

Revised March 23, 2017

RECEIVED: 05/09/22	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2212962176
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Geological & Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Mewbourne Oil Company **OGRID Number:** 14744
Well Name: Salado Draw 10 W1MD Fed Com #3H **API:** PENDING
Pool: Red Hills Wolfcamp Gas **Pool Code:** 83600

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

- A. ☒ Offset operators or lease holders
B. ☐ Royalty, overriding royalty owners, revenue owners
C. ☐ Application requires published notice
D. ☐ Notification and/or concurrent approval by SLO
E. ☐ Notification and/or concurrent approval by BLM
F. ☐ Surface owner
G. ☒ For all of the above, proof of notification or publication is attached, and/or,
H. ☐ No notice required

FOR OCD ONLY

☐ Notice Complete
☐ Application Content Complete

3) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Adriana Salgado

Print or Type Name

Adriana Salgado

Signature

Digitally signed by Adriana Salgado
Date: 2022.04.12 16:35:57 -05'00'

4/12/2022

Date

432-682-3715

Phone Number

asalgado@mewbourne.com

e-mail Address

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020
Midland, Texas 79701
Phone (432) 682-3715
Fax (432) 685-4170

April 12, 2022

Via Certified Mail

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
Attn: Mr. Leonard Lowe

Re: Application for Unorthodox Well Location
Salado Draw 10 W1MD Fed Com #3H

Surface Location: 235' FSL & 2265' FWL (Unit N – Section 10, T26S, R33E)
First Take Point: 100' FSL & 990' FWL (Unit M – Section 10, T26S, R33E)
Last Take Point: 100' FNL & 990' FWL (Unit **D** – Section 10, T26S, R33E)
Bottomhole Location: 100' FNL & 990' FWL (Unit **D** – Section 10, T26S, R33E) “D”, corrected
Proration Unit: Section 10, T-26-S, R-33-E, NMPM, Lea County,
New Mexico

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.4.12.A.3 and 19.15.15.13, Mewbourne Oil Company (“Mewbourne”) respectfully requests administrative approval of an unorthodox gas well location for its proposed Salado Draw 10 W1MD Fed Com #3H well. This well will be drilled as a horizontal gas well in the Red Hills; Wolfcamp Gas Pool (83600).

The Salado Draw 10 W1MD Fed Com #3H will be dedicated to an existing 640-acre gas spacing and proration unit comprising all of Section 10. There is currently one other existing Wolfcamp producing well within the proposed spacing unit.

The Red Hills; Wolfcamp Gas Pool is currently governed by Division Rule 19.19.15.10 which requires standard 640-acre gas spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the spacing unit, nor closer than 10 feet to any interior quarter-quarter section line or subdivision inner boundary, or in the case of a horizontal well, no closer than 660 feet to the outer boundary of the producing area.

Mewbourne Oil Company
Unorthodox Location Application
Salado Draw 10 W1MD Fed Com #3H
Page 2 of 2

The unorthodox location is necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying all of Section 10.

The affected offset acreage comprises the S/2 of Section 3, and N/2 of Section 15, Township 26 South, Range 33 East, NMPM (See Attached Map). There are currently the following Wolfcamp producers within the offset acreage:

- Magnolia 15 #701H (API No: 30-025-43555), Section 15, T26S, R33E
- Magnolia 15 #702H (API No: 30-025-43556), Section 15, T26S, R33E
- Magnolia 15 #709H (API No: 30-025-43557), Section 15, T26S, R33E
- Magnolia 15 Federal Com #703H (API No: 30-025-44374), Section 15, T26S, R33E
- Magnolia 15 Federal Com #705H (API No: 30-025-44346), Section 15, T26S, R33E
- Magnolia 15 Federal Com #706H (API No: 30-025-44399), Section 15, T26S, R33E
- Magnolia 15 Federal Com #707H (API No: 30-025-44400), Section 15, T26S, R33E
- Magnolia 15 Federal Com #713H (API No: 30-025-44405), Section 15, T26S, R33E
- Magnolia 15 Federal Com #714H (API No: 30-025-44406), Section 15, T26S, R33E
- Magnolia 15 Federal Com #744H (API No: 30-025-44402), Section 15, T26S, R33E
- Magnolia 15 Federal Com #745H (API No: 30-025-44403), Section 15, T26S, R33E
- Salado Draw 10 W0PA Federal #3H (API No: 30-025-43577), Section 15, T26S, R33E
- Salado Draw 10 W1PA Federal #2H (API No: 30-025-42837), Section 15, T26S, R33E

Consequently, notice of this application is being provided to EOG Resources Inc., COG Operating LLC, Unified Assets LTD, and R&R Royalty LTD.

Attached is a Form C-102 for the Salado Draw 10 W01MD Fed Com #3H, and a map showing the affected offset acreage, notice list and offset notice letter.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Red Hills; Wolfcamp Gas Pool underlying all of Section 10 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

Should you have any questions regarding the above, please email me at asalgado@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Adriana Salgado
Landman

District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 83600	³ Pool Name RED HILLS; WOLFCAMP GAS
⁴ Property Code	⁵ Property Name SALADO DRAW 10 W1MD FED COM	⁶ Well Number 3H
⁷ OGRID NO 14744	⁸ Operator Name MEWBOURNE OIL COMPANY	⁹ Elevation 3313'

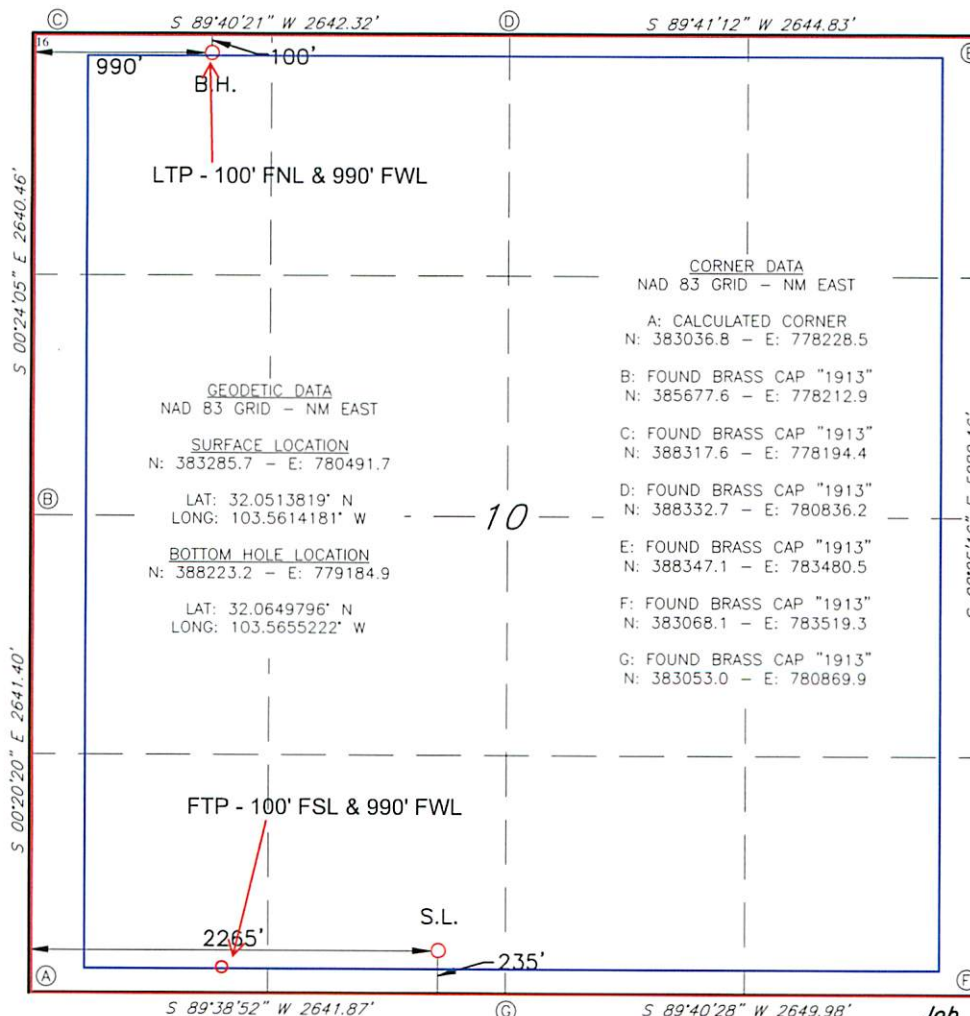
¹⁰ Surface Location

UL or lot no. N	Section 10	Township 26S	Range 33E	Lot Idn	Feet from the 235	North/South line SOUTH	Feet From the 2265	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. D	Section 10	Township 26S	Range 33E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 990	East/West line WEST	County LEA
¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



¹⁷ 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.

Bradley Bishop 3-3-21
Signature Date
BRADLEY BISHOP
Printed Name
BBISHOP@MEWBOURNE.COM
E-mail Address

¹⁸ 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.

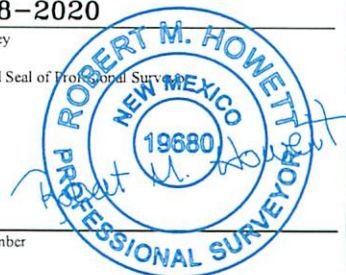
12-18-2020

Date of Survey

Signature and Seal of Professional Surveyor

19680

Certificate Number



Job No.: LS20120833

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020
Midland, Texas 79701
Phone (432) 682-3715
Fax (432) 685-4170

April 12, 2022

Via Certified Mail

See Attached List

Re: Mewbourne Oil Company's Application for Unorthodox Well Location

Salado Draw 10 W1MD Fed Com #3H

Surface Location:	235' FSL & 2265' FWL (Unit N – Section 10, T26S, R33E)
First Take Point:	100' FSL & 990' FWL (Unit M – Section 10, T26S, R33E)
Last Take Point:	100' FNL & 990' FWL (Unit D – Section 10, T26S, R33E)
Bottomhole Location:	100' FNL & 990' FWL (Unit D – Section 10, T26S, R33E)
Proration Unit:	Section 10, T-26-S, R-33-E, NMPM, Lea County, New Mexico
Pool:	Red Hills; Wolfcamp Gas Pool (83600)

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Mewbourne Oil Company ("Mewbourne") for approval of an unorthodox gas well location for its Salado Draw 10 W1MD Fed Com #3H well located at the surface, first take point, last take point, and bottomhole locations described above. The well will test the Red Hills; Wolfcamp Gas Pool and will be dedicated to an existing 640-acre gas spacing and proration unit comprising all of Section 10, T-26-S, R-33-E, NMPM, Lea County, New Mexico. The unorthodox location is necessary in order to maximize the recovery of oil and gas reserves within the Wolfcamp formation underlying all of Section 10.

As the owner of an interest that may be affected by the proposed unorthodox gas well location, you are being provided notice as per Division rules and regulations. *Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you.* If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

Should you have any questions regarding the above, please email me at asalgado@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Adriana Jimenez-Salgado
Landman

Notice List**Mewbourne Oil Company****Application for Unorthodox Well Location****Salado Draw 10 W0OB Fed Com #2H, Section 10, T26S, R33E****Salado Draw 10 W1NC Fed Com #2H, Section 10, T26S, R33E****Salado Draw 10 W0NC Fed Com #3H, Section 10, T26S, R33E****Salado Draw 10 W1MD Fed Com #3H, Section 10, T26S, R33E****Lea County, New Mexico**

Owners Noticed	Certified Tracking Number
EOG Resources Inc. 5509 Champions Drive Midland, Texas 79706 Attn: Mr. Brian Pond	9414 8368 9784 6194 9507 22
COG Operating LLC 600 W. Illinois Avenue Midland, Texas 79701 Attn: Mr. Baylor Mitchell	9414 8368 9784 6194 9845 81
Unified Assets LTD 3344 Ocean Drive Corpus Christi, Texas 78411-1457 Attn: Land Manager	9414 8368 9784 6195 0261 81
R&R Royalty LTD 500 N. Shoreline Boulevard, Suite 322 Corpus Christi, Texas 78401 Attn: Land Manager	9414 8368 9784 6195 0408 11

Adriana Salgado

From: webmaster@simplecertifiedmail.com
Sent: Thursday, April 14, 2022 10:10 AM
To: Adriana Salgado
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846194950722 and reference number of Salado Draw Wells NSL Notice was successfully delivered to EOG Resources, Inc at Mr. Brian Pond

This is an "Advisory Notice" from information provided by the United State Postal Service, and may not accurately reflect the delivery status of the item. Please check the Delivery Information Report in SimpleCertifiedMail.com to ensure the item was "Delivered" and not "Returned"

If you have questions or concerns, please let us know.

Regards,

The Client Services Group-Assistance

SimpleCertifiedMail.com
111 Commonwealth Court, Suite 103
Cary, NC 27511-4447
[888-462-1750 ext. 2](tel:888-462-1750) | assistance@simplecertifiedmail.com

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April 18, 2022

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8368 9784 6194 9845 81.

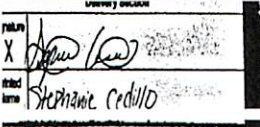
Item Details

Status: Delivered, Individual Picked Up at Postal Facility
Status Date / Time: April 18, 2022, 8:05 am
Location: MIDLAND, TX 79701
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Recipient Name: COG Operating LLC

Shipment Details

Weight: 3.5oz

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

COG Operating LLC
Attn: Mr. Baylor Mitchell
600 W. Illinois Ave.
Midland, TX 79701
Reference #: Salado Draw Wells NSL Notice
Item ID: Salado Draw Wells NSL Notice

Adriana Salgado

From: webmaster@simplecertifiedmail.com
Sent: Wednesday, April 20, 2022 8:41 PM
To: Adriana Salgado
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846195026181 and reference number of Salado Draw Wells NSL Notice was successfully delivered to Attn: Land Manager at Unified Assets LTD

This is an "Advisory Notice" from information provided by the United State Postal Service, and may not accurately reflect the delivery status of the item. Please check the Delivery Information Report in SimpleCertifiedMail.com to ensure the item was "Delivered" and not "Returned"

If you have questions or concerns, please let us know.

Regards,

The Client Services Group-Assistance

SimpleCertifiedMail.com
111 Commonwealth Court, Suite 103
Cary, NC 27511-4447
[888-462-1750 ext. 2](tel:888-462-1750) | assistance@simplecertifiedmail.com

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Adriana Salgado

From: webmaster@simplecertifiedmail.com
Sent: Monday, April 18, 2022 1:30 PM
To: Adriana Salgado
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846195040811 and reference number of Salado Draw Wells NSL Notice was successfully delivered to Attn: Land Manager at R&R Royalty LTD

This is an "Advisory Notice" from information provided by the United State Postal Service, and may not accurately reflect the delivery status of the item. Please check the Delivery Information Report in SimpleCertifiedMail.com to ensure the item was "Delivered" and not "Returned"

If you have questions or concerns, please let us know.

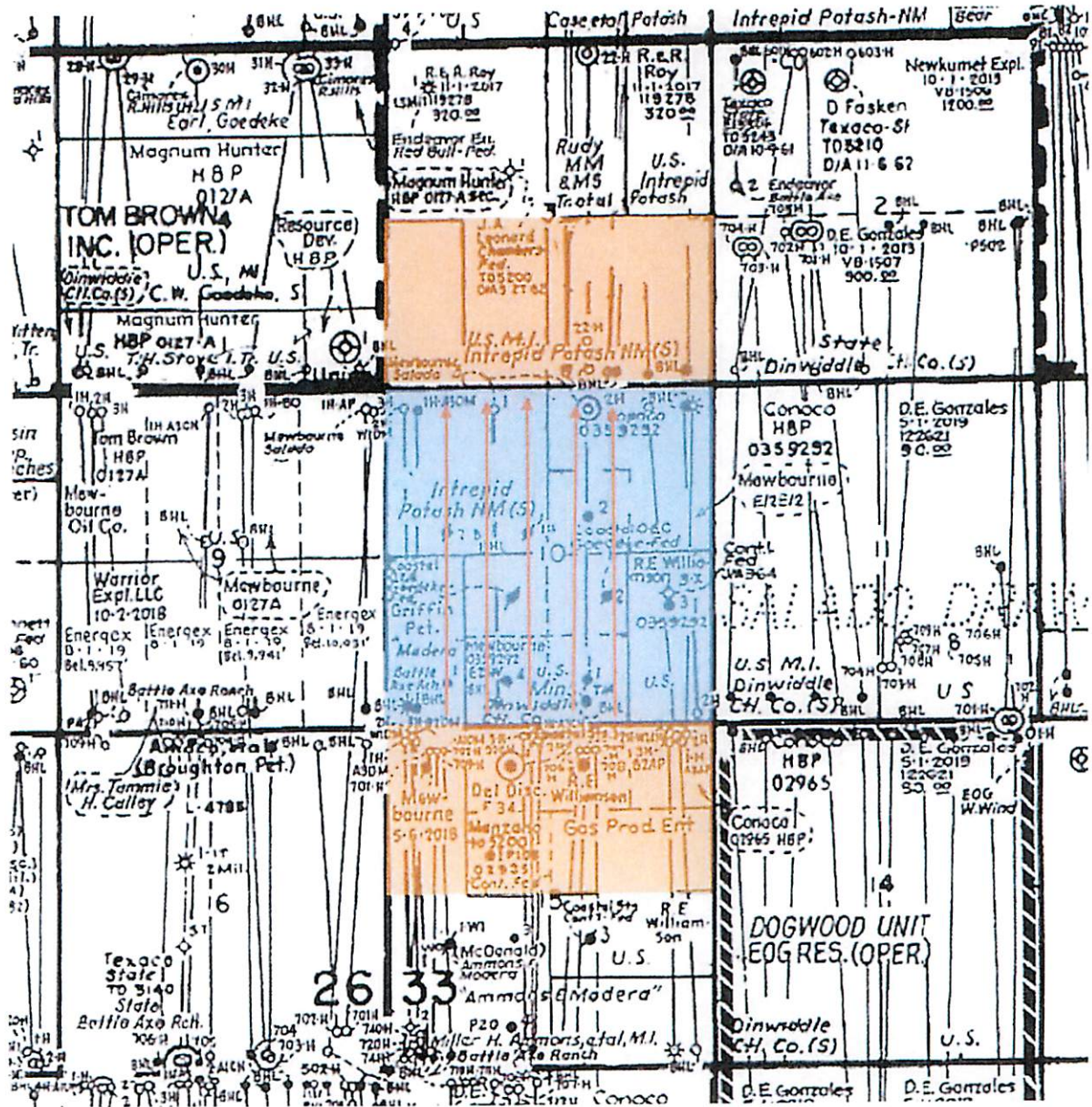
Regards,

The Client Services Group-Assistance

SimpleCertifiedMail.com
111 Commonwealth Court, Suite 103
Cary, NC 27511-4447
[888-462-1750 ext. 2](tel:888-462-1750) | assistance@simplecertifiedmail.com

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Offset Plat



Proration Unit

Effected Tracts

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 104923

CONDITIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 104923
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	NSL-8356 is approved. The order can be reviewed at the OCD Imaging web site: https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx	5/9/2022