

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED
Hobbs

FEB 14 2011

HOBBSOCD

ATS-11-57

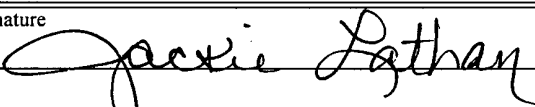
FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-0127A
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. <38646> Red Hills 9 Fed #1H
3b. Phone No. (include area code) 575-393-5905		9. API Well No. 30-028-40155
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1980' FNL & 330' FWL Unit E At proposed prod. zone 1980' FNL & 330' FEL Unit H		10. Field and Pool, or Exploratory Wildcat Bone Springs <96403>
14. Distance in miles and direction from nearest town or post office* 30 miles West of Jal, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 9 - T26S - R33E
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 160	12. County or Parish Lea
17. Spacing Unit dedicated to this well 160	13. State NM	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. NA	19. Proposed Depth 13668' MD 9245' VD Pilot hole 10,100'	20. BLM/BIA Bond No. on file NM1693, Nationwide
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3304' 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 10/25/10
Title Hobbs Regulatory		
Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed)	Date FEB 9 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)

Carlsbad Controlled Water Basin

Kx 06/01/11

Approval Subject to General Requirements
& Special Stipulations Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

JUN 02 2011

Drilling Program
Mewbourne Oil Company
 Red Hills 9 Federal #1H
 1980' FNL & 330' FWL (SHL)
 Sec 9-T26S-R33E
 Lea County, New Mexico

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

Rustler	850'
Top of Salt	1200'
Base of Salt	4675'
Lamar	4900'
*Delaware	4925'
*Bone Springs	9000'
1 st Bone Springs sand	9950'
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 875' ^{995'} 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 preventer)
 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 10100' to log and evaluate the bone Springs. MOC will then plug back to 8682' & kick off to horizontal @ 9255' TVD. The well will be drilled to 13668' MD (9295' TVD). See attached directional plan.

5. Proposed casing and cementing program:

A. Casing Program:						
See COA —	Hole Size	Casing	Wt/Ft.	Grade	Depth	Jt Type
	17 1/2"	13 3/8" (new)	48#	H40	0'- 875' 995'	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	0-13668' 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 — See COA to intermediate csg.

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

6. Mud Program:

	<u>Interval</u>	<u>Type System</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
See COA	0'-875' 945'	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 9, T26S, R33E
Facility: Red Hills 9 Fed No. 1H

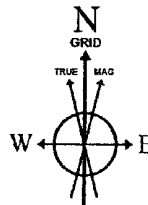
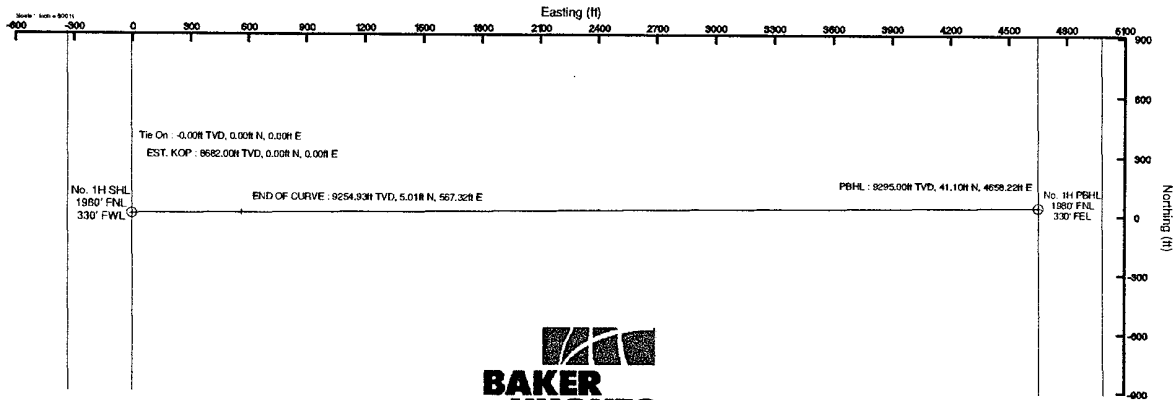
Slot: No. 1H SHL
Well: No. 1H
Wellbore: No. 1H PWB



Mewbourne Oil Company

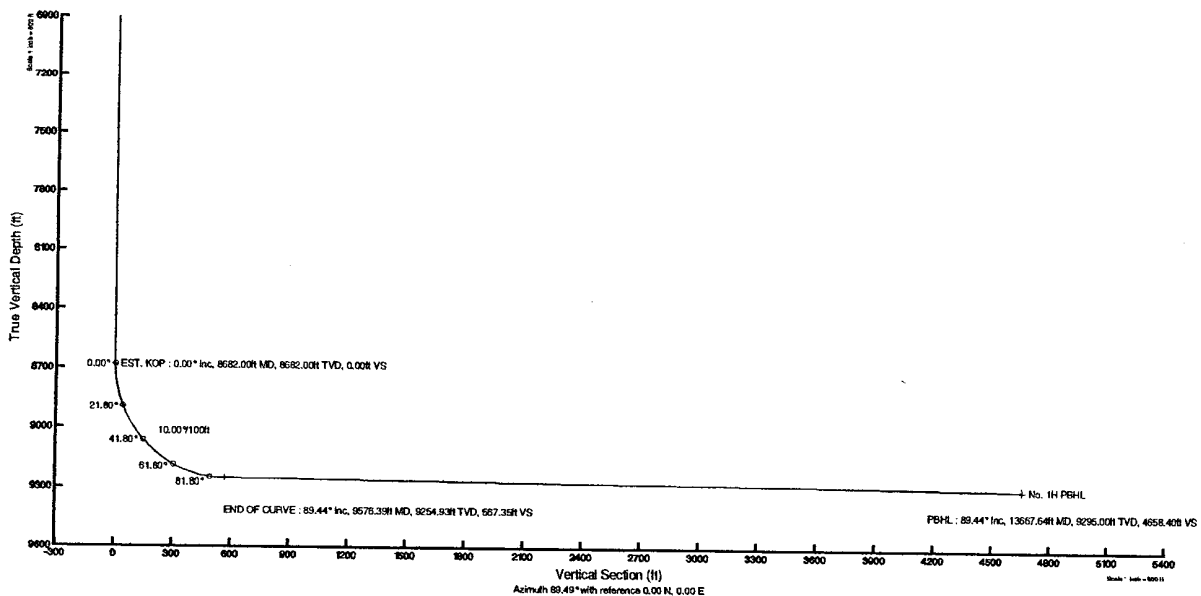
Well Profile Data

Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	0.00	0.000	89.494	0.00	0.00	0.00	0.00	0.00
EST. KOP	8682.00	0.000	89.494	8682.00	0.00	0.00	0.00	0.00
END OF CURVE	9576.39	89.439	89.494	9254.93	5.01	567.32	10.00	567.35
PBHL	13667.64	89.439	89.494	9295.00	41.10	4658.22	0.00	4658.40



BGGM (1945.0 to 2011.0) Dip: 60.04° Field: 48641.1 nT
Magnetic North is 7.74 degrees East of True North (at 10/7/2010)
Grid North is 0.34 degrees East of True North
To correct azimuth from True to Grid subtract 0.34 degrees
To correct azimuth from Magnetic to Grid add 7.39 degrees
For example: if the Magnetic North Azimuth = 90 degs, then the Grid North Azimuth = 90 + 7.39 = 97.39

Plot reference wellpath is Prelim. 1	Grid System: NAD27 / TM New Mexico State Plane, Eastern Zone (3001), US feet
True vertical depths are referenced to Rig on No. 9H SHL (KB)	North Reference: Grid north
Measured depths are referenced to Rig on No. 9H SHL (KB)	Scale: True distance
Rig on No. 9H SHL (KB) to Mean Sea Level: 3322 feet	Depths are in feet
Mean Sea Level to Mud line (Facility: Red Hills 9 Fed No. 1H): -3304 feet	Created by: Victor Hernandez on 10/7/2010
Coordinates are in feet referenced to Slot	



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 9, T26S, R33E	Wellbore	No. 1H PWB
Facility	Red Hills 9 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	0.999955	Report Generated	10/7/2010 at 10:56:02 AM
Convergence at slot	0.34° 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	700204.30	385923.50	32°03'33.737"N	103°41'13.528"W
Facility Reference Pt			700204.30	385923.50	32°03'33.737"N	103°41'13.528"W
Field Reference Pt			700204.30	385923.50	32°03'33.737"N	103°41'13.528"W

WELLPATH DATUM			
Calculation method	Minimum curvature	Rig on No. 9H SHL (KB) to Facility Vertical Datum	18.00ft
Horizontal Reference Pt	Slot	Rig on No. 9H SHL (KB) to Mean Sea Level	3322.00ft
Vertical Reference Pt	Rig on No. 9H SHL (KB)	Facility Vertical Datum to Mud Line (Facility)	0.00ft
MD Reference Pt	Rig on No. 9H SHL (KB)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	89.49°

Planned Wellpath Report

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Area	Lea County, NM	Well	No. 1H
Field	(Red) Sec 9, T26S, R33E	Wellbore	No. 1H PWB
Facility	Red Hills 9 Fed No. 1H		

WELLPATH DATA (53 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
0.00	0.000	89.494	0.00	0.00	0.00	0.00	700204.30	385923.50	32°03'33.737"N	103°41'13.528"W	0.00	Tie On
8682.00	0.000	89.494	8682.00	0.00	0.00	0.00	700204.30	385923.50	32°03'33.737"N	103°41'13.528"W	0.00	EST. KOP
8782.00†	10.000	89.494	8781.49	8.70	0.08	8.70	700213.00	385923.58	32°03'33.737"N	103°41'13.427"W	10.00	
8882.00†	20.000	89.494	8877.96	34.55	0.30	34.55	700238.85	385923.80	32°03'33.738"N	103°41'13.127"W	10.00	
8982.00†	30.000	89.494	8968.48	76.76	0.68	76.76	700281.06	385924.18	32°03'33.739"N	103°41'12.636"W	10.00	
9082.00†	40.000	89.494	9050.29	134.05	1.18	134.04	700338.34	385924.68	32°03'33.741"N	103°41'11.971"W	10.00	
9182.00†	50.000	89.494	9120.91	204.67	1.81	204.66	700408.95	385925.31	32°03'33.743"N	103°41'11.150"W	10.00	
9282.00†	60.000	89.494	9178.20	286.48	2.53	286.47	700490.75	385926.03	32°03'33.745"N	103°41'10.200"W	10.00	
9382.00†	70.000	89.494	9220.40	376.99	3.33	376.98	700581.26	385926.83	32°03'33.748"N	103°41'09.148"W	10.00	
9482.00†	80.000	89.494	9246.25	473.46	4.18	473.45	700677.72	385927.68	32°03'33.750"N	103°41'08.027"W	10.00	
9576.39	89.439	89.494	9254.93	567.35	5.01	567.32	700771.60	385928.51	32°03'33.753"N	103°41'06.936"W	10.00	END OF CURVE
9582.00†	89.439	89.494	9254.99	572.96	5.06	572.94	700777.21	385928.56	32°03'33.753"N	103°41'06.871"W	0.00	
9682.00†	89.439	89.494	9255.96	672.95	5.94	672.93	700877.20	385929.44	32°03'33.756"N	103°41'05.709"W	0.00	
9782.00†	89.439	89.494	9256.94	772.95	6.82	772.92	700977.18	385930.32	32°03'33.759"N	103°41'04.547"W	0.00	
9882.00†	89.439	89.494	9257.92	872.94	7.70	872.91	701077.17	385931.20	32°03'33.761"N	103°41'03.385"W	0.00	
9982.00†	89.439	89.494	9258.90	972.94	8.58	972.90	701177.15	385932.08	32°03'33.764"N	103°41'02.223"W	0.00	
10082.00†	89.439	89.494	9259.88	1072.93	9.47	1072.89	701277.14	385932.97	32°03'33.767"N	103°41'01.061"W	0.00	
10182.00†	89.439	89.494	9260.86	1172.93	10.35	1172.88	701377.13	385933.85	32°03'33.770"N	103°40'59.900"W	0.00	
10282.00†	89.439	89.494	9261.84	1272.92	11.23	1272.87	701477.11	385934.73	32°03'33.772"N	103°40'58.738"W	0.00	
10382.00†	89.439	89.494	9262.82	1372.92	12.11	1372.87	701577.10	385935.61	32°03'33.775"N	103°40'57.576"W	0.00	
10482.00†	89.439	89.494	9263.80	1472.91	13.00	1472.86	701677.09	385936.50	32°03'33.778"N	103°40'56.414"W	0.00	
10582.00†	89.439	89.494	9264.78	1572.91	13.88	1572.85	701777.07	385937.38	32°03'33.781"N	103°40'55.252"W	0.00	
10682.00†	89.439	89.494	9265.76	1672.90	14.76	1672.84	701877.06	385938.26	32°03'33.783"N	103°40'54.090"W	0.00	
10782.00†	89.439	89.494	9266.74	1772.90	15.64	1772.83	701977.05	385939.14	32°03'33.786"N	103°40'52.928"W	0.00	
10882.00†	89.439	89.494	9267.72	1872.90	16.52	1872.82	702077.03	385940.02	32°03'33.789"N	103°40'51.766"W	0.00	
10982.00†	89.439	89.494	9268.70	1972.89	17.41	1972.81	702177.02	385940.91	32°03'33.792"N	103°40'50.604"W	0.00	
11082.00†	89.439	89.494	9269.68	2072.89	18.29	2072.80	702277.01	385941.79	32°03'33.794"N	103°40'49.442"W	0.00	
11182.00†	89.439	89.494	9270.66	2172.88	19.17	2172.80	702376.99	385942.67	32°03'33.797"N	103°40'48.281"W	0.00	
11282.00†	89.439	89.494	9271.64	2272.88	20.05	2272.79	702476.98	385943.55	32°03'33.800"N	103°40'47.119"W	0.00	
11382.00†	89.439	89.494	9272.61	2372.87	20.94	2372.78	702576.97	385944.44	32°03'33.803"N	103°40'45.957"W	0.00	

Planned Wellpath Report

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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 9, T26S, R33E	Wellbore	No. 1H PWB
Facility	Red Hills 9 Fed No. 1H		

WELLPATH DATA (53 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
11482.00†	89.439	89.494	9273.59	2472.87	21.82	2472.77	702676.95	385945.32	32°03'33.805"N	103°40'44.795"W	0.00	
11582.00†	89.439	89.494	9274.57	2572.86	22.70	2572.76	702776.94	385946.20	32°03'33.808"N	103°40'43.633"W	0.00	
11682.00†	89.439	89.494	9275.55	2672.86	23.58	2672.75	702876.93	385947.08	32°03'33.811"N	103°40'42.471"W	0.00	
11782.00†	89.439	89.494	9276.53	2772.85	24.47	2772.74	702976.91	385947.96	32°03'33.814"N	103°40'41.309"W	0.00	
11882.00†	89.439	89.494	9277.51	2872.85	25.35	2872.74	703076.90	385948.85	32°03'33.816"N	103°40'40.147"W	0.00	
11982.00†	89.439	89.494	9278.49	2972.84	26.23	2972.73	703176.89	385949.73	32°03'33.819"N	103°40'38.985"W	0.00	
12082.00†	89.439	89.494	9279.47	3072.84	27.11	3072.72	703276.87	385950.61	32°03'33.822"N	103°40'37.824"W	0.00	
12182.00†	89.439	89.494	9280.45	3172.83	27.99	3172.71	703376.86	385951.49	32°03'33.825"N	103°40'36.662"W	0.00	
12282.00†	89.439	89.494	9281.43	3272.83	28.88	3272.70	703476.85	385952.38	32°03'33.827"N	103°40'35.500"W	0.00	
12382.00†	89.439	89.494	9282.41	3372.82	29.76	3372.69	703576.83	385953.26	32°03'33.830"N	103°40'34.338"W	0.00	
12482.00†	89.439	89.494	9283.39	3472.82	30.64	3472.68	703676.82	385954.14	32°03'33.833"N	103°40'33.176"W	0.00	
12582.00†	89.439	89.494	9284.37	3572.81	31.52	3572.67	703776.81	385955.02	32°03'33.835"N	103°40'32.014"W	0.00	
12682.00†	89.439	89.494	9285.35	3672.81	32.41	3672.67	703876.79	385955.90	32°03'33.838"N	103°40'30.852"W	0.00	
12782.00†	89.439	89.494	9286.33	3772.80	33.29	3772.66	703976.78	385956.79	32°03'33.841"N	103°40'29.690"W	0.00	
12882.00†	89.439	89.494	9287.31	3872.80	34.17	3872.65	704076.77	385957.67	32°03'33.843"N	103°40'28.528"W	0.00	
12982.00†	89.439	89.494	9288.28	3972.79	35.05	3972.64	704176.75	385958.55	32°03'33.846"N	103°40'27.367"W	0.00	
13082.00†	89.439	89.494	9289.26	4072.79	35.93	4072.63	704276.74	385959.43	32°03'33.849"N	103°40'26.205"W	0.00	
13182.00†	89.439	89.494	9290.24	4172.78	36.82	4172.62	704376.73	385960.32	32°03'33.851"N	103°40'25.043"W	0.00	
13282.00†	89.439	89.494	9291.22	4272.78	37.70	4272.61	704476.71	385961.20	32°03'33.854"N	103°40'23.881"W	0.00	
13382.00†	89.439	89.494	9292.20	4372.78	38.58	4372.61	704576.70	385962.08	32°03'33.857"N	103°40'22.719"W	0.00	
13482.00†	89.439	89.494	9293.18	4472.77	39.46	4472.60	704676.69	385962.96	32°03'33.860"N	103°40'21.557"W	0.00	
13582.00†	89.439	89.494	9294.16	4572.77	40.35	4572.59	704776.67	385963.84	32°03'33.862"N	103°40'20.395"W	0.00	
13667.64	89.439	89.494	9295.00†	4658.40	41.10	4658.22	704862.30	385964.60	32°03'33.864"N	103°40'19.400"W	0.00	PBHL

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 9, T26S, R33E	Wellbore	No. 1H PWB
Facility	Red Hills 9 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	13667.64	9295.00	41.10	4658.22	704862.30	385964.60	32°03'33.864"N	103°40'19.400"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	13667.64	NaviTrak (Standard)		No. 1H PWB

Closed Loop Pad Dimensions 280' x 320'

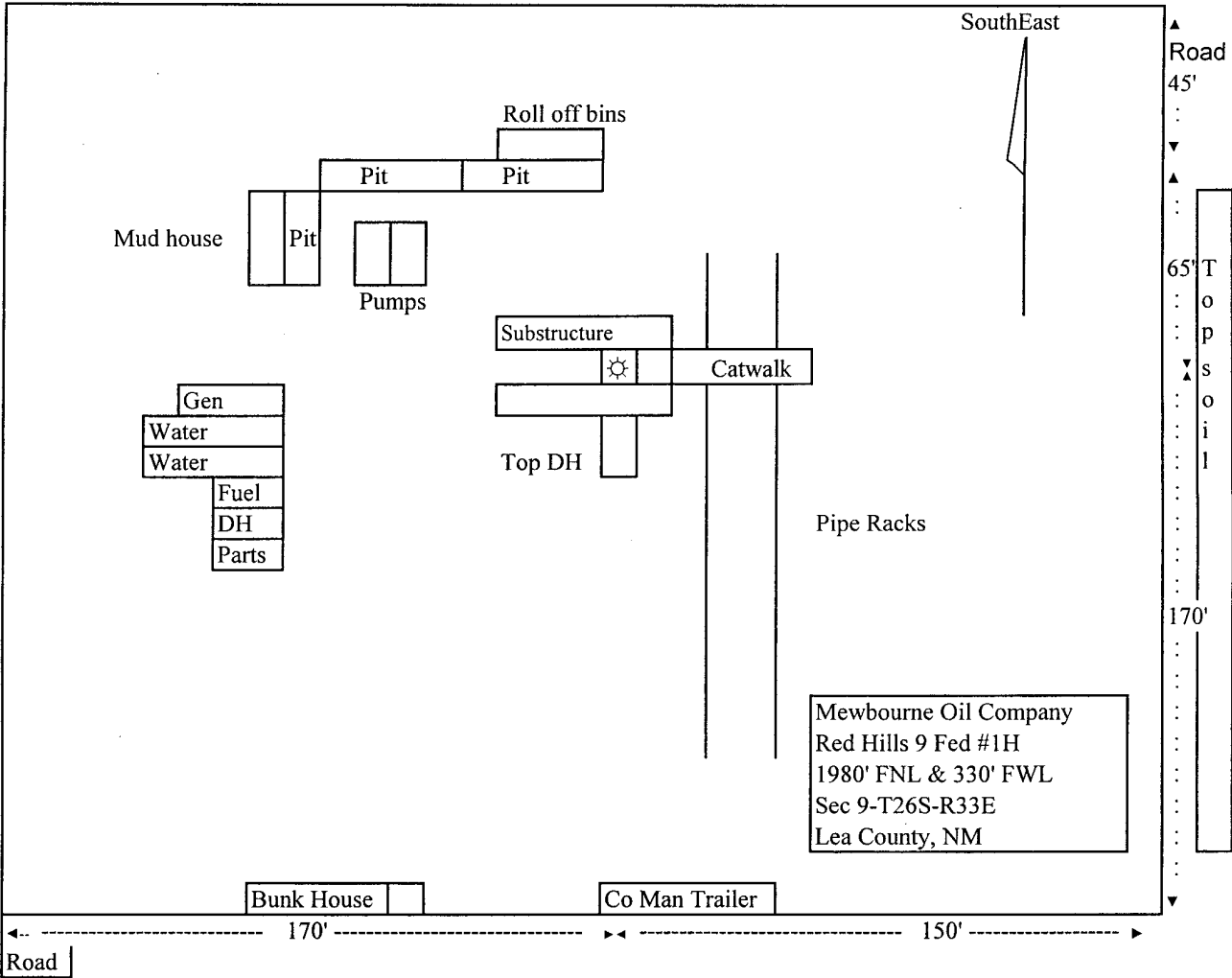


Exhibit 5

Notes Regarding Blowout Preventer

Mewbourne Oil Company

Red Hills 9 Federal #1H
1980' FNL & 330' FWL (SHL)
Sec 9-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

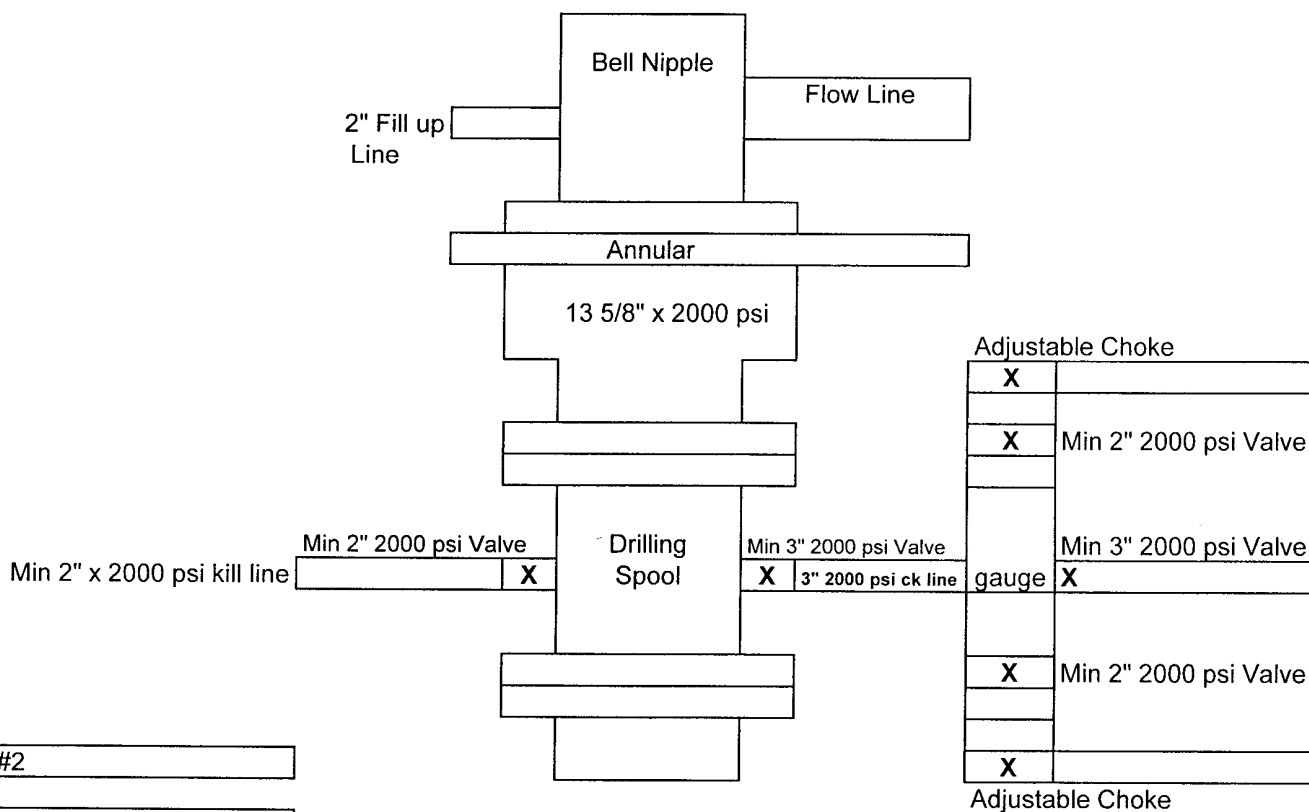


Exhibit #2

Red Hills 9 Fed #1H
1980' FNL & 330' FWL
Sec 9-T26S-R33E
Lea, County
New Mexico

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

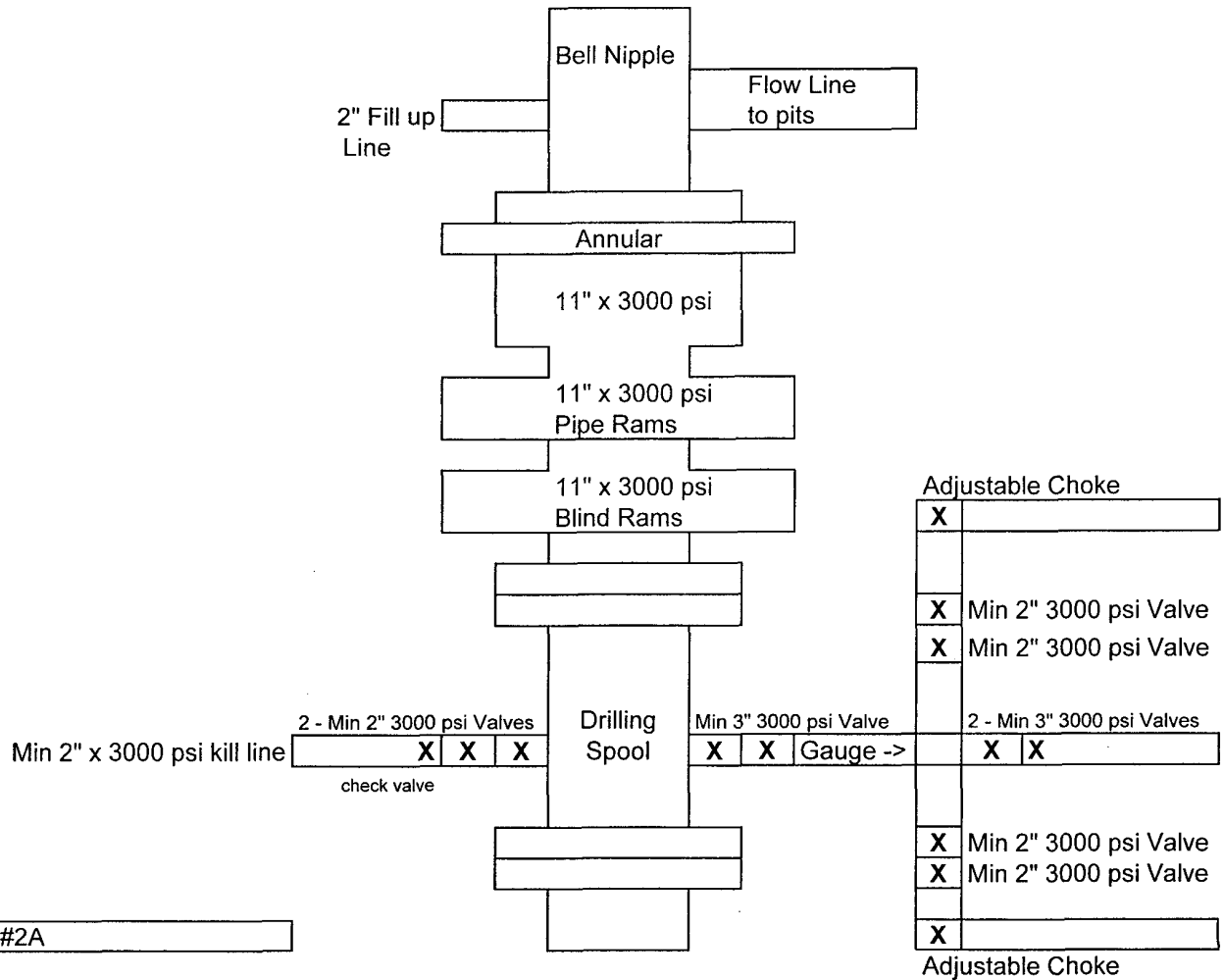
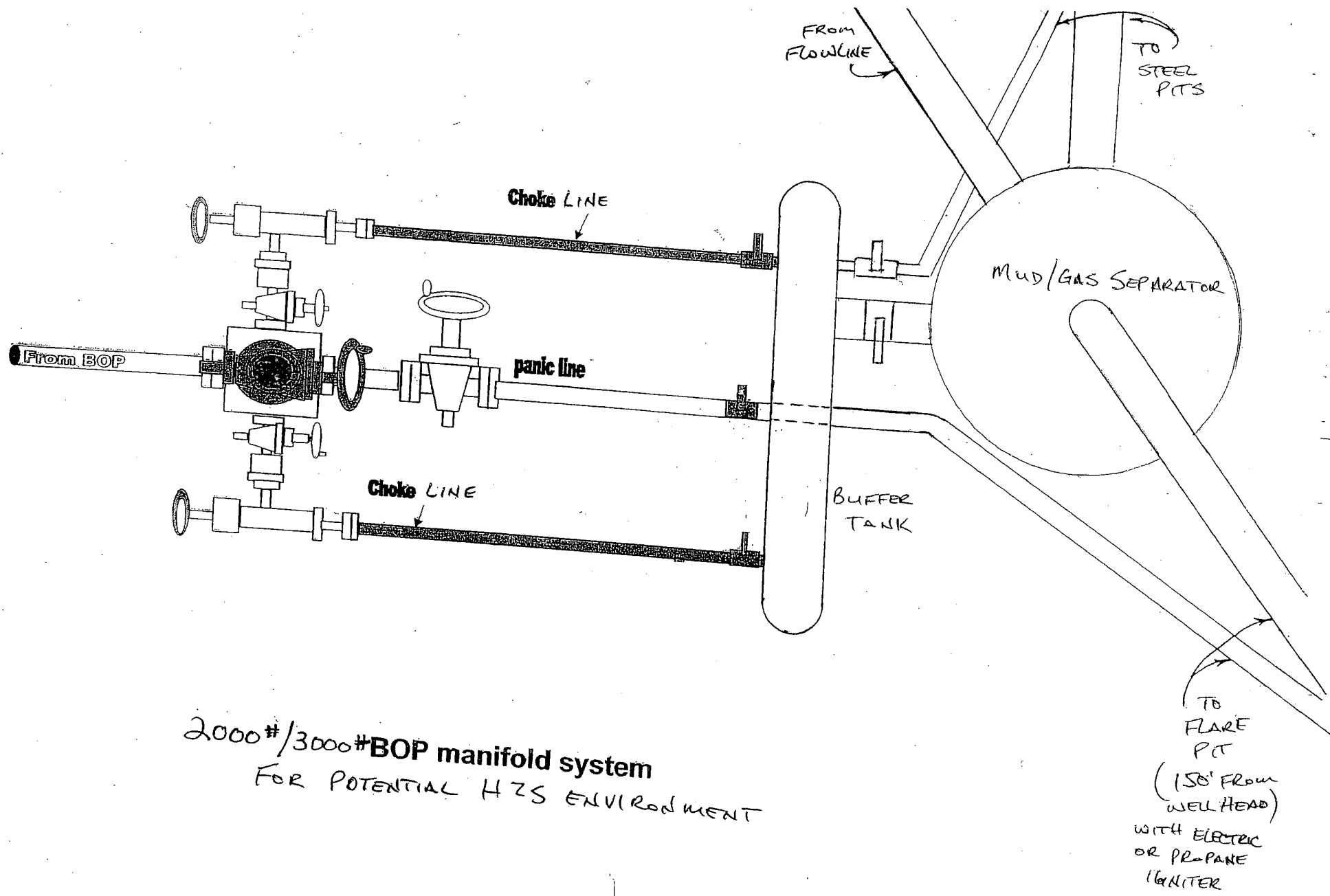


Exhibit #2A

Red Hills 9 Fed #1H
1980' FNL & 330' FWL
Sec 9-T26S-R33E
Lea County,
New Mexico



2000#/3000# BOP manifold system
FOR POTENTIAL H₂S ENVIRONMENT

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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HOBBSOCD

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-0127A


Legal Description of Land: Section 9, T-26S, R-33E Lea County, New Mexico.
Location @ 1980' FNL & 330' FWL.

Formation (if applicable): Bone Spring

Bond Coverage: \$150,000

BLM Bond File: NM1693, Nationwide

Authorized Signature: _____


Name: NM (Micky) Young
Title: District Manager
Date: 10/25/10

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 25 day of October, 2010.

Name: NM Young

Signature: 

Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: myoung@mewbourne.com