State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Melanie A. Kenderdine Cabinet Secretary

Ben Shelton Deputy Secretary **Gerasimos "Gerry" Razatos** Division Director (Acting) Oil Conservation Division



Brad Dunn bdunn@mewbourne.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8905

Mewbourne Oil Company [OGRID 14744] Canal 20 19 Federal Com Well No. 714H API No. 30-015-56329

Reference is made to your application received on March 10th, 2025.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	1060 FNL & 355 FEL	А	20	21S	27E	Eddy
First Take Point	2150 FNL & 100 FEL	Н	20	21S	27E	Eddy
Last Take Point/	2150 FNL & 100 FWL	Е	19	21S	27E	Eddy
Terminus						2

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
Section 20	1269.92	Carlsbad; Wolfcamp, East	74160
Section 19		_	

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced pool or formation. 19.15.16.15(B)(3)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal **gas** well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter section or equivalent. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 660 feet for a **gas** well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal

Administrative Order NSL – 8905 Mewbourne Oil Company Page 2 of 2

well shall be no closer than 330 feet for a **gas** in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of First and/or Last Take Points referenced above within the described Horizontal Spacing Unit.

This well's completed interval is as close as 100 feet to the eastern and 100 feet to the western boundary of the proposed horizontal spacing unit. Encroachment will impact the following tract(s).

Section 24, T21S, R26E, encroachment to the NE/4 Section 21, T21S, R27E, encroachment to the NW/4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location to maximize the recovery of oil and gas reserves within the Wolfcamp formation underlying Section 20 and Section 19. Thereby preventing waste within the formation all while protecting the correlative rights of affected persons within the encroached tracts.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.

TATE

Gerasimos Razatos Division Director (Acting) GR/lrl

Date: 4/23/2025

ID NO. 440675	NSL	- 8905	Revised March 23, 2017
RECEIVED: 03/10/25	REVIEWER:	TYPE:	APP NO: pLEL2507861950
1:	NEW MEXICO OIL - Geological & E 220 South St. Francis E	ngineering B	ON DIVISION
			I CHECKLIST NS FOR EXCEPTIONS TO DIVISION RULES AND
	EGULATIONS WHICH REQUIRE PRO		
pplicant: <u>Mewbourne Oil Co</u>			OGRID Number: 14744
ell Name: Canal 20/19 Fe			API: 30-015-Pending
Carlsbad; Wolfcamp, Ea	st (Gas)		Pool Code: 74160
SUBMIT ACCURATE AN		ION REQUIRED	D TO PROCESS THE TYPE OF APPLICATION
A. Location – Space NSL B. Check one only [1] Comminglin DHC [II] Injection – I WFX NOTIFICATION REQUI A. Offset opera B. Royalty, over C. Application of E. Notification of F. Surface own	ag - Storage - Measurer CTB PLC Disposal - Pressure Incre PMX SWD IRED TO: Check those w tors or lease holders rriding royalty owners, re requires published notic and/or concurrent app er above, proof of notifice	ment PC OLS ease – Enhanc JPI EOR which apply. evenue owner roval by SLO roval by BLM	□OLM ed Oil Recovery □ PPR FOR OCD ONLY Notice Complete
administrative appro	val is accurate and cor Iction will be taken on t	nplete to the	itted with this application for best of my knowledge. I also n until the required information and
Note: Stater	nent must be completed by an	individual with mar	nagerial and/or supervisory capacity.
			2/14/2025
rad Dunn			Date
int or Type Name			(432) 682-3715
611			Phone Number
lad the			bdunn@mewbourne.com

Signature

e-mail Address

MEWBOURNE OIL COMPANY

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

February 14, 2025

Via Certified Mail

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

- Re: Non Standard Location Application
 - CANAL 20/19 FED COM #714H (API #30-015-pending) Surface Location: 1060' FNL & 355' FEL (Unit A) (Sec. 20) Proposed First Perf: 2150' FNL & 100' FEL (Unit H) (Sec. 20) - unorthodox Bottomhole Location: 2150' FNL & 100' FWL (Unit D) (Sec. 19) Proposed Last Perf: 2150' FNL & 100' FWL (Unit E) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.15.13, Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of unorthodox gas well locations for the above captioned CANAL 20/19 FED COM #714H well. Each of these wells will be drilled as horizontal gas well in the Carlsbad; Wolfcamp, East Gas Pool [74160].

The above well will be dedicated to a standard 1269.92-acre gas spacing and proration unit comprising all of Section 20 and all of Section 19.

The Carlsbad; Wolfcamp, East Gas Pool is currently governed by Division Rule 19.15.16.15 which requires standard 320-acre gas spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit, nor closer than 10 feet to any interior quarterquarter section line or subdivision inner boundary, or in the case of a horizontal well, no closer than 330 feet from the parallel and 660 feet to the perpendicular outer boundary of the producing area.

The unorthodox locations are necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying all of Section 20 and all of Section 19.

The affected offset acreage comprises the SE/4 of Section 13, E/2 of Section 24 and the NE/4 of Section 25, T21S, R26E, and the S/2 of Section 18, S/2 of Section 17, SW/4 of Section 16, W/2 of Section 21, NW/4 of Section 28, N/2 of Section 29, and the N/2 of Section 30, T21S, R27E, NMPM (See Attached Map). Notice of this application is being provided to the attached list of parties.

Attached is our Form C-102 showing the surface, first take point, and bottomhole location for the above captioned well. Also, attached is a map showing the affected offset acreage, a horizontal well plan, and notice list.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Carlsbad; Wolfcamp, East Gas Pool underlying Sections 20 & 19 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 <u>bdunn@mewbourne.com</u> or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Brad Dunn Landman Received by OCD: 3/10/2025 10:22:06 AM

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<u>C-10</u>	-		Ener		nerals & Natural Resources Department					uly 9, 2024	
	t Electronica CD Permittin		OIL CONSERVATION DIVISION				Initial Submittal		tal		
				Subm Type:		□ Amended Rep	oort				
						As Drilled					
			1			TION INFORMATIO	DN				
API Number Pool Code Pool Name 74160 CARLSBAD B				EAST		LFCAMP GA	S				
	y Code		Property Name CANAL 20/19 FED COM Well Number					7	14H		
OGRIE) No.	14744	Operator Na	ame	MEWBO	URNE OIL C	OMPANY		Grou	nd Level Elevation	3206'
Surface	e Owner: 🔲	State Fee	⊥] Tribal]] Fe	ederal		Mineral Owner:	□State □Fee	🗆 Tribal	□ Fed	leral	
					Surfa	ace Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longi	itude	County
Α	20	21S	27E		1060 FNI	355 FEL	32.46988	04°N	104.2047142°W		EDDY
					Bottom	Hole Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longi	itude	County
E	19	21S	27E		2150 FNI	100 FWL	32.46643	65°N	104.2371602°W		EDDY
										-	
	ted Acres 69.92	Infill or Definition	-	Defining	g Well API	Overlapping Spacing Unit (Y/N) Consolidation Code Y COM					
	Numbers.	DEFINIT	G WELL					Owners	nership: 🗆 Yes 🗖 No		
Order	vuilloers.								mp. 🗖		
		I	-			ff Point (KOP)					-
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W			Longi		County
Н	20	21S	27E		2150 FNI		L 32.4668746°N 10		104.	.2035990°W	EDDY
		1	I	I _		Sake Point (FTP)					I
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W Latitude		Longi		County	
H	20	21S	27E		2150 FNI		32.4668773°N		104.	.2038908°W	EDDY
			-			Fake Point (LTP)				-	
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	/W Latitude		Longitude		County
Unitize	d Area or A	rea of Uniform	Interest	Spacing	ring Unit Type 🗌 Horizontal 🗋 Vertical Ground Floor Elevation:						
OPERATOR CERTIFICATIONS				SURVEYOR CERTIFICATIONS							
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the				I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision, and that here same is true and correct to the best of my belief.				tes of actual to the best of			
consent in each i	of at least one tract (in the tar	lessee or owner oj rget pool or forma	f a working inter tion) in which ar	his organization has received the interest or unleased mineral interest or unleased mineral interest of the well's completed oling order from the division.							
Signature			Date			Signature and Seal of Professional Surveyor Robert M. Howeit					
Printed N	ame					Certificate Number Date of Survey					
						19680 02/22/2024					
Email Address						/					

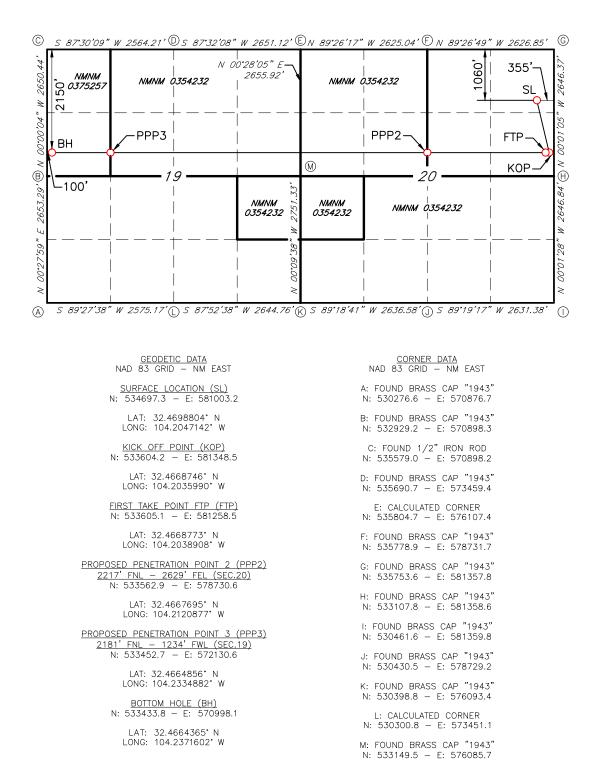
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division. Released to Imaging: 5/2/2025 10:58:44 AM JOB #: LS24020159D2

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is a directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

CANAL 20/19 FED COM #714H



MEWBOURNE OIL COMPANY 500 West Texas Avenue, Suite 1020 MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

February 14, 2025

Via Certified Mail

Affected Parties (See Attached List)

- Re: Application for Non Standard Locations
 - CANAL 20/19 FED COM #712H (API #30-015-pending) Surface Location: 1020' FNL & 355' FEL (Unit A) (Sec. 20) Proposed First Perf: 830' FNL & 100' FEL (Unit A) (Sec. 20) - unorthodox Bottomhole Location: 830' FNL & 100' FWL (Unit D) (Sec. 19) Proposed Last Perf: 830' FNL & 100' FWL (Unit D) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico
 - CANAL 20/19 FED COM #714H (API #30-015-pending) Surface Location: 1060' FNL & 355' FEL (Unit A) (Sec. 20) Proposed First Perf: 2150' FNL & 100' FEL (Unit H) (Sec. 20) - unorthodox Bottomhole Location: 2150' FNL & 100' FWL (Unit D) (Sec. 19) Proposed Last Perf: 2150' FNL & 100' FWL (Unit E) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico
 - CANAL 20/19 FED COM #716H (API #30-015-pending) Surface Location: 1540' FSL & 1130' FWL (Unit L) (Sec. 21) Proposed First Perf: 1810' FSL & 100' FEL (Unit I) (Sec. 20) - unorthodox Bottomhole Location: 1810' FSL & 100' FWL (Unit L) (Sec. 19) Proposed Last Perf: 1810' FSL & 100' FWL (Unit L) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico
 - 4. CANAL 20/19 FED COM #718H (API #30-015-pending) Surface Location: 1500' FSL & 1130' FWL (Unit L) (Sec. 21) Proposed First Perf: 490' FSL & 100' FEL (Unit P) (Sec. 20) - unorthodox Bottomhole Location: 490' FSL & 100' FWL (Unit M) (Sec. 19) Proposed Last Perf: 490' FSL & 100' FWL (Unit M) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico
 - CANAL 20/19 FED COM #851H (API #30-015-pending) Surface Location: 1000' FNL & 355' FEL (Unit A) (Sec. 20)
 Proposed First Perf: 490' FNL & 100' FEL (Unit A) (Sec. 20) - unorthodox Bottomhole Location: 490' FNL & 100' FWL (Unit D) (Sec. 19)
 Proposed Last Perf: 490' FNL & 100' FWL (Unit D) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico

- 6. CANAL 20/19 FED COM #853H (API #30-015-pending) Surface Location: 1040' FNL & 355' FEL (Unit A) (Sec. 20) Proposed First Perf: 1810' FNL & 100' FEL (Unit H) (Sec. 20) - unorthodox Bottomhole Location: 1810' FNL & 100' FWL (Unit E) (Sec. 19) Proposed Last Perf: 1810' FNL & 100' FWL (Unit E) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico
- CANAL 20/19 FED COM #855H (API #30-015-pending) Surface Location: 1560' FSL & 1130' FWL (Unit L) (Sec. 21) Proposed First Perf: 2150' FSL & 100' FEL (Unit I) (Sec. 20) - unorthodox Bottomhole Location: 2150' FSL & 100' FWL (Unit L) (Sec. 19) Proposed Last Perf: 2150' FSL & 100' FWL (Unit L) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico
- CANAL 20/19 FED COM #857H (API #30-015-pending) Surface Location: 1520' FSL & 1130' FWL (Unit L) (Sec. 21) Proposed First Perf: 830' FSL & 100' FEL (Unit P) (Sec. 20) - unorthodox Bottomhole Location: 830' FSL & 100' FWL (Unit M) (Sec. 19) Proposed Last Perf: 830' FSL & 100' FWL (Unit M) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico

To Whom It May Concern:

Enclosed is a copy of Mewbourne Oil Company's (MOC) Application for Unorthodox Non Standard Well Locations for the CANAL 20/19 FED COM #712H, CANAL 20/19 FED COM #714H, CANAL 20/19 FED COM #716H, CANAL 20/19 FED COM #718H, CANAL 20/19 FED COM #851H, CANAL 20/19 FED COM #853H, CANAL 20/19 FED COM #855H, and CANAL 20/19 FED COM #857H wells covering all of Sections 20 and 19-T21S-R27E, NMPM, Eddy County, New Mexico. You are being sent a copy of this Application per OCD's requirements to notify the interest owners in the affected offset acreage. If you have any objection to this Application, notification should be given within 20 days of the date of this letter. The Application has been filed with the OCD as of this date.

The unorthodox locations are necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying Section 20 and Section 19.

If you have any questions regarding this application, please contact me via telephone at 432-682-3715 or via email at <u>bdunn@mewbourne.com</u>.

Sincerely,

MEWBOURNE OIL COMPANY

Brad Dunn Landman

PLAT OF AFFECTED AREA

24-21S- 26E	19-21S-27E	20-21S-27E	21-21S-27E
25-21S- 26E	30-21S-27E	29-21S-27E	28-21S-27E
		AFFECTED TRACTS	1

OWNER NAME	ADDRESS LINE 1	ADDRESS LINE 2	ADDRESS LINE 3	CITY	STATE	ZIP	TRACKING NUMBER
Ida Mae Rayroux Revocable Trust	5 Bessies Landing Drive			Poquoson	VA	23662	9414 8362 0855 1278 3541 37
The Dougherty Family Living Trust	6 Bessies Landing Drive			Poquoson	VA	23663	9415 8362 0855 1278 3547 79
Rachel A. West	1711 Standpipe Road			Carlsbad	NM	88220	9416 8362 0855 1278 3555 16
William Dean Wall and Mary L. Wall	2109 Sandy Lane			Carlsbad	NM	88220	9417 8362 0855 1278 3555 54
Kenney L. Rayroux and Carolyn J. Rayroux	2110 Solana			Carlsbad	NM	88220	9418 8362 0855 1278 3555 85
OXY Y-1 Company	Attn: Permian Land Manager	PO Box 27570		Houston	ТΧ	77227	9419 8362 0855 1278 3556 08
Ross Duncan Properties, LLC	PO Box 647			Artesia	NM	88211	9420 8362 0855 1278 3556 46
Southwest Petroleum Services, LLC	100 N Pennsylvania			Roswell	NM	88203	9421 8362 0855 1278 3556 60
B&G Royalties	PO Box 376			Artesia	NM	88211	9422 8362 0855 1278 3557 07
Oak Valley Mineral and Land, LP	PO Box 50820			Midland	ТΧ	79710	9423 8362 0855 1278 3557 38
Bureau of Land Management	310 Old Santa Fe Trail			Santa Fe	NM	87508	9424 8362 0855 1278 3557 45
Matador Production Company	One Lincoln Centre	5400 LBJ Freeway	STE 1500	Dallas	ТΧ	75240	9425 8362 0855 1278 3558 20
Snow Oil & Gas Inc.	P.O. Box 1277			Andrews	ТΧ	79714	9426 8362 0855 1278 3558 82
Permian Resources Operating, LLC	300 N. Marienfeld St	STE 1000		Midland	ТΧ	79701	9427 8362 0855 1278 3559 67

CANAL 20/19 NSL DISTRIBUTION LIST

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Operator:	OGRID:
MEWBOURNE OIL CO	14744
P.O. Box 5270	Action Number:
Hobbs, NM 88241	440675
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)
CONDITIONS	

Created By Condition Condition Ilowe None 3/19/2025

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Action 440675