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NEW MEXICO OIL CONSERVATION DIVISION



- 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 **Application Acronyms:** [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response] Maubound Marathon Road 15PA Red 11 [1] TYPE OF APPLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication API - 30-025-Ponding SL: P/Sec15/205/34E NSL NSP SD Check One Only for [B] or [C] Commingling - Storage - Measurement ☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [C] □ WFX □ PMX □ SWD □ IPI □ EOR □ PPR [D] Other: Specify ___ **NOTIFICATION REQUIRED TO: -** Check Those Which Apply, or \square Does Not Apply [2] Working, Royalty or Overriding Royalty Interest Owners [A] Offset Operators, Leaseholders or Surface Owner [B] UJ [C] Application is One Which Requires Published Legal Notice [D]Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office For all of the above, Proof of Notification or Publication is Attached, and/or, [E] [F] Waivers are Attached SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE [3] OF APPLICATION INDICATED ABOVE. **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative [4] 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. Agent for Mewbourne Oil Company David Catanach Signature ///7//3 Title Print or Type Name drcatanach@netscape.com

Hand Delivered

New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG

Division Director

Re: Application for Unorthodox Well Location

Marathon Road 15 PA Federal No. 1H

API No. (N/A)

Surface Location: 300' FSL & 330' FEL (Unit P) First Take Point: 800' FSL & 400' FEL (Unit P)

BHL: 330' FNL & 850' FEL (Unit A)

All in Section 15, T-20 South, R-34 East, NMPM,

Lea County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13, Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of an unorthodox oil well location for its proposed Marathon Road 15 PA Federal Well No. 1H. This well will be drilled as a horizontal development oil well in the Lea-Bone Spring Pool (37570).

The Marathon Road 15 PA Federal Well No. 1H will be dedicated to a 160-acre spacing and proration unit ("project area") comprising the E/2 E/2 of Section 15. There are currently no other existing Bone Spring producing wells within the project area.

The Lea-Bone Spring Pool is currently governed by "The Special Rules and Regulations for the Lea-Bone Spring Pool" as established by Division Order No. R-1827 dated December 8, 1960. These rules require standard 80-acre spacing and proration units comprising the N/2, S/2, E/2 or W/2 of a governmental quarter section with wells to be located within 150 feet of the center of a governmental quarter-quarter section.

Pursuant to these rules, a well in the Lea-Bone Spring Pool cannot be located closer than 510 feet to a direct offset tract, and cannot be located closer than 783 feet to a diagonal offset tract.

The proposed unorthodox location is necessary in order to maximize the recovery of oil and gas reserves from the Lea-Bone Spring Pool underlying the E/2 E/2 of Section 15.

The affected offset tracts are described as follows:

Tract 1: W/2 NE/4 of Section 15-20S-34E. This tract is currently undeveloped in the Lea-Bone Spring Pool. By virtue of a JOA that designates Mewbourne as Bone Spring operator within the N/2, SE/4, E/2 SW/4 and NW/4 SW/4 of Section 15, the interest ownership between the E/2 E/2 of Section 15 (drill tract) and the W/2 NE/4 is common. Consequently, notice of this application is not required to the interest owners within this tract;

Tract 2: SE/4 of Section 10-20S-34E. This tract is currently undeveloped in the Lea-Bone Spring Pool. The leasehold owner is Read & Stevens, Inc.;

Tract 3: W/2 W/2 of Section 14-20S-34E. This tract is currently undeveloped in the Lea-Bone Spring Pool. The W/2 and SE/4 of Section 14 is subject to a JOA that designates Mewbourne as Bone Spring operator. Since the working interest ownership between the E/2 E/2 of Section 15 (drill tract) and the W/2 W/2 of Section 14 is not common, notice of this application will be provided to all working interest owners within this tract (see attached list);

Tract 4: E/2 W/2 of Section 14-20S-34E. This tract is proposed to be developed in the Lea-Bone Spring Pool by Mewbourne. (Note: This tract is not affected by the proposed non-standard well location but is being shown to clarify the spacing unit orientation within the W/2 of Section 14.)

Pursuant to Division rules, notice of this application is being provided to Read & Stevens, Inc., and to all working interest owners within the W/2 W/2 of Section 14.

Attached is a Form C-102 showing the proposed well and proposed project area. Also attached is a map showing the affected offset acreage and an offset leasehold notice letter.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Lea-Bone Spring Pool underlying the E/2 E/2 of Section 15 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at (505) 690-9453.

Mewbourne Oil Company Unorthodox Location Application Marathon Road 15 PA Federal Well No. 1H Page 3

Sincerely,

David Catanach, Agent Mewbourne Oil Company 500 W. Texas, Suite 1020 Midland, Texas 79701

Xc: OCD-Hobbs

DISTRICT I

Lau N. Freech Dr., Hobbs, NH 18210

Phone. (573) 393-0161 Fau: (375) 393-0730

DISTRICT II

811 5. Free 3s., Armen., NH 48210

Phone: (575) 341-2285 Fax: (575) 748-9730

DISTRICT III

1000 Rto Branos Rd., Armen., NH 47410

Phone: (505) 334-6177

DISTRICT IV

1220 S. S. Frisiöii Dr., Same Fe, NH 17905

Phone: (505) 478-3406 Fax: (505) 476-3442

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

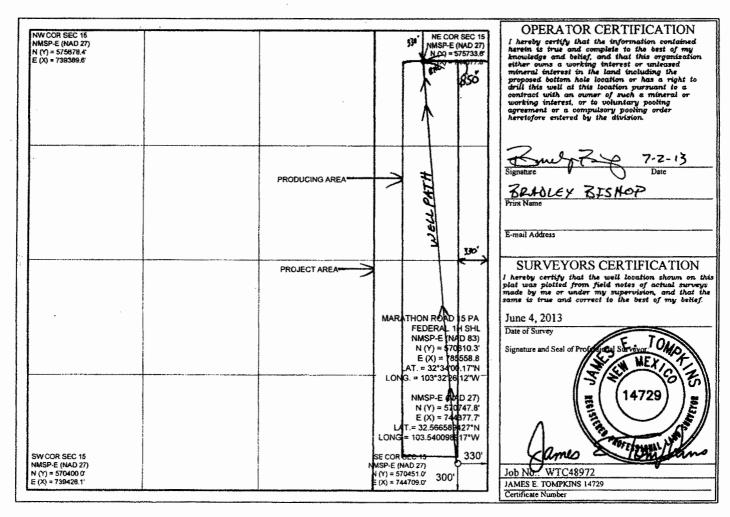
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

□ AMENDED REPORT

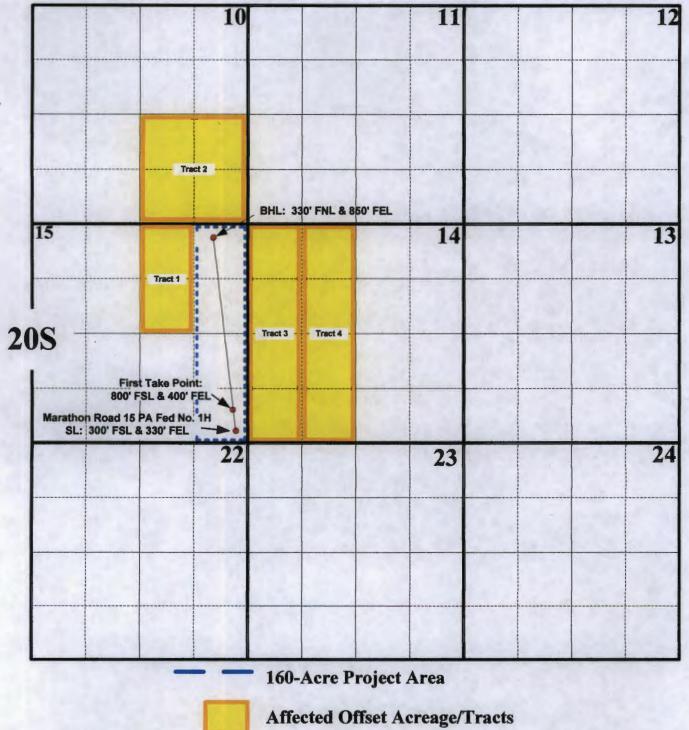
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number				Pool Code		Pool Name				
			37570		LE A BONE SPRING					
Property Code		Property Name					Well Nu	Well Number		
			MARATHON ROAD 15 PA FEDERAL					11-	1H	
OGRID No.		Operator Name					Elevation			
14744			MEWBOURNE OIL COMPANY						3652'	
Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
P	15	20 S	34 E		300	SOUTH	330	EAST	LEA	
Bottom Hole Location If Different From Surface										
UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County	
A	15	20 S	34 E		330	NORTH	850'	EAST	LEA	
Dedicated Acres	Joint or	Infill	Consolidated Co	de Orde	er No.					
160										

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.



34E



Mewbourne Oil Company Application for Unorthodox Well Location Marathon Road 15 PA Federal No. 1H **Affected Offset Acreage**

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: (SEE ATTACHED NOTICE LIST)

Re: Mewbourne Oil Company

Unorthodox Oil Well Location

Marathon Road 15 PA Federal No. 1H (API No. N/A) Surface Location: 300' FSL & 330' FEL (Unit P) First Take Point: 800' FSL & 400' FEL (Unit P) Bottomhole Location: 330' FNL & 850' FEL (Unit A)

Section 15, T-20 South, R-34 East, NMPM,

Lea-Bone Spring Pool Lea County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Mewbourne Oil Company ("Mewbourne") for approval of an unorthodox oil well location for its proposed Marathon Road 15 PA Federal No. 1H located at the surface, first take point and bottomhole locations described above. The well will test the Lea-Bone Spring Pool and will be dedicated to a 160-acre spacing and proration unit ("project area") comprising the E/2 E/2 of Section 15, Township 20 South, Range 34 East, NMPM. The unorthodox location is necessary in order to maximize the recovery of oil and gas reserves underlying the E/2 E/2 of Section 15.

As the owner of an interest that may be affected by the proposed unorthodox oil 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.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,

David Catanach, Agent Mewbourne Oil Company 550 W. Texas, Suite 1020 Midland, Texas 79701

auid Catanach

Enclosure

Application for Unorthodox Location Mewbourne Oil Company Marathon Road 15 PA Well No. 1H Notice List

Read & Stevens, Inc.
P. O. Box 1518
Roswell, New Mexico 88202-1518
Attn: Mr. James Reedy

Javelina Partners 616 Texas Street Fort Worth, Texas 76102-4612 Attn: Mr. Randall Hudson

Rottman Oil Partners 308 East Carrillo Street Santa Barbara, CA 93101 Attn: Steven Rottman

CBR Oil Properties, LLC
P. O. Box 1518
Roswell, New Mexico 88202-0518
Attn: Mr. James Reedy

Betty Read Young P. O. Box 1518 Roswell, New Mexico 88202-1518

Luna Resources, LLC 2205 S. County Road 1084 Midland, Texas 79706-5312 Attn: David W. Luna

William V. Palmer, LLC 3226 Anderson Drive Lovington, New Mexico 88260 Attn: Shelley Palmer

Elida Gas Group, LLC P. O. Box 1213 Roswell, New Mexico 88202-1213 Attn: Rory McMinn McCombs Energy, Ltd 5599 San Felipe, Suite 1200 Houston, Texas 77056 Attn: Mr. Ricky Haikin

HHB Limited Partnership 6823 S. Florence Avenue Tulsa, Oklahoma 74136 Attn: H. H. Bass, Jr.

H. W. Allen Company 4835 South Peoria Tulsa, Oklahoma 74105 Attn: Philip B. Allen

Union Hill Oil & Gas Buchholz Oil & Gas Co., Inc. 7712 Glenshannon Circle Dallas, Texas 75225 Attn: Don A. Buchholz

M.P.S. Inc. 17103 Preston Road, #185 Dallas, Texas 75248 Attn: Vickie L. Pybus

CLM Production Company P. O. Box 881 Roswell, New Mexico 88202 Attn: John Maxey

Carolyn R. Beall and Thomas M. Beall P. O. Box 3098 Midland, Texas 79702-3098

Application for Unorthodox Location Mewbourne Oil Company Marathon Road 15 PA Well No. 1H Notice List (Page 2)

Diamond Star Production Co., LLC P. O. Box 638 Ardmore, Oklahoma 73402-0638 Attn: James B. Read

Dr. Alfred J. Rodriguez 6130 West Parker Road, Suite 215 Plano, Texas 75093

First Century Oil, Inc.
P. O. Box 1518
Roswell, New Mexico 88202-1518
Attn: Mr. James Reedy

Cavin C. Desmond Trust First American Bank, Trustee Attn: Cynthia Green P. O. Box 1857 Roswell, New Mexico 88202-1857

D.H.B. Partnership 8144 Walnut Hill Lane, #982 Dallas, Texas 75231 Attn: D. Harold Byrd, Jr.

Ralph E. Peacock c/o Nancy P. Mackey 4818 South Zunis Avenue Tulsa, Oklahoma 75105-8760

Donald E. Richter & Glenda L. Richter #9 Willow Wood Street Dallas, Texas 75205-3829

Virginia A. Desmond 5502 20th Street Lubbock, Texas 79407-0951 J & L Exploration, LLC 415 West Wall St., #1208 Midland, Texas 79701 Attn: Jim Brannigan

Merry L. Christiansen P. O. Box 856 Rogersville, Missouri 65742-0856

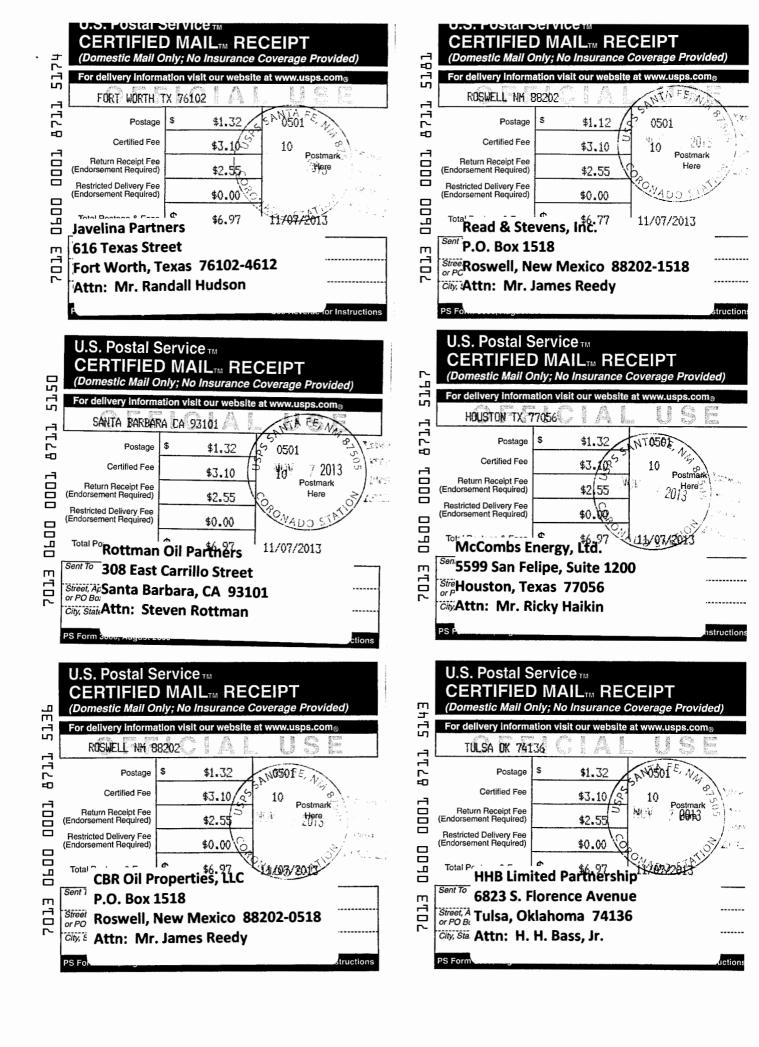
CSA Petroleum Corporation P. O. Box 318 Hunt, Texas 78024-0318 Attn: Pete W. Cawthon, Jr.

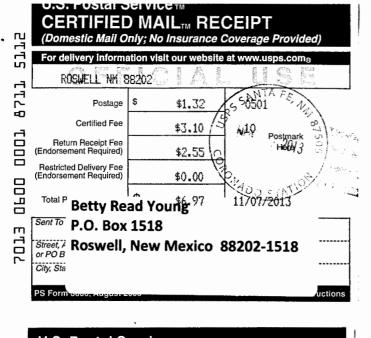
V. C. Desmond Trust First American Bank, Trustee Attn: Cynthia Green P. O. Box 1857 Roswell, New Mexico 88202-1857

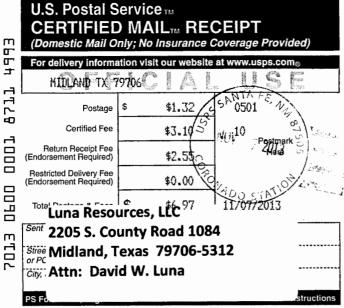
Jack C. Holland and Florence Ann Holland 1979 Revocable Trust 180 Mooring Bouy Hilton Head Island, SC 29928 -5252

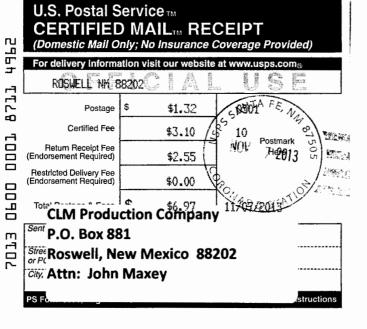
Sandstone Properties, L.L.C. 40 First Plaza Center NW, #610 Albuquerque, New Mexico 87102-5801 Attn: Sealy H. Cavin, Jr;.

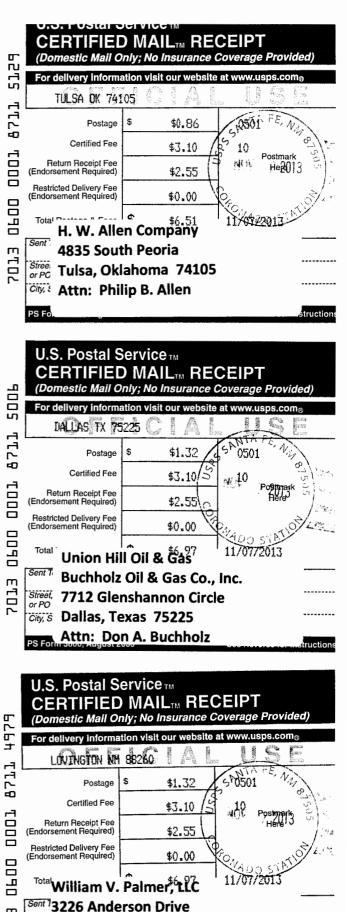
Marion V. Turner, Trustee Marion T. Turner 31 Brass Horse Road Santa Fe, New Mexico 87508-9474





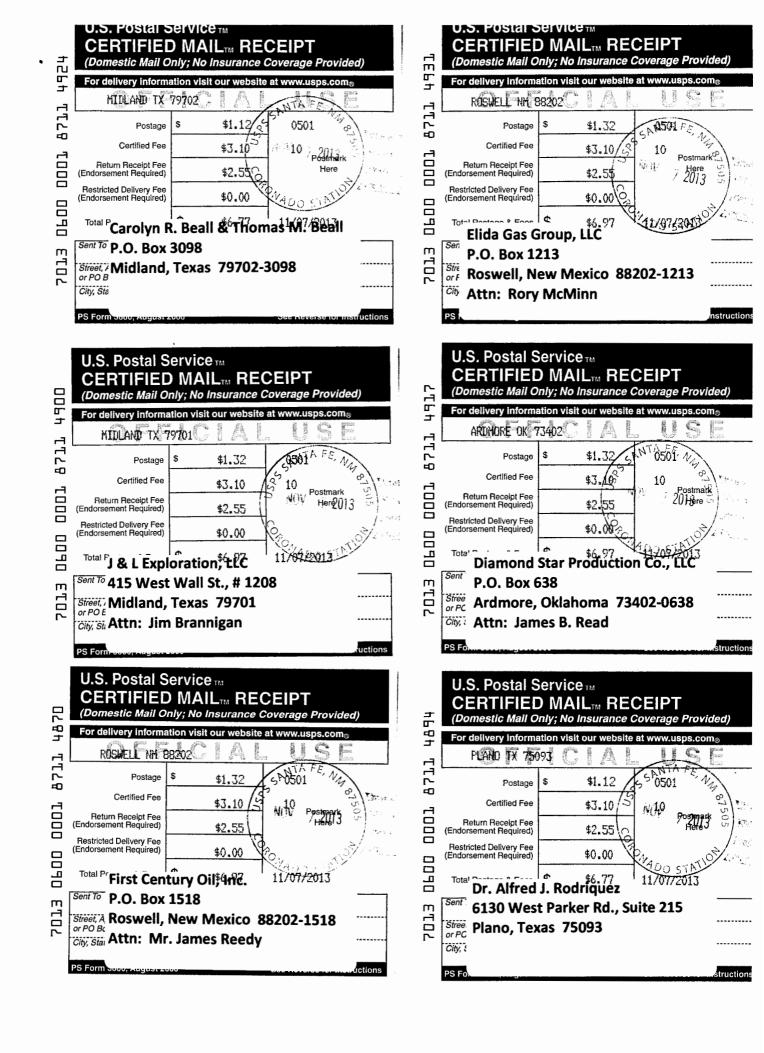


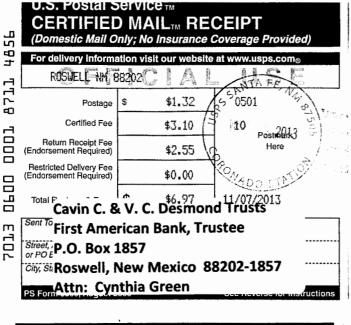


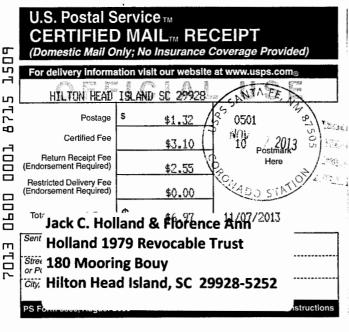


Street Lovington, New Mexico 88260

City, EAttn: Shelley Palmer











CERTIFIED MAIL

RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at w CHATFIELD TX 75105 Ŋ 877 Postage 0501 **NOV**₁₀ 7 2013 Postmark Certified Fee 0007 Return Receipt Fee (Endorsement Required) Here Restricted Delivery Fee \$0.00 0600 Ralph E. Peacock. 97 11/07/2013 c/o Nancy P. Mackey m

Street, At 4818 South Zunis Avenue
City, Stati Tulsa, Oklahoma 75105-8760

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