

15-700

HOBBS OCD
OCD HobbsForm 3160-3
(March 2012)

OCT 01 2015

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☒ DRILL ☐ REENTER		5. Lease Serial No. NM120966A & Fee NM002965A
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 (4744)		7. If Unit or CA Agreement, Name and No.
3a. Address PO Box 5270 Hobbs, NM 88241	3b. Phone No. (include area code) 575-393-5905	8. Lease Name and Well No. 714298 Pepper Ridge 15 B2AP Fed Com #3H
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 185' FNL & 660' FEL, Sec 15 T26S R33E (A) At proposed prod. zone 330' FSL & 660' FEL, Sec 15 T26S R33E (P)		9. API Well No. 30-025-42838
14. Distance in miles and direction from nearest town or post office* 28 miles NE of Orla, TX		10. Field and Pool, or Exploratory Bradley Bone Spring (7280) ✓
15. Distance from proposed* 185' location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease 2,174.12	11. Sec., T. R. M. or Blk. and Survey or Area Sec 15 T26S R33E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 60' - Pepper Ridge W1AP Fed Com #2H	19. Proposed Depth 10,936' - TVD 14,456' - MD	12. County or Parish Lea
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3323' - GL	22. Approximate date work will start* 08/03/2015	13. State NM
17. Spacing Unit dedicated to this well 160		
20. BLM/BIA Bond No. on file NM1693 nationwide, NMB-000919		
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	Name (Printed/Typed) Bradley Bishop	Date 06/03/2015
Title		

Approved by (Signature) Steve Caffey	Name (Printed/Typed)	Date SEP 29 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)

*(Instructions on page 2)

Carlsbad Controlled Water Basin

KZ
10/07/15SEE ATTACHED FOR
CONDITIONS OF APPROVALApproval Subject to General Requirements
& Special Stipulations Attached

OCT 08 2015

HOBBS OCD

United States Department of the Interior
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287

OCT 01 2015

RECEIVED

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 20965A & Fee

Legal Description of Land: Section 15, T-26S, R-33E Lea County, New Mexico.
Location @ 185' FNL & 660' FEL.

Formation (if applicable): Bone Sping

Bond Coverage: \$150,000

BLM Bond File: NM1693 Nationwide, NMB 000919

Authorized Signature: _____



Name: Robin Terrell

Title: District Manager

Date: 6-3-15

Mewbourne Oil Company, Pepper Ridge 15 B2AP Fed Com #3H

Sec 15, T26S, R33E

SL: 185' FNL & 660' FEL

BHL: 330' FSL & 660' FEL

1. Geologic Formations

TVD of target	10936'	Pilot hole depth	NA
MD at TD:	15456'	Deepest expected fresh water:	125'

Basin

Formation	Depth(TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface		
Rustler	946		
Top of Salt	1291	Salt	
Castile	3222		
Yates	4791	Oil	
Lamar	5033		
Cherry Canyon			
Manzanita Marker			
Brushy Canyon			
Bone Spring	9193	Oil/Gas	
1 st Bone Spring Sand			
2 nd Bone Spring Sand	10703	Target Zone	
3 rd Bone Spring Sand			
Abo			
Wolfcamp		Will Not Penetrate	
Devonian			
Fusselman			
Ellenburger			
Granite Wash			

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

Mewbourne Oil Company, Pepper Ridge 15 B2AP Fed Com #3H

Sec 15, T26S, R33E

SL: 185' FNL & 660' FEL

BHL: 330' FSL & 660' FEL

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'	971 1030'	13.375"	48	H40	STC	1.47	3.43	6.91
12.25"	0'	3453'	9.625"	36	J55	LTC	1.13	1.96	2.45
12.25"	3453'	4393'	9.625"	40	J55	LTC	1.13	1.73	8.60
12.25"	4393'	4965'	9.625"	40	N80	LTC	1.20	2.23	32.22
8.75"	0'	10418'	7"	26	HCP110	LTC	1.44	1.84	2.39
8.75"	10418'	11163'	7"	26	HCP110	BTC	1.38	1.76	42.85
6.125"	10418'	15456'	4.5"	13.5	P110	LTC	1.88	2.18	4.95
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
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
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?	Y
If yes, are there two strings cemented to surface?	Y
(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?	

Mewbourne Oil Company, Pepper Ridge 15 B2AP Fed Com #3H

Sec 15, T26S, R33E

SL: 185' FNL & 660' FEL

BHL: 330' FSL & 660' FEL

3. Cementing Program

Casing	#Sks	Wt. lb/ gal	Yld. ft ³ / sack	H ₂ O gal/ sk	500# Comp. Strength (hours)	Slurry Description
Surf.	510	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
	200	14.8	1.34	6.3	8	Tail: Class C + 0.25 lb/sk Cello Flake + 0.005 lb/sk Static Free
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.	345	12.5	2.12	11	9	Lead: 60:40:0 Class C + 15.00 lb/sk BA-90 + 4.00% MPS-5 + 3.00% SMS + 5.00% A-10 + 1.00% BA-10A + 0.80% ASA-301 + 2.90% R-21 + 8.00 lb/sk LCM-1 + 0.005 lb/sk Static Free
	400	15.6	1.18	5.2	10	Tail: Class H + 0.65% FL-52 + 0.10% R-3 + 0.005 lb/sk Static Free
Liner	200	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

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	4765'	25%
Liner	10418'	25%

See
COA

Mewbourne Oil Company, Pepper Ridge 15 B2AP Fed Com #3H
Sec 15, T26S, R33E
SL: 185' FNL & 660' FEL
BHL: 330' FSL & 660' FEL

4. Pressure Control Equipment

	Variance: None
--	----------------

BOP installed and tested before drilling which hole?	Size?	System Rated WP	Type	✓	Tested to:
12-1/4"	13-5/8"	3M	Annular	X	1250#
			Blind Ram		
			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.

Mewbourne Oil Company, Pepper Ridge 15 B2AP Fed Com #3H

Sec 15, T26S, R33E

SL: 185' FNL & 660' FEL

BHL: 330' FSL & 660' FEL

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.
	Variance: None
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

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	971' 1030	FW Gel	8.6-8.8	28-34	N/C
971	4965	Saturated Brine	10.0	28-34	N/C
4965	10418	Cut Brine	8.6-9.5	28-34	N/C
10418	15456	FW w/Polymer	8.6-9.5	30-40	<20cc

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
---	-------------------

6. Logging and Testing Procedures

Logging, Coring and Testing	
X	Will run GR/CNL from TD 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

Additional logs planned	Interval
X	Gamma Ray
	Density
	CBL
	Mud log
	PEX

Mewbourne Oil Company, Pepper Ridge 15 B2AP Fed Com #3H
Sec 15, T26S, R33E
SL: 185' FNL & 660' FEL
BHL: 330' FSL & 660' FEL

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	4702 psi
Abnormal Temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers in surface hole. Weighted mud for possible over-pressure in Wolfcamp formation.

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
X	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

Mewbourne Oil Company

Lea County, New Mexico

Pepper Ridge 15 B2AP Fed Com #3H

Sec 15, T26S, R33E

SL: 185' FNL & 660' FEL

BHL: 330' FSL & 660' FEL

Plan: Design #1

Standard Planning Report

01 June, 2015

Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Pepper Ridge 15 B2AP Fed Com #3H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3348.0usft (Original Well Elev)
Project:	Lea County, New Mexico	MD Reference:	WELL @ 3348.0usft (Original Well Elev)
Site:	Pepper Ridge 15 B2AP Fed Com #3H	North Reference:	Grid
Well:	Sec 15, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 330' FSL & 660' 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:	Pepper Ridge 15 B2AP Fed Com #3H			
Site Position:		Northing:	382,822.20 usft	Latitude: 32° 3' 0.336 N
From:	Map	Easting:	741,673.60 usft	Longitude: 103° 33' 11.930 W
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "	Grid Convergence: 0.41 °

Well:	Sec 15, T26S, R33E			
Well Position	+N/-S	0.0 usft	Northing:	382,822.20 usft
	+E/-W	0.0 usft	Easting:	741,673.60 usft
Position Uncertainty	0.0 usft		Wellhead Elevation:	3,348.0 usft
			Ground Level:	3,323.0 usft

Wellbore:	BHL: 330' FSL & 660' FEL			
Magnetics	Model Name	Sample Date	Declination	Dip Angle
			(°)	(°)
	IGRF2010	6/1/2015	7.08	59.93
				Field Strength (nT)
				48,118

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	179.56

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	
10,417.5	0.00	0.00	10,417.5	0.0	0.0	0.00	0.00	0.00	0.00	
11,163.0	89.45	179.56	10,895.0	-472.9	3.6	12.00	12.00	0.00	179.56	
15,456.1	89.45	179.56	10,936.0	-4,765.7	36.4	0.00	0.00	0.00	0.00	BHL: 330 FSL & 660 F

Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Pepper Ridge 15 B2AP Fed Com #3H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3348.0usft (Original Well Elev)
Project:	Lea County, New Mexico	MD Reference:	WELL @ 3348.0usft (Original Well Elev)
Site:	Pepper Ridge 15 B2AP Fed Com #3H	North Reference:	Grid
Well:	Sec 15, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 330' FSL & 660' 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 FNL & 660 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 Pepper Ridge 15 B2AP Fed Com #3H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3348.0usft (Original Well Elev)
Project:	Lea County, New Mexico	MD Reference:	WELL @ 3348.0usft (Original Well Elev)
Site:	Pepper Ridge 15 B2AP Fed Com #3H	North Reference:	Grid
Well:	Sec 15, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 330' FSL & 660' 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
8,900.0	0.00	0.00	8,900.0	0.0	0.0	0.0	0.00	0.00	0.00
9,000.0	0.00	0.00	9,000.0	0.0	0.0	0.0	0.00	0.00	0.00
9,100.0	0.00	0.00	9,100.0	0.0	0.0	0.0	0.00	0.00	0.00
9,200.0	0.00	0.00	9,200.0	0.0	0.0	0.0	0.00	0.00	0.00
9,300.0	0.00	0.00	9,300.0	0.0	0.0	0.0	0.00	0.00	0.00
9,400.0	0.00	0.00	9,400.0	0.0	0.0	0.0	0.00	0.00	0.00
9,500.0	0.00	0.00	9,500.0	0.0	0.0	0.0	0.00	0.00	0.00
9,600.0	0.00	0.00	9,600.0	0.0	0.0	0.0	0.00	0.00	0.00
9,700.0	0.00	0.00	9,700.0	0.0	0.0	0.0	0.00	0.00	0.00
9,800.0	0.00	0.00	9,800.0	0.0	0.0	0.0	0.00	0.00	0.00
9,900.0	0.00	0.00	9,900.0	0.0	0.0	0.0	0.00	0.00	0.00
10,000.0	0.00	0.00	10,000.0	0.0	0.0	0.0	0.00	0.00	0.00
10,100.0	0.00	0.00	10,100.0	0.0	0.0	0.0	0.00	0.00	0.00
10,200.0	0.00	0.00	10,200.0	0.0	0.0	0.0	0.00	0.00	0.00
10,300.0	0.00	0.00	10,300.0	0.0	0.0	0.0	0.00	0.00	0.00
10,400.0	0.00	0.00	10,400.0	0.0	0.0	0.0	0.00	0.00	0.00
10,417.5	0.00	0.00	10,417.5	0.0	0.0	0.0	0.00	0.00	0.00

Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Pepper Ridge 15 B2AP Fed Com #3H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3348.0usft (Original Well Elev)
Project:	Lea County, New Mexico	MD Reference:	WELL @ 3348.0usft (Original Well Elev)
Site:	Pepper Ridge 15 B2AP Fed Com #3H	North Reference:	Grid
Well:	Sec 15, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 330' FSL & 660' 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)
KOP @ 10418									
10,500.0	9.90	179.56	10,499.6	-7.1	0.1	7.1	12.00	12.00	0.00
10,600.0	21.90	179.56	10,595.6	-34.5	0.3	34.5	12.00	12.00	0.00
10,700.0	33.90	179.56	10,683.8	-81.2	0.6	81.2	12.00	12.00	0.00
10,799.7	45.86	179.56	10,760.2	-145.0	1.1	145.0	12.00	12.00	0.00
First Take Point: 330 FNL & 660 FEL									
10,800.0	45.89	179.56	10,760.4	-145.2	1.1	145.2	12.00	12.00	0.00
10,900.0	57.89	179.56	10,822.0	-223.7	1.7	223.7	12.00	12.00	0.00
11,000.0	69.89	179.56	10,865.9	-313.3	2.4	313.4	12.00	12.00	0.00
11,100.0	81.89	179.56	10,890.2	-410.1	3.1	410.2	12.00	12.00	0.00
11,163.0	89.45	179.56	10,895.0	-472.9	3.6	472.9	12.00	12.00	0.00
LP: 658 FNL & 660 FEL									
11,200.0	89.45	179.56	10,895.4	-509.9	3.9	509.9	0.02	0.02	0.00
11,300.0	89.45	179.56	10,896.3	-609.9	4.7	609.9	0.00	0.00	0.00
11,400.0	89.45	179.56	10,897.3	-709.9	5.4	709.9	0.00	0.00	0.00
11,500.0	89.45	179.56	10,898.2	-809.9	6.2	809.9	0.00	0.00	0.00
11,600.0	89.45	179.56	10,899.2	-909.9	6.9	909.9	0.00	0.00	0.00
11,700.0	89.45	179.56	10,900.1	-1,009.9	7.7	1,009.9	0.00	0.00	0.00
11,800.0	89.45	179.56	10,901.1	-1,109.9	8.5	1,109.9	0.00	0.00	0.00
11,900.0	89.45	179.56	10,902.0	-1,209.9	9.2	1,209.9	0.00	0.00	0.00
12,000.0	89.45	179.56	10,903.0	-1,309.9	10.0	1,309.9	0.00	0.00	0.00
12,100.0	89.45	179.56	10,903.9	-1,409.8	10.8	1,409.9	0.00	0.00	0.00
12,200.0	89.45	179.56	10,904.9	-1,509.8	11.5	1,509.9	0.00	0.00	0.00
12,300.0	89.45	179.56	10,905.9	-1,609.8	12.3	1,609.9	0.00	0.00	0.00
12,400.0	89.45	179.56	10,906.8	-1,709.8	13.1	1,709.9	0.00	0.00	0.00
12,500.0	89.45	179.56	10,907.8	-1,809.8	13.8	1,809.9	0.00	0.00	0.00
12,600.0	89.45	179.56	10,908.7	-1,909.8	14.6	1,909.9	0.00	0.00	0.00
12,700.0	89.45	179.56	10,909.7	-2,009.8	15.4	2,009.9	0.00	0.00	0.00
12,800.0	89.45	179.56	10,910.6	-2,109.8	16.1	2,109.9	0.00	0.00	0.00
12,900.0	89.45	179.56	10,911.6	-2,209.8	16.9	2,209.9	0.00	0.00	0.00
13,000.0	89.45	179.56	10,912.5	-2,309.8	17.6	2,309.8	0.00	0.00	0.00
13,100.0	89.45	179.56	10,913.5	-2,409.8	18.4	2,409.8	0.00	0.00	0.00
13,200.0	89.45	179.56	10,914.5	-2,509.8	19.2	2,509.8	0.00	0.00	0.00
13,300.0	89.45	179.56	10,915.4	-2,609.8	19.9	2,609.8	0.00	0.00	0.00
13,400.0	89.45	179.56	10,916.4	-2,709.8	20.7	2,709.8	0.00	0.00	0.00
13,500.0	89.45	179.56	10,917.3	-2,809.7	21.5	2,809.8	0.00	0.00	0.00
13,600.0	89.45	179.56	10,918.3	-2,909.7	22.2	2,909.8	0.00	0.00	0.00
13,700.0	89.45	179.56	10,919.2	-3,009.7	23.0	3,009.8	0.00	0.00	0.00
13,800.0	89.45	179.56	10,920.2	-3,109.7	23.8	3,109.8	0.00	0.00	0.00
13,900.0	89.45	179.56	10,921.1	-3,209.7	24.5	3,209.8	0.00	0.00	0.00
14,000.0	89.45	179.56	10,922.1	-3,309.7	25.3	3,309.8	0.00	0.00	0.00
14,100.0	89.45	179.56	10,923.0	-3,409.7	26.0	3,409.8	0.00	0.00	0.00
14,200.0	89.45	179.56	10,924.0	-3,509.7	26.8	3,509.8	0.00	0.00	0.00
14,300.0	89.45	179.56	10,925.0	-3,609.7	27.6	3,609.8	0.00	0.00	0.00
14,400.0	89.45	179.56	10,925.9	-3,709.7	28.3	3,709.8	0.00	0.00	0.00
14,500.0	89.45	179.56	10,926.9	-3,809.7	29.1	3,809.8	0.00	0.00	0.00
14,600.0	89.45	179.56	10,927.8	-3,909.7	29.9	3,909.8	0.00	0.00	0.00
14,700.0	89.45	179.56	10,928.8	-4,009.7	30.6	4,009.8	0.00	0.00	0.00
14,800.0	89.45	179.56	10,929.7	-4,109.6	31.4	4,109.8	0.00	0.00	0.00
14,900.0	89.45	179.56	10,930.7	-4,209.6	32.2	4,209.8	0.00	0.00	0.00
15,000.0	89.45	179.56	10,931.6	-4,309.6	32.9	4,309.8	0.00	0.00	0.00
15,100.0	89.45	179.56	10,932.6	-4,409.6	33.7	4,409.8	0.00	0.00	0.00
15,200.0	89.45	179.56	10,933.6	-4,509.6	34.4	4,509.7	0.00	0.00	0.00

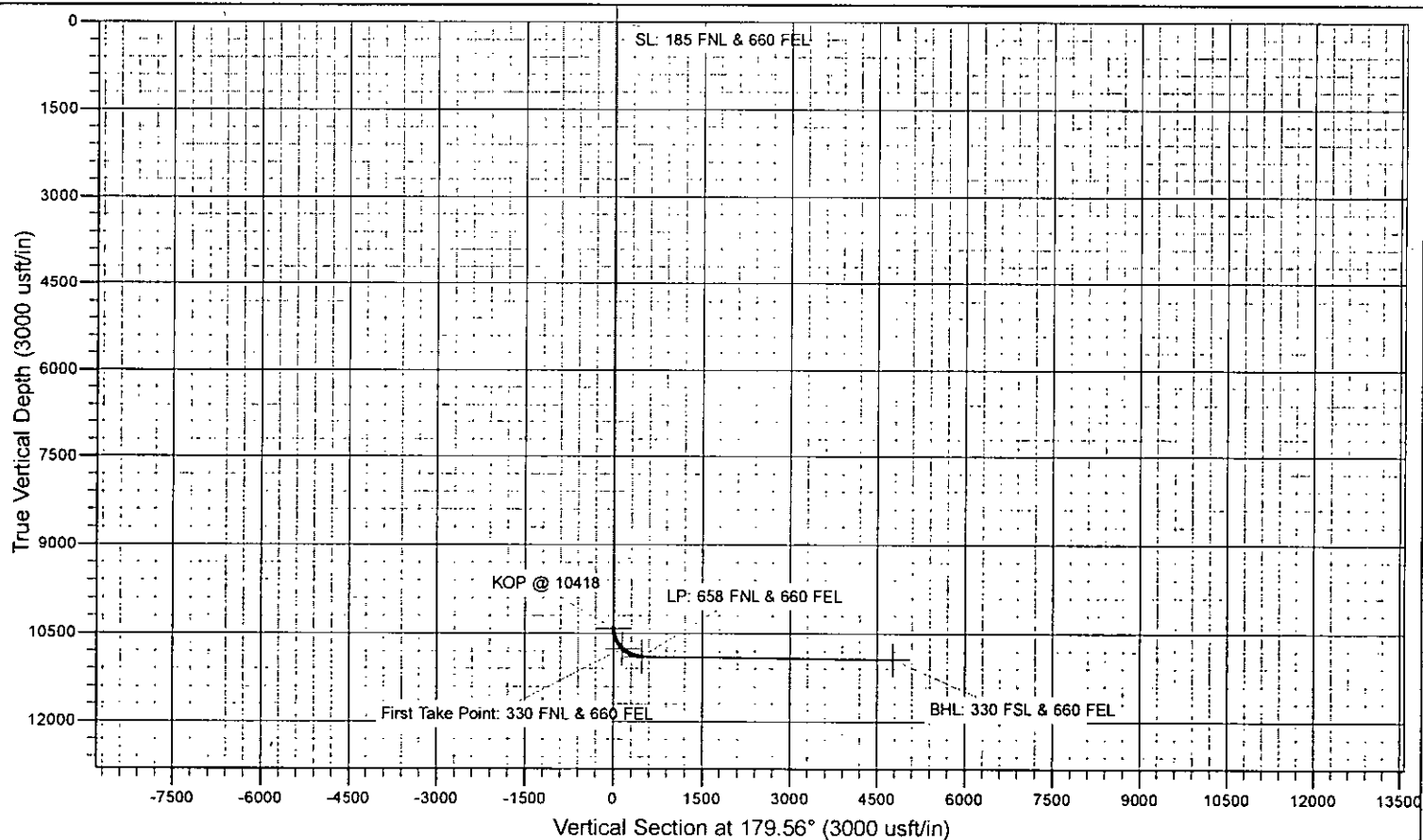
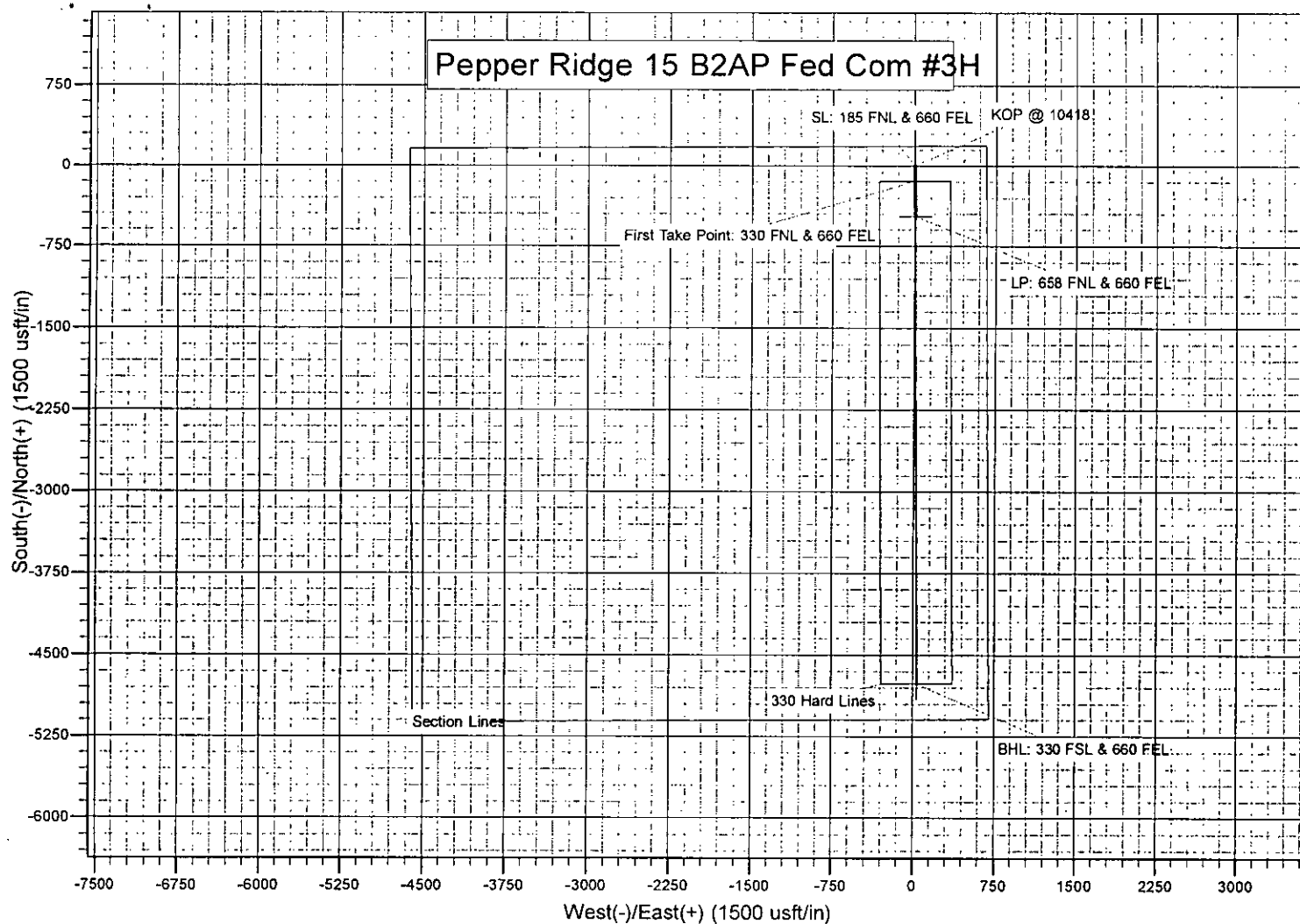
Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Pepper Ridge 15 B2AP Fed Com #3H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3348.0usft (Original Well Elev)
Project:	Lea County, New Mexico	MD Reference:	WELL @ 3348.0usft (Original Well Elev)
Site:	Pepper Ridge 15 B2AP Fed Com #3H	North Reference:	Grid
Well:	Sec 15, T26S, R33E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 330' FSL & 660' 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)
15,300.0	89.45	179.56	10,934.5	-4,609.6	35.2	4,609.7	0.00	0.00	0.00
15,400.0	89.45	179.56	10,935.5	-4,709.6	36.0	4,709.7	0.00	0.00	0.00
15,456.1	89.45	179.56	10,936.0	-4,765.7	36.4	4,765.8	0.00	0.00	0.00
BHL: 330 FSL & 660 FEL									

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: 185 FNL & 660 FEL - plan hits target center - Point	0.00	0.00	0.0	0.0	0.0	382,822.20	741,673.60	32° 3' 0.336 N	103° 33' 11.930 W
KOP @ 10418 - plan hits target center - Point	0.00	0.00	10,417.5	0.0	0.0	382,822.20	741,673.60	32° 3' 0.336 N	103° 33' 11.930 W
First Take Point: 330 FN - plan hits target center - Point	0.00	0.00	10,760.2	-145.0	1.1	382,677.20	741,674.70	32° 2' 58.901 N	103° 33' 11.930 W
LP: 658 FNL & 660 FEL - plan hits target center - Point	0.00	0.00	10,895.0	-472.9	3.6	382,349.30	741,677.20	32° 2' 55.656 N	103° 33' 11.928 W
BHL: 330 FSL & 660 FE - plan hits target center - Point	0.00	0.00	10,936.0	-4,765.7	36.4	378,056.50	741,710.00	32° 2' 13.173 N	103° 33' 11.907 W

Pepper Ridge 15 B2AP Fed Com #3H



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 4 day of JUNE, 2015.

Name: Robin Terrell

Signature:  Per RB

Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: rterrell@mewbourne.com