole Size | Csg Size | Condition | Standard | Tapered String | Top Set MD | Bottom Set MD | Top Set TVD | Bottom Set TVD | Top Set MSL | Bottom Set MSL | Calculated casing length MD | Grade | Weight | Joint Type | Collapse SF | Burst SF | Joint SF Type | Joint SF | Body SF Type | Body SF |
|-----------|------------------|-----------|----------|-----------|----------|----------------|------------|---------------|-------------|----------------|-------------|----------------|--------------------------------|-----------|--------|------------|-------------|----------|---------------|----------|--------------|-----------|
| 1 | SURFACE | 17.5 | 13.375 | NEW | API | N | 0 | 1045 | 0 | 1045 | | | 1045 | H-40 | 48 | STC | 1.61 | 3.62 | DRY | 6.42 | DRY | 10.7 9 |
| 2 | INTERMED IATE | 12.2 5 | 9.625 | NEW | API | Y | 0 | 5000 | 0 | 5000 | | | 5000 | J-55 | 36 | LTC | 1.13 | 1.96 | DRY | 2.43 | DRY | 4.54 |
| 3 | PRODUCTI ON | 8.75 | 7.0 | NEW | API | N | 0 | 10665 | 0 | 10388 | | | 10665 | P- 110 | 26 | LTC | 1.56 | 1.99 | DRY | 2.33 | DRY | 2.99 |
| 4 | LINER | 6.12 5 | 4.5 | NEW | API | N | 9914 | 15358 | 9910 | 10388 | | | 5444 | P- 110 | 13.5 | LTC | 1.98 | 2.3 | DRY | 4.6 | DRY | 5.74 |

Casing Attachments

Casing ID: 1

String Type:SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Gazelle_22_B2NC_Fed_Com_2H_Csg_Assumptions_20180712133653.pdf

Well Name: GAZELLE 22 B2NC FED COM

Well Number: 2H

Casing Attachments

Casing ID: 2 String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Gazelle_22_B2NC_Fed_Com_2H_Inter_Tapered_String_Diagram_20180712133848.pdf

Casing Design Assumptions and Worksheet(s):

Gazelle_22_B2NC_Fed_Com_2H_Csg_Assumptions_20180712133710.pdf

Casing ID: 3 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Gazelle_22_B2NC_Fed_Com_2H_Csg_Assumptions_20180712133718.pdf

Casing ID: 4 String Type: LINER

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

 $Gazelle_22_B2NC_Fed_Com_2H_Csg_Assumptions_20180712133726.pdf$

Section 4 - Cement

Operator Name: MEWBOURNE OIL COMPANY

Well Name: GAZELLE 22 B2NC FED COM

Well Number: 2H

| String Type | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives |
|--------------|-----------|---------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|---|
| SURFACE | Lead | | 0 | 845 | 565 | 2.12 | 12.5 | 1198 | 100 | Class C | Salt, Gel, Extender, LCM |
| SURFACE | Tail | | 845 | 1045 | 200 | 1.34 | 14.8 | 268 | 100 | Class C | Retarder |
| INTERMEDIATE | Lead | | 0 | 4253 | 840 | 2.12 | 12.5 | 1781 | 25 | Class C | Salt, Gel, Extender, LCM |
| INTERMEDIATE | Tail | | 4253 | 5000 | 200 | 1.34 | 14.8 | 268 | 25 | Class C | Retarder |
| PRODUCTION | Lead | | 4800 | 8187 | 305 | 2.12 | 12.5 | 645 | 25 | Class C | Gel, Retarder, Defoamer, Extender |
| PRODUCTION | Tail | | 8187 | 1066 5 | 400 | 1.18 | 15.6 | 472 | 25 | Class H | Retarder, Fluid Loss, Defoamer |
| LINER | Lead | | 9914 | 1535 8 | 225 | 2.97 | 11.2 | 668 | 25 | Class C | Salt, Gel, Fluid Loss, Retarder, Dispersant, Defoamer, Anti-Settling Agent |

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Lost circulation material Sweeps Mud scavengers in surface hole

Describe the mud monitoring system utilized: Visual Monitoring

Circulating Medium Table



Operator Name: MEWBOURNE OIL COMPANY

Well Name: GAZELLE 22 B2NC FED COM

Well Number: 2H

| Top Depth | Bottom Depth | Mud Type | Min Weight (Ibs/gal) | Max Weight (lbs/gal) | Density (lbs/cu ft) | Gel Strength (lbs/100 sqft) | НА | Viscosity (CP) | Salinity (ppm) | Filtration (cc) | Additional Characteristics |
|-----------|--------------|--------------------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
| 1045 | 5000 | SALT SATURATED | 10 | 10 | | | | | | | |
| 5000 | 9910 | WATER-BASED MUD | 8.6 | 9.7 | | | | | | | |
| 0 | 1045 | SPUD MUD | 8.6 | 8.8 | | | | | | | |
| 9910 | 1038 8 | OIL-BASED MUD | 8.6 | 10 | | | | | | | |

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Will run GR/CNL from KOP (9914') to surface

List of open and cased hole logs run in the well:

CNL,DS,GR,MWD,MUDLOG

Coring operation description for the well:

None

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 5401

Anticipated Surface Pressure: 3104.64

Anticipated Bottom Hole Temperature(F): 140

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Gazelle_22_B2NC_Fed_Com_2H_H2S_Plan_20180712141944.pdf

Operator Name: MEWBOURNE OIL COMPANY

Well Name: GAZELLE 22 B2NC FED COM

Well Number: 2H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Gazelle_22_B2NC_Fed_Com_2H_Dir_Plan_20180712142016.pdf Gazelle_22_B2NC_Fed_Com_2H_Dir_Plot_20180712142023.pdf

Other proposed operations facets description:

Other proposed operations facets attachment:

Gazelle_22_B2NC_Fed_Com_2H_Drlg_Program_20180712142034.docx Gazelle_22_B2NC_Fed_Com_2H_OCD_Sheet_20180712142113.pdf

Other Variance attachment:







Hydrogen Sulfide Drilling Operations Plan Mewbourne Oil Company

1. General Requirements

Rule 118 does not apply to this well because MOC has researched this area and no high concentrations of H2S were found. MOC will have on location and working all H2S safety equipment before the Delaware formation for purposes of safety and insurance requirements.

2. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will have received training from a qualified instructor in the following areas prior to entering the drilling pad area of the well:

- 1. The hazards and characteristics of hydrogen sulfide gas.
- 2. The proper use of personal protective equipment and life support systems.
- 3. The proper use of hydrogen sulfide detectors, alarms, warning systems, briefing areas, evacuation procedures.
- 4. The proper techniques for first aid and rescue operations.

Additionally, supervisory personnel will be trained in the following areas:

- 1 The effects of hydrogen sulfide on metal components. If high tensile tubular systems are utilized, supervisory personnel will be trained in their special maintenance requirements.
- 2 Corrective action and shut in procedures, blowout prevention, and well control procedures while drilling a well.
- 3 The contents of the Hydrogen Sulfide Drilling Operations Plan.

There will be an initial training session prior to encountering a know hydrogen sulfide source. The initial training session shall include a review of the site specific Hydrogen Sulfide Drilling Operations Plan.

3. Hydrogen Sulfide Safety Equipment and Systems

All hydrogen sulfide safety equipment and systems will be installed, tested, and operational prior to drilling below the 9 5/8" intermediate casing.

- 1. <u>Well Control Equipment</u>
 - A. Choke manifold with minimum of one adjustable choke/remote choke.
 - B. Blowout preventers equipped with blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
 - C. Auxiliary equipment including annular type blowout preventer.
- 2. <u>Protective Equipment for Essential Personnel</u>

Thirty minute self contained work unit located in the dog house and at briefing areas.

Additionally: If H2S is encountered in concentrations less than 10 ppm, fans will be placed in work areas to prevent the accumulation of hazardous amounts of poisonous gas. If higher concentrations of H2S are detected the well will be shut in and a rotating head, mud/gas separator, remote choke and flare line with igniter will be installed.

3. <u>Hydrogen Sulfide Protection and Monitoring Equipment</u>

Two portable hydrogen sulfide monitors positioned on location for optimum coverage and detection. The units shall have audible sirens to notify personnel when hydrogen sulfide levels exceed 20 PPM.

4. Visual Warning Systems

A. Wind direction indicators as indicated on the wellsite diagram.

B. Caution signs shall be posted on roads providing access to location. Signs shall be painted a high visibility color with lettering of sufficient size to be readable at reasonable distances from potentially contaminated areas.

4. Mud Program

The mud program has been designed to minimize the amount of hydrogen sulfide entrained in the mud system. Proper mud weight, safe drilling practices, and the use of hydrogen sulfide scavengers will minimize hazards while drilling the well.

5. Metallurgy

All tubular systems, wellheads, blowout preventers, drilling spools, kill lines, choke manifolds, and valves shall be suitable for service in a hydrogen sulfide environment when chemically treated.

6. Communications

State & County Officials phone numbers are posted on rig floor and supervisors trailer. Communications in company vehicles and toolpushers are either two way radios or cellular phones.

7. Well Testing

Drill stem testing is not an anticipated requirement for evaluation of this well. If a drill stem test is required, it will be conducted with a minimum number of personnel in the immediate vicinity. The test will be conducted during daylight hours only.

8. Emergency Phone Numbers

Eddy County Sheriff's Office911 or 575-887-7551Ambulance Service911 or 575-885-2111Carlsbad Fire Dept911 or 575-885-2111Loco Hills Volunteer Fire Dept.911 or 575-677-3266Closest Medical Facility - Columbia Medical Center of Carlsbad575-492-5000

| Mewbourne Oil Company | Hobbs District Office Fax 2 nd Fax | 575-393-5905 575-397-6252 575-393-7259 |
|-------------------------|---|--|
| District Manager | Robin Terrell | 575-390-4816 |
| Drilling Superintendent | Frosty Lathan | 575-390-4103 |
| | Bradley Bishop | 575-390-6838 |
| Drilling Foreman | Wesley Noseff | 575-441-0729 |

Mewbourne Oil Company

Lea County, New Mexico NAD 83 Gazelle 22 B2NC Fed Com #2H Sec 22, T23S, R34E SL: 200' FSL & 1750' FWL BHL: 100' FNL & 1850' FWL

Plan: Design #1

Standard Planning Report

11 July, 2018

| Database: Company: Project: Site: Well: Wellbore: Design: | Lea C Gazell Sec 22 | ourne Oil Comj ounty, New Me le 22 B2NC Fe 2, T23S, R34E 100' FNL & 185 | xico NAD 83 d Com #2H | | Local Co-ordinate Reference:Site Gazelle 22 B2NC Fed Com #2HTVD Reference:WELL @ 3498.0usft (Original Well Elev)MD Reference:WELL @ 3498.0usft (Original Well Elev)North Reference:GridSurvey Calculation Method:Minimum Curvature | | | | | | |
|---|---------------------------|---|----------------------------------|---------------------------|--|---|---|-----------------------------|------------|--------------------------------------|--|
| Project | Lea Co | unty, New Mex | ico NAD 83 | | | | | | | | |
| Map System: Geo Datum: Map Zone: | North An | e Plane 1983 nerican Datum xico Eastern Zo | | | System Dat | tum: | Me | ean Sea Level | | | |
| Site | Gazelle | e 22 B2NC Fed | Com #2H | | | | | | | | |
| Site Position: From: Position Uncerta | Map inty: | | Northi Eastin Dusft Slot R | - | | ,929.00 usft ,979.00 usft 13-3/16 " | Latitude: Longitude: Grid Converg | ence: | | 32.2833963 -103.4608087 0.47 ° | |
| Well | Sec 22, | T23S, R34E | | | | | | | | | |
| Well Position | +N/-S | 0 | .0 usft No | orthing: | | 467,929.00 | usft Lati | itude: | | 32.2833963 | |
| | +E/-W | 0 | .0 usft Ea | sting: | | 810,979.00 | usft Lon | gitude: | | -103.4608087 | |
| Position Uncerta | inty | 0 | .0 usft We | ellhead Elevati | on: | 3,498.0 | usft Gro | und Level: | | 3,471.0 usft | |
| Wellbore | BHL: 1 | 00' FNL & 185 | 0' FWL | | | | | | | | |
| Magnetics | Мо | del Name | Sample | e Date | Declina (°) | tion | Dip A (° | | | Strength nT) | |
| | | IGRF2010 | | 7/11/2018 | | 6.66 | | 60.08 | | 47,955 | |
| Design | Design | #1 | | | | | | | | | |
| Audit Notes: | | | | | | | | | | | |
| Version: | | | Phase | e: P | ROTOTYPE | Tie | On Depth: | | 0.0 | | |
| Vertical Section: | | D | epth From (T) | /D) | +N/-S | +E | /-W | Dir | rection | | |
| | | | (usft) | | (usft) | • | sft) | | (°) | | |
| | | | 0.0 | | 0.0 | 0 | .0 | | 0.64 | | |
| Plan Sections | | | | | | | | | | | |
| Measured Depth I (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 | | |
| | 0.00 | 0.00 | 5,075.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| 5,075.0 | | 151.52 | 5,205.1 | -2.6 | 1.4 | 2.00 | 2.00 | 0.00 | 151.52 | | |
| 5,205.1 | 2.60 | | 0 == 0 6 | | | | | | | | |
| 5,205.1 9,784.7 | 2.60 | 151.52 | 9,779.9 | -185.4 | 100.6 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| 5,205.1 | | | 9,779.9 9,910.0 10,388.0 | -185.4 -188.0 290.0 | 100.6 102.0 97.7 | 0.00 2.00 11.99 | -2.00 11.99 | 0.00 0.00 0.00 | | KOP @ 9910' | |

| Database: | Hobbs | Local Co-ordinate Reference: | Site Gazelle 22 B2NC Fed Com #2H |
|-----------|-------------------------------|------------------------------|--|
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3498.0usft (Original Well Elev) |
| Project: | Lea County, New Mexico NAD 83 | MD Reference: | WELL @ 3498.0usft (Original Well Elev) |
| Site: | Gazelle 22 B2NC Fed Com #2H | North Reference: | Grid |
| Well: | Sec 22, T23S, R34E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 100' FNL & 1850' FWL | | |
| Design: | Design #1 | | |

| 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 |
| | . & 1750' FWL | | | | | | | | |
| 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 |
| 100.0 | 0.00 | 0.00 | 100.0 | 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 |
| 300.0 | 0.00 | 0.00 | 300.0 | 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 |
| 3,100.0 | 0.00 | 0.00 | 3,200.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| | 0.00 | 0.00 | 3,300.0 | | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 3,300.0 | | | , | 0.0 | | | | | |
| 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 |
| 3,700.0 | 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 |
| 4,200.0 | 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 |
| 4,000.0 | 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 |
| 5,075.0 | 0.00 | 0.00 | 5,075.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 5,100.0 | 0.50 | | | | | | | | |
| | 0.50 | 151.52 | 5,100.0 | -0.1 | 0.1 | -0.1 | 2.00 | 2.00 | 0.00 |

| Database: | Hobbs | Local Co-ordinate Reference: | Site Gazelle 22 B2NC Fed Com #2H |
|-----------|-------------------------------|------------------------------|--|
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3498.0usft (Original Well Elev) |
| Project: | Lea County, New Mexico NAD 83 | MD Reference: | WELL @ 3498.0usft (Original Well Elev) |
| Site: | Gazelle 22 B2NC Fed Com #2H | North Reference: | Grid |
| Well: | Sec 22, T23S, R34E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 100' FNL & 1850' FWL | | |
| Design: | Design #1 | | |

| 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) |
|-----------------------------|--------------------|----------------|-----------------------------|------------------|-----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| 5,200.0 | 2.50 | 151.52 | 5,200.0 | -2.4 | 1.3 | -2.4 | 2.00 | 2.00 | 0.00 |
| 5,205.1 | 2.60 | 151.52 | 5,205.1 | -2.6 | 1.4 | -2.6 | 2.00 | 2.00 | 0.00 |
| , | | | | | | | | | |
| 5,300.0 | 2.60 | 151.52 | 5,299.9 | -6.4 | 3.5 | -6.3 | 0.00 | 0.00 | 0.00 |
| 5,400.0 | 2.60 | 151.52 | 5,399.8 | -10.4 | 5.6 | -10.3 | 0.00 | 0.00 | 0.00 |
| 5,500.0 | 2.60 | 151.52 | 5,499.7 | -14.4 | 7.8 | -14.3 | 0.00 | 0.00 | 0.00 |
| 5,600.0 | 2.60 | 151.52 | 5,599.5 | -18.4 | 10.0 | -18.2 | 0.00 | 0.00 | 0.00 |
| 5,700.0 | 2.60 | 151.52 | 5,699.4 | -22.4 | 12.1 | -22.2 | 0.00 | 0.00 | 0.00 |
| 5,800.0 | 2.60 | 151.52 | 5,799.3 | -26.3 | 14.3 | -26.2 | 0.00 | 0.00 | 0.00 |
| 5,900.0 | 2.60 | 151.52 | 5,899.2 | -30.3 | 16.5 | -30.1 | 0.00 | 0.00 | 0.00 |
| 6,000.0 | 2.60 | 151.52 | 5,999.1 | -34.3 | 18.6 | -34.1 | 0.00 | 0.00 | 0.00 |
| 6,100.0 | 2.60 | 151.52 | 6,099.0 | -38.3 | 20.8 | -38.1 | 0.00 | 0.00 | 0.00 |
| 6,200.0 | 2.60 | 151.52 | 6,198.9 | -42.3 | 23.0 | -42.0 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 6,300.0 | 2.60 | 151.52 | 6,298.8 | -46.3 | 25.1 | -46.0 | 0.00 | 0.00 | 0.00 |
| 6,400.0 | 2.60 | 151.52 | 6,398.7 | -50.3 | 27.3 | -50.0 | 0.00 | 0.00 | 0.00 |
| 6,500.0 | 2.60 | 151.52 | 6,498.6 | -54.3 | 29.5 | -54.0 | 0.00 | 0.00 | 0.00 |
| 6,600.0 | 2.60 | 151.52 | 6,598.5 | -58.3 | 31.6 | -57.9 | 0.00 | 0.00 | 0.00 |
| 6,700.0 | 2.60 | 151.52 | 6,698.4 | -62.3 | 33.8 | -61.9 | 0.00 | 0.00 | 0.00 |
| 6,800.0 | 2.60 | 151.52 | 6,798.3 | -66.3 | 36.0 | -65.9 | 0.00 | 0.00 | 0.00 |
| 6,900.0 | 2.60 | 151.52 | 6,898.2 | -70.3 | 38.1 | -69.8 | 0.00 | 0.00 | 0.00 |
| 7,000.0 | 2.60 | 151.52 | 6,998.1 | -74.2 | 40.3 | -73.8 | 0.00 | 0.00 | 0.00 |
| 7,100.0 | 2.60 | 151.52 | 7,098.0 | -78.2 | 42.4 | -77.8 | 0.00 | 0.00 | 0.00 |
| 7,200.0 | 2.60 | 151.52 | 7,197.9 | -82.2 | 44.6 | -81.7 | 0.00 | 0.00 | 0.00 |
| 7,300.0 | 2.60 | 151.52 | 7,297.8 | -86.2 | 46.8 | -85.7 | 0.00 | 0.00 | 0.00 |
| 7,400.0 | 2.60 | 151.52 | 7,397.7 | -90.2 | 48.9 | -89.7 | 0.00 | 0.00 | 0.00 |
| 7,500.0 | 2.60 | 151.52 | 7,497.6 | -94.2 | 51.1 | -93.6 | 0.00 | 0.00 | 0.00 |
| 7,600.0 | 2.60 | 151.52 | 7,597.5 | -98.2 | 53.3 | -97.6 | 0.00 | 0.00 | 0.00 |
| 7,700.0 | 2.60 | 151.52 | 7,697.4 | -102.2 | 55.4 | -101.6 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 7,800.0 | 2.60 | 151.52 | 7,797.3 | -106.2 | 57.6 | -105.5 | 0.00 | 0.00 | 0.00 |
| 7,900.0 | 2.60 | 151.52 | 7,897.2 | -110.2 | 59.8 | -109.5 | 0.00 | 0.00 | 0.00 |
| 8,000.0 | 2.60 | 151.52 | 7,997.1 | -114.2 | 61.9 | -113.5 | 0.00 | 0.00 | 0.00 |
| 8,100.0 | 2.60 | 151.52 | 8,097.0 | -118.2 | 64.1 | -117.4 | 0.00 | 0.00 | 0.00 |
| 8,200.0 | 2.60 | 151.52 | 8,196.9 | -122.1 | 66.3 | -121.4 | 0.00 | 0.00 | 0.00 |
| 8,300.0 | 2.60 | 151.52 | 8,296.8 | -126.1 | 68.4 | -125.4 | 0.00 | 0.00 | 0.00 |
| 8,400.0 | 2.60 | 151.52 | 8,396.7 | -130.1 | 70.6 | -129.3 | 0.00 | 0.00 | 0.00 |
| 8,500.0 | 2.60 | 151.52 | 8,496.6 | -134.1 | 72.8 | -133.3 | 0.00 | 0.00 | 0.00 |
| 8,600.0 | 2.60 | 151.52 | 8,596.5 | -138.1 | 74.9 | -137.3 | 0.00 | 0.00 | 0.00 |
| 8,700.0 | 2.60 | 151.52 | 8,696.3 | -142.1 | 77.1 | -141.2 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 8,800.0 | 2.60 | 151.52 | 8,796.2 | -146.1 | 79.3 | -145.2 | 0.00 | 0.00 | 0.00 |
| 8,900.0 | 2.60 | 151.52 | 8,896.1 | -150.1 | 81.4 | -149.2 | 0.00 | 0.00 | 0.00 |
| 9,000.0 | 2.60 | 151.52 | 8,996.0 | -154.1 | 83.6 | -153.1 | 0.00 | 0.00 | 0.00 |
| 9,100.0 | 2.60 | 151.52 | 9,095.9 | -158.1 | 85.8 | -157.1 | 0.00 | 0.00 | 0.00 |
| 9,200.0 | 2.60 | 151.52 | 9,195.8 | -162.1 | 87.9 | -161.1 | 0.00 | 0.00 | 0.00 |
| 9,300.0 | 2.60 | 151.52 | 9,295.7 | -166.1 | 90.1 | -165.0 | 0.00 | 0.00 | 0.00 |
| 9,400.0 | 2.60 | 151.52 | 9,395.6 | -170.0 | 92.3 | -169.0 | 0.00 | 0.00 | 0.00 |
| 9,500.0 | 2.60 | 151.52 | 9,495.5 | -174.0 | 94.4 | -173.0 | 0.00 | 0.00 | 0.00 |
| 9,600.0 | 2.60 | 151.52 | 9,595.4 | -178.0 | 96.6 | -176.9 | 0.00 | 0.00 | 0.00 |
| 9,700.0 | 2.60 | 151.52 | 9,695.3 | -182.0 | 98.8 | -180.9 | 0.00 | 0.00 | 0.00 |
| 9,784.7 | 2.60 | 151.52 | 9,779.9 | -185.4 | 100.6 | -184.3 | 0.00 | 0.00 | 0.00 |
| 9,784.7 9,800.0 | 2.60 | 151.52 | 9,779.9 9,795.2 | -185.4 -186.0 | 100.6 | -184.3 -184.8 | 2.00 | -2.00 | 0.00 |
| | | | , | | | | | | |
| 9,900.0 | 0.30 0.00 | 151.52 0.00 | 9,895.2 | -188.0 -188.0 | 102.0 102.0 | -186.8 -186.8 | 2.00 2.00 | -2.00 -2.00 | 0.00 0.00 |
| 9,914.8 | | 0.00 | 9,910.0 | -100.0 | 102.0 | -100.0 | 2.00 | -2.00 | 0.00 |
| KOP @ 9910' | | 050.40 | 0.001 - | 400.4 | 101.0 | 170.0 | 11.00 | 11.00 | 0.00 |
| 10,000.0 | 10.21 | 359.49 | 9,994.7 | -180.4 | 101.9 | -179.3 | 11.99 | 11.99 | 0.00 |

| Database: | Hobbs | Local Co-ordinate Reference: | Site Gazelle 22 B2NC Fed Com #2H |
|-----------|-------------------------------|------------------------------|--|
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3498.0usft (Original Well Elev) |
| Project: | Lea County, New Mexico NAD 83 | MD Reference: | WELL @ 3498.0usft (Original Well Elev) |
| Site: | Gazelle 22 B2NC Fed Com #2H | North Reference: | Grid |
| Well: | Sec 22, T23S, R34E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 100' FNL & 1850' FWL | | |
| Design: | Design #1 | | |

| 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) |
|-----------------------------|----------------------------|------------------|-----------------------------|------------------|-----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| 10,100.0 10,200.0 | 34.18 | 359.49 359.49 | 10,090.6 10,178.6 | -152.6 -105.4 | 101.7 101.3 | -151.4 -104.3 | 11.99 11.99 | 11.99 11.99 | 0.00 0.00 |
| 10,209.5 | | 359.49 | 10,186.4 | -100.0 | 101.2 | -98.9 | 11.99 | 11.99 | 0.00 |
| | SL & 1850' FWL | | | | | | | | |
| 10,300.0 10,400.0 | | 359.49 359.49 | 10,254.8 10,316.1 | -41.0 37.8 | 100.7 100.0 | -39.9 38.9 | 11.99 11.99 | 11.99 11.99 | 0.00 0.00 |
| 10,500.0 10,600.0 | | 359.49 359.49 | 10,359.6 10,383.5 | 127.6 224.5 | 99.2 98.3 | 128.7 225.6 | 11.99 11.99 | 11.99 11.99 | 0.00 0.00 |
| 10,665.7 | | 359.49 | 10,388.0 | 290.0 | 97.7 | 291.1 | 11.99 | 11.99 | 0.00 |
| LP: 490' FS | SL & 1850' FWL | | | | | | | | |
| 10,700.0 | | 359.49 | 10,388.0 | 324.3 | 97.4 | 325.4 | 0.00 | 0.00 | 0.00 |
| 10,800.0 | | 359.49 | 10,388.0 | 424.3 | 96.6 | 425.4 | 0.00 | 0.00 | 0.00 |
| 10,900.0 | | 359.49 | 10,388.0 | 524.3 | 95.7 | 525.4 | 0.00 | 0.00 | 0.00 |
| 11,000.0 | | 359.49 359.49 | 10,388.0 | 624.3 | 94.8 93.9 | 625.3 | 0.00 | 0.00 0.00 | 0.00 |
| 11,100.0 11,200.0 | | 359.49 | 10,388.0 10,388.0 | 724.3 824.3 | 93.9 93.0 | 725.3 825.3 | 0.00 0.00 | 0.00 | 0.00 0.00 |
| 11,300.0 | | 359.49 | 10,388.0 | 924.3 | 92.1 | 925.3 | 0.00 | 0.00 | 0.00 |
| 11,400.0 | 90.00 | 359.49 | 10,388.0 | 1,024.3 | 91.2 | 1,025.3 | 0.00 | 0.00 | 0.00 |
| 11,500.0 | | 359.49 | 10,388.0 | 1,124.3 | 90.3 | 1,125.2 | 0.00 | 0.00 | 0.00 |
| 11,600.0 | | 359.49 | 10,388.0 | 1,224.3 | 89.4 | 1,225.2 | 0.00 | 0.00 | 0.00 |
| 11,700.0 | | 359.49 | 10,388.0 | 1,324.3 | 88.5 | 1,325.2 | 0.00 | 0.00 | 0.00 |
| 11,800.0 | 90.00 | 359.49 | 10,388.0 | 1,424.3 | 87.7 | 1,425.2 | 0.00 | 0.00 | 0.00 |
| 11,900.0 | 90.00 | 359.49 | 10,388.0 | 1,524.3 | 86.8 | 1,525.2 | 0.00 | 0.00 | 0.00 |
| 12,000.0 | 90.00 | 359.49 | 10,388.0 | 1,624.3 | 85.9 | 1,625.1 | 0.00 | 0.00 | 0.00 |
| 12,100.0 | | 359.49 | 10,388.0 | 1,724.3 | 85.0 | 1,725.1 | 0.00 | 0.00 | 0.00 |
| 12,200.0 | | 359.49 | 10,388.0 | 1,824.3 | 84.1 | 1,825.1 | 0.00 | 0.00 | 0.00 |
| 12,300.0 | 90.00 | 359.49 | 10,388.0 | 1,924.3 | 83.2 | 1,925.1 | 0.00 | 0.00 | 0.00 |
| 12,400.0 | 90.00 | 359.49 | 10,388.0 | 2,024.3 | 82.3 | 2,025.1 | 0.00 | 0.00 | 0.00 |
| 12,500.0 | 90.00 | 359.49 | 10,388.0 | 2,124.3 | 81.4 | 2,125.0 | 0.00 | 0.00 | 0.00 |
| 12,600.0 | | 359.49 | 10,388.0 | 2,224.2 | 80.5 | 2,225.0 | 0.00 | 0.00 | 0.00 |
| 12,700.0 | | 359.49 | 10,388.0 | 2,324.2 | 79.7 | 2,325.0 | 0.00 | 0.00 | 0.00 |
| 12,800.0 | 90.00 | 359.49 | 10,388.0 | 2,424.2 | 78.8 | 2,425.0 | 0.00 | 0.00 | 0.00 |
| 12,817.8 | 90.00 1' FNL & 1850' FV | 359.49 | 10,388.0 | 2,442.0 | 78.6 | 2,442.7 | 0.00 | 0.00 | 0.00 |
| 12,900.0 | | 359.49 | 10,388.0 | 2,524.2 | 77.9 | 2,525.0 | 0.00 | 0.00 | 0.00 |
| 13,000.0 | | 359.49 | 10,388.0 | 2,624.2 | 77.0 | 2,525.0 | 0.00 | 0.00 | 0.00 |
| 13,100.0 | | 359.49 | 10,388.0 | 2,724.2 | 76.1 | 2,024.9 | 0.00 | 0.00 | 0.00 |
| 13,200.0 | | 359.49 | 10,388.0 | 2,824.2 | 75.2 | 2,824.9 | 0.00 | 0.00 | 0.00 |
| 13,300.0 | 90.00 | 359.49 | 10,388.0 | 2,924.2 | 74.3 | 2,924.9 | 0.00 | 0.00 | 0.00 |
| 13,400.0 | 90.00 | 359.49 | 10,388.0 | 3,024.2 | 73.4 | 3,024.9 | 0.00 | 0.00 | 0.00 |
| 13,500.0 | 90.00 | 359.49 | 10,388.0 | 3,124.2 | 72.5 | 3,124.8 | 0.00 | 0.00 | 0.00 |
| 13,600.0 | | 359.49 | 10,388.0 | 3,224.2 | 71.6 | 3,224.8 | 0.00 | 0.00 | 0.00 |
| 13,700.0 | 90.00 | 359.49 | 10,388.0 | 3,324.2 | 70.8 | 3,324.8 | 0.00 | 0.00 | 0.00 |
| 13,800.0 | | 359.49 | 10,388.0 | 3,424.2 | 69.9 | 3,424.8 | 0.00 | 0.00 | 0.00 |
| 13,900.0 | | 359.49 | 10,388.0 | 3,524.2 | 69.0 | 3,524.8 | 0.00 | 0.00 | 0.00 |
| 14,000.0 | | 359.49 | 10,388.0 | 3,624.2 | 68.1 | 3,624.7 | 0.00 | 0.00 | 0.00 |
| 14,100.0 | | 359.49 | 10,388.0 | 3,724.2 | 67.2 | 3,724.7 | 0.00 | 0.00 | 0.00 |
| 14,200.0 | | 359.49 | 10,388.0 | 3,824.2 | 66.3 | 3,824.7 | 0.00 | 0.00 | 0.00 |
| 14,300.0 | | 359.49 | 10,388.0 | 3,924.2 | 65.4 | 3,924.7 | 0.00 | 0.00 | 0.00 |
| 14,400.0 | | 359.49 | 10,388.0 | 4,024.2 | 64.5 | 4,024.6 | 0.00 | 0.00 | 0.00 |
| 14,500.0 | | 359.49 | 10,388.0 | 4,124.2 | 63.6 | 4,124.6 | 0.00 | 0.00 | 0.00 |
| 14,600.0 | | 359.49 | 10,388.0 | 4,224.2 | 62.8 | 4,224.6 | 0.00 | 0.00 | 0.00 |
| 14,700.0 | 90.00 | 359.49 | 10,388.0 | 4,324.2 | 61.9 | 4,324.6 | 0.00 | 0.00 | 0.00 |

| Database: | Hobbs | Local Co-ordinate Reference: | Site Gazelle 22 B2NC Fed Com #2H |
|-----------|-------------------------------|------------------------------|--|
| Company: | Mewbourne Oil Company | TVD Reference: | WELL @ 3498.0usft (Original Well Elev) |
| Project: | Lea County, New Mexico NAD 83 | MD Reference: | WELL @ 3498.0usft (Original Well Elev) |
| Site: | Gazelle 22 B2NC Fed Com #2H | North Reference: | Grid |
| Well: | Sec 22, T23S, R34E | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | BHL: 100' FNL & 1850' FWL | | |
| Design: | Design #1 | | |

| 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) |
|-----------------------------|--------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| 14,800.0 | 90.00 | 359.49 | 10,388.0 | 4,424.2 | 61.0 | 4,424.6 | 0.00 | 0.00 | 0.00 |
| 14,900.0 | 90.00 | 359.49 | 10,388.0 | 4,524.2 | 60.1 | 4,524.5 | 0.00 | 0.00 | 0.00 |
| 15,000.0 | 90.00 | 359.49 | 10,388.0 | 4,624.2 | 59.2 | 4,624.5 | 0.00 | 0.00 | 0.00 |
| 15,100.0 | 90.00 | 359.49 | 10,388.0 | 4,724.2 | 58.3 | 4,724.5 | 0.00 | 0.00 | 0.00 |
| 15,200.0 | 90.00 | 359.49 | 10,388.0 | 4,824.1 | 57.4 | 4,824.5 | 0.00 | 0.00 | 0.00 |
| 15,300.0 | 90.00 | 359.49 | 10,388.0 | 4,924.1 | 56.5 | 4,924.5 | 0.00 | 0.00 | 0.00 |
| 15,358.9 | 90.00 | 359.49 | 10,388.0 | 4,983.0 | 56.0 | 4,983.3 | 0.00 | 0.00 | 0.00 |
| BHL: 100' FM | NL & 1850' FWL | | | | | | | | |

| Design Targets | | | | | | | | | |
|---|------------------|-----------------|---------------|-----------------|-----------------|--------------------|-------------------|------------|--------------|
| Target Name - hit/miss target - Shape | Dip Angle (°) | Dip Dir. (°) | TVD (usft) | +N/-S (usft) | +E/-W (usft) | Northing (usft) | Easting (usft) | Latitude | Longitude |
| SL: 200' FSL & 1750' F - plan hits target ce - Point | | 0.00 | 0.0 | 0.0 | 0.0 | 467,929.00 | 810,979.00 | 32.2833963 | -103.4608087 |
| KOP @ 9910' - plan hits target ce - Point | 0.00 nter | 0.00 | 9,910.0 | -188.0 | 102.0 | 467,741.00 | 811,081.00 | 32.2828773 | -103.4604836 |
| FTP: 100' FSL & 1850' I - plan hits target ce - Point | | 0.00 | 10,186.4 | -100.0 | 101.2 | 467,829.00 | 811,080.22 | 32.2831192 | -103.4604838 |
| BHL: 100' FNL & 1850' - plan hits target ce - Point | | 0.00 | 10,388.0 | 4,983.0 | 56.0 | 472,912.00 | 811,035.00 | 32.2970911 | -103.4604963 |
| LP: 490' FSL & 1850' F - plan hits target ce - Point | | 0.00 | 10,388.0 | 290.0 | 97.7 | 468,218.98 | 811,076.75 | 32.2841912 | -103.4604848 |
| PPP-2: 2641' FNL & 18 - plan hits target ce - Point | | 0.00 | 10,388.0 | 2,442.0 | 78.6 | 470,371.00 | 811,057.60 | 32.2901066 | -103.4604901 |



1. Geologic Formations

| TVD of target | 10388' | Pilot hole depth | NA |
|---------------|--------|-------------------------------|------|
| MD at TD: | 15358' | Deepest expected fresh water: | 300' |

Basin

| Formation | Depth (TVD) | Water/Mineral Bearing/ | Hazards* |
|----------------------------------|-------------|------------------------|----------|
| | from KB | Target Zone? | |
| Quaternary Fill | Surface | | |
| Rustler | 970 | | |
| Top of Salt | 2035 | | |
| Base of Salt | 4325 | | |
| Yates | | | |
| Seven Rivers | | Oil/Gas | |
| Lamar | 5075 | Oil/Gas | |
| Bell Canyon | 5100 | Oil/Gas | |
| Cherry Canyon | 5845 | Oil/Gas | |
| Brushy Canyon | 7270 | Oil/Gas | |
| Bone Spring | 8575 | Oil/Gas | |
| 1 st Bone Spring Sand | 9650 | Oil/Gas | |
| 2 nd Bone Spring Sand | 10175 | Target Zone | |
| 3 rd Bone Spring Sand | | | |
| Abo | | | |
| Wolfcamp | | | |
| Devonian | | | |
| Fusselman | | | |
| Ellenburger | | | |
| Granite Wash | | | |

*H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

| Hole | Ca | sing | Csg. | Weight | Grade | Conn. | SF | SF | SF Jt | SF Body |
|--------|-------|--------|---------|----------|--------|-------|----------|-------|---------|---------|
| Size | Int | erval | Size | (lbs) | | | Collapse | Burst | Tension | Tension |
| | Fro | То | 1 | | | | | | | |
| | m | | | | | | | | | |
| 17.5" | 0' | 1045' | 13.375" | 48 | H40 | STC | 1.61 | 3.62 | 6.42 | 10.79 |
| 12.25" | 0' | 3453' | 9.625" | 36 | J55 | LTC | 1.13 | 1.96 | 2.43 | 3.03 |
| 12.25" | 3453' | 4393' | 9.625" | 40 | J55 | LTC | 1.13 | 1.73 | 8.40 | 10.18 |
| 12.25" | 4393' | 5000' | 9.625" | 40 | N80 | LTC | 1.19 | 2.21 | 30.36 | 37.74 |
| 8.75" | 0' | 10665' | 7" | 26 | HCP110 | LTC | 1.56 | 1.99 | 2.33 | 2.99 |
| 6.125" | 9914' | 15358' | 4.5" | 13.5 | P110 | LTC | 1.98 | 2.30 | 4.60 | 5.74 |
| BLM | 1.125 | 1 | 1.6 Dr | y 1.6 Dr | у | | | | | |
| Minimu | | | 1.8 We | et 1.8 W | et | | | | | |
| m | | | | | | | | | | |
| Safety | | | | | | | | | | |
| Factor | | | | | | | | | | |
| | | | | | | | | | | |

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h Must have table for contingency casing

| | Y or N |
|--|--------|
| Is casing new? If used, attach certification as required in Onshore Order #1 | Y |
| Is casing API approved? If no, attach casing specification sheet. | Y |
| Is premium or uncommon casing planned? If yes attach casing specification sheet. | N |
| Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria). | Y |
| Will the pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing? | Y |
| Is well located within Capitan Reef? | N |
| If yes, does production casing cement tie back a minimum of 50' above the Reef? | |
| Is well within the designated 4 string boundary. | |
| Is well located in SOPA but not in R-111-P? | N |
| If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing? | |
| Is well located in R-111-P and SOPA? | N |

| Ν |
|---|
| |
| |
| |
| Ν |
| |
| |

3. Cementing Program

| Casing | # Sks | Wt. | Yld | H ₂ 0 | 500# | Slurry Description |
|--------|-------|------|------|------------------|----------|--|
| | | lb/ | ft3/ | gal/ | Comp. | |
| | | gal | sack | sk | Strength | |
| | | | | | (hours) | |
| Surf. | 565 | 12.5 | 2.12 | 11 | 10 | Lead: Class C + Salt + Gel + Extender + LCM |
| | 200 | 14.8 | 1.34 | 6.3 | 8 | Tail: Class C + Retarder |
| Inter. | 840 | 12.5 | 2.12 | 11 | 10 | Lead: Class C + Salt + Gel + Extender + LCM |
| | 200 | 14.8 | 1.34 | 6.3 | 8 | Tail: Class C + Retarder |
| Prod. | 305 | 12.5 | 2.12 | 11 | 9 | Lead: Class C + Gel + Retarder + Defoamer + |
| | | | | | | Extender |
| | 400 | 15.6 | 1.18 | 5.2 | 10 | Tail: Class H + Retarder + Fluid Loss + Defoamer |
| Liner | 225 | 11.2 | 2.97 | 18 | 16 | Class C + Salt + Gel + Fluid Loss + Retarder + |
| | | | | | | Dispersant + Defoamer + Anti-Settling Agent |

A copy of cement test will be available on location at time of cement job providing pump times & compressive strengths.

| Casing String | TOC | % Excess |
|---------------|-------|----------|
| Surface | 0' | 100% |
| Intermediate | 0' | 25% |
| Production | 4800' | 25% |
| Liner | 9914' | 25% |

4. Pressure Control Equipment

| BOP installed and tested before drilling which hole? | Size? | System Rated WP | Туре | | | Tested to: |
|---|---------|-----------------------|------------|--------|---|------------|
| | | | A | nnular | Χ | 2500# |
| | 13-5/8" | 5M | Blind Ram | | Χ | |
| 12-1/4" | | | Pipe Ram | | Χ | 5000# |
| | | | Double Ram | | | 5000# |
| | | | Other* | | | |

*Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The system may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

| Χ | Formation integrity test will be performed per Onshore Order #2. |
|---|--|
| | On exploratory wells or on that portion of any well approved for a 5M BOPE system or |
| | greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in |
| | accordance with Onshore Oil and Gas Order #2 III.B.1.i. |

| Y | | ance is requested for the use of a flexible choke line from the BOP to Choke old. See attached for specs and hydrostatic test chart. | | | | | |
|---|--|--|--|--|--|--|--|
| | Ν | Are anchors required by manufacturer? | | | | | |
| Y | A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. | | | | | | |
| | • | Provide description here: See attached schematic. | | | | | |

5. Mud Program

| | Depth | Туре | Weight (ppg) | Viscosity | Water Loss |
|-------|--------|-----------------|--------------|-----------|------------|
| From | То | 1 | | | |
| 0' | 1045' | FW Gel | 8.6-8.8 | 28-34 | N/C |
| 1045' | 5000' | Saturated Brine | 10.0 | 28-34 | N/C |
| 5000' | 9910' | Cut Brine | 8.6-9.7 | 28-34 | N/C |
| 9910' | 10388' | OBM | 8.6-10.0 | 30-40 | <10cc |

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

| What will be used to monitor the loss or gain | Visual Monitoring |
|---|-------------------|
| of fluid? | |

6. Logging and Testing Procedures

| Logg | Logging, Coring and Testing. | | | | | | | | |
|------|--|--|--|--|--|--|--|--|--|
| X | Will run GR/CNL from KOP (9914') to surface (horizontal well – vertical portion of | | | | | | | | |
| | hole). Stated logs run will be in the Completion Report and submitted to the BLM. | | | | | | | | |
| | No Logs are planned based on well control or offset log information. | | | | | | | | |
| | Drill stem test? If yes, explain | | | | | | | | |
| | Coring? If yes, explain | | | | | | | | |

| Addi | tional logs planned | Interval | | |
|------|---------------------|-------------------|--|--|
| Х | Gamma Ray | 9914' (KOP) to TD | | |

| Density | |
|---------|--|
| CBL | |
| Mud log | |
| PEX | |

7. Drilling Conditions

| Condition | Specify what type and where? |
|----------------------------|------------------------------|
| BH Pressure at deepest TVD | 5401 psi |
| Abnormal Temperature | No |

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers in surface hole.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

| | H2S is present |
|---|-------------------|
| Χ | H2S Plan attached |

8. Other facets of operation

Is this a walking operation? If yes, describe. Will be pre-setting casing? If yes, describe.

Attachments

Directional Plan Other, describe

| Operator Name: | Property Name: | Well Number |
|----------------|----------------|-------------|
| | | |
| | | |

Kick Off Point (KOP)

| UL | Section | Township | Range | Lot | Feet | From N/S | Feet | From E/W | County |
|--------|---------|----------|-------|-----|-----------|----------|------|----------|--------|
| Latitu | de | | | | Longitude | | | | NAD |

First Take Point (FTP)

| UL Section | Township | Range | Lot | Feet | From N/S | Feet | From E/W | County |
|------------|----------|-------|-----|-----------|----------|------|----------|--------|
| Latitude | | | | Longitude | | | | NAD |

Last Take Point (LTP)

| UL | Section | Township | Range | Lot | Feet | From N/S | Feet | From E/W | County |
|--------|---------|----------|-------|-----|----------|----------|------|----------|--------|
| Latitu | de | | | | Longituc | le | | | NAD |

|--|

Is this well an infill well?

_____]

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

| API # | | |
|----------------|----------------|-------------|
| Operator Name: | Property Name: | Well Number |
| | | |

State of New Mexico Energy, Minerals and Natural Resources Department OCD – HOBBS

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

GAS CAPTURE PLAN

Date: 5-17-18

 \boxtimes Original

Operator & OGRID No.: Mewbourne Oil Company - 14744

02/26/2019

□ Amended - Reason for Amendment:

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

| Well Name | API | Well Location (ULSTR) | Footages | Expected MCF/D | Flared or Vented | Comments |
|-----------------------------|------------|--------------------------|--------------------|-------------------|---------------------|-------------------|
| Gazelle 22 B2NC Fed Com #2H | | N -22-T23R-R34E | 200 FSL & 1750 FWL | 0 | NA | ONLINE AFTER FRAC |
| 3(| 0-025-4564 | 6 | | | | |

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to <u>Western</u> and will be connected to Western low/high pressure gathering system located in EDDY County, New Mexico. It will require 3,400 of pipeline to connect the facility to low/high pressure gathering system. <u>Mewbourne Oil Company</u> provides (periodically) to <u>western</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Mewbourne Oil Company and Western have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Processing Plant located in Sec. <u>36</u>, Blk. <u>58 T1S</u>, <u>Culberson</u>County, Texas. The actual flow Western of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Western system at that time. Based on current information, it is Operator's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation On lease •
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
 - Compressed Natural Gas On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines