

HOBBSCOCD

Form 3160-3
(March 2013)

FEB 12 2015

OCD Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

RECEIVED

UNITED STATES

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☒ DRILL ☐ REENTER		7. If Unit or CA Agreement, Name and No. NMNM125386A	
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		8. Lease Name and Well No. Red Hills West Unit #010H	
2. Name of Operator Mewbourne Oil Company		9. API Well No. 30-025-42438	
3a. Address PO Box 5270 Hobbs, NM 88241	3b. Phone No. (include area code) 575-393-5905	10. Field and Pool, or Exploratory Jennings, Bess Springs Upper Shale	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 330' FNL & 1215' FWL, Sec. 10 T26S R32E At proposed prod. zone 330' FNL & 990' FWL, Sec. 3 26S R32E		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 10 T26S R32E	
14. Distance in miles and direction from nearest town or post office* 28 miles west of Jal, NM		12. County or Parish Lea	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease NMNM105561 - 360 NMNM105559 - 320	17. Spacing Unit dedicated to this well 160	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 65' - MOC's RHWU #007H	19. Proposed Depth 14,221' - MD 9,095' - TVD	20. BLM/BIA Bond No. on file NM1693 nationwide, NMB-000919	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3255' - GL	22. Approximate date work will start* 08/24/2014	23. Estimated duration 60 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:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature <i>Bradley Bishop</i>	Name (Printed/Typed) Bradley Bishop	Date 06/24/2014
Title		

Approved by (Signature) /S/ STEPHEN J. CAFFEY	Name (Printed/Typed)	Date FEB 9 2015
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.

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)

CARLSBAD CONTROLLED WATER BASIN

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Witness Surface Casing

K2
02/12/15

THIS DOCUMENT IS NOT VALID
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

FEB 13 2015

Drilling Program
Mewbourne Oil Company
 Red Hills West Unit #010H
 330' FNL & 1215' FWL (SHL)
 Sec 10-T26S-R32E
 Lea County, New Mexico

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

Rustler	935'
Top Salt	1275'
Base Salt/Tansil	4290'
Delaware	4520'
Bell Canyon	4550'
Cherry Canyon	5610'
Manzanita Marker	5750'
*Brushy Canyon	7245'
*Bone Spring	8640'
*1 st Bone Spring Sand	9630'
*2 nd Bone Spring Sand	10,240'

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

Water	Fresh water is anticipated at 240' and will be protected by setting surface casing at 960' ^{1040'} 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. 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 13 3/8" annular to 1250# and 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 8542' & kick off to horizontal @ 9115' TVD. The well will be drilled to 14220' MD (9095' TVD). See attached directional plan.

5. Proposed casing and cementing program:

A. Casing Program:

Hole Size	Casing	Wt/Ft.	Grade	Depth	Jt Type
17 1/2"	13 3/8" (new)	48#	H40	0'- 960' ^{1040'}	ST&C
12 1/4"	9 5/8" (new)	36#	J55	0'-3400'	LT&C
12 1/4"	9 5/8" (new)	40#	J55	3400'-4300'	LT&C
12 1/4"	9 5/8" (new)	40#	N80	4300'-4450'	LT&C
8 3/4"	5 1/2" (new)	17#	P110	0-8542' MD	LT&C
8 3/4"	5 1/2" (new)	17#	P110	8542'-9444' MD	BT&C
8 3/4"	5 1/2" (new)	17#	P110	9444'- TD	LT&C

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

*Subject to availability of casing.

B. Cementing Program:

- i. Surface Casing: 510 sacks Class "C" (35:65:4) light cement w/ salt and LCM additives. Yield at 2.12 cuft/sk. Mix @ 11.17 gal/sk FW. 200 sacks Class "C" cement w/2% CaCl₂. Yield at 1.34 cuft/sk. Mix @ 6.34 gal/sk FW. Cmt circulated to surface w/100% excess.
- See COA
ii. Intermediate Casing: 700 sacks Class "C" (35:65:4) light cement w/ salt and LCM additives. Yield at 2.12 cuft/sk. Mix @ 11.17 gal/sk FW. 200 sacks Class "C" cement w/2% CaCl₂. Yield at 1.34 cuft/sk. Mix water @ 6.34 gal/sk. Cmt circulated to surface w/25% excess.
- See COA
iii. Production Casing: 1050 sacks Class H light cement (15:61:11) with fluid loss, LCM, & salt additives. Yield at 2.12 cuft/sk. Mix water @ 11.32 gal/sk. 300 sacks Class H cement containing fluid loss additives. Yield at 2.99 cuft/sk. Mix @ 17.43 gal/sk. Cmt calculated to tie back 200' into 9 5/8" casing @ 4250' w/25% excess.

*Referring to above blends of light 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'-960' 1040'	FW spud mud	8.6-9.0	32-34	NA
960'-4450'	Brine water	10.0-10.2	28-30	NA
4450'-8542'	FW mud	8.6-8.8	28-30	NA
8542'- TD	FW w/Polymer	8.5-8.7	32-35	15

*Visual mud monitoring system shall be in place to detect volume changes indicating loss or gain of circulation fluid volume. Sufficient mud materials will be kept on location at all times to combat abnormal conditions.

7. Evaluation Program:

Samples: 10' samples from surface casing to TD
Logging: Gyro from KOP-100' (8442') to surface and GR from 8442' to TD. Cased hole logs (GR & CNL) will be ran during completion process from 8442' to surface.

8. Downhole Conditions

See COA

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 (.43368 x 9115'=3953.0 psi)

9. Anticipated Starting Date:

Mewbourne Oil Company intends to drill this well as soon as possible after receiving approval with approximately 60 days involved in drilling operations and an additional 20 days involved in completion operations on the project.

Mewbourne Oil Company

Lea County, New Mexico
Red Hills West Unit #010H
Sec 10/3, 26S, 32E

SL: 330 FNL & 1215 FWL, BHL 330 FNL & 990 FWL (Sec 3)

Plan: Design #1

Standard Planning Report

20 June, 2014

Planning Report

Database: Hobbs
Company: Mewbourne Oil Company
Project: Lea County, New Mexico
Site: Red Hills West Unit #010H
Well: Sec 10/3, 26S, 32E
Wellbore: SL: 330 FNL & 1215 FWL, BHL 330 FNL & 990 FWL (Sec 3)
Design: Design #1

Local Co-ordinate Reference: Site Red Hills West Unit #010H
TVD Reference: WELL @ 3275.0usft (Original Well Elev)
MD Reference: WELL @ 3275.0usft (Original Well Elev)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Project Lea 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 Red Hills West Unit #010H

Site Position: Northing: 387,625.20 usft Latitude: 32° 3' 50.204 N
From: Map Easting: 706,408.10 usft Longitude: 103° 40' 1.319 W
Position Uncertainty: 0.0 usft Slot Radius: 13-3/16 " Grid Convergence: 0.35 °

Well Sec 10/3, 26S, 32E

Well Position +N/-S 0.0 usft Northing: 387,625.20 usft Latitude: 32° 3' 50.204 N
 +E/-W 0.0 usft Easting: 706,408.10 usft Longitude: 103° 40' 1.319 W
Position Uncertainty 0.0 usft Wellhead Elevation: 3,275.0 usft Ground Level: 3,255.0 usft

Wellbore SL: 330 FNL & 1215 FWL, BHL 330 FNL & 990 FWL (Sec 3)

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	6/20/2014	7.25	59.95	48,209

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	357.05

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	
8,542.0	0.00	0.00	8,542.0	0.0	0.0	0.00	0.00	0.00	0.00	
9,444.5	90.24	357.05	9,115.0	574.6	-29.6	10.00	10.00	0.00	-2.95	
14,220.6	90.24	357.05	9,095.0	5,344.4	-275.6	0.00	0.00	0.00	0.00	PBHL 330 FNL & 990

Planning Report

Database: Hobbs
Company: Mewbourne Oil Company
Project: Lea County, New Mexico
Site: Red Hills West Unit #010H
Well: Sec 10/3, 26S, 32E
Wellbore: SL: 330 FNL & 1215 FWL, BHL 330 FNL & 990 FWL (Sec 3)
Design: Design #1

Local Co-ordinate Reference:

TVD Reference:

MD Reference:

North Reference:

Survey Calculation Method:

Site Red Hills West Unit #010H

WELL @ 3275.0usft (Original Well Elev)

WELL @ 3275.0usft (Original Well Elev)

Grid

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)
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

Planning Report

Database: Hobbs
Company: Mewbourne Oil Company
Project: Lea County, New Mexico
Site: Red Hills West Unit #010H
Well: Sec 10/3, 26S, 32E
Wellbore: SL: 330 FNL & 1215 FWL, BHL 330 FNL & 990 FWL (Sec 3)
Design: Design #1

Local Co-ordinate Reference: Site Red Hills West Unit #010H
TVD Reference: WELL @ 3275.0usft (Original Well Elev)
MD Reference: WELL @ 3275.0usft (Original Well Elev)
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)
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
8,542.0	0.00	0.00	8,542.0	0.0	0.0	0.0	0.00	0.00	0.00
KOP @ 8542									
8,600.0	5.80	357.05	8,599.9	2.9	-0.2	2.9	10.00	10.00	0.00
8,700.0	15.80	357.05	8,698.0	21.6	-1.1	21.6	10.00	10.00	0.00
8,800.0	25.80	357.05	8,791.4	57.0	-2.9	57.1	10.00	10.00	0.00
8,900.0	35.80	357.05	8,877.2	108.1	-5.6	108.2	10.00	10.00	0.00
9,000.0	45.80	357.05	8,952.8	173.3	-8.9	173.5	10.00	10.00	0.00
9,100.0	55.80	357.05	9,015.9	250.6	-12.9	250.9	10.00	10.00	0.00
9,200.0	65.79	357.05	9,064.6	337.6	-17.4	338.1	10.00	10.00	0.00
9,300.0	75.79	357.05	9,097.5	431.8	-22.3	432.4	10.00	10.00	0.00
9,400.0	85.79	357.05	9,113.5	530.3	-27.3	531.0	10.00	10.00	0.00
9,444.4	90.24	357.05	9,115.0	574.6	-29.6	575.4	10.00	10.00	0.00
LP @ 9445									
9,500.0	90.24	357.05	9,114.8	630.1	-32.5	630.9	0.01	0.01	0.00
9,600.0	90.24	357.05	9,114.3	730.0	-37.6	730.9	0.00	0.00	0.00
9,700.0	90.24	357.05	9,113.9	829.8	-42.8	830.9	0.00	0.00	0.00
9,800.0	90.24	357.05	9,113.5	929.7	-47.9	930.9	0.00	0.00	0.00
9,900.0	90.24	357.05	9,113.1	1,029.6	-53.1	1,030.9	0.00	0.00	0.00
10,000.0	90.24	357.05	9,112.7	1,129.4	-58.2	1,130.9	0.00	0.00	0.00
10,100.0	90.24	357.05	9,112.3	1,229.3	-63.4	1,230.9	0.00	0.00	0.00

Planning Report

Database: Hobbs
Company: Mewbourne Oil Company
Project: Lea County, New Mexico
Site: Red Hills West Unit #010H
Well: Sec 10/3, 26S, 32E
Wellbore: SL: 330 FNL & 1215 FWL, BHL 330 FNL & 990 FWL (Sec 3)
Design: Design #1

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

Site Red Hills West Unit #010H
WELL @ 3275.0usft (Original Well Elev)
WELL @ 3275.0usft (Original Well Elev)
Grid
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)
10,200.0	90.24	357.05	9,111.8	1,329.2	-68.5	1,330.9	0.00	0.00	0.00
10,300.0	90.24	357.05	9,111.4	1,429.0	-73.7	1,430.9	0.00	0.00	0.00
10,400.0	90.24	357.05	9,111.0	1,528.9	-78.8	1,530.9	0.00	0.00	0.00
10,500.0	90.24	357.05	9,110.6	1,628.8	-84.0	1,630.9	0.00	0.00	0.00
10,600.0	90.24	357.05	9,110.2	1,728.6	-89.1	1,730.9	0.00	0.00	0.00
10,700.0	90.24	357.05	9,109.7	1,828.5	-94.3	1,830.9	0.00	0.00	0.00
10,800.0	90.24	357.05	9,109.3	1,928.4	-99.4	1,930.9	0.00	0.00	0.00
10,900.0	90.24	357.05	9,108.9	2,028.2	-104.6	2,030.9	0.00	0.00	0.00
11,000.0	90.24	357.05	9,108.5	2,128.1	-109.7	2,130.9	0.00	0.00	0.00
11,100.0	90.24	357.05	9,108.1	2,228.0	-114.9	2,230.9	0.00	0.00	0.00
11,200.0	90.24	357.05	9,107.6	2,327.8	-120.0	2,330.9	0.00	0.00	0.00
11,300.0	90.24	357.05	9,107.2	2,427.7	-125.2	2,430.9	0.00	0.00	0.00
11,400.0	90.24	357.05	9,106.8	2,527.6	-130.3	2,530.9	0.00	0.00	0.00
11,500.0	90.24	357.05	9,106.4	2,627.4	-135.5	2,630.9	0.00	0.00	0.00
11,600.0	90.24	357.05	9,106.0	2,727.3	-140.6	2,730.9	0.00	0.00	0.00
11,700.0	90.24	357.05	9,105.6	2,827.2	-145.8	2,830.9	0.00	0.00	0.00
11,800.0	90.24	357.05	9,105.1	2,927.0	-150.9	2,930.9	0.00	0.00	0.00
11,900.0	90.24	357.05	9,104.7	3,026.9	-156.1	3,030.9	0.00	0.00	0.00
12,000.0	90.24	357.05	9,104.3	3,126.8	-161.2	3,130.9	0.00	0.00	0.00
12,100.0	90.24	357.05	9,103.9	3,226.6	-166.4	3,230.9	0.00	0.00	0.00
12,200.0	90.24	357.05	9,103.5	3,326.5	-171.5	3,330.9	0.00	0.00	0.00
12,300.0	90.24	357.05	9,103.0	3,426.4	-176.7	3,430.9	0.00	0.00	0.00
12,400.0	90.24	357.05	9,102.6	3,526.2	-181.8	3,530.9	0.00	0.00	0.00
12,500.0	90.24	357.05	9,102.2	3,626.1	-187.0	3,630.9	0.00	0.00	0.00
12,600.0	90.24	357.05	9,101.8	3,726.0	-192.1	3,730.9	0.00	0.00	0.00
12,700.0	90.24	357.05	9,101.4	3,825.8	-197.3	3,830.9	0.00	0.00	0.00
12,800.0	90.24	357.05	9,100.9	3,925.7	-202.4	3,930.9	0.00	0.00	0.00
12,900.0	90.24	357.05	9,100.5	4,025.6	-207.6	4,030.9	0.00	0.00	0.00
13,000.0	90.24	357.05	9,100.1	4,125.4	-212.7	4,130.9	0.00	0.00	0.00
13,100.0	90.24	357.05	9,099.7	4,225.3	-217.9	4,230.9	0.00	0.00	0.00
13,200.0	90.24	357.05	9,099.3	4,325.2	-223.0	4,330.9	0.00	0.00	0.00
13,300.0	90.24	357.05	9,098.9	4,425.0	-228.2	4,430.9	0.00	0.00	0.00
13,400.0	90.24	357.05	9,098.4	4,524.9	-233.3	4,530.9	0.00	0.00	0.00
13,500.0	90.24	357.05	9,098.0	4,624.8	-238.5	4,630.9	0.00	0.00	0.00
13,600.0	90.24	357.05	9,097.6	4,724.6	-243.6	4,730.9	0.00	0.00	0.00
13,700.0	90.24	357.05	9,097.2	4,824.5	-248.8	4,830.9	0.00	0.00	0.00
13,800.0	90.24	357.05	9,096.8	4,924.3	-253.9	4,930.9	0.00	0.00	0.00
13,900.0	90.24	357.05	9,096.3	5,024.2	-259.1	5,030.9	0.00	0.00	0.00
14,000.0	90.24	357.05	9,095.9	5,124.1	-264.2	5,130.9	0.00	0.00	0.00
14,100.0	90.24	357.05	9,095.5	5,223.9	-269.4	5,230.9	0.00	0.00	0.00
14,200.0	90.24	357.05	9,095.1	5,323.8	-274.5	5,330.9	0.00	0.00	0.00
14,220.6	90.24	357.05	9,095.0	5,344.4	-275.6	5,351.5	0.00	0.00	0.00

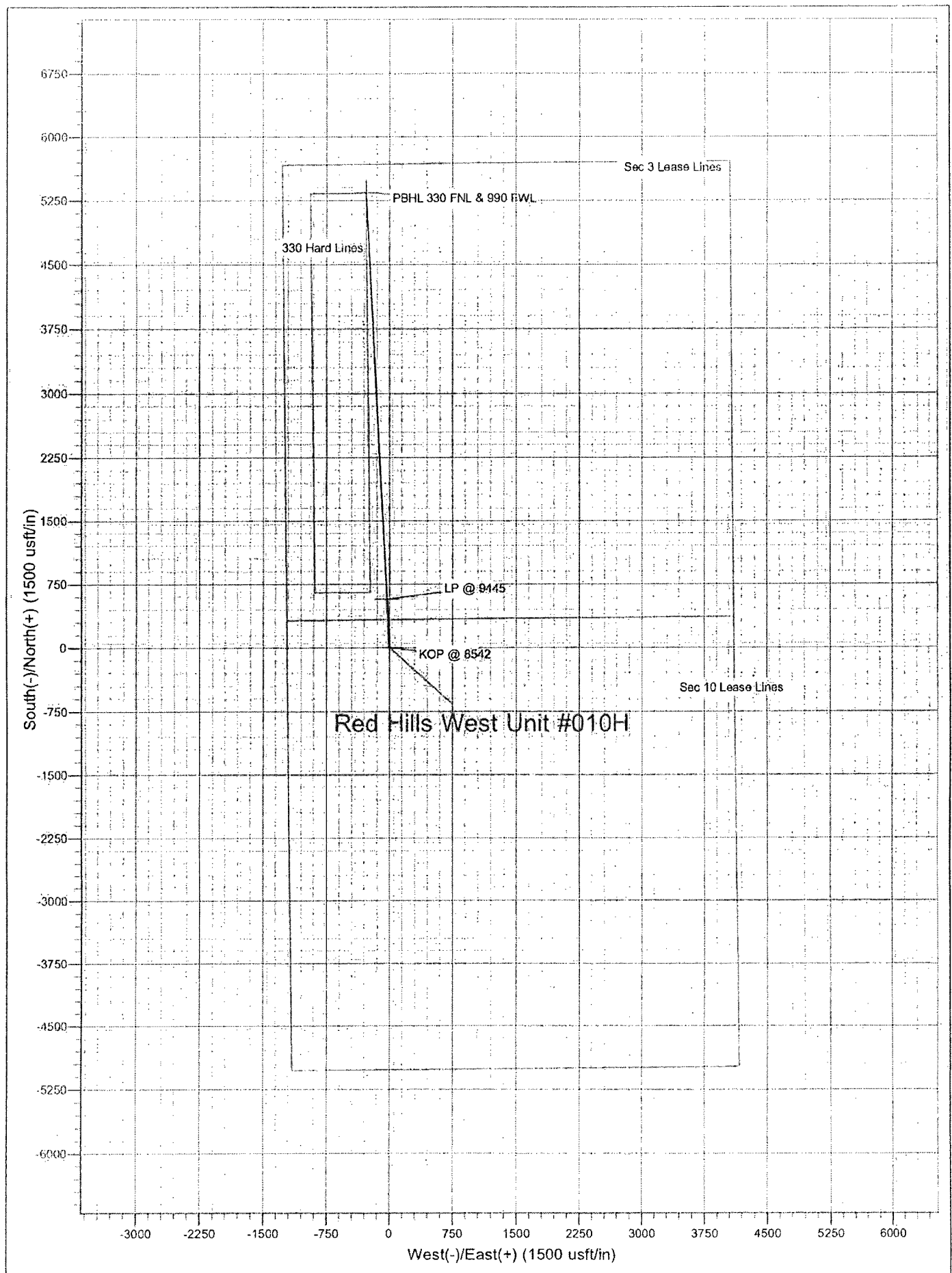
PBHL 330 FNL & 990 FWL

Planning Report

Database: Hobbs
Company: Mewbourne Oil Company
Project: Lea County, New Mexico
Site: Red Hills West Unit #010H
Well: Sec 10/3, 26S, 32E
Wellbore: SL: 330 FNL & 1215 FWL, BHL 330 FNL & 990 FWL (Sec 3)
Design: Design #1

Local Co-ordinate Reference: Site Red Hills West Unit #010H
TVD Reference: WELL @ 3275.0usft (Original Well Elev)
MD Reference: WELL @ 3275.0usft (Original Well Elev)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Design Targets									
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)		
- Shape									
KOP @ 8542	0.00	0.00	8,542.0	0.0	0.0	387,625.20	706,408.10	32° 3' 50.204 N	103° 40' 1.319 W
- plan hits target center									
- Point									
PBHL 330 FNL & 990 Fv	0.00	0.00	9,095.0	5,344.4	-275.6	392,969.60	706,132.50	32° 4' 43.108 N	103° 40' 4.139 W
- plan hits target center									
- Point									
LP @ 9445	0.00	0.00	9,115.0	574.6	-29.6	388,199.80	706,378.50	32° 3' 55.892 N	103° 40' 1.622 W
- plan hits target center									
- Point									



13 5/8" 2M BOPE & Closed Loop Equipment Schematic

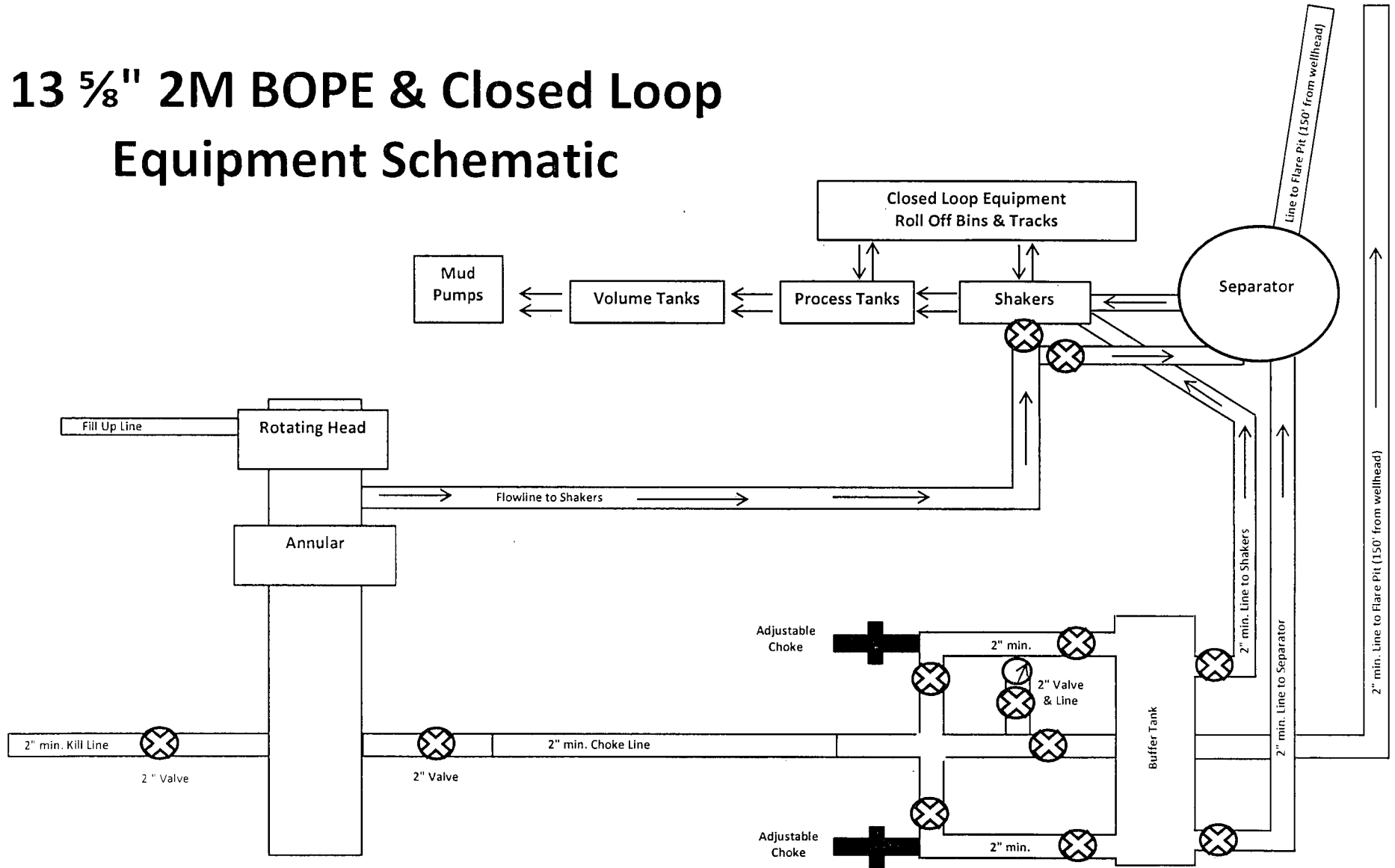


Exhibit 2A
Red Hills West Unit #010H

11" 3M BOPE & Closed Loop Equipment Schematic

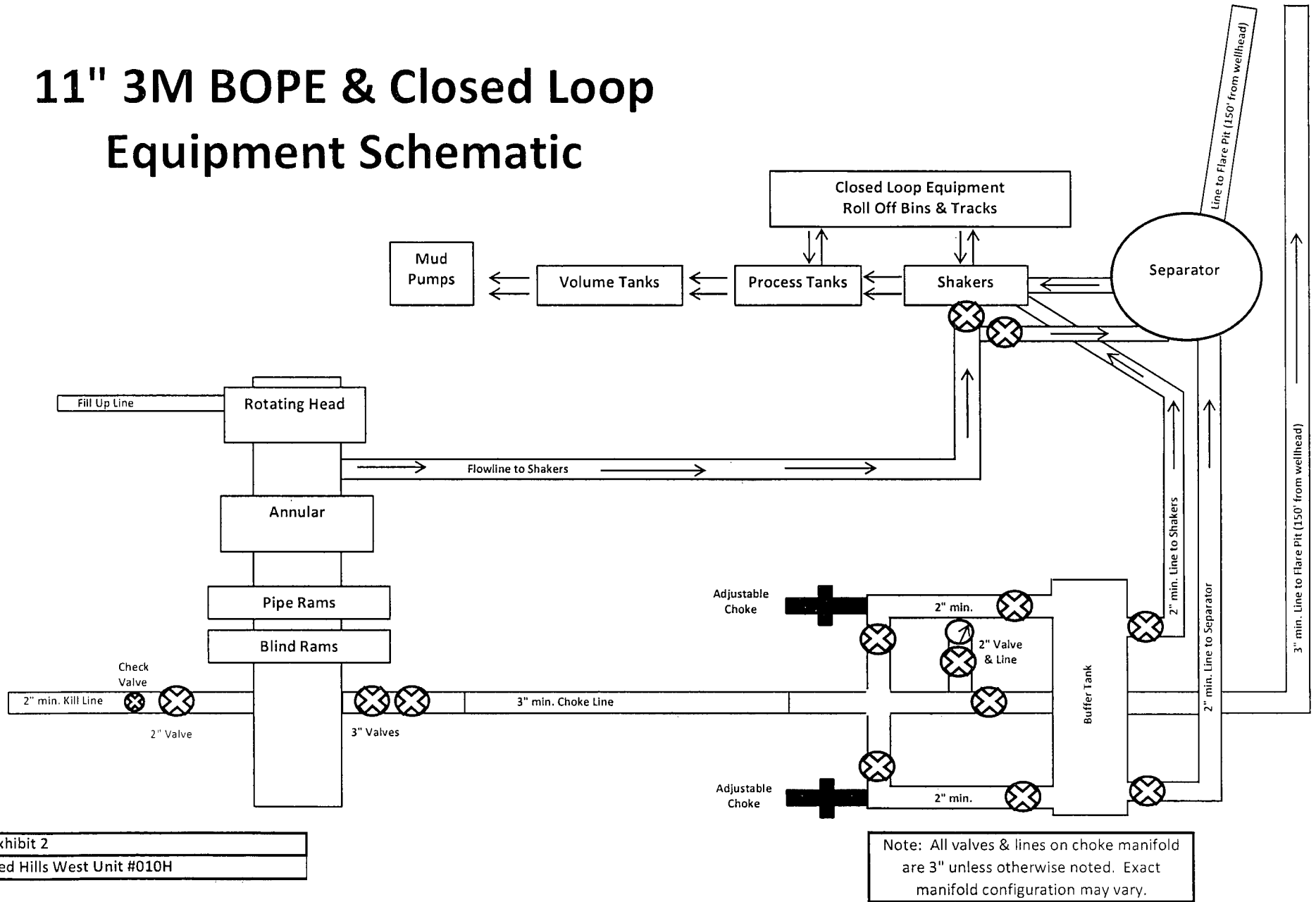


Exhibit 2
Red Hills West Unit #010H

Notes Regarding Blowout Preventer

Mewbourne Oil Company

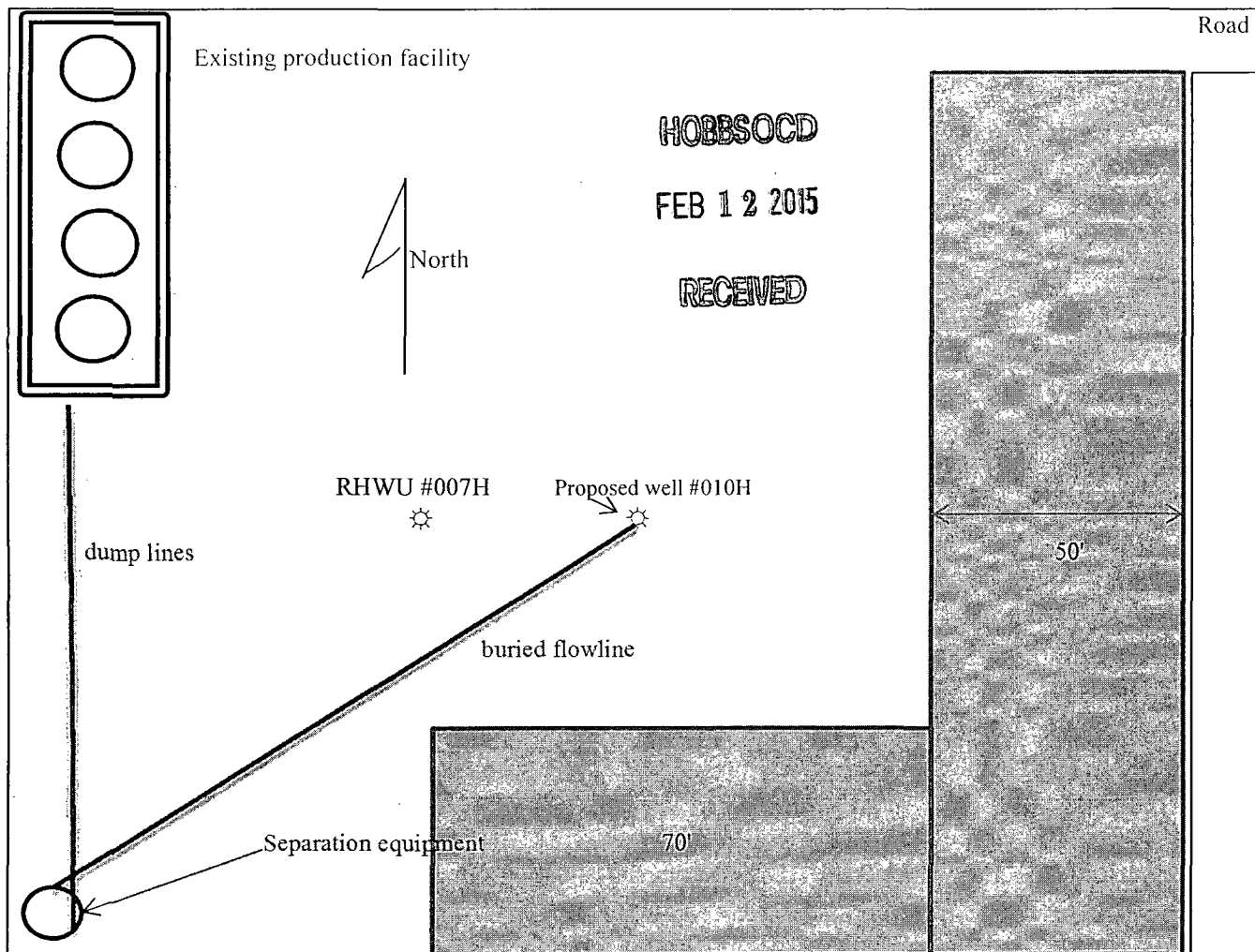
Red Hills West Unit #010H
330' FNL & 1215' FWL (SHL)

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 3000 psi working pressure on 9 5/8" and 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 an 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'



Mewbourne Oil Company
Red Hills West Unit #010H
330' FNL & 1215' FWL
Sec. 10 T26S R32E
Lea Co. NM