

Form 3160-3
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 16 2012

APPLICATION FOR PERMIT TO DRILL OR REENTER

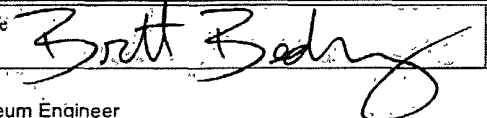
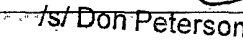
FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

1a. Type of work: ☒ DRILL ☐ REENTER		5. Lease Serial No. NM-105559 BH NM105561 SH
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator: Mewbourne Oil Company		7. If Unit or CA Agreement, Name and No. Red Hills West Unit, NMNM125386A
3a. Address: PO Box 5270 Hobbs, NM 88240		8. Lease Name and Well No. Red Hills West Unit "3" #4H 39349
3b. Phone No. (include area code) (575) 393-5905		9. API Well No. 30-025-40687
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 370' FNL & 1840' FWL (Unit C) Sec 10 At proposed prod. zone 330' FNL & 2080' FWL (Unit C) Sec 3		10. Field and Pool, or Exploratory Wildcat Bone Spring offset Production 978382
11. Sec., T. R. M. or Blk. and Survey or Area Sec 10; T26S; R32E		12. County or Parish Lea
13. State NM		14. Distance in miles and direction from nearest town or post office 27.9 miles West of Jal, NM
15. Distance from proposed* 330' location to nearest property or lease line, ft. (Also to nearest dng. unit line, if any)	16. No. of acres in lease 320	17. Spacing Unit dedicated to this well 160
18. Distance from proposed location* 140' West of the to nearest well, drilling, completed, applied for, on this lease, ft. RHWU "10" # 2H	19. Proposed Depth 14638' MD 9495' TVD	20. BLM/BIA Bond No. on file NM-1693, Nationwide
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3275' GL.	22. Approximate date work will start* 11/01/2012	23. Estimated duration 30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature 	Name (Printed/Typed) Brett Bednarz	Date 03/19/2012
Title: Petroleum Engineer		
Approved by (Signature) 	Name (Printed/Typed)	Date
Title: FIELD MANAGER	Office CARLSBAD FIELD OFFICE	JUL 12 2012

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.

(Continued on page 2)

*(Instructions on page 2)

KZ 07/17/12 Carlsbad Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVALApproval Subject to General Requirements
& Special Stipulations Attached

JUL 18 2012

Drilling Program
Mewbourne Oil Company
 Red Hills West Unit "3" #4H
 370' FNL & 1840' FWL (SHL)
 Sec 10-T26S-R32E
 Lea County, New Mexico

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

Rustler	1020'
Top of Salt	1370'
Base of Salt	4350'
Lamar	4450'
*Delaware	4600'
*Bone Springs	8690'
Wolfcamp	WILL NOT PENETRATE

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

Water	Fresh water will be protected by setting surface casing at 1045' 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 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. BOPs 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 9 5/8" BOPE to 3000# and Annular to 1500# with a third party testing company before drilling below each shoe, but will test again, if needed, in 30 days from the 1st test as per BLM Onshore Oil and Gas Order #2.

4. Drilling Program:

MOC proposes to drill a vertical wellbore to 8922' and kick off to horizontal @ 9495' TVD. The well will be drilled to 14638' MD (9485' 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>
17 1/2"	13 3/8" (new)	48#	H40	0'-1045'	ST&C
12 1/4"	9 5/8" (new)	36#	J55	0'- 3300'	ST&C
12 1/4"	9 5/8" (new)	40#	J55	3300'- 4300'	ST&C
12 1/4"	9 5/8" (new)	40#	K55 HC	4300'- 4450'	LT&C
8 3/4 "	7" (new)	26#	P110	0'-8922'	LT&C
8 3/4 "	7" (new)	26#	P110	8922'-9823'	BT&C
6 1/8"	4 1/2" (new)	11.6#	P110	0-13784' MD	LT&C

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

~~*Subject to availability of casing~~ See COA

B. Cementing Program: *See COA*

- * i. Surface Casing: 552 sks Class "C" lite (35:65:4) cement w/ salt and LCM additives. Yield at 2.15 cuft/sk. 200 sks Class "C" cement w/ 2% CaCl₂. Yield at 1.34 cuft/sk. Cmt circulated to surface w/100% excess.
- * ii. Intermediate Casing: 740 sks Class "C" lite (35:65:4) cement w/ LCM & Cello Flake additives. Yield at 2.03 cuft/sk. 200 sacks Class "C" cement. Yield at 1.34 cuft/sk. Cmt circulated to surface w/25% excess.
- iii. Production Casing: 260 sks Class "H" lite (35:65:4) cement w/ FL & MPA5 additives. Yield at 2.11 cuft/sk. 400 sks Class "H" cement w/ Salt & FL additives. Yield at 1.19 cuft/sk. Cmt will tie-back 200' inside Intermediate csg w/25% excess.
- iv. Production Liner: This will be a Packer/Port completion from TD up inside 7" casing with packer type liner hanger.

*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.

6. Mud Program: ** See COA*

Interval	Type System	Weight	Viscosity	Fluid Loss
0' - 1045'	FW spud mud	8.6-9.0	32-34	NA
1045' - 4570' <i>4450</i>	Brine Water	10.0-10.2	28-30	NA
4570' - 8922' (KOP)	Cut Brine	8.3-8.6	28-30	NA
8922' - TD	Cut Brine w/Polymer	8.5-8.7	32-35	15

7. Evaluation Program: ** See COA*

Samples: 10' samples from surface casing to TD
Logging: GR/N & Gyro from KOP -100' (8822') to surface. GR from 8822' 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

Eddy County, New Mexico

Sec. 10: 26S-32E

Red Hills West Unit 3 #4H

Wellbore #1

Plan: Design #1

DDC Well Planning Report

12 March, 2012



DDC
Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Red Hills West Unit 3 #4H
Company:	Mewbourne Oil Co	TVD Reference:	GL 3275' + 20' KB @ 3295.0usft (Patterson UTI)
Project:	Eddy County, New Mexico	MD Reference:	GL 3275' + 20' KB @ 3295.0usft (Patterson UTI)
Site:	Sec. 10: 26S-32E	North Reference:	Grid
Well:	Red Hills West Unit 3 #4H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Project		Eddy County, New Mexico	
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site		Sec. 10: 26S-32E			
Site Position:		Northing:	387,593.00 usft	Latitude:	32° 3' 49.847 N
From:	Map	Easting:	707,033.02 usft	Longitude:	103° 39' 54.060 W
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.35 °

Well	Red Hills West Unit 3 #4H					
Well Position	+N/-S	0.0 usft	Northing:	387,593.00 usft	Latitude:	32° 3' 49.847 N
	+E/-W	0.0 usft	Easting:	707,033.02 usft	Longitude:	103° 39' 54.060 W
Position Uncertainty		0.0 usft	Wellhead Elevation:		Ground Level:	3,275.0 usft

Wellbore:		Wellbore #1			
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	3/12/2012	7.53	60.00	48,436

Design:		Design #1		
Audit Notes:				
Version:		Phase:	PROTOTYPE	Tie On Depth: 0.0
Vertical Section:		Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)
		Direction (°)		
		0.0	0.0	0.0
				357.43

Plan Sections										
Measured Depth	Inclination	Azimuth	Vertical Depth	+N/-S	+E/-W	Dogleg Rate	Build Rate	Turn Rate	TFO	Target
(usft)	(°)	(°)	(usft)	(usft)	(usft)	(%/100usft)	(%/100usft)	(%/100usft)	(°)	
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
8,922.0	0.00	0.00	8,922.0	0.0	0.0	0.00	0.00	0.00	0.00	
9,823.2	90.12	357.43	9,495.0	573.6	-25.7	10.00	10.00	0.00	357.43	
14,637.7	90.12	357.43	9,485.0	5,383.2	-241.2	0.00	0.00	0.00	0.00	Red Hills West Unit 3

DDC
Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Red Hills West Unit 3 #4H
Company:	Mewbourne Oil Co	TVD Reference:	GL 3275' + 20' KB @ 3295.0usft (Patterson UTI)
Project:	Eddy County, New Mexico	MD Reference:	GL 3275' + 20' KB @ 3295.0usft (Patterson UTI)
Site:	Sec. 10: 26S-32E	North Reference:	Grid
Well:	Red Hills West Unit 3 #4H	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

DDC
Well Planning Report



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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)
5,200.0	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
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
8,900.0	0.00	0.00	8,900.0	0.0	0.0	0.0	0.00	0.00	0.00
8922°MD: Begin Build @ 10° DLS									
8,922.0	0.00	0.00	8,922.0	0.0	0.0	0.0	0.00	0.00	0.00
9,000.0	7.80	357.43	8,999.8	5.3	-0.2	5.3	10.00	10.00	0.00
9,100.0	17.80	357.43	9,097.2	27.4	-1.2	27.4	10.00	10.00	0.00
9,200.0	27.80	357.43	9,189.2	66.0	-3.0	66.1	10.00	10.00	0.00
9,300.0	37.80	357.43	9,273.2	120.1	-5.4	120.2	10.00	10.00	0.00
9,400.0	47.80	357.43	9,346.5	187.9	-8.4	188.1	10.00	10.00	0.00
9,500.0	57.80	357.43	9,406.9	267.3	-12.0	267.6	10.00	10.00	0.00
9,600.0	67.80	357.43	9,452.5	356.1	-16.0	356.4	10.00	10.00	0.00
9,700.0	77.80	357.43	9,482.1	451.4	-20.2	451.8	10.00	10.00	0.00
9,800.0	87.80	357.43	9,494.6	550.4	-24.7	550.9	10.00	10.00	0.00
9823°MD - 9495°TVD - EOC / 90.12° Incl. - 357.43° Azm.									
9,823.2	90.12	357.43	9,495.0	573.6	-25.7	574.1	10.00	10.00	0.00
9,900.0	90.12	357.43	9,494.8	650.3	-29.1	650.9	0.00	0.00	0.00

DDC
Well Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Red Hills West Unit 3 #4H
Company:	Mewbourne Oil Co	TVD Reference:	GL 3275' + 20' KB @ 3295.0usft (Patterson UTI)
Project:	Eddy County, New Mexico	MD Reference:	GL 3275' + 20' KB @ 3295.0usft (Patterson UTI)
Site:	Sec. 10: 26S-32E	North Reference:	Grid
Well:	Red Hills West Unit 3 #4H	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)	
10,000.0	90.12	357.43	9,494.6	750.2	-33.6	750.9	0.00	0.00	0.00	
10,100.0	90.12	357.43	9,494.4	850.1	-38.1	850.9	0.00	0.00	0.00	
10,200.0	90.12	357.43	9,494.2	950.0	-42.6	950.9	0.00	0.00	0.00	
10,300.0	90.12	357.43	9,494.0	1,049.9	-47.0	1,050.9	0.00	0.00	0.00	
10,400.0	90.12	357.43	9,493.8	1,149.8	-51.5	1,150.9	0.00	0.00	0.00	
10,500.0	90.12	357.43	9,493.6	1,249.7	-56.0	1,250.9	0.00	0.00	0.00	
10,600.0	90.12	357.43	9,493.4	1,349.6	-60.5	1,350.9	0.00	0.00	0.00	
10,700.0	90.12	357.43	9,493.2	1,449.5	-64.9	1,450.9	0.00	0.00	0.00	
10,800.0	90.12	357.43	9,493.0	1,549.4	-69.4	1,550.9	0.00	0.00	0.00	
10,900.0	90.12	357.43	9,492.8	1,649.3	-73.9	1,650.9	0.00	0.00	0.00	
11,000.0	90.12	357.43	9,492.6	1,749.2	-78.4	1,750.9	0.00	0.00	0.00	
11,100.0	90.12	357.43	9,492.3	1,849.1	-82.8	1,850.9	0.00	0.00	0.00	
11,200.0	90.12	357.43	9,492.1	1,949.0	-87.3	1,950.9	0.00	0.00	0.00	
11,300.0	90.12	357.43	9,491.9	2,048.9	-91.8	2,050.9	0.00	0.00	0.00	
11,400.0	90.12	357.43	9,491.7	2,148.8	-96.3	2,150.9	0.00	0.00	0.00	
11,500.0	90.12	357.43	9,491.5	2,248.7	-100.8	2,250.9	0.00	0.00	0.00	
11,600.0	90.12	357.43	9,491.3	2,348.6	-105.2	2,350.9	0.00	0.00	0.00	
11,700.0	90.12	357.43	9,491.1	2,448.5	-109.7	2,450.9	0.00	0.00	0.00	
11,800.0	90.12	357.43	9,490.9	2,548.4	-114.2	2,550.9	0.00	0.00	0.00	
11,900.0	90.12	357.43	9,490.7	2,648.3	-118.7	2,650.9	0.00	0.00	0.00	
12,000.0	90.12	357.43	9,490.5	2,748.2	-123.1	2,750.9	0.00	0.00	0.00	
12,100.0	90.12	357.43	9,490.3	2,848.1	-127.6	2,850.9	0.00	0.00	0.00	
12,200.0	90.12	357.43	9,490.1	2,948.0	-132.1	2,950.9	0.00	0.00	0.00	
12,300.0	90.12	357.43	9,489.9	3,047.9	-136.6	3,050.9	0.00	0.00	0.00	
12,400.0	90.12	357.43	9,489.6	3,147.8	-141.0	3,150.9	0.00	0.00	0.00	
12,500.0	90.12	357.43	9,489.4	3,247.7	-145.5	3,250.9	0.00	0.00	0.00	
12,600.0	90.12	357.43	9,489.2	3,347.6	-150.0	3,350.9	0.00	0.00	0.00	
12,700.0	90.12	357.43	9,489.0	3,447.4	-154.5	3,450.9	0.00	0.00	0.00	
12,800.0	90.12	357.43	9,488.8	3,547.3	-158.9	3,550.9	0.00	0.00	0.00	
12,900.0	90.12	357.43	9,488.6	3,647.2	-163.4	3,650.9	0.00	0.00	0.00	
13,000.0	90.12	357.43	9,488.4	3,747.1	-167.9	3,750.9	0.00	0.00	0.00	
13,100.0	90.12	357.43	9,488.2	3,847.0	-172.4	3,850.9	0.00	0.00	0.00	
13,200.0	90.12	357.43	9,488.0	3,946.9	-176.8	3,950.9	0.00	0.00	0.00	
13,300.0	90.12	357.43	9,487.8	4,046.8	-181.3	4,050.9	0.00	0.00	0.00	
13,400.0	90.12	357.43	9,487.6	4,146.7	-185.8	4,150.9	0.00	0.00	0.00	
13,500.0	90.12	357.43	9,487.4	4,246.6	-190.3	4,250.9	0.00	0.00	0.00	
13,600.0	90.12	357.43	9,487.2	4,346.5	-194.8	4,350.9	0.00	0.00	0.00	
13,700.0	90.12	357.43	9,486.9	4,446.4	-199.2	4,450.9	0.00	0.00	0.00	
13,800.0	90.12	357.43	9,486.7	4,546.3	-203.7	4,550.9	0.00	0.00	0.00	
13,900.0	90.12	357.43	9,486.5	4,646.2	-208.2	4,650.9	0.00	0.00	0.00	
14,000.0	90.12	357.43	9,486.3	4,746.1	-212.7	4,750.9	0.00	0.00	0.00	
14,100.0	90.12	357.43	9,486.1	4,846.0	-217.1	4,850.9	0.00	0.00	0.00	
14,200.0	90.12	357.43	9,485.9	4,945.9	-221.6	4,950.9	0.00	0.00	0.00	
14,300.0	90.12	357.43	9,485.7	5,045.8	-226.1	5,050.9	0.00	0.00	0.00	
14,400.0	90.12	357.43	9,485.5	5,145.7	-230.6	5,150.9	0.00	0.00	0.00	
14,500.0	90.12	357.43	9,485.3	5,245.6	-235.0	5,250.9	0.00	0.00	0.00	
14,600.0	90.12	357.43	9,485.1	5,345.5	-239.5	5,350.9	0.00	0.00	0.00	
14638'MD - 9485'TVD - PBHL - Red Hills West Unit 3 #4H PBHL										
14,637.7	90.12	357.43	9,485.0	5,383.2	-241.2	5,388.6	0.00	0.00	0.00	

DDC
Well Planning Report



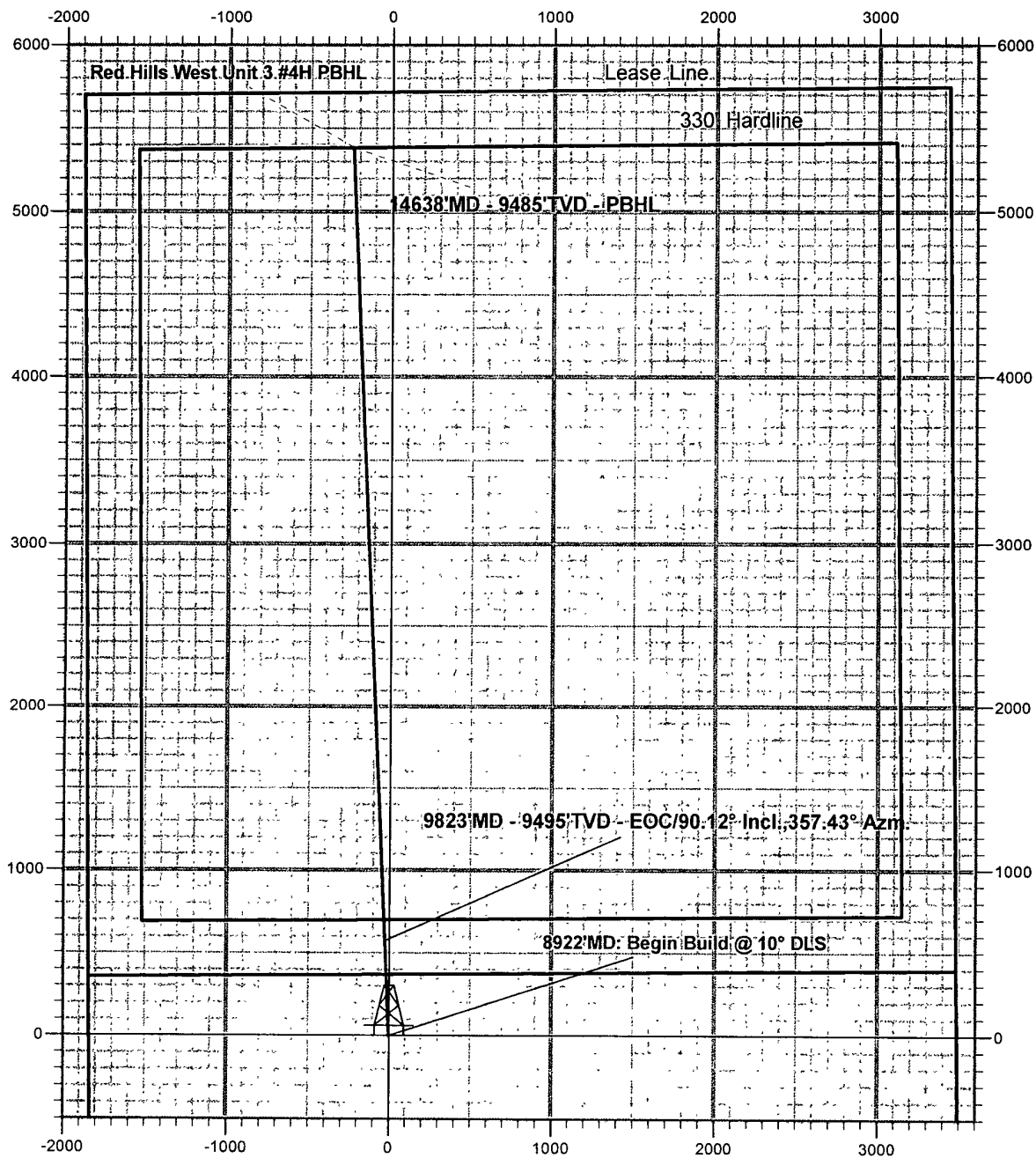
Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Red Hills West Unit 3 #4H
Company:	Mewbourne Oil Co	TVD Reference:	GL 3275' + 20' KB @ 3295.0usft (Patterson UTI)
Project:	Eddy County, New Mexico	MD Reference:	GL 3275' + 20' KB @ 3295.0usft (Patterson UTI)
Site:	Sec. 10: 26S-32E	North Reference:	Grid
Well:	Red Hills West Unit 3 #4H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Design Targets									
Target Name									
- hit/miss target	Dip Angle	Dip Dir.	TVD	+N-S	+E-W	Northing	Easting	Latitude	Longitude
- Shape	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)		
Red Hills West Unit 3 #4	0.00	0.00	9,485.0	5,383.2	-241.2	392,976.20	706,791.82	32° 4' 43.133 N	103° 39' 56.475 W
- plan hits target center									
- Point									

Plan Annotations				
Measured Depth	Vertical Depth	Local Coordinates		Comment
(usft)	(usft)	+N-S (usft)	+E-W (usft)	
8,922.0	8,922.0	0.0	0.0	8922'MD: Begin Build @ 10° DLS
9,823.2	9,495.0	573.6	-25.7	9823'MD - 9495'TVD - EOC / 90.12° Incl. - 357.43° Azm.
14,637.7	9,485.0	5,383.2	-241.2	14638'MD - 9485'TVD - PBHL

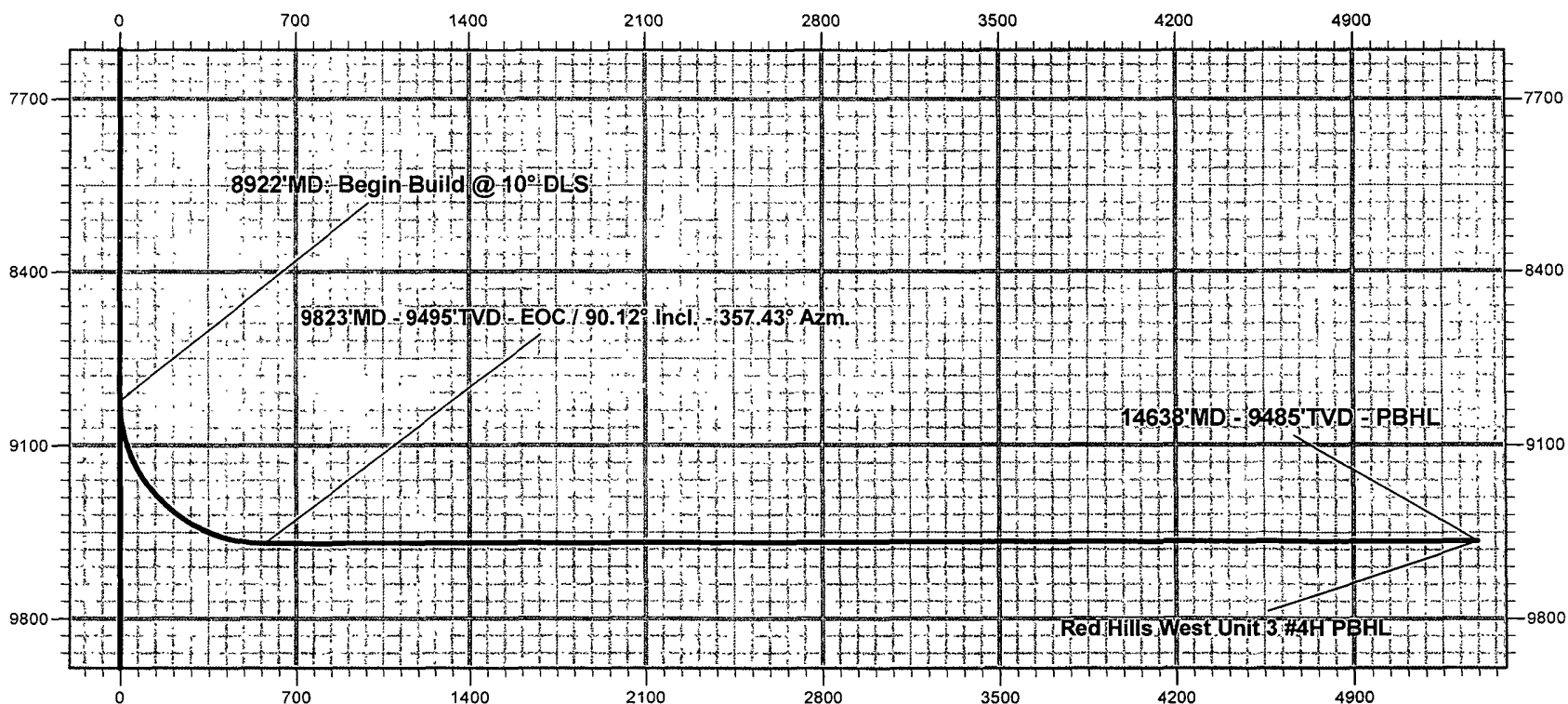
Mewbourne Oil Co

Red Hills West Unit 3 #4H
Sec. 10: 26S-32E
Eddy County, New Mexico
Design #1
Q120203



Mewbourne Oil Co

Red Hills West Unit 3 #4H
Sec. 10: 26S-32E
Eddy County, New Mexico
Design #1
Q120203



Vertical Section at 357.43° (700 usft/in)

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

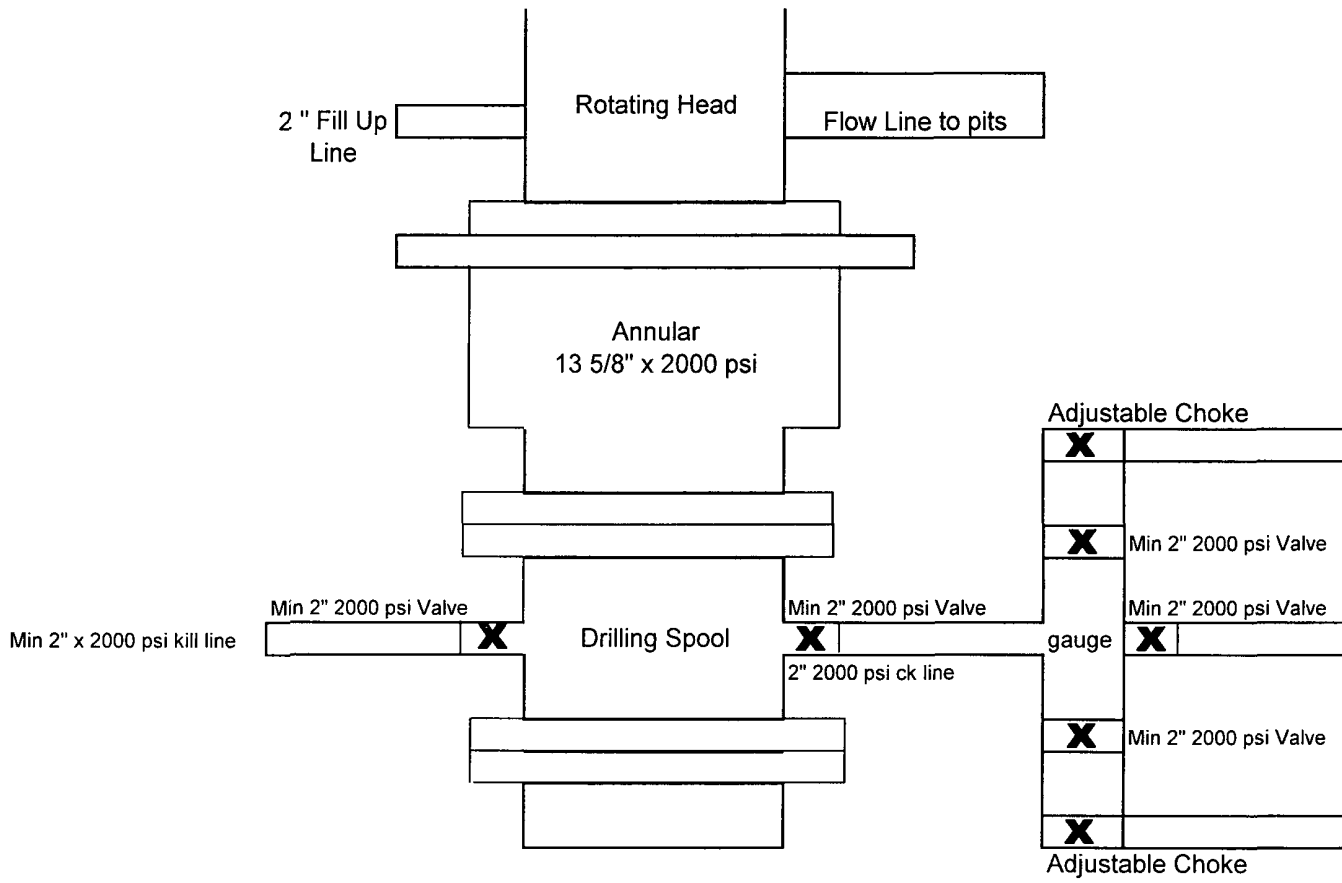


Exhibit #2

Red Hills West Unit "3" #4H
 370' FNL & 1840' FWL
 Sec 3-T26S-R32E
 Lea, County
 New Mexico

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

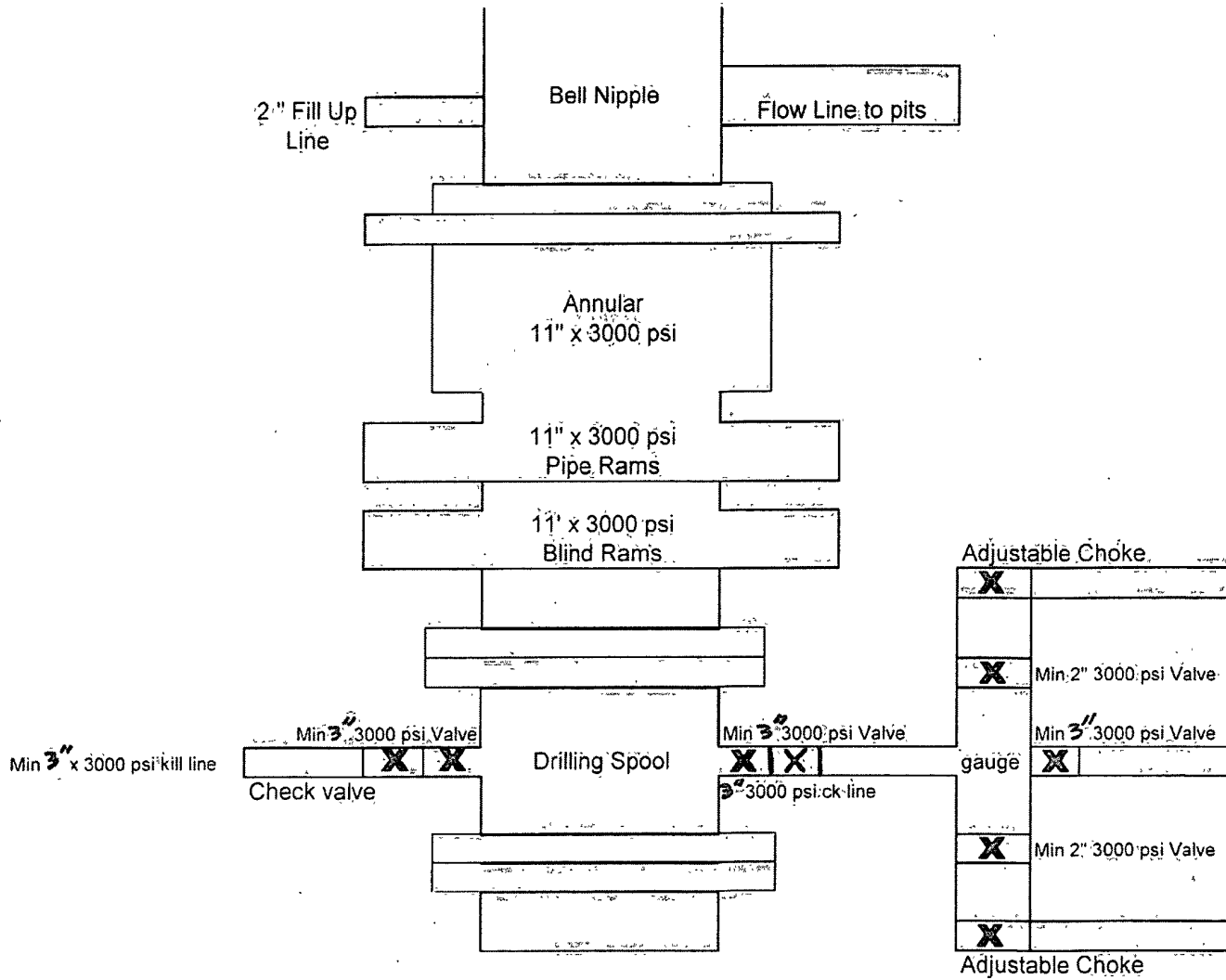


Exhibit #2 A

Red Hills West Unit "3" #4H
 370' FNL & 1840' FWL
 Sec 10-T26S-R32E
 Lea, County
 New Mexico

Notes Regarding Blowout Preventer

Mewbourne Oil Company

Red Hills West Unit "3" #4H

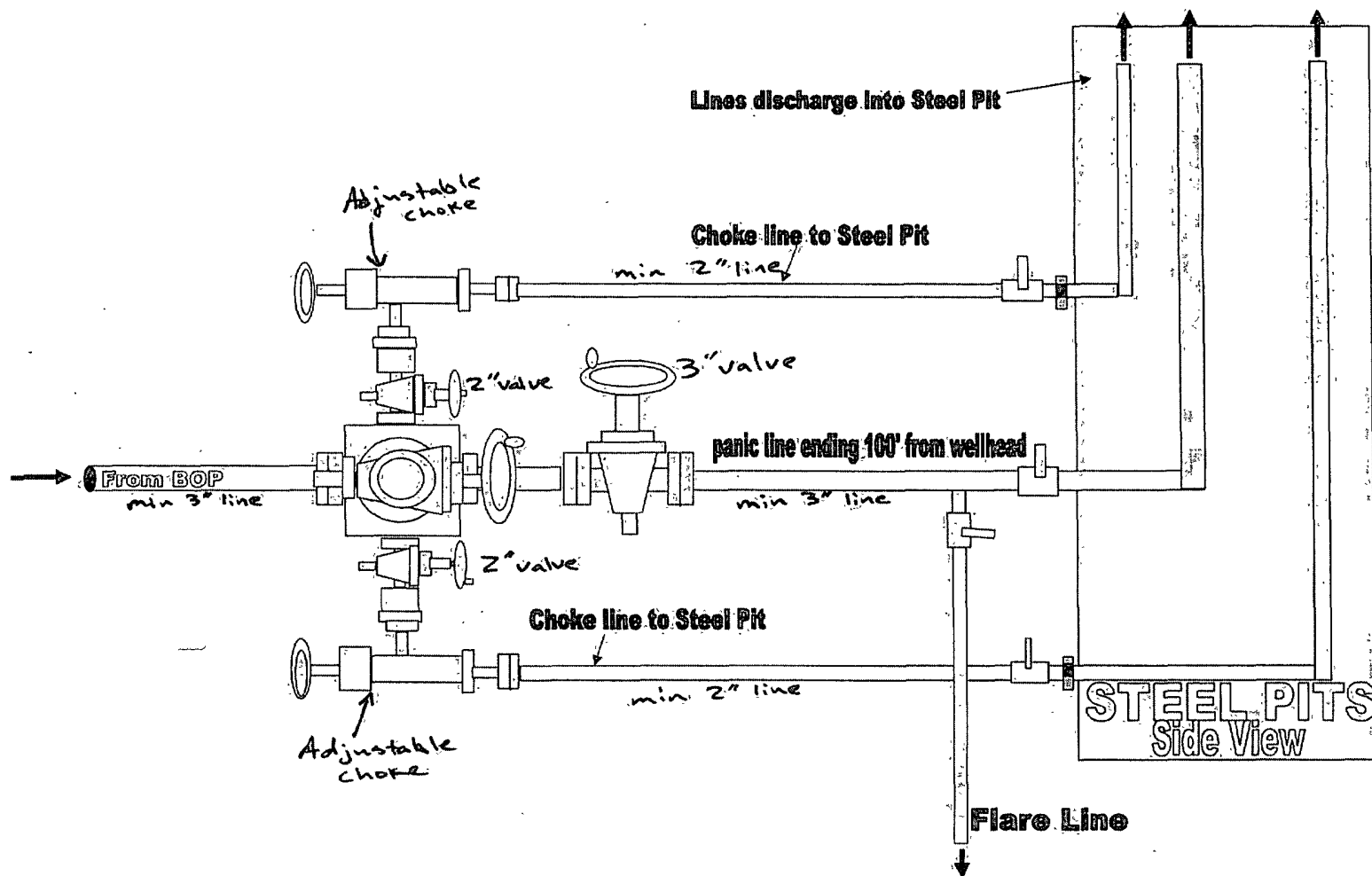
370' FNL & 1840' FWL (SHL)

Sec 10-T26S-R32E

Lea County, New Mexico

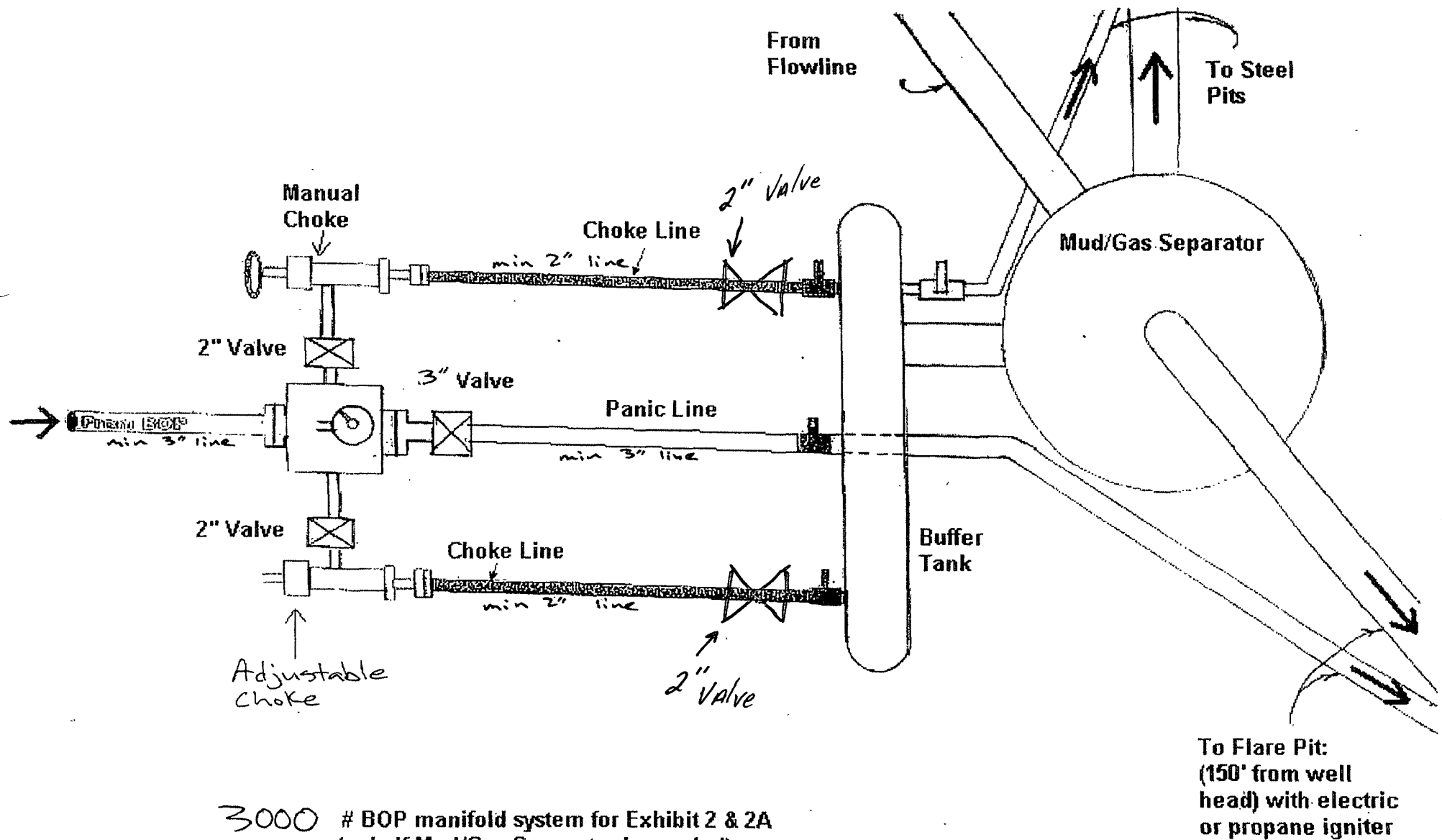
- I. Drilling nipple (bell nipple) to be constructed so that it can be removed without the use of a welder through the opening of the rotary table, with minimum internal diameter equal to blowout preventer bore.
- II. Blowout preventer and all fittings must be in good condition with a minimum 2000 psi working pressure on 13 3/8" casing and 3000 psi working pressure on 9 5/8" & 7" casing.
- III. Safety valve must be available on the rig floor at all times with proper connections to install in the drill string. Valve must be full bore with minimum 3000 psi working pressure.
- IV. Equipment through which bit must pass shall be at least as large as internal diameter of the casing.
- V. A kelly cock shall be installed on the kelly at all times.

Blowout preventer closing equipment to include and accumulator of at least 40 gallon capacity, two independent sources of pressure on closing unit, and meet all other API specifications.



3000# BOP manifold system for Exhibit 2 & 2A

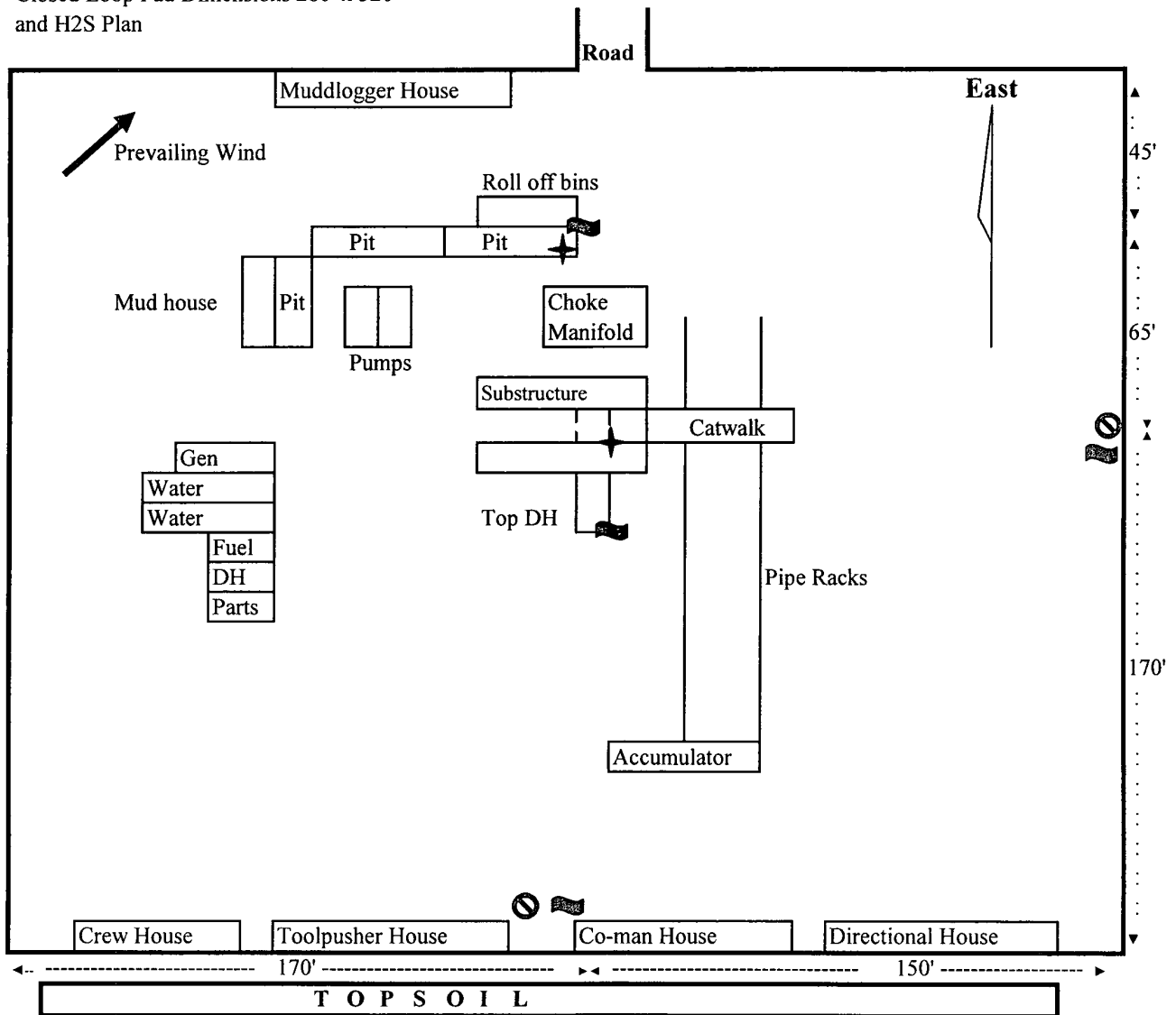
Red Hills West Unit "3" #4H



Red Hills West Unit "3" #4H

Exhibit 5

Closed Loop Pad Dimensions 280' x 320'
and H2S Plan



Legend	
	Wellbore Location
	Briefing Area w/ SCBA
	H2S Sensors
	Windsocks

Mewbourne Oil Company	
Red Hills West Unit "3" #4H	
370' FNL & 1840' FWL	
Sec 10-T26S-R32E	
Lea County, NM	