

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

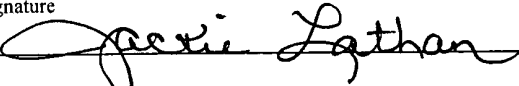
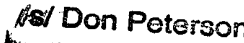
APPLICATION FOR PERMIT TO DRILL OR REENTER **Split Estate**

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-0359292
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Mewbourne Oil Company <14744>		7. If Unit or CA Agreement, Name and No.
3a. Address PO Box 5270 Hobbs, NM 88241		8. Lease Name and Well No. <38486> Red Hills 10 Fed #1H
3b. Phone No. (include area code) 575-393-5905		9. API Well No. 3D-025-40056
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 330' FSL & 1980' FEL (SL) Unit B At proposed prod. zone 330' FSL & 1980' FEL (BHL) Unit O		10. Field and Pool, or Exploratory Wildcat Bone Springs <AT741>
11. Sec., T., R., M., or Blk. and Survey or Area Sec 10 - T26S - R33E		12. County or Parish Lea
13. State NM		14. Distance in miles and direction from nearest town or post office* 30 miles E of Malaga NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330'	16. No. of Acres in lease 400	17. Spacing Unit dedicated to this well 160
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1320'	19. Proposed Depth 13784' MD 9345' TVD	20. BLM/BIA Bond No. on file NM1693, Nationwide
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3313' GL	22. Approximate date work will start* ASAP	23. Estimated duration 40

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall 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 shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Jackie Lathan	Date 10/07/10
Title Hobbs Regulatory		
Approved by (Signature) 	Name (Printed/Typed) /s/ Don Peterson	Date FEB - 4 2011
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.

*(Instructions on reverse)

PETROLEUM ENGINEER **K2 02/11/11**

FEB 14 2011

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FEB 10 2011

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

CARLSBAD CONTROLLED WATER BASIN

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised July 16, 2010

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-D25-40056	Pool Code 97741	Pool Name Wildcat Bone Springs
Property Code 38486	Property Name RED HILLS 10 FEDERAL	Well Number 1H
GRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3313'

Surface Location

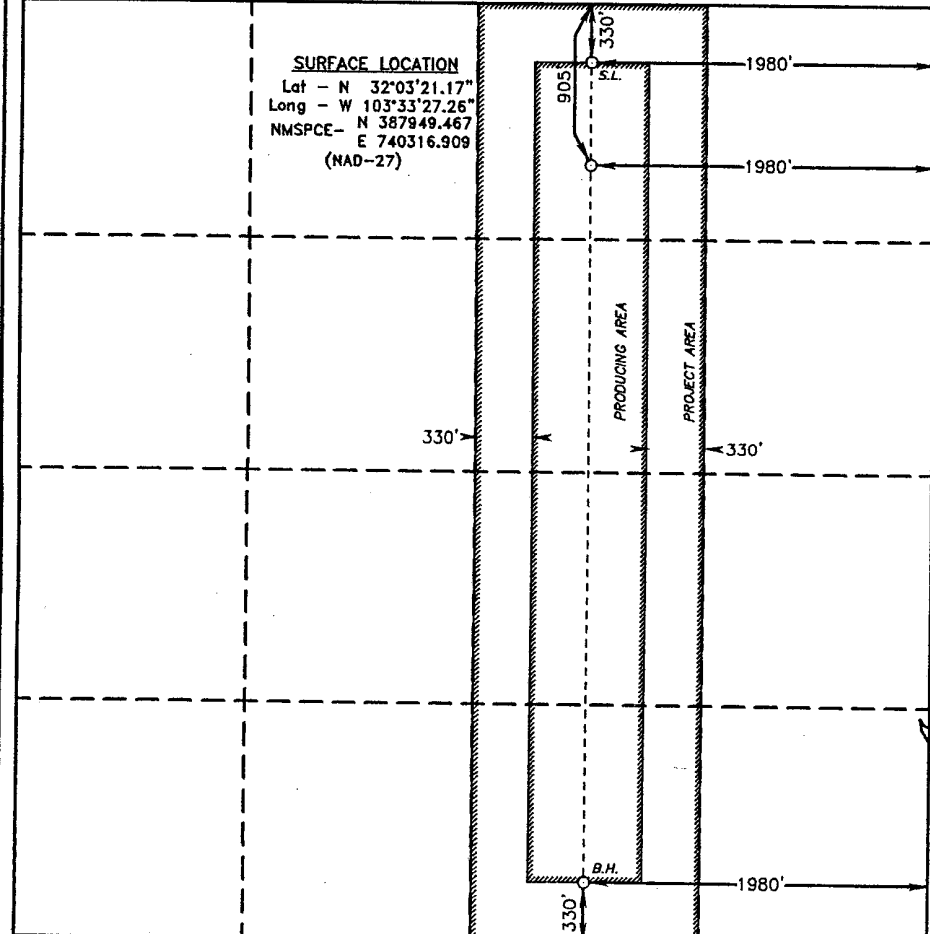
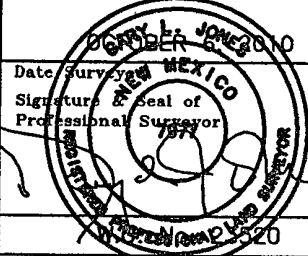
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	10	26 S	33 E		330	NORTH	1980	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	26 S	33 E		330	SOUTH	1980	EAST	LEA

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>SURFACE LOCATION Lat - N 32°03'21.17" Long - W 103°33'27.26" NMSPCE- N 387949.467 E 740316.909 (NAD-27)</p> 	<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jackie Lathan</i> 10/18/10 Signature Date Jackie Lathan Printed Name Email Address</p> <p>SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p> Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS 23520</p>
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United States Department of the Interior
Bureau of Land Management
Carlsbad Field Office
620 E Greene Street
Carlsbad, New Mexico 88201-1287

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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: Lease Number NM-0359292 (SL)

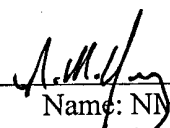
Legal Description of Land: Section 10, T-26S, R-33E Lea County, New Mexico.
Location @ 330' FNL & 1980' FEL.

Formation (if applicable): Bone Spring

Bond Coverage: \$150,000

BLM Bond File: NM1693, Nationwide

Authorized Signature: _____


Name: NM (Micky) Young
Title: District Manager
Date: October 7, 2010

Drilling Program
Mewbourne Oil Company
 Red Hills 10 Federal #1H
 330' FNL & 1980' FEL (SHL)
 Sec 10-T26S-R33E
 Lea County, New Mexico

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

Rustler	850'
Top of Salt	1200'
Base of Salt	4675'
Lamar	4950'
*Delaware	4975'
*Bone Springs	9050'
1 st Bone Springs sand	10000'
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 ^{1,000'} 875' 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. (Per notes regarding blowout preventor)
 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:

See COA - MOC proposes to drill a vertical wellbore to 10150' to log and evaluate the bone Springs. MOC will then plug back to 8772' & kick off to horizontal @ 9345' TVD. The well will be drilled to 13784' MD (9320' TVD). See attached directional plan.

5. Proposed casing and cementing program:

See COA -

A. Casing Program:						
Hole Size	Casing	Wt/Ft	Grade	Depth	Jt Type	
17 1/2"	13 3/8" (new)	48#	H40	0'-875' ^{1,000'}	ST&C	
12 1/4"	9 5/8" (new)	36#	K55	0'-3300'	ST&C	
12 1/4"	9 5/8" (new)	40#	K55	3300'-4300'	ST&C	
12 1/4"	9 5/8" (new)	40#	N80	4300'-4900'	LT&C	
8 3/4"	5 1/2" (new)	17#	P110	0-13784' MD	LT&C	

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

See COA - *Subject to availability of casing.

B. Cementing Program:

- i. Surface Casing: 250 sacks Lite "C" cement w/additives. Yield at 2.05 cuft/sk. 200 sks class "C" w/1% CaCl₂. Yield at 1.34 cuft/sk. Cmt circulated to surface. — See COA
- ii. Intermediate Casing: 750 sacks Lite "C" cement w/additives. Yield at 2.05 cuft/sk. 400 sks class "C" w/1% CaCl₂. Yield at 1.34 cuft/sk. Cmt circulated to surface.
- iii. Production Casing: 700 sacks Lite "H" cement w/additives. Yield at 2.45 cuft/sk. 1500 sks class "H" w/additives. Yield at 1.29 cuft/sk. Cmt calculated to tieback to intermediate csg. — See COA

*Mewbourne Oil Company reserves the right to change cement designs as hole conditions may warrant. — See COA

6. Mud Program:

See COA

Interval	Type System	Weight	Viscosity	Fluid Loss
0'-875'	FW spud mud	8.6-9.0	32-34	NA
875'-4900'	Brine water	10.0	28-30	NA
4900'- TD	FW w/Polymer	8.5-8.7	32-35	15

7. Evaluation Program:

See COA

Samples: 10' samples from surface casing to TD
Logging: GR surface to 10150' & Gyro from KOP (8700') to surface.

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 45 days involved in drilling operations and an additional 10 days involved in completion operations on the project.

Mewbourne Oil Company

Location: Lea County, NM
Field: (Red) Sec 10, T26S, R33E
Facility: Red Hills 10 Fed No. 1H

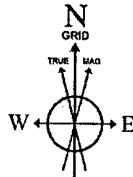
Slot: No. 1H SHL
Well: No. 1H
Wellbore: No. 1H PWB

Well Profile Data

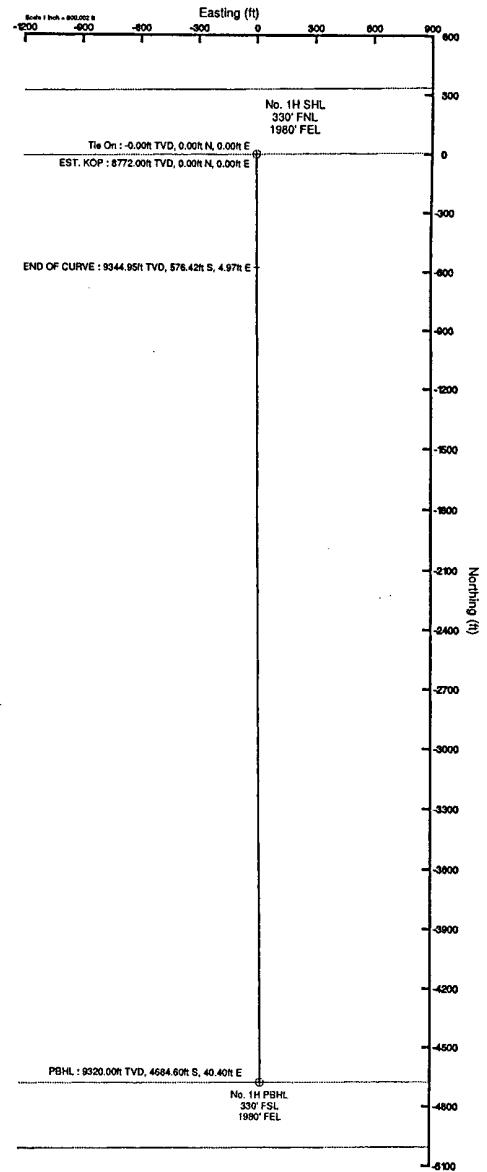
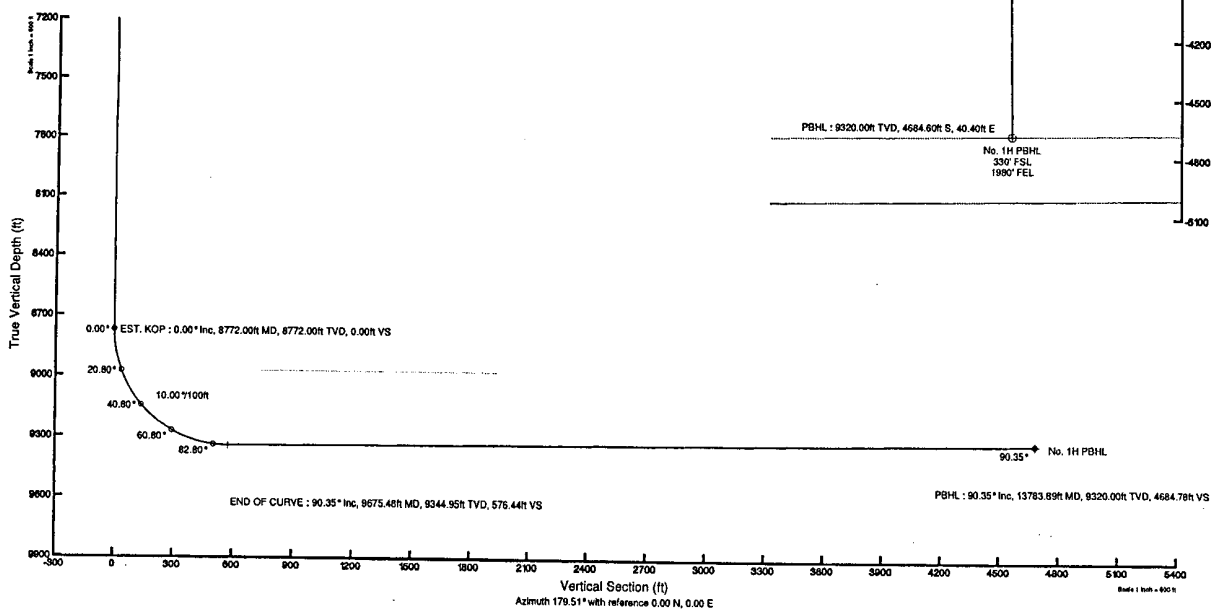
Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	0.00	0.000	179.506	0.00	0.00	0.00	0.00	0.00
EST. KOP	8772.00	0.000	179.506	8772.00	0.00	0.00	0.00	0.00
END OF CURVE	9675.48	90.348	179.506	9344.95	-576.42	4.97	10.00	576.44
PBHL	13783.89	90.348	179.506	9320.00	-4684.60	40.40	0.00	4684.78

Mewbourne Oil Company

Plot reference wellpath is Profile 1	
True vertical depths are referenced to Rig on No. 1H SHL (KB)	Grid System: NAD83 / TM New Mexico State Planes, Eastern Zone (2001), US feet
Measured depths are referenced to Rig on No. 1H SHL (KB)	North Reference: Grid north
Rig on No. 1H SHL (KB) to Mean Sea Level: 3311 feet	Scale: True distance
Mean Sea Level to Mud line (Facility: Red Hills 10 Fed No. 1H): -3312 feet	Depths are in feet
Coordinates are in feet referenced to Slot	Created by: Victor Hernandez on 10/7/2019



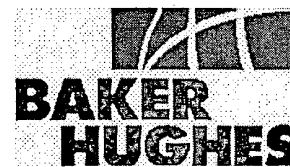
BGGM (1945.0 to 2011.0) Dip: 60.05° Field: 48647.2 nT
Magnetic North is 7.72 degrees East of True North (at 10/7/2010)
Grid North is 0.36 degrees East of True North
To correct azimuth from True to Grid subtract 0.36 degrees
To correct azimuth from Magnetic to Grid add 7.37 degrees
For example: if the Magnetic North Azimuth = 90 degs, then the Grid North Azimuth = 90 + 7.37 = 97.37



Planned Wellpath Report

Prelim_1

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REFERENCE WELLPATH IDENTIFICATION			
Operator	Mewbourne Oil Company	Slot	No. 1H SHL
Area	Lea County, NM	Well	No. 1H
Field	(Red) Sec 10, T26S, R33E	Wellbore	No. 1H PWB
Facility	Red Hills 10 Fed No. 1H		

REPORT SETUP INFORMATION			
Projection System	NAD27 / TM New Mexico State Planes, Eastern Zone (3001), US feet	Software System	WellArchitect® 2.0
North Reference	Grid	User	Victor Hernandez
Scale	0.999959	Report Generated	10/7/2010 at 11:40:24 AM
Convergence at slot	0.36° East	Database/Source file	WellArchitectDB/No. 1H_PWB.xml

WELLPATH LOCATION						
	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	East[ft]	Easting[USft]	Northing[USft]	Latitude	Longitude
Slot Location	0.00	0.00	708516.80	387646.90	32°03'50.289"N	103°39'36.814"W
Facility Reference Pt			708516.80	387646.90	32°03'50.289"N	103°39'36.814"W
Field Reference Pt			708516.80	387646.90	32°03'50.289"N	103°39'36.814"W

WELLPATH DATUM			
Calculation method	Minimum curvature	Rig on No. 1H SHL (KB) to Facility Vertical Datum	18.00ft
Horizontal Reference Pt	Slot	Rig on No. 1H SHL (KB) to Mean Sea Level	3331.00ft
Vertical Reference Pt	Rig on No. 1H SHL (KB)	Facility Vertical Datum to Mud Line (Facility)	0.00ft
MD Reference Pt	Rig on No. 1H SHL (KB)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	179.51°

Planned Wellpath Report

Mewbourne Oil Company

Prelim_1
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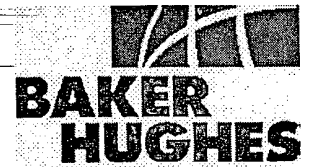
REFERENCE WELLPATH IDENTIFICATION			
Operator	Mewbourne Oil Company	Slot	No. 1H SHL
Area	Lea County, NM	Well	No. 1H
Field	(Red) Sec 10, T26S, R33E	Wellbore	No. 1H PWB
Facility	Red Hills 10 Fed No. 1H		

WELLPATH DATA (54 stations) † = interpolated/extrapolated station												Comments
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS [°/100ft]	
0.00	0.000	179.506	0.00	0.00	0.00	0.00	708516.80	387646.90	32°03'50.289"N	103°39'36.814"W	0.00	Tie On
8772.00	0.000	179.506	8772.00	0.00	0.00	0.00	708516.80	387646.90	32°03'50.289"N	103°39'36.814"W	0.00	EST. KOP
8872.00†	10.000	179.506	8871.49	8.70	-8.70	0.08	708516.88	387638.20	32°03'50.203"N	103°39'36.813"W	10.00	
8972.00†	20.000	179.506	8967.96	34.55	-34.55	0.30	708517.10	387612.35	32°03'49.947"N	103°39'36.813"W	10.00	
9072.00†	30.000	179.506	9058.48	76.76	-76.76	0.66	708517.46	387570.14	32°03'49.529"N	103°39'36.812"W	10.00	
9172.00†	40.000	179.506	9140.29	134.05	-134.04	1.16	708517.96	387512.86	32°03'48.962"N	103°39'36.810"W	10.00	
9272.00†	50.000	179.506	9210.91	204.67	-204.66	1.77	708518.56	387442.25	32°03'48.264"N	103°39'36.808"W	10.00	
9372.00†	60.000	179.506	9268.20	286.48	-286.47	2.47	708519.27	387360.44	32°03'47.454"N	103°39'36.806"W	10.00	
9472.00†	70.000	179.506	9310.40	376.99	-376.98	3.25	708520.05	387269.94	32°03'46.558"N	103°39'36.803"W	10.00	
9572.00†	80.000	179.506	9336.25	473.46	-473.45	4.08	708520.88	387173.47	32°03'45.604"N	103°39'36.801"W	10.00	
9672.00†	90.000	179.506	9344.96	572.96	-572.94	4.94	708521.74	387073.99	32°03'44.619"N	103°39'36.798"W	10.00	
9675.48	90.348	179.506	9344.95	576.44	-576.42	4.97	708521.77	387070.51	32°03'44.585"N	103°39'36.798"W	10.00	END OF CURVE
9772.00†	90.348	179.506	9344.36	672.96	-672.93	5.80	708522.60	386974.00	32°03'43.630"N	103°39'36.795"W	0.00	
9872.00†	90.348	179.506	9343.75	772.95	-772.93	6.67	708523.47	386874.01	32°03'42.640"N	103°39'36.792"W	0.00	
9972.00†	90.348	179.506	9343.15	872.95	-872.92	7.53	708524.33	386774.02	32°03'41.650"N	103°39'36.789"W	0.00	
10072.00†	90.348	179.506	9342.54	972.95	-972.91	8.39	708525.19	386674.03	32°03'40.661"N	103°39'36.787"W	0.00	
10172.00†	90.348	179.506	9341.93	1072.95	-1072.91	9.25	708526.05	386574.04	32°03'39.671"N	103°39'36.784"W	0.00	
10272.00†	90.348	179.506	9341.33	1172.95	-1172.90	10.12	708526.92	386474.05	32°03'38.682"N	103°39'36.781"W	0.00	
10372.00†	90.348	179.506	9340.72	1272.94	-1272.90	10.98	708527.78	386374.06	32°03'37.692"N	103°39'36.778"W	0.00	
10472.00†	90.348	179.506	9340.11	1372.94	-1372.89	11.84	708528.64	386274.07	32°03'36.703"N	103°39'36.776"W	0.00	
10572.00†	90.348	179.506	9339.50	1472.94	-1472.89	12.70	708529.50	386174.08	32°03'35.713"N	103°39'36.773"W	0.00	
10672.00†	90.348	179.506	9338.90	1572.94	-1572.88	13.57	708530.36	386074.09	32°03'34.724"N	103°39'36.770"W	0.00	
10772.00†	90.348	179.506	9338.29	1672.94	-1672.88	14.43	708531.23	385974.10	32°03'33.734"N	103°39'36.767"W	0.00	
10872.00†	90.348	179.506	9337.68	1772.94	-1772.87	15.29	708532.09	385874.11	32°03'32.744"N	103°39'36.765"W	0.00	
10972.00†	90.348	179.506	9337.07	1872.93	-1872.86	16.15	708532.95	385774.12	32°03'31.755"N	103°39'36.762"W	0.00	
11072.00†	90.348	179.506	9336.47	1972.93	-1972.86	17.01	708533.81	385674.13	32°03'30.765"N	103°39'36.759"W	0.00	
11172.00†	90.348	179.506	9335.86	2072.93	-2072.85	17.88	708534.68	385574.14	32°03'29.776"N	103°39'36.756"W	0.00	
11272.00†	90.348	179.506	9335.25	2172.93	-2172.85	18.74	708535.54	385474.15	32°03'28.786"N	103°39'36.753"W	0.00	
11372.00†	90.348	179.506	9334.65	2272.93	-2272.84	19.60	708536.40	385374.16	32°03'27.797"N	103°39'36.751"W	0.00	
11472.00†	90.348	179.506	9334.04	2372.92	-2372.84	20.46	708537.26	385274.17	32°03'26.807"N	103°39'36.748"W	0.00	

Planned Wellpath Report

Mewbourne Oil Company

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REFERENCE WELLPATH IDENTIFICATION			
Operator	Mewbourne Oil Company	Slot	No. 1H SHL
Area	Lea County, NM	Well	No. 1H
Field	(Red) Sec 10, T26S, R33E	Wellbore	No. 1H PWB
Facility	Red Hills 10 Fed No. 1H		

WELLPATH DATA (54 stations) † = interpolated/extrapolated station												
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS [°/100ft]	Comments
11572.00†	90.348	179.506	9333.43	2472.92	-2472.83	21.33	708538.13	385174.18	32°03'25.818"N	103°39'36.745"W	0.00	
11672.00†	90.348	179.506	9332.82	2572.92	-2572.83	22.19	708538.99	385074.19	32°03'24.828"N	103°39'36.742"W	0.00	
11772.00†	90.348	179.506	9332.22	2672.92	-2672.82	23.05	708539.85	384974.20	32°03'23.839"N	103°39'36.740"W	0.00	
11872.00†	90.348	179.506	9331.61	2772.92	-2772.81	23.91	708540.71	384874.21	32°03'22.849"N	103°39'36.737"W	0.00	
11972.00†	90.348	179.506	9331.00	2872.92	-2872.81	24.78	708541.58	384774.22	32°03'21.859"N	103°39'36.734"W	0.00	
12072.00†	90.348	179.506	9330.40	2972.91	-2972.80	25.64	708542.44	384674.23	32°03'20.870"N	103°39'36.731"W	0.00	
12172.00†	90.348	179.506	9329.79	3072.91	-3072.80	26.50	708543.30	384574.23	32°03'19.880"N	103°39'36.728"W	0.00	
12272.00†	90.348	179.506	9329.18	3172.91	-3172.79	27.36	708544.16	384474.24	32°03'18.891"N	103°39'36.726"W	0.00	
12372.00†	90.348	179.506	9328.57	3272.91	-3272.79	28.23	708545.02	384374.25	32°03'17.901"N	103°39'36.723"W	0.00	
12472.00†	90.348	179.506	9327.97	3372.91	-3372.78	29.09	708545.89	384274.26	32°03'16.912"N	103°39'36.720"W	0.00	
12572.00†	90.348	179.506	9327.36	3472.90	-3472.78	29.95	708546.75	384174.27	32°03'15.922"N	103°39'36.717"W	0.00	
12672.00†	90.348	179.506	9326.75	3572.90	-3572.77	30.81	708547.61	384074.28	32°03'14.933"N	103°39'36.715"W	0.00	
12772.00†	90.348	179.506	9326.14	3672.90	-3672.76	31.68	708548.47	383974.29	32°03'13.943"N	103°39'36.712"W	0.00	
12872.00†	90.348	179.506	9325.54	3772.90	-3772.76	32.54	708549.34	383874.30	32°03'12.953"N	103°39'36.709"W	0.00	
12972.00†	90.348	179.506	9324.93	3872.90	-3872.75	33.40	708550.20	383774.31	32°03'11.964"N	103°39'36.706"W	0.00	
13072.00†	90.348	179.506	9324.32	3972.90	-3972.75	34.26	708551.06	383674.32	32°03'10.974"N	103°39'36.703"W	0.00	
13172.00†	90.348	179.506	9323.72	4072.89	-4072.74	35.12	708551.92	383574.33	32°03'09.985"N	103°39'36.701"W	0.00	
13272.00†	90.348	179.506	9323.11	4172.89	-4172.74	35.99	708552.79	383474.34	32°03'08.995"N	103°39'36.698"W	0.00	
13372.00†	90.348	179.506	9322.50	4272.89	-4272.73	36.85	708553.65	383374.35	32°03'08.006"N	103°39'36.695"W	0.00	
13472.00†	90.348	179.506	9321.89	4372.89	-4372.73	37.71	708554.51	383274.36	32°03'07.016"N	103°39'36.692"W	0.00	
13572.00†	90.348	179.506	9321.29	4472.89	-4472.72	38.57	708555.37	383174.37	32°03'06.027"N	103°39'36.690"W	0.00	
13672.00†	90.348	179.506	9320.68	4572.88	-4572.71	39.44	708556.24	383074.38	32°03'05.037"N	103°39'36.687"W	0.00	
13772.00†	90.348	179.506	9320.07	4672.88	-4672.71	40.30	708557.10	382974.39	32°03'04.047"N	103°39'36.684"W	0.00	
13783.89	90.348	179.506	9320.00 ¹	4684.78	-4684.60	40.40	708557.20	382962.50	32°03'03.930"N	103°39'36.684"W	0.00	PBHL

Planned Wellpath Report

 Mewbourne Oil Company

Prelim_1
Page 4 of 4



REFERENCE WELLPATH IDENTIFICATION			
Operator	Mewbourne Oil Company	Slot	No. 1H SHL
Area	Lea County, NM	Well	No. 1H
Field	(Red) Sec 10, T26S, R33E	Wellbore	No. 1H PWB
Facility	Red Hills 10 Fed No. 1H		

TARGETS									
Name	MD [ft]	TVD [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	Shape
1) No. 1H PBHL	13783.89	9320.00	-4684.60	40.40	708557.20	382962.50	32°03'03.930"N	103°39'36.684"W	point

SURVEY PROGRAM Ref Wellbore: No. 1H PWB Ref Wellpath: Prelim_1				
Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
18.00	13783.89	NaviTrak (Standard)		No. 1H PWB

Closed Loop Pad Dimensions 280' x 320'

Topsoil stockpile

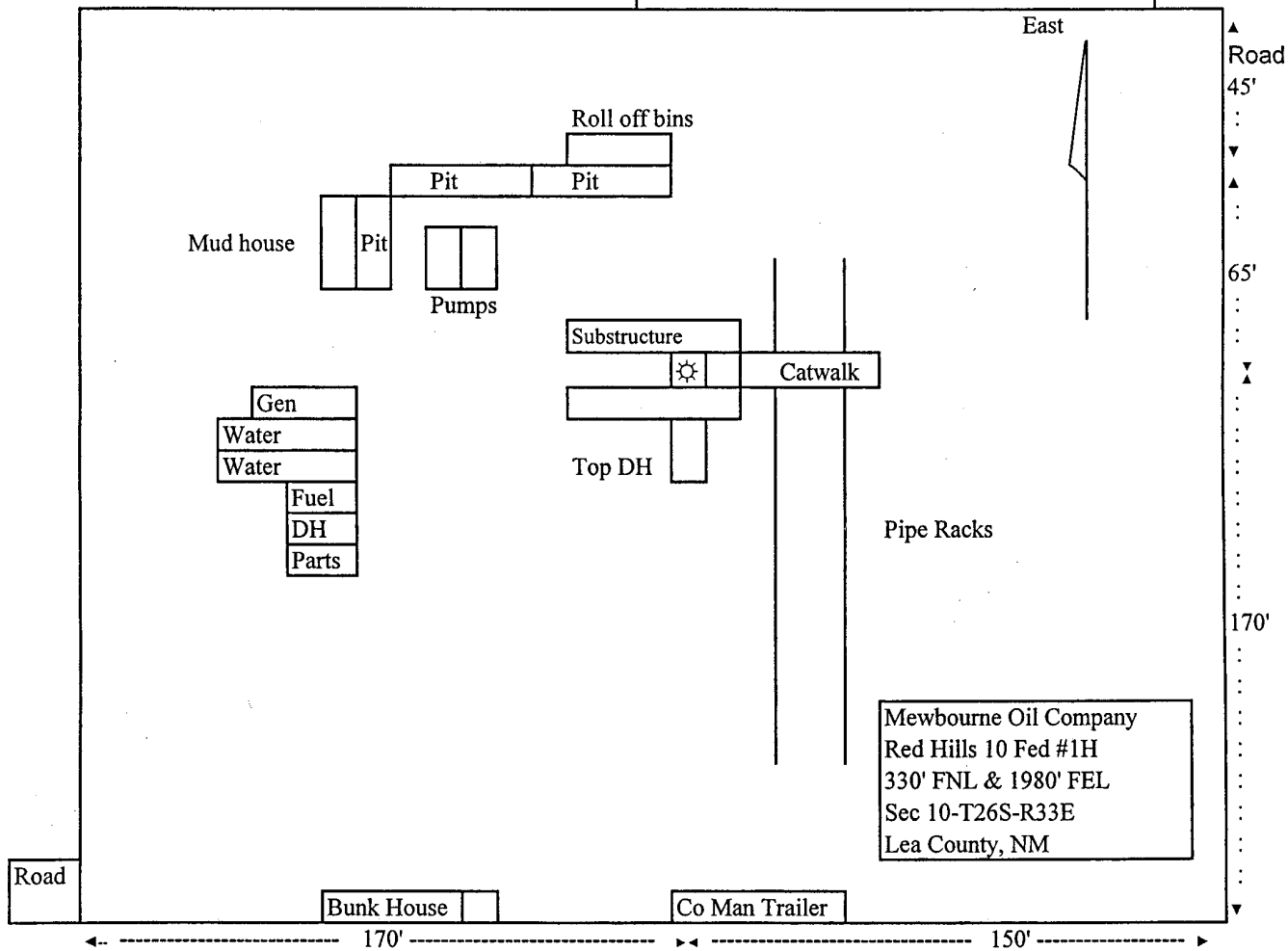


Exhibit 5

Notes Regarding Blowout Preventer

Mewbourne Oil Company

Red Hills 10 Federal #1H
330' FNL & 1980' 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 2000 psi working pressure on 9 5/8" casing and 3000 psi working pressure on 7".
- 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.

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

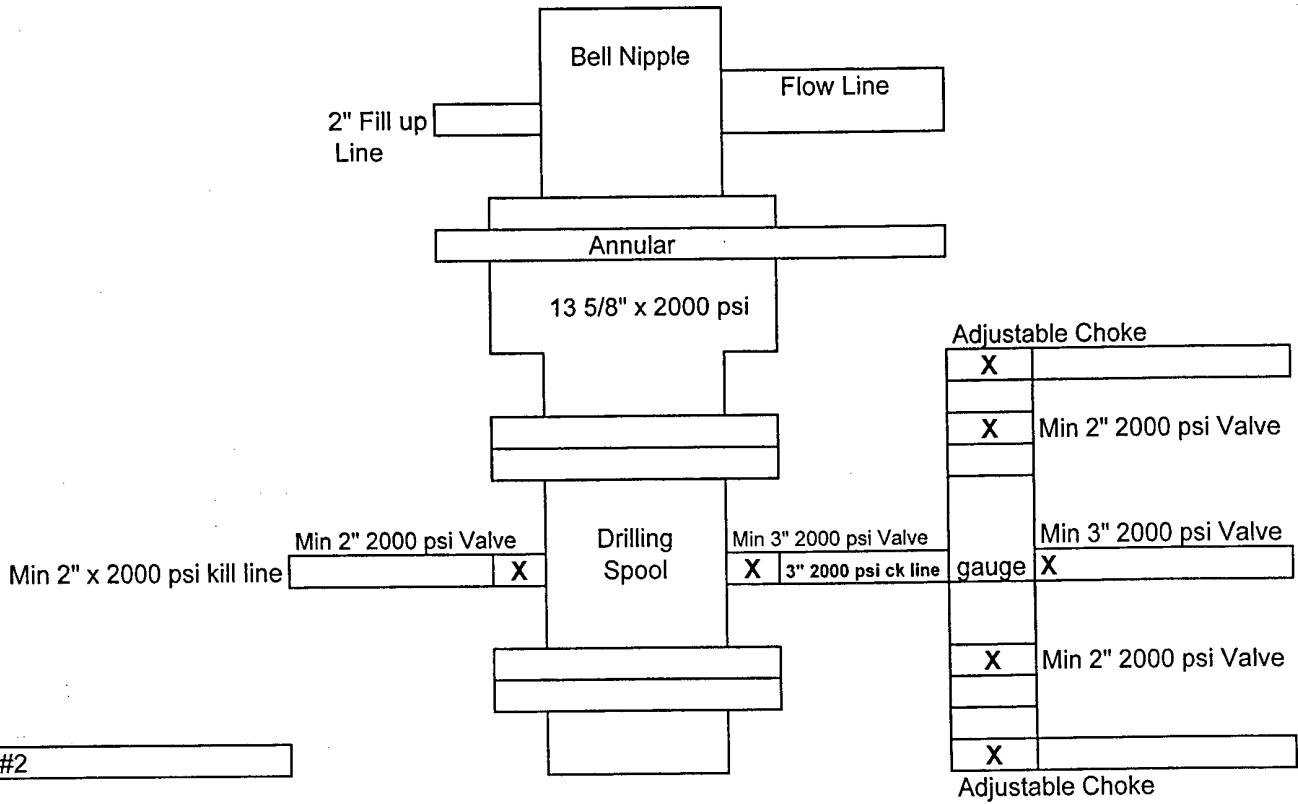


Exhibit #2

Red Hills 10 Fed #1H
330' FNL & 1980' FEL
Sec 10-T26S-R33E
Lea, County
New Mexico

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

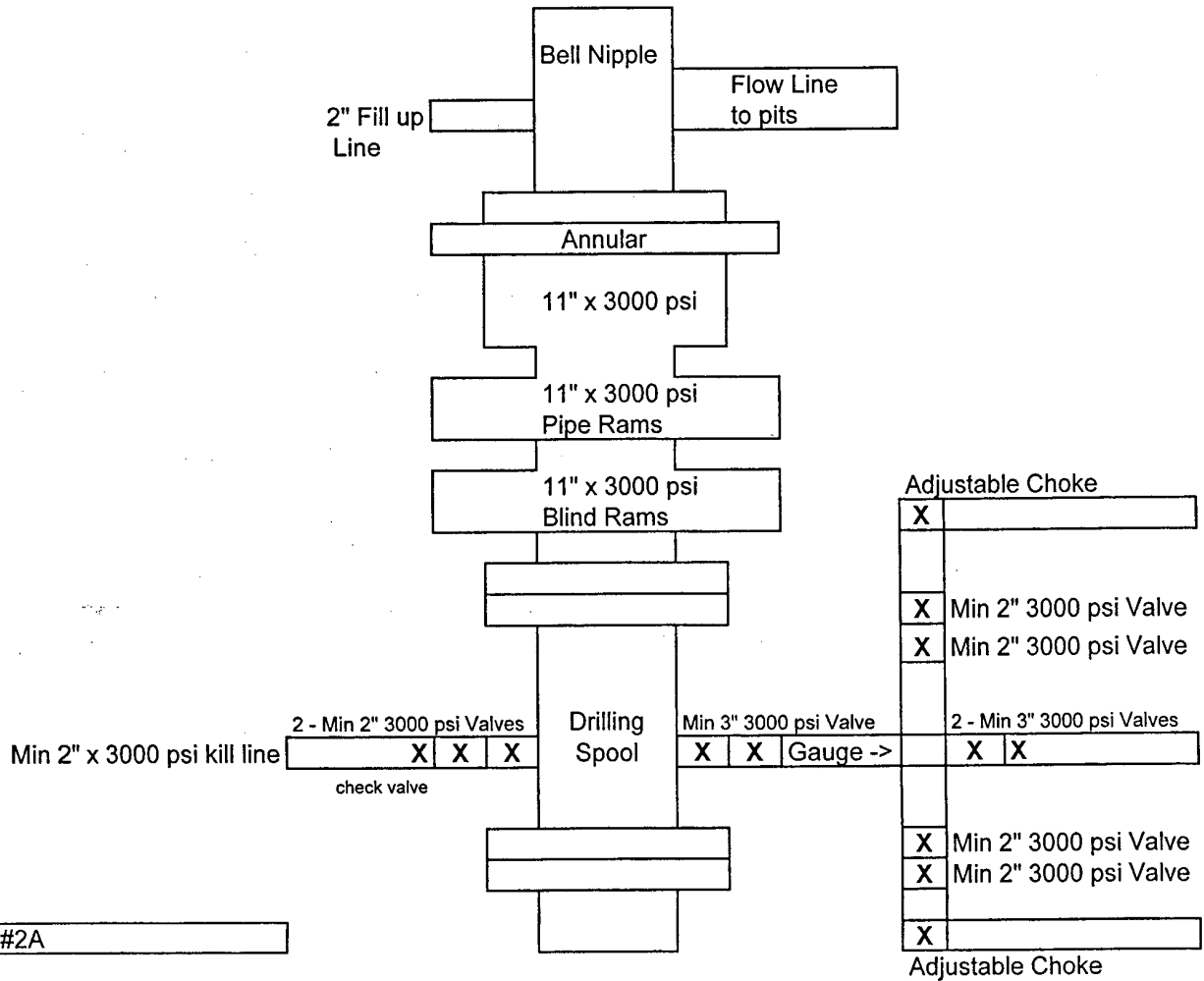


Exhibit #2A

Red Hills 10 Fed #1H
330' FNL & 1980' FEL
Sec 10-T26S-R33E
Lea County,
New Mexico

