

UNORTHODOX LOCATION

OCD Hobbs

ATS-15-588

Form 3160-3
(March 2012)

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

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.	
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		8. Lease Name and Well No. Salado Draw 10 A1PA Fed #1H (315055)	
2. Name of Operator Mewbourne Oil Company (14744)		9. API Well No. 30-025-42706	
3a. Address PO Box 5270 Hobbs, NM 88241		3b. Phone No. (include area code) 575-393-5905	10. Field and Pool, or Exploratory Red Hills Upper Bone Spring Shale (97900)
4. Location of Well (Report location clearly and in accordance with any State requirements*) At surface 185' FSL & 380' FEL, Sec 10 T26S R33E (P) HOBBS OCD At proposed prod. zone 330' FNL & 330' FEL, Sec 10 T26S R33E (A) JUL 27 2015		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 10 T26S R33E	
14. Distance in miles and direction from nearest town or post office* 30 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) 185'	16. No. of acres in lease 720 acres	17. Spacing Unit dedicated to this well 160	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 50' - Salado Draw 10 A3PA #2H	19. Proposed Depth 9,385' - TVD 13,904' - MD	20. BLM/BIA Bond No. on file NM-1693 nationwide, NMB-000919	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3325' - GL	22. Approximate date work will start* 06/01/2015	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 04/08/2015
Title		

Approved by (Signature) STEPHEN J. CAFFEY	Name (Printed/Typed)	Date JUL 23 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.

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)

Capitan Controlled Water Basin

*(Instructions on page 2)

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED**

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

JUL 28 2015

Mewbourne Oil Co, Salado Draw 10 A1PA Fed 1H
 Sec 10, T26S, R33E
 SL: 185' FSL & 380' FEL
 BHL: 330' FNL & 330' FEL

HOBBS OCD

JUL 27 2015

RECEIVED

1. Geologic Formations

TVD of target	9385'	Pilot hole depth	NA
MD at TD:	13904'	Deepest expected fresh water:	150'

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface	Water	
Rustler	926	Water	
Top of Salt	1296	Salt	
Base of Salt/Castile	4791	Barren	
Delaware (Lamar)	5031	Oil/Gas	
Manzanita Marker	6309		
Bone Spring	9201	Oil/Gas	
Upper Avalon	9356	Target Zone	
Wolfcamp		Will Not Penetrate	
Canyon			
Strawn			
Atoka			
Morrow			
Barnett Shale			
Woodford Shale			
Devonian			
Fusselman			
Ellenburger			
Granite Wash			

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

Mewbourne Oil Co, Salado Draw 10 A1PA Fed 1H
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2. Casing Program

See COA

Hole Size	Casing Interval		Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
	From	To							
17.5"	0'	955' 1030'	13.375"	48	H40	STC	1.49	3.48	7.02
12.25"	0'	3453'	9.625"	36	J55	LTC	1.13	1.96	2.46
12.25"	3453'	4393'	9.625"	40	J55	LTC	1.13	1.73	8.68
12.25"	4393'	4950'	9.625"	40	N80	LTC	1.20	2.23	33.09
8.75"	0'	8812'	7"	26	HCP110	LTC	1.70	2.17	2.74
8.75"	8812'	9718'	7"	26	HCP110	BTC	1.60	2.04	35.24
6.125"	8812'	13904'	4.5"	13.5	P110	LTC	2.19	2.54	4.90
BLM Minimum Safety Factor							1.125	1	1.6 Dry 1.8 Wet

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
Does casing meet API specifications? 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 intermediate 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
If yes, are the first three strings cemented to surface?	
Is 2 nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

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3. Cementing Program

Casing	# Sk	Wt. lb/ gal	Yld ft ³ / sack	H ₂ O gal/ sk	500# Comp. Strength (hours)	Slurry Description
Surf	500	12.5	2.12	11	10	Lead: Class C + 4.0% Bentonite + 0.6% CD-32 + 5% Sodium Chloride +0.25lb/sk Cello-Flake
	200	14.8	1.34	6.3	8	Class C + 0.005pps Static Free + 1% CaCl ₂ + 0.25 pps CelloFlake + 0.005 gps FP-6L
Inter.	790	12.5	2.12	11	10	Lead: Class C (35:65:4) + 5% Sodium Chloride +5#/sk LCM +0.25lb/sk Cello-Flake
	200	14.8	1.34	6.3	8	Tail: Class C + 0.25 lb/sk Cello Flake + 0.005 lb/sk Static Free
Prod.	220	12	2.12	11	10	Lead: Class C (60:40:0)+3% Sodium Chloride+5#/sk LCM+0.7% Sodium Metasilicate+0.3% FL52A+6%MPA5
	400	15.6	1.18	5.2	12	Tail: Class H+0.1%R3+0.3%FL52A
Liner	205	11.2	2.97	18	16	Class C (60:40:0)+4% MPA5+1.2% BA10A+10#/sk BA90+5%A10+0.65%ASA301+1.5%SMS+1.2%R21

See COA
 See COA
 See COA

DV tool depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

Casing String	TOC	% Excess
Surface	0'	100%
Intermediate	0'	25%
Production	4750'	25%
Liner	8812'	25%

Mewbourne Oil Co, Salado Draw 10 A1PA Fed 1H
 Sec 10, T26S, R33E
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4. Pressure Control Equipment

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BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
12-1/4"	13-5/8"	2M	Annular	X	1250#
			Blind Ram		must test to 2000 psi see COA
			Pipe Ram		
			Double Ram		
			Other*		
8-3/4"	11"	3M	Annular	X	1500#
			Blind Ram	X	3000#
			Pipe Ram	X	
			Double Ram		
			Other*		
6-1/8"	11"	3M	Annular	X	1500#
			Blind Ram	X	3000#
			Pipe Ram	X	
			Double Ram		
			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.

X	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.
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Mewbourne Oil Co, Salado Draw 10 A1PA Fed 1H
 Sec 10, T26S, R33E
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N	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.	
	Y /N	Are anchors required by manufacturer?
N	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

See COA

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	955-1030'	FW Gel	8.6-8.8	28-34	N/C
955	4950	Saturated Brine	10.0-10.2	28-34	N/C
4950	8812	Cut Brine	8.5-9.3	28-34	N/C
8812	13904	FW/Polymer	8.5-9.3	28-34	N/C

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 of fluid?	Visual Monitoring
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Mewbourne Oil Co, Salado Draw 10 A1PA Fed 1H
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6. Logging and Testing Procedures

Logging, Coring and Testing	
X	Will run GR/CNL from KOP (8812) to surface. 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

Additional logs planned	Interval
X Gamma	From KOP(8812) to TD
Density	
CBL	
Mud log	
PEX	

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	4036 psi
Abnormal Temperature	No

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

See
COA

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
☒	H2S Plan attached

8. Other facets of operation

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

NO
NO

Attachments

☒ Directional Plan
☐ Other, describe

Mewbourne Oil Co, Salado Draw 10 A1PA Fed 1H
Sec 10, T26S, R33E
SL: 185' FSL & 380' FEL
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Mewbourne Oil Company

Lea County, New Mexico

Salado Draw 10 A1PA Fed 1H

Sec 10, T26S, R33E

SL: 185' FSL & 380' FEL

BHL: 330' FNL & 330' FEL

Plan: Design #1

Standard Planning Report

20 March, 2015

Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Salado Draw 10 A1PA Fed 1H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3345.0usft (Original Well Elev)
Project:	Lea County, New Mexico	MD Reference:	WELL @ 3345.0usft (Original Well Elev)
Site:	Salado Draw 10 A1PA Fed 1H	North Reference:	Grid
Well:	Sec 10, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL 330' FNL & 330' FEL		
Design:	Design #1		

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						Salado Draw 10/A1PA Fed 1H											
Site Position:			Northing:			383,193.70 usft			Latitude:			32° 3' 3.992 N					
From:		Map		Easting:			741,950.70 usft			Longitude:			103° 33' 8.680 W				
Position Uncertainty:			0.0 usft			Slot Radius:			13-3/16 "			Grid Convergence:			0.41 °		

Well:	Sec 10, T26S, R33E					
Well Position	+N/-S	0.0 usft	Northing:	383,193.70 usft	Latitude:	32° 3' 3.992 N
	+E/-W	0.0 usft	Easting:	741,950.70 usft	Longitude:	103° 33' 8.680 W
Position Uncertainty		0.0 usft	Wellhead Elevation:	3,345.0 usft	Ground Level:	3,325.0 usft

Wellbore	BHL 330' FNL & 330' FEL				
Magnetics	Model Name	Sample Date	Declination	Dip Angle	Field Strength
			(°)	(°)	(nT)
	IGRF2010	3/19/2015	7.10	59.94	48,139

Design:	Design #1			
Audit Notes:				
Version:	Phase:	PROTOTYPE		Tie On Depth: 0.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction
	(usft)	(usft)	(usft)	(°)
	0.0	0.0	0.0	0.18

Plan Sections										
Measured	Inclination	Azimuth	Vertical	+N/-S	+E/-W	Dogleg	Build	Turn	TFO	Target
Depth	(°)	(°)	Depth	(usft)	(usft)	Rate	Rate	Rate	(°)	
(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	
8,812.0	0.00	0.00	8,812.0	0.0	0.0	0.00	0.00	0.00	0.00	
9,717.6	90.55	0.18	9,385.0	578.5	1.8	10.00	10.00	0.00	0.18	
13,903.6	90.55	0.18	9,345.0	4,764.3	15.1	0.00	0.00	0.00	0.00	BHL 330 FNL & 330 I

Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Salado Draw 10 A1PA Fed 1H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3345.0usft (Original Well Elev)
Project:	Lea County, New Mexico	MD Reference:	WELL @ 3345.0usft (Original Well Elev)
Site:	Salado Draw 10 A1PA Fed 1H	North Reference:	Grid
Well:	Sec 10, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL 330' FNL & 330' FEL		
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
SL: 185 FSL & 380 FEL									
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	Local Co-ordinate Reference:	Site Salado Draw 10 A1PA Fed 1H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3345.0usft (Original Well Elev)
Project:	Lea County, New Mexico	MD Reference:	WELL @ 3345.0usft (Original Well Elev)
Site:	Salado Draw 10 A1PA Fed 1H	North Reference:	Grid
Well:	Sec 10 T26S R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL 330 FNL & 330 FEL		
Design:	Design #1		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
5,300.0	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	
8,812.0	0.00	0.00	8,812.0	0.0	0.0	0.0	0.00	0.00	0.00	
KOP @ 8812										
8,900.0	8.80	0.18	8,899.7	6.7	0.0	6.7	10.00	10.00	0.00	
9,000.0	18.80	0.18	8,996.6	30.6	0.1	30.6	10.00	10.00	0.00	
9,100.0	28.80	0.18	9,088.0	70.9	0.2	70.9	10.00	10.00	0.00	
9,200.0	38.80	0.18	9,171.0	126.4	0.4	126.4	10.00	10.00	0.00	
9,228.8	41.67	0.18	9,193.0	145.0	0.5	145.0	10.00	10.00	0.00	
First Take Point: 330 FSL & 379 FEL										
9,300.0	48.79	0.18	9,243.1	195.5	0.6	195.5	10.00	10.00	0.00	
9,400.0	58.79	0.18	9,302.1	276.1	0.9	276.1	10.00	10.00	0.00	
9,500.0	68.79	0.18	9,346.2	365.7	1.2	365.7	10.00	10.00	0.00	
9,600.0	78.79	0.18	9,374.1	461.6	1.5	461.6	10.00	10.00	0.00	
9,700.0	88.79	0.18	9,384.9	560.9	1.8	560.9	10.00	10.00	0.00	
9,717.6	90.55	0.18	9,385.0	578.5	1.8	578.5	10.00	10.00	0.00	
LP: 763 FNL & 330 FEL										
9,800.0	90.55	0.18	9,384.2	660.9	2.1	660.9	0.00	0.00	0.00	
9,900.0	90.55	0.18	9,383.3	760.9	2.4	760.9	0.00	0.00	0.00	

Planning Report

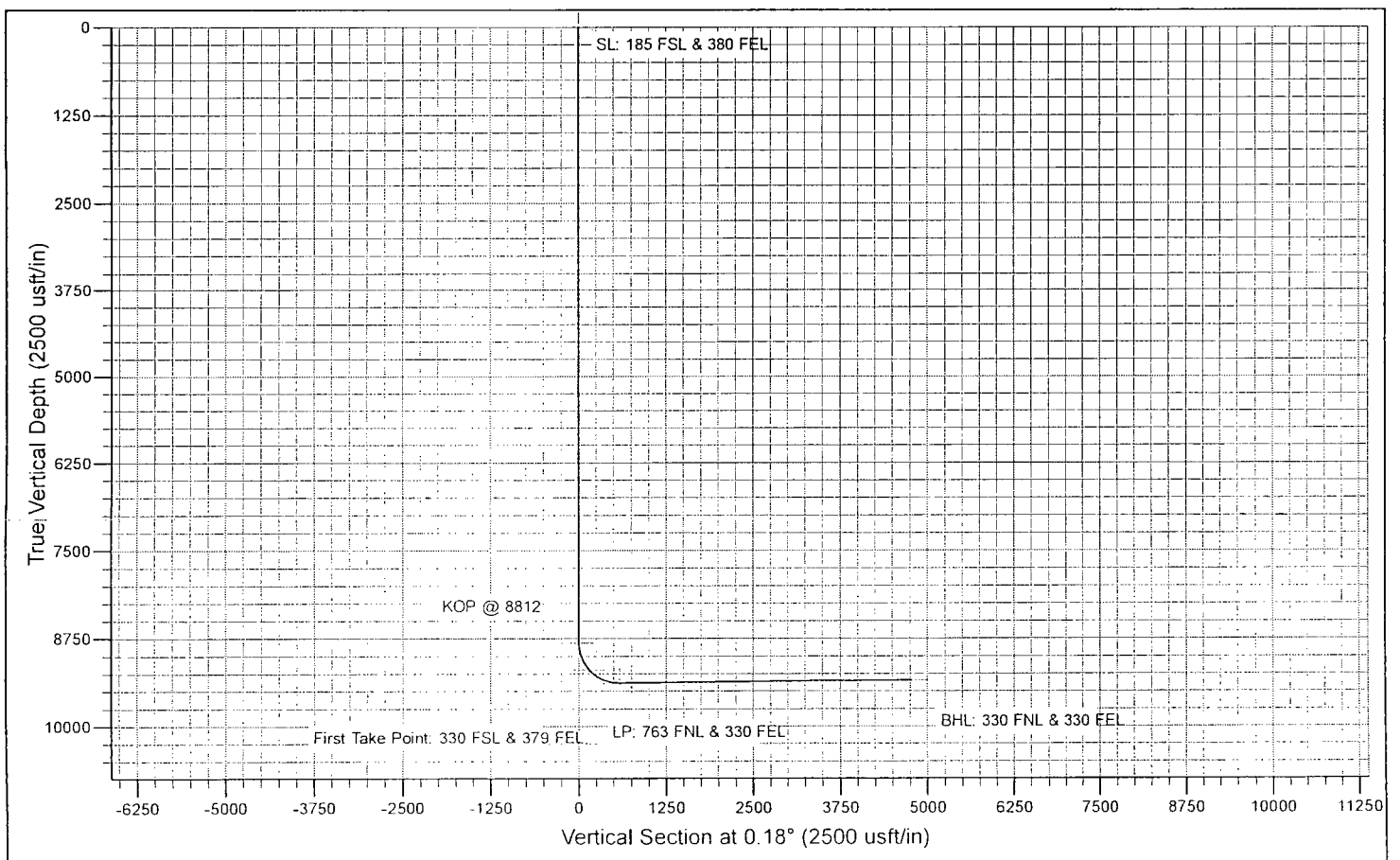
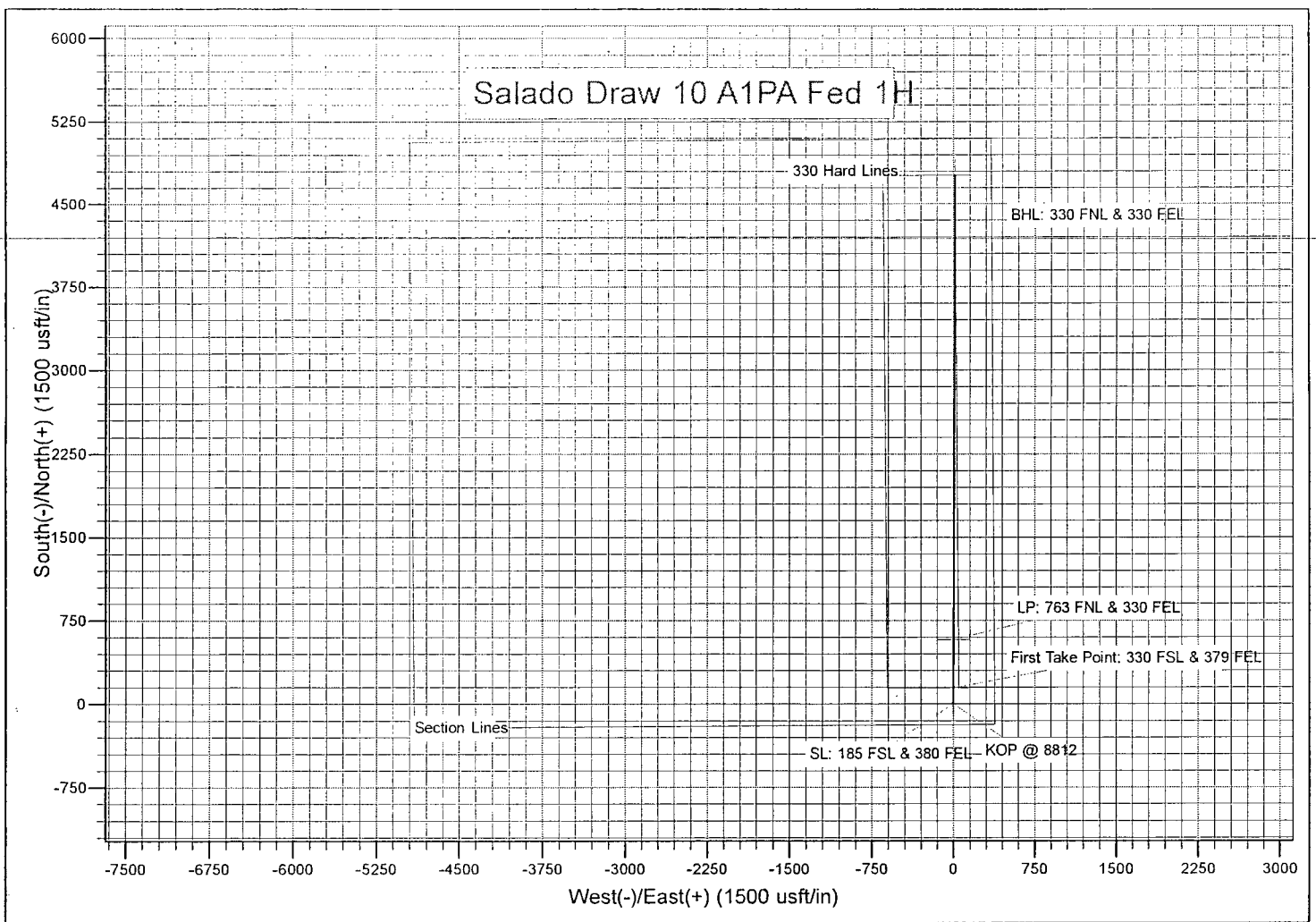
Database:	Hobbs	Local Co-ordinate Reference:	Site: Salado Draw 10'A1PA Fed.1H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3345.0usft (Original Well Elev)
Project:	Lea County, New Mexico	MD Reference:	WELL @ 3345.0usft (Original Well Elev)
Site:	Salado Draw 10'A1PA Fed.1H	North Reference:	Grid
Well:	Sec 10 T26S R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL 330 FNL & 330 FEL		
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	90.55	0.18	9,382.3	860.9	2.7	860.9	0.00	0.00	0.00	
10,100.0	90.55	0.18	9,381.3	960.9	3.0	960.9	0.00	0.00	0.00	
10,200.0	90.55	0.18	9,380.4	1,060.9	3.4	1,060.9	0.00	0.00	0.00	
10,300.0	90.55	0.18	9,379.4	1,160.9	3.7	1,160.9	0.00	0.00	0.00	
10,400.0	90.55	0.18	9,378.5	1,260.9	4.0	1,260.9	0.00	0.00	0.00	
10,500.0	90.55	0.18	9,377.5	1,360.9	4.3	1,360.9	0.00	0.00	0.00	
10,600.0	90.55	0.18	9,376.6	1,460.9	4.6	1,460.9	0.00	0.00	0.00	
10,700.0	90.55	0.18	9,375.6	1,560.9	5.0	1,560.9	0.00	0.00	0.00	
10,800.0	90.55	0.18	9,374.7	1,660.9	5.3	1,660.9	0.00	0.00	0.00	
10,900.0	90.55	0.18	9,373.7	1,760.9	5.6	1,760.9	0.00	0.00	0.00	
11,000.0	90.55	0.18	9,372.7	1,860.9	5.9	1,860.9	0.00	0.00	0.00	
11,100.0	90.55	0.18	9,371.8	1,960.8	6.2	1,960.9	0.00	0.00	0.00	
11,200.0	90.55	0.18	9,370.8	2,060.8	6.5	2,060.9	0.00	0.00	0.00	
11,300.0	90.55	0.18	9,369.9	2,160.8	6.9	2,160.8	0.00	0.00	0.00	
11,400.0	90.55	0.18	9,368.9	2,260.8	7.2	2,260.8	0.00	0.00	0.00	
11,500.0	90.55	0.18	9,368.0	2,360.8	7.5	2,360.8	0.00	0.00	0.00	
11,600.0	90.55	0.18	9,367.0	2,460.8	7.8	2,460.8	0.00	0.00	0.00	
11,700.0	90.55	0.18	9,366.1	2,560.8	8.1	2,560.8	0.00	0.00	0.00	
11,800.0	90.55	0.18	9,365.1	2,660.8	8.4	2,660.8	0.00	0.00	0.00	
11,900.0	90.55	0.18	9,364.1	2,760.8	8.8	2,760.8	0.00	0.00	0.00	
12,000.0	90.55	0.18	9,363.2	2,860.8	9.1	2,860.8	0.00	0.00	0.00	
12,100.0	90.55	0.18	9,362.2	2,960.8	9.4	2,960.8	0.00	0.00	0.00	
12,200.0	90.55	0.18	9,361.3	3,060.8	9.7	3,060.8	0.00	0.00	0.00	
12,300.0	90.55	0.18	9,360.3	3,160.8	10.0	3,160.8	0.00	0.00	0.00	
12,400.0	90.55	0.18	9,359.4	3,260.8	10.3	3,260.8	0.00	0.00	0.00	
12,500.0	90.55	0.18	9,358.4	3,360.8	10.7	3,360.8	0.00	0.00	0.00	
12,600.0	90.55	0.18	9,357.5	3,460.8	11.0	3,460.8	0.00	0.00	0.00	
12,700.0	90.55	0.18	9,356.5	3,560.8	11.3	3,560.8	0.00	0.00	0.00	
12,800.0	90.55	0.18	9,355.5	3,660.8	11.6	3,660.8	0.00	0.00	0.00	
12,900.0	90.55	0.18	9,354.6	3,760.8	11.9	3,760.8	0.00	0.00	0.00	
13,000.0	90.55	0.18	9,353.6	3,860.7	12.3	3,860.8	0.00	0.00	0.00	
13,100.0	90.55	0.18	9,352.7	3,960.7	12.6	3,960.8	0.00	0.00	0.00	
13,200.0	90.55	0.18	9,351.7	4,060.7	12.9	4,060.8	0.00	0.00	0.00	
13,300.0	90.55	0.18	9,350.8	4,160.7	13.2	4,160.8	0.00	0.00	0.00	
13,400.0	90.55	0.18	9,349.8	4,260.7	13.5	4,260.8	0.00	0.00	0.00	
13,500.0	90.55	0.18	9,348.9	4,360.7	13.8	4,360.7	0.00	0.00	0.00	
13,600.0	90.55	0.18	9,347.9	4,460.7	14.2	4,460.7	0.00	0.00	0.00	
13,700.0	90.55	0.18	9,346.9	4,560.7	14.5	4,560.7	0.00	0.00	0.00	
13,800.0	90.55	0.18	9,346.0	4,660.7	14.8	4,660.7	0.00	0.00	0.00	
13,900.0	90.55	0.18	9,345.0	4,760.7	15.1	4,760.7	0.00	0.00	0.00	
13,903.6	90.55	0.18	9,345.0	4,764.3	15.1	4,764.3	0.00	0.00	0.00	
BHL: 330 FNL & 330 FEL										

Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site: Salado Draw 10 A1PA Fed 1H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3345.0usft (Original Well Elev)
Project:	Lea County, New Mexico	MD Reference:	WELL @ 3345.0usft (Original Well Elev)
Site:	Salado Draw 10 A1PA Fed 1H	North Reference:	Grid
Well:	Sec 10, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL 330 FNL & 330 FEL		
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)		
SL: 185 FSL & 380 FEL	- plan hits target center	0.00	0.00	0.0	0.0	0.0	383,193.70	741,950.70	32° 3' 3.992 N	103° 33' 8.680 W
	- Point									
KOP @ 8812	- plan hits target center	0.00	0.00	8,812.0	0.0	0.0	383,193.70	741,950.70	32° 3' 3.992 N	103° 33' 8.680 W
	- Point									
First Take Point: 330 FSI	- plan hits target center	0.00	0.00	9,193.0	145.0	0.5	383,338.70	741,951.20	32° 3' 5.427 N	103° 33' 8.662 W
	- Point									
BHL: 330 FNL & 330 FE	- plan hits target center	0.00	0.00	9,345.0	4,764.3	15.1	387,958.00	741,965.82	32° 3' 51.137 N	103° 33' 8.103 W
	- Point									
LP: 763 FNL & 330 FEL	- plan hits target center	0.00	0.00	9,385.0	578.5	1.8	383,772.20	741,952.50	32° 3' 9.717 N	103° 33' 8.610 W
	- Point									



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 0359292

Legal Description of Land: Section 10, T-26S, R-33E Lea County, New Mexico.
Location @ 185' FSL & 380' FEL.

Formation (if applicable): Bone Spring

Bond Coverage: \$150,000

BLM Bond File: NM1693 nationwide, NMB000919

Authorized Signature: 
Name: Robin Terrell
Title: District Manager
Date: 4-8-15

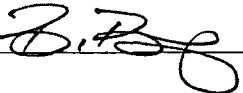
Mewbourne Oil Company

PO Box 5270
Hobbs, NM 88241
(575) 393-5905

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.

Executed this 8 day of APRIL, 2015.

Name: Robin Terrell

Signature:  R. Terrell

Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: rterrell@mewbourne.com

Notes Regarding Blowout Preventer

Mewbourne Oil Company

Salado Draw 10 A1PA Federal #1H

~~185' FSL & 380' FEL (SHL)~~

Sec 10-T26S-R33E

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

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

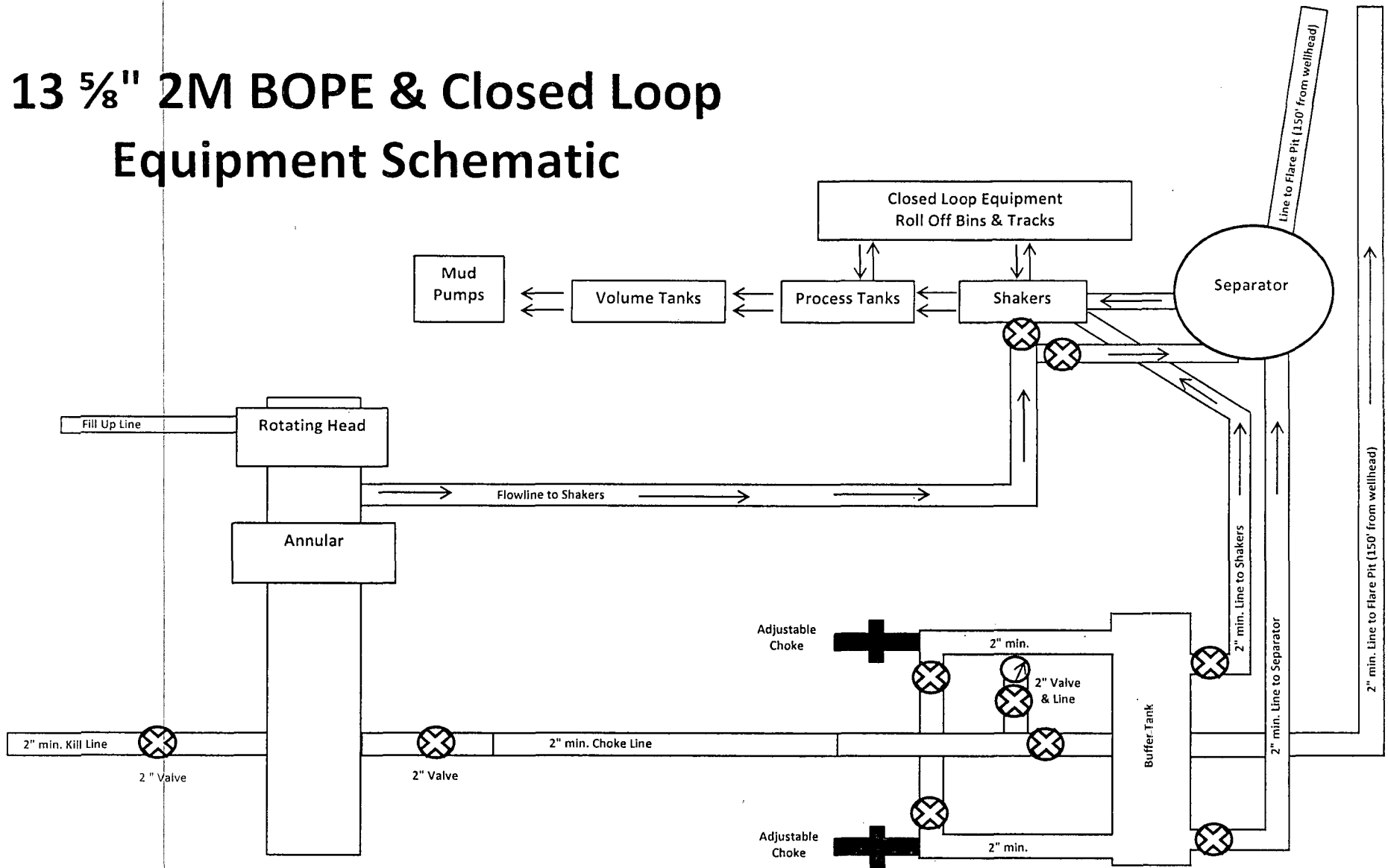


EXHIBIT "2"
Salado Draw 10 A1PA Fed #1H

11" 3M BOPE & Closed Loop Equipment Schematic

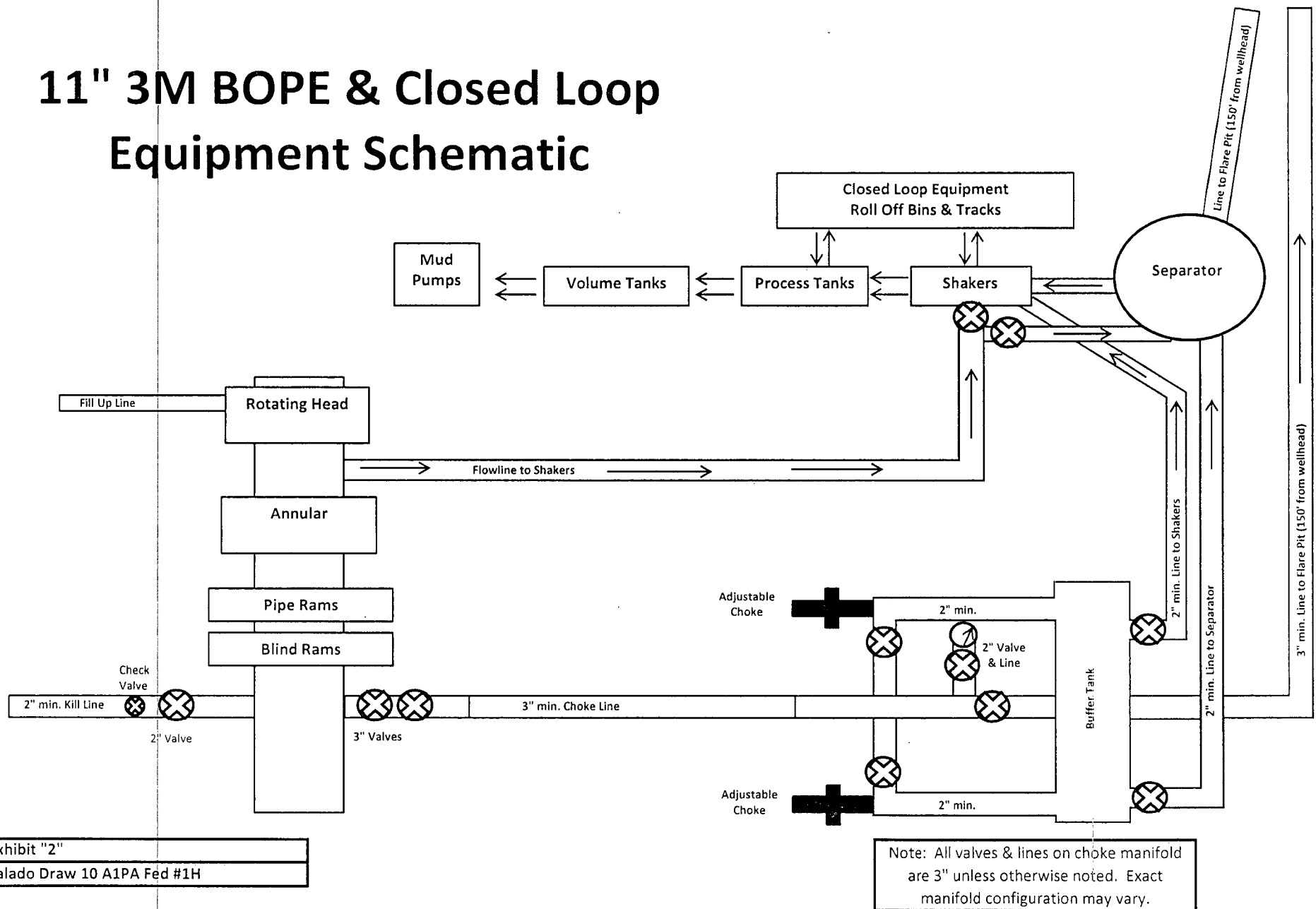


Exhibit "2"

Salado Draw 10 A1PA Fed #1H