

DATE IN 8-23-11	SUSPENSE	ENGINEER DB	LOGGED IN	TYPE NSL	APP NO. 1123629411
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



Newburne
Wyatt Draw 24 JB #1H

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-39057

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]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] ☒ Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] ☐ Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] ☐ Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] ☐ Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☒ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [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
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE 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.

Ocean Munds-Dry *Ocean Munds-Dry* *A Harney* *8-23-11*
 Print or Type Name Signature Title Date
omundsdry@hollandhart.com
 e-mail Address



August 23, 2011

RECEIVED OGD
2011 AUG 23 P 4:02**HAND-DELIVERED**

Jami Bailey, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Mewbourne Oil Company for Administrative Approval of an unorthodox well location for its Wyatt Draw "24" JB Well No. 1H to be drilled from a surface location and penetration point 1070 feet from the South line and 2290 feet from the East line of Section 24 and a bottomhole location 330 feet from the North line and 2290 feet from the East line of Section 24, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

Dear Ms. Bailey:

Mewbourne Oil Company hereby seeks administrative approval pursuant to the provisions of Division Rules 19.15.15.13 and 19.15.16.14 for an unorthodox well location for its Wyatt Drawer 24 JB Well No. 1H. This well will be located in Section 24, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico and is to be drilled in the Glorieta-Yeso formation, North Seven Rivers Pool at a surface location and a penetration point 1070 feet from the South line and 2290 feet from the East line of Section 24 and a bottomhole location 330 feet from the North line and 2290 feet from the East line of Section 24, Eddy County, New Mexico. A 120-acre project area has been dedicated to this horizontal well comprised of the W/2 NE/4 and NW/4 SE/4 of Section 24.

This location is unorthodox because the Yeso formation under this acreage is governed by the Division's statewide rules which provide for wells on 40-acre spacing units to be located no closer than 330 feet to the outer boundary of the spacing unit. The proposed well is unorthodox because the penetration point is outside the boundary of the Producing Area, as defined by Division Rule 19.15.16.7.

3
HOLLAND & HART



Exhibit A is a plat showing the location of the well. Mewbourne is the operator in the SW/4 SE/4 and working interest ownership is common in Project Area and in the SW/4 SE/4 towards which the well is encroaching. Therefore, no notice is required.

Exhibit B is the C-102 for this well.

Your attention to this application is appreciated.

Sincerely,

Ocean Munds-Dry

Ocean Munds-Dry

ATTORNEY FOR MEWBOURNE OIL CO.

Enclosures

cc: OCD District Office - Artesia
Corey Mitchell

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-102
Permit 131541

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39057	2. Pool Code 97565	3. Pool Name <i>under</i> N. SEVEN RIVERS; GLORIETA-YESO
4. Property Code 38629	5. Property Name WYATT DRAW 24 JB	6. Well No. 001H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3394

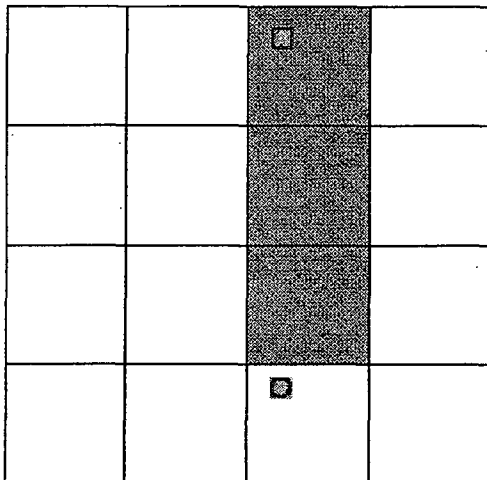
10. Surface Location

UL - Lot O	Section 24	Township 19S	Range 25E	Lot Idn	Feet From 1070	N/S Line S	Feet From 2290	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot B	Section 24	Township 19S	Range 25E	Lot Idn	Feet From 330	N/S Line N	Feet From 2290	E/W Line E	County EDDY
12. Dedicated Acres 120.00		13. Joint or Infill		14. Consolidation Code		15. Order No.			

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



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(s) 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.

E-Signed By: Monty Whetstone

Title: Vice President Operations

Date: 5/17/2011

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.

Surveyed By: Gary Jones

Date of Survey: 4/26/2011

Certificate Number: 7977

EXHIBIT

B

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, September 22, 2011 10:14 AM
To: 'Ocean Munds-Dry'
Subject: BOPCO Poke Lake Unit #315H and Mewbourne Wyatt Draw 24 JB #1H

Dear Ocean

Now that I know that you are still here, I will send my inquiries regarding these applications to you.

The Director rejected orders that would have granted these applications because, in both cases, portions of the producing interval are outside not only the producing area, but also outside the project area. Nothing in your application letters states that the portion outside the project area will be cased off, and not perforated. I assume that is the intent, but I need you to file a statement to that effect as to each of these two applications.

Thanks

David



October 3, 2011

VIA HAND-DELIVERY

Jami Bailey, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OCD
201 OCT - 3 PM 3:31

Re: Application of Mewbourne Oil Company for Administrative Approval of an unorthodox well location for its Wyatt Draw "24" JB Well No. 1H to be drilled from a surface location and penetration point 1070 feet from the South line and 2290 feet from the East line of Section 24 and a bottomhole location 330 feet from the North line and 2290 feet from the East line of Section 24, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

Dear Ms. Bailey:

On August 23, 2011, Mewbourne Oil Company filed an administrative application for an unorthodox well location for its Wyatt Draw 23 JB Well No. 1H. This letter is to further clarify that although the penetration point for the well is both outside the project area and the producing area, Mewbourne will case and cement the wellbore and will not perforate the well until it reaches a standard location within the producing area.

Thank you for your time and attention to this matter.

Sincerely,

Ocean Munds-Dry
Ocean Munds-Dry
Attorney for Mewbourne Oil Co.



October 3, 2011

RECEIVED OCD
2011 OCT -3 P 3:32

VIA HAND-DELIVERY

Jami Bailey, Director
Oil Conservation Division
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Minerals and Natural Resources
1220 South Saint Francis Drive
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Ocean Munds-Dry
Attorney for Mewbourne Oil Co.



October 3, 2011

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Sincerely,

Ocean Munds-Dry
Ocean Munds-Dry
Attorney for Mewbourne Oil Co.