					HF
DATE IN 2/05 3 SUSPEN		LOGGED IN 12/05/13	TYPE NSL	22 PRG 13339	\$0020
1	ABOVE	THIS LINE FOR DIVISION USE ONLY			5
:	NEW MEXICO OIL CO - Engineeri 1220 South St. Francis D	ng Bureau -			
	ADMINISTRATIVE	APPLICATIO	N CHECK	(LIST	
THIS CHECKLIST IS M	IANDATORY FOR ALL ADMINISTRATI	/E APPLICATIONS FOR EXC SSING AT THE DIVISION LE		SION RULES AND REGU	LATIONS
[PC-Po		[PMX-Pressure Ma sal] [IPI-Injection Pr Certification] [PP]	DLM-Off-Lease aintenance Exp ressure Increa	se]	-
[A]	Location - Spacing Unit - Si		n	Me	ubourneoi
Check [B]	Cone Only for [B] or [C] Commingling - Storage - M DHC CTB		ols 🗌 ol	M	wbourneoil 1 <u>5</u> API# 0-015-417
[C]	Injection - Disposal - Pressu			PR 3	0-015-417
[D]	Other: Specify				
2] NOTIFICAT	ION REQUIRED TO: - Che Working, Royalty or Ov			Not Apply	
[B]	Offset Operators, Lease	holders or Surface Ov	vner		
[C]	Application is One Whi	ch Requires Published	l Legal Notice		
[D]	Notification and/or Con U.S. Bureau of Land Management -				

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE [3] OF APPLICATION INDICATED ABOVE.

[4] 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.

Signature 12/5/13 Date

Agent for Mewbourne Oil Company Title

drcatanach@netscape.com E-Mail Address

David Catanach

Print or Type Name

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 Layla 35 MD Fee No. 2H
API No. (30-015-41730)
Surface Location: 150' FSL & 660' FWL (Unit M)
First Take Point: 330' FSL & 660' FWL (Unit M)
BHL: 330' FNL & 660' FWL (Unit D)
All in Section 35, T-23 South, R-28 East, NMPM,
Eddy County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13 (NMAC), Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of an unorthodox well location for its proposed Layla 35 MD Fee No. 2H. This well will be drilled as a horizontal development well in the South Culebra Bluff-Wolfcamp (Gas) Pool (75750).

The Layla 35 MD Fee No. 2H will be dedicated to a standard 320-acre gas spacing and proration unit comprising the W/2 of Section 35. There are currently no other wells producing from the Wolfcamp formation within the proposed spacing unit.

The South Culebra Bluff-Wolfcamp (Gas) Pool is currently governed by Division Rule 19.15.15.10.(B) (NMAC) which requires standard 320-acre spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the quarter section in which the well is located, and no closer than 10 feet to a 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 spacing unit.

The proposed unorthodox gas well location is necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying the W/2 of Section 35.

The 160-acre tracts that are directly affected by the proposed unorthodox gas well location are the SE/4 of Section 27 and SW/4 of Section 26, both in Township 23 South, Range 28 East, and the NW/4 of Section 2 and NE/4 of Section 3, both in Township 24 South, Range 28 East (See Attached Map). There is currently no Wolfcamp development in any of these affected quarter sections, and consequently, there are no Mewbourne Oil Company Unorthodox Location Application Layla 35 MD Fee No. 2H Page 2

established 320-acre spacing units. Since there are several possible 320-acre Wolfcamp spacing unit orientations subsequently established that comprise the four affected offset 160-acre tracts, Mewbourne is providing notice of this application to the lessees/owners in the E/2 and SW/4 of Section 27, W/2 and SE/4 of Section 26, W/2 and NE/4 of Section 2, and the E/2 and NW/4 of Section 3. These tracts, and the interest ownership within these tracts, is shown on the attached map and notice list. Please note that Mewbourne is also publishing notice of this application in the Artesia Daily News in order to provide notice to certain interest owners within Tract 3 whose address is unknown.

Attached is an approved APD (Form C-101). Also attached is a Form C-102 showing the proposed well and spacing unit and a map that shows the surface, first take point and bottomhole locations of the Layla 35 MD Fee No. 2H, the proposed spacing unit, affected offset acreage and tract identification.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the South Culebra Bluff-Wolfcamp (Gas) Pool underlying the W/2 of Section 35 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.

Sincerely, David Latanach

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

Xc: OCD-Artesia

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 Ro , Aztec. NM 87410 Prone (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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

MEW	BOURNE OIL CO											GRID Number 14744			
	0 Box 5270 0055, NM 88241								3 API Number 30-015-41730						
4 Property Code											e w	ell No			
4016	40166 Layla 35 MD Fe											002H			
						7. Surfac	e Location								
UL · Lot	Section	Township Range					Feet From		N S Line	Feet	-	E W Line	-	ounty	
14	35	23S 28E			M	150 S			660		Y	<u>v 1</u>		Eddy	
						8. Proposed Bott	om Hole L	ocation							
UL - Lot	Section					Lot Ian	Feet From				Feet From			ounty	Eddy
D	35	23	ss	28	3₩	D		30	N		560	3	<u>× 1</u>		Eddy
						9. Pool In	formation								
CULEBRA BL	UFF;WOLFCAMP. S	OUTH (GAS)										75750)	
						Additional We	eil Informa	tion							
11 Work Type		12 Well Typ	e		13 Cas	le Rotary		14 Less				Level Elevation	,		
New	Well		AS						Private			3018			
16 Multiple N		17 Propose	o Depth 5150		18 For	Wolfcamp		19 Cont	actor		20 Spuel	2ate 11/4/2013			
Septh to Ground	water	<u> </u>	0100		Distano	e from nearest fresh	water well	L			Distance to nearest surface water				
X We will be u	sing a closed-loop	system in lie	eu of lin	ed pits											
					21.6	Proposed Casing	and Ceme	nt Progra	am						
Type	Hole Size	Ca	sing Size	1		Casing Weight ft		Setting Depth		Saos of Cement		C1	Est	imated 1	20
Surf	17.5		3.375		48			400		450			0		
Int1	12.25		9.625		36		2550			600		and the second se		0	
Prod	8.75		7 45		26			11000			0			2350	
Liner1	6 125		40			13.5		15150							
·····					Casing	Cement Progra	m: Addition	nal Comm	nents						
L			······												
					22. 1	Proposed Blowou	ut Preventi	on Progra	am						
	Туре				Working I	Pressure			Test Pres				Manufac		
	Annular			300			1500			Schaffer					
Double Ram				5000			5000	A DECISION OF A DECISIONO OF A DEC							
	Annular				500	00			3000		L		Schaf	er	
	rtify that the informa			two and can	nolata ta	the bact of m	T					N DIVISION			
knowledge an		auon given a	oove is	aue and con	spiele to	the sest of my					SERVATIO	DIVISION			
	ly I have complied	with 19.15.1	4.9 (A) 1	NMAC X and	d/or 19.1	5.14.9 (B) NMAC									
X. if applicabl	le.														
Constant															
Signature.	Electronically	filed by Line	h/1/h-+	etone			Approved	E	Randy Dag	10					· ···
Printed Name	Vice Preside	and the second se		sione			Title	by	District Su						
Empil Address							Approved Date 10/9/2013 Expiration Date 10/9/2015								
Date	10/9/2013	dmgr@mewbourne.com 9/2013 Frane 903-561-2900				0	Conditions of Approval Attached								
						Conditions of Approval Attached									

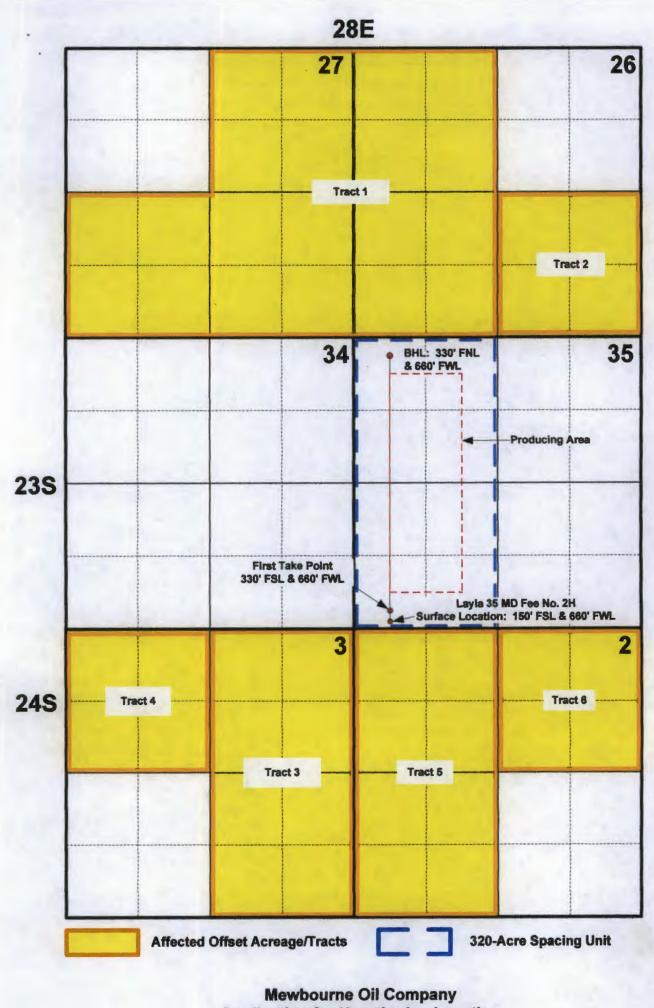
District I 1625 N. Feanch Dr., Hobbs, NM 88240 Phone:(575) 393-0161 Fax:(575) 383-0720 District II 611 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III 1000 Rio Brazos Rd., Azteo, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 District IV 1220 S. St Francis Dr., Sents Fe, NM 87805 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

Form C-102 August 1, 2011 Permit 174740

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code						3. Pool Name									
	15-41730				5750			CULEBRA BLUFF;WOLFCAMP, SOUTH (GAS)								
4 Property Cod 4010				5. Property I	ayla 35 MD Fee		6. Well No. 002H									
7 OGRID No. 1474	44				perstor Name 9 Elevation MEWBOURNE OIL CO 3018											
						-	10. Surfi	ace Location								
UL-Lat M	Section	35	Townsh	1p 238	Range 28E	-Lat Idn		Feet Ptum 150	NS Line Fest From S 660		E/W Line W	County	Eddy			
					11.	Bottom Hole	Locatio	on If Different From	Surface							
UL - Lot D	Section	35	Towns	hip 23S	Range 28E	Lot Idn	D ·	Feet From 330	N/S Line N	Feet From 660	E/W Line W	County	Eddy			
12. Dedicated Acres 13. J			13. Joint or Infill			14. Consolidation Co	15. Order No.									
320. NO ALLOWAE		EASSI	IGNED TO	D THIS COL	Ihereby	certify that the	e infomat	tion contained herein i	ATED OR A NON-	TIFICATION to the best of my kno	wiedge and belief,	and that it	-			
NO ALLOWAE		EASSI	GNED TO		/ hereby organic e right t	centify that the alion either on o drill this wel ent or a compu	e informati ons a wor II at this h Isony poo Monty \	tion contained herein i dong interest or unleas coation portwart to a c aling order hereitolone e Whetstone resident Operations	ATED OR A NON- OPERATOR CER a frue and complete ed mineral interest ontract with an own intered by the divise	TIFICATION to the best of my kno in the land including i her of such a minaral is	wiedge and balief, the propesed botton	and that the hole loce	ie tion(a) or h			



Application for Unorthodox Location Layla 35 MD Fee No. 2H

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO: (See Attached List)

Re: Mewbourne Oil Company Application for Unorthodox Well Location Layla 35 MD Fee No. 2H (API No. 30-015-41730) Surface Location: 150' FSL & 660' FWL (Unit M) First Take Point: 330' FSL & 660' FWL (Unit M) Bottomhole Location: 330' FNL & 660' FWL (Unit D) Section 35, T-23 South, R-28 East, NMPM, South Culebra Bluff-Wolfcamp (Gas) Pool (75750) Eddy 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 well location for its proposed Layla 35 MD Fee No. 2H located at the surface, first take and bottomhole locations described above. The well will test the South Culebra Bluff-Wolfcamp (Gas) Pool and will be dedicated to a standard 320-acre spacing and proration unit comprising the W/2 of Section 35, Township 23 South, Range 28 East, NMPM. The proposed unorthodox location is necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying the W/2 of Section 35.

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

suid Latanad

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

Enclosure

Xc: OCD-Artesia

Mewbourne Oil Company Non-Standard Location Application Layla 35 MD Fee No. 2H Tract Ownership/Notice List

Tract 1: W/2 of Section 26 & <u>E/2 & SW/4 of Section 27-23S-28E</u>

Chevron MidContinent, L.P. P.O. Box 2100 Houston, Texas 77252 Attn: Ms. Kelly Bass

Tract 2: <u>SE/4 of Section 26-23S-28E</u>

COG Operating, LLC One Concho Center 600 W. Illinois Midland, Texas 79701

Tract 3: E/2 of Section 3-24S-28E

Mewbourne Oil Company

Breck Operating Company P.O. Box 911 Breckenridge, Texas 76424 Attn: Mr. John Conally

.

Manzano, LLC P.O. Box 2107 Roswell, New Mexico 88202-2107 Attn: Mr. Chad Barbe KCK Energy, LLC 2507 Dartmouth Midland, Texas 79705 Attn: Mr. James C. Dewey

The Burlington Northern and Santa Fe Railway Company 2500 Lou Menk Drive Fort Worth, Texas 76131

> Harold Drew (Address Unknown)

Spiral, Inc. P.O. Box 1933 Roswell, New Mexico 88202 Attn: Melissa Randle

> Jimmie C. Dial (Address Unknown)

Mewbourne Oil Company Non-Standard Location Application Layla 35 MD Fee No. 2H <u>Tract Ownership/Notice List (Cont.)</u>

Tract 4: <u>NW/4 of Section 3-24S-28E</u>

The Beverage Company P.O. Box 993 Midland, Texas 79702 Zia Royalty, LLC P.O. Box 2160 Hobbs, New Mexico 88240 Attn: Mr. Chuck Moran

Mewbourne Oil Company

COG Operating, LLC

Addie Swearington c/o Phil Brewer P.O. Box 298 Roswell, New Mexico 88202

Tract 5: <u>W/2 of Section 2-24S-28E</u>

Southwest Royalties, Inc. 6 Desta Drive, Suite 2100 Midland, Texas 79705 Attn: Dawn Howard Andrew D. Fry P.O. Box 2464 Roswell, New Mexico 88202 Helen J. & Meredith Hardgrave Revocable Living Trust P.O. Box 514 Antlers, OK 74523

Spiral, Inc.

Chevron U.S.A., Inc.

Addie Swearington

Tract 6: <u>NE/4 of Section 2-24S-28E</u>

Warren American Oil Company S.K. Warren Resources 6585 Yale, Suite 900 Tulsa, Oklahoma 74136 Read & Stevens, Inc. P.O. Box 1518 Roswell, New Mexico 88201 Kaiser-Francis Oil Company P.O. Box 21468 Tulsa, Oklahoma 74121-1468

Bertha Osborn c/o Pamela Rae Cummings 1004 Pinion Lane Carlsbad, New Mexico 88220

Chevron U.S.A., Inc.

Mewbourne Oil Company Application for Unorthodox Well Location Layla 35 MD Fee No. 2H Section 35, T-23 South, R-28 East, NMPM, Eddy County, New Mexico

The following-described legal notice will be published in the:

Artesia Daily Press 503 W. Main Street Artesia, New Mexico 88210-2067

The Affidavit of Publication will be forwarded to the Division upon receipt by Mewbourne Oil Company.

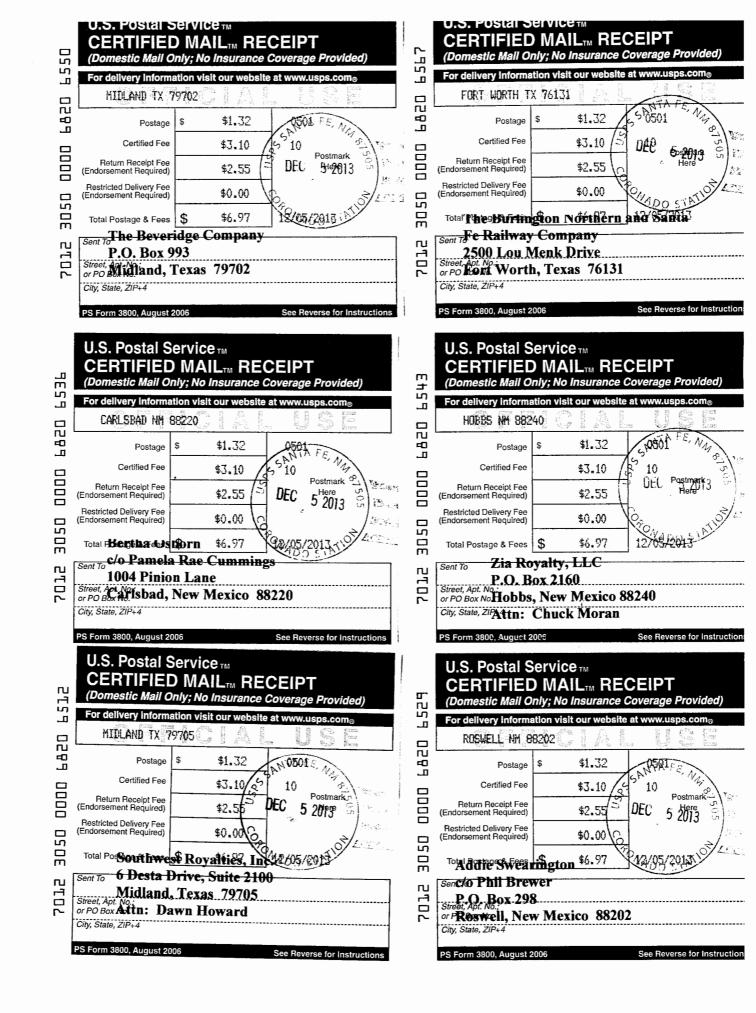
LEGAL NOTICE

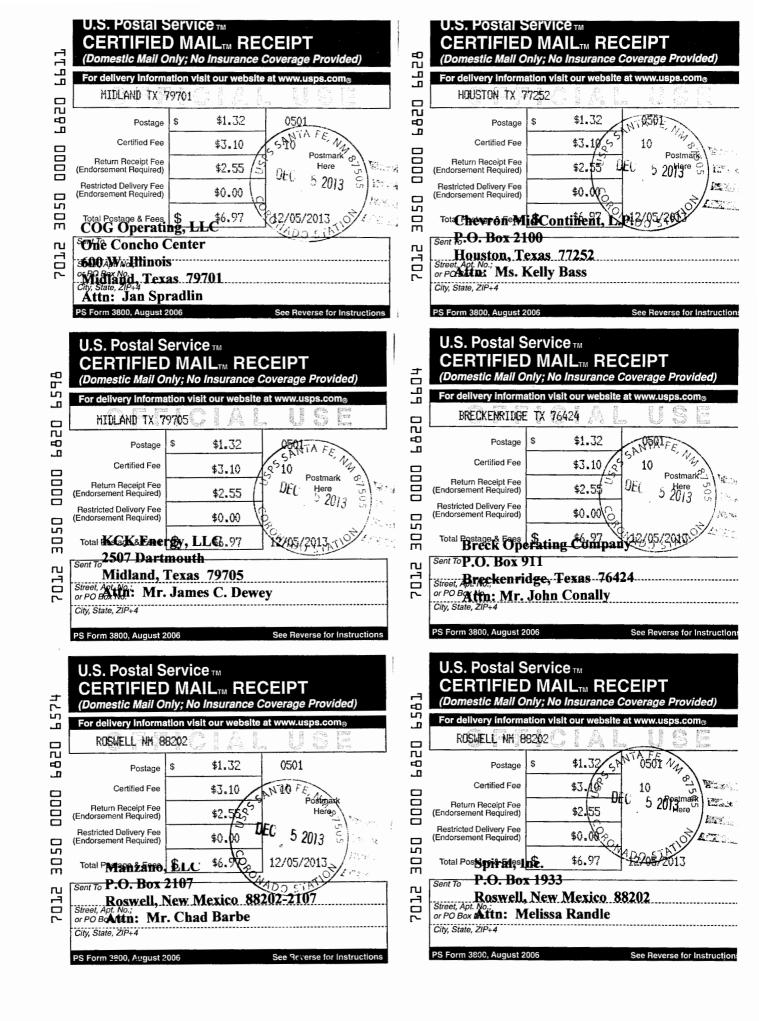
TO: Jimmie C. Dial & The Heirs or Deviseees Harold Drew & The Heirs or Devisees

Mewbourne Oil Company, 500 West Texas, Suite 1020, Midland, Texas 79701 has filed an application with the Oil Conservation Division ("Division") seeking administrative approval of an unorthodox well location for its proposed Layla 35 MD Fee Well No. 2H. The well will be located at unorthodox surface, take point and bottomhole locations described as follows: Surface Location: 150 feet from the South line and 660 feet from the West line (Unit M); First Take Point: 330 feet from the South line and 660 feet from the West line (Unit M): Bottomhole Location: 330 feet from the North line and 660 feet from the West line (Unit D), all in Section 35, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The well will test the South Culebra Bluff-Wolfcamp (Gas) Pool and will be dedicated to a standard 320-acre gas spacing and proration unit comprising the W/2 of Section 35.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 20 days of the date of this publication.

Additional information can be obtained by contacting Mr. David Catanach Agent-Mewbourne Oil Company at (505) 690-9453.





7012 3050 0000 6820 6479	U.S. POSIAI SERVICETM CERTIFIED MAIL _{TM} RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www.usps.come ANTLERS 0K 74523 Postage Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees Sent To Revocable Living Trust Street, Apt. NO: Postage / Constant Street, Apt. No: Postage	701z 3050 0000 6820 6505	U.S. POStal Service TM CERTIFIED MAIL_TM RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www.usps.com RDSWELL NM B8202 Postage Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage \$ 1.32 DEL 5 2013 Sent B.O. Box 2464 Roswell, New Mexico 88202 Street, ApJ. No.; City, State, ZIP+4 PS Form 3800, August 2006 See Reverse for Instruction
7012 3050 0000 6820 6475	U.S. Postal Service TM CERTIFIED MAILTM RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www.usps.comp ROSWELL NM 88201 Postage Certified Fee Endorsement Required) Restricted Delivery Fee Endorsement Required) Restricted Delivery Fee Endorsement Required) Tot Restricted Delivery Fee Endorsement Required) See Reverse for Instructions	7012 3050 0000 6820 6482	U.S. Postal Service TM CERTIFIED MAIL TM RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) Total Postage (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Faes Street, Apt. No.: Street, Apt. No.: or PO Box Fulsa, Oklahoma 74136 City, State, ZiP+4
		6820 6468	U.S. Postal Service TM CERTIFIED MAIL TM RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www.usps.com® TULSA 0K 74121

•

City, State, ZIP+4 PS Form 3800, August 2006

Certified Fee

Sent To P.O. Box 21468

Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

7012 3050 0000

\$3.10

\$2.55

\$0.00

Total Postage & Fees \$ 13

Street, Apt. Tolisa, Oklahoma 74121-1468 or PO Box No.

10 8 5

dSn

See Reverse for Instruction

cQ

Affidavit of Publication
STATE OF NEW MEXICO
County of Eddy:
Danny Scott Name Scat
being duly sworn, says that he is the Publisher
of the Artesia Daily Press, a daily newspaper of general
circulation, published in English at Artesia, said county
and state, and that the hereto attached
Legal Notice
was published in a regular and entire issue of the said
Artesia Daily Press, a daily newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for
1 Consecutive weeks/days on the same
day as follows:
First Publication December 5, 2013
Second Publication
Third Publication
Fourth Publication
Fifth Publication
Subscribed and sworn to before me this
5th day of December 2013
OFFICIAL SEAL Latishe Romine NOTARY PUBLIC-STATE OF NEW MEXICO W COMMISSION expires: 511212015
Latisha Romine Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

TO: Jimmie C. Dial & The Heirs or Devisees Harold Drew & The Heirs or Devisees

Mewbourne Oil Company, 500 West Texas, Suite 1020, Midland, Texas 79701 has filed an application with the Oil Conservation Division ("Division") seeking administrative approval of an unorthodox well location for its proposed Layla 35 MD Fee Well No. 2H. The well will be located at unorthodox surface, take point and bottomhole locations described as follows: Surface Location: 150 feet from the South line and 660 feet from the West line (Unit M); First Take Point: 330 feet from the South line and 660 feet from the West line (Unit M): Bottomhole Location: 330 feet from the North line and 660 feet from the West line (Unit D), all in Section 35, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The well will test the South Culebra Bluff-Wolfcamp (Gas) Pool and will be dedicated to a standard 320-acre gas spacing and proration unit comprising the W/2 of Section 35.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 20 days of the date of this publication.

Additional information can be obtained by contacting Mr. David Catanach Agent-Mewbourne Oil Company at (505) 690-9453.

Published in the Artesia Daily Press, Artesia, N.M., Dec. 5 2013. Legal No