

DATE IN 4.13.05	SUSPENSE 5/3/05	ENGINEER Catanach	LOGGED IN 4.14.04	TYPE CTB	APP NO. PSEM0510448938
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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



**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]**

**[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 Surface Commingling

96210

2005 APR 13 PM 3 08

**[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.

James Bruce

Print or Type Name

Signature

Attorney for Applicant

Title

Date

jamesbruc@aol.com  
 e-mail Address

4/11/05

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

April 11, 2005

David Catanach  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Catanach:

Pursuant to Division Rule 303.B, Mewbourne Oil Company applies for approval of surface commingling of Yeso production from the following wells, all located in Section 18, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico:

Empire 18 State Well No. 7:	Unit I
Empire 18 State Well No. 8:	Unit J
Empire 18 State Well No. 3:	Unit P
Empire 18 State Well No. 6:	Unit P

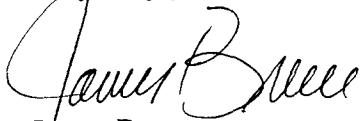
Attached in support of the application are:

<u>Exhibit A:</u>	Form C-107-B
<u>Exhibit B:</u>	Land plat, highlighting the acreage
<u>Exhibit C:</u>	Listing of non-royalty interest owners in the wells
<u>Exhibit D:</u>	Waivers from all interest owners
<u>Exhibit E:</u>	Printouts regarding leases on the the three wells units (all state minerals)

By copy of this letter I am requesting approval of surface commingling from the Commissioner of Public Lands.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Mewbourne Oil Company

Cc. Jami Bailey  
State Land Office

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Ave, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised June 10, 2003

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Mewbourne Oil Company

OPERATOR ADDRESS: PO Box 5270 Hobbs, NM 88240

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fed ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No.

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowances? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code. Empire Yeso 96610

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attach sheets with the following information

(1) Is all production from same source of supply? ☒ Yes ☐ No

(2) Include proof of notice to all interest owners. Notice to all interest owners has been sent.

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location. Attached

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. Attached

(3) Lease Names, Lease and Well Numbers, and API Numbers. Attached

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: *Kristi Green*

TITLE: Hobbs Regulatory

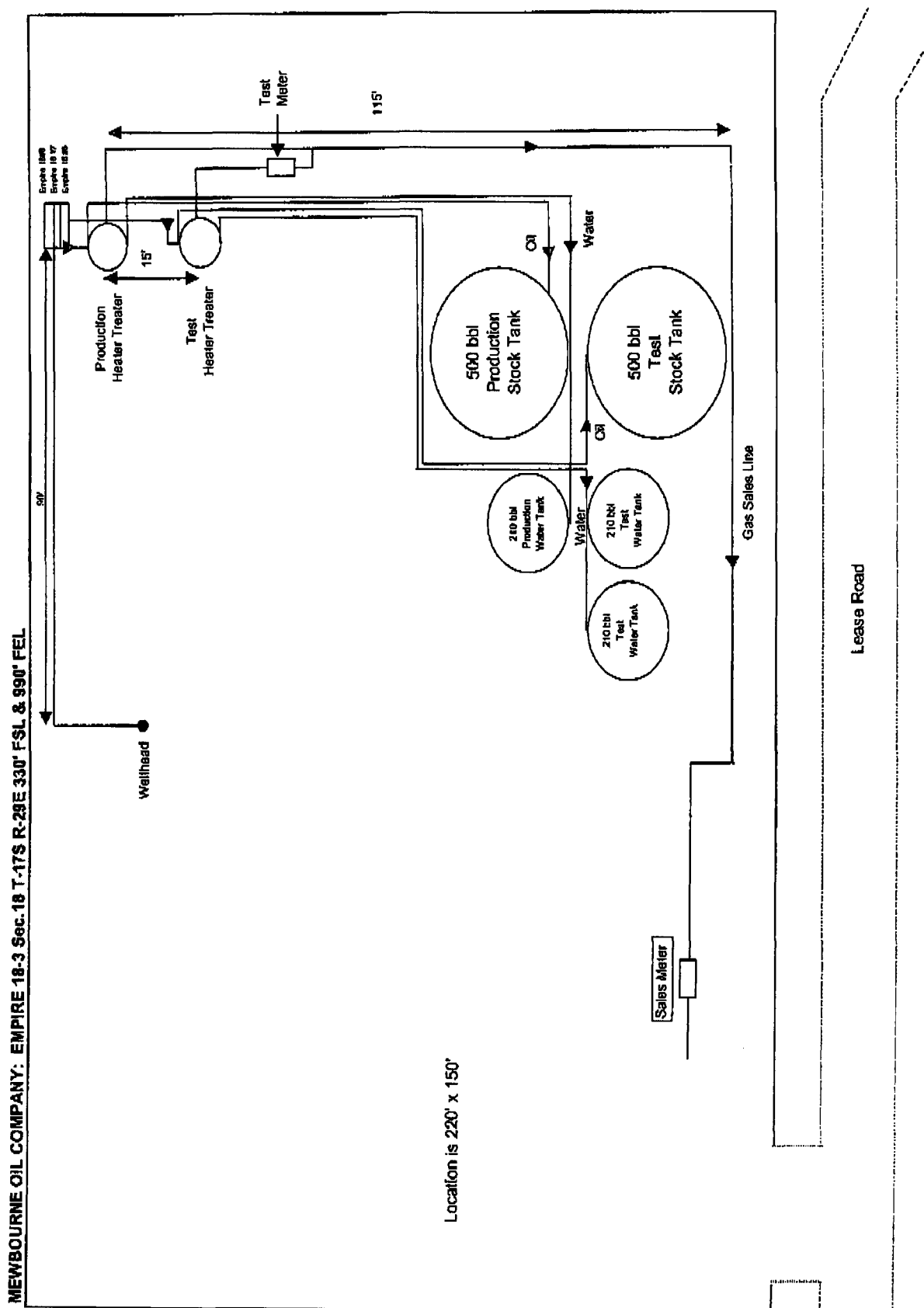
DATE: 02/28/05

TYPE OR PRINT NAME: Kristi Green

TELEPHONE NO.: 505-393-5905

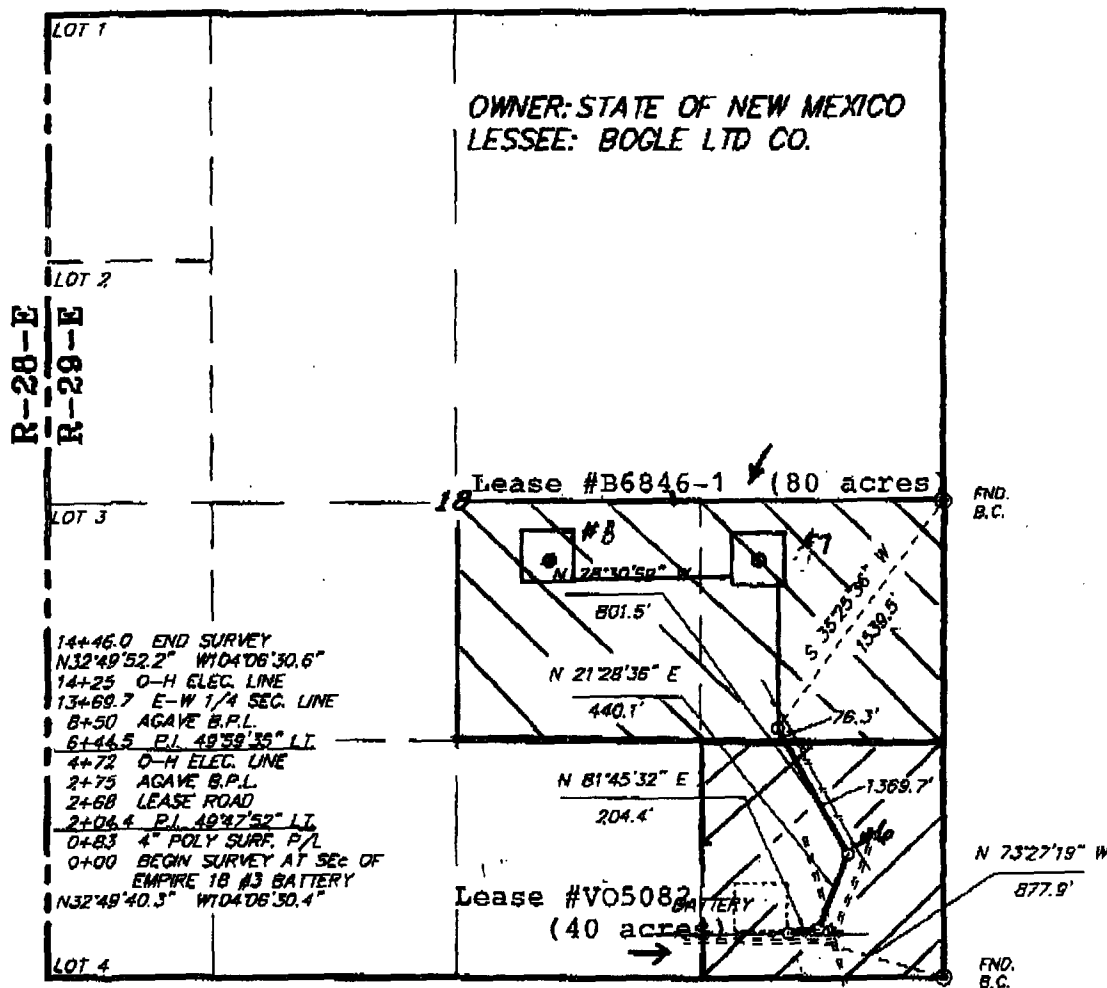
E-MAIL ADDRESS: kgreen@mewbourne.com





E. #2

**SECTION 18, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.**



**LEGAL DESCRIPTION**

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 18, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT WHICH LIES N.73°27'19"W., 877.9 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 18; THENCE N.81°45'32"E., 204.4 FEET; THENCE N.21°28'36"E., 440.1 FEET; THENCE N.28°30'59"W., 801.5 FEET TO THE END OF THIS LINE WHICH LIES S.35°25'36"W., 1539.5 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 18. SAID STRIP OF LAND BEING 1446.0 FEET OR 87.64 RODS IN LENGTH AND CONTAINING 1.00 ACRES MORE OR LESS AND BEING ALLOCATED BY PORTIES AS FOLLOWS:

SE/4 SE/4	83.02 RODS	0.84 ACRES
NE/4 SE/4	4.62 RODS	0.06 ACRES

TOTAL 1446.0 FEET = 87.64 RODS = 1.00 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND ONES MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S.  
TEXAS P.L.S.



**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 5098

Drawn By: James Presley

Date: 02/14/05

Disk: JLP #1 - MEW5098

1000 0 1000 2000 FEET

**MEWBOURNE OIL COMPANY**

REF: PROPOSED 3" PIPELINE TO MEWBOURNE-EMPIRE #7 & #8

A PIPELINE CROSSING STATE LAND IN  
SECTION 18, TOWNSHIP 17 SOUTH, RANGE 29 EAST.  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 02/09/05

Sheet 1 of 1 Sheets

**Mewbourne Oil Company**

PO Box 5270  
Hobbs, NM 88240  
(505) 393-5905 office  
(505) 397-6252 fax

February 28, 2005

Oil and Gas Division  
New Mexico State Land Office  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

**Re: Lease Commingle for the Empire Sec 18 Wells**

(E) #3. Battery is located at the Empire 18 St #3.

(Empire 18 St #3 and #6 are on lease, Empire 18 #7 and #8 are off lease)

Empire 18 State #3	Sec 18-T17S-R29E	330' FSL & 990' FEL	Lease #VO-5082	API #30-015-31353
Empire 18 State #6	Sec 18-T17S-R29E	990' FSL & 330' FEL	Lease #VO-5082	API #30-015-33773
Empire 18 State #7	Sec 18-T17S-R29E	2310' FSL & 990' FEL	Lease #B6846-1	API #30-015-33769
Empire 18 State #8	Sec 18-T17S-R29E	2310' FSL & 2130' FEL	Lease #B6846-1	API #30-015-33771

Kristi Green, Hobbs Regulatory  
Mewbourne Oil Company

MAR-16-2005 15:32

MEUBOURNE OIL

4326854170

P.03







# Mewbourne Oil Company

Midland, Texas

## INTEROFFICE MEMORANDUM

**DATE:** March 16, 2005

**TO:** Cody Owens

**FROM:** Paul Haden

**SUBJECT:** Surface Commingling  
Empire "18" State #6,  
#7 and #8 Wells  
Section 18, T17S, R29E  
Eddy County, New Mexico

Empire "18" State #3 and #6 Wells - SE/4SE/4 Section 18:

WI Owner

MOC

Clayton Williams Energy, Inc.

Viersen Oil & Gas Co.

Mark B. Heinen

WT%

27.214600

50.971552

20.506869

1.306979

100.000000

Empire "18" #7 and #8 Wells - N/2SE/4 Section 18:

WI Owner

MOC

Clayton Williams Energy, Inc.

Viersen Oil & Gas Co.

Mark B. Heinen

WT%

27.214600

26.534200

45.570820

0.680380

100.000000



## MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

February 28, 2005

Certified Mail-Return Receipt No. 6437

Clayton Williams Energy, Inc.  
Six Dosta Drive, Suite 6500  
Midland, Texas 79705  
Attn: Mr. T. Mark Tisdale

Re: Surface Commingling;  
Empire "18" State #7 (Unit "I") and  
Empire "18" State #8 (Unit "J") Wells  
Section 18, T17S, R29E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes to commingle the production attributable from the referenced jointly owned wells with Mewbourne's production facilities associated with the Empire "18" State #3 Well and Empire "18" State #6 Wells located in Unit "P" (SE/4SR/4) of the captioned Section 18. This will enable the joint interest owners to save expenditures associated with having separate production facilities for the referenced #7 and #8 wells.

Please acknowledge your agreement to the above proposal by signing and returning the copy of this letter to the undersigned within fifteen (15) days of receipt of this letter. Failure to return same within said time period shall be deemed as an election to surface commingle the production from the #7 and #8 wells with the production facility located in Unit "P" in the captioned Section 18.

Sincerely yours,

MEWBOURNE OIL COMPANY

  
D. Paul Haden  
Senior Landman

DPH/ph

The undersigned agrees to surface commingle the production associated with the Empire "18" State #7 and #8 Wells as proposed.

CLAYTON WILLIAMS ENERGY, INC.

By:  \_\_\_\_\_

Dated signed 3-18-05

TOTAL P.01

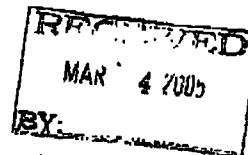
TOTAL P.02



## MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3713  
FAX (432) 682-4170



February 23, 2005

Certified Mail-Return Receipt No. 6420

Viersen Oil & Gas Co.  
P.O. Box 702708  
Tulsa, Oklahoma 74170  
Attn: Mr. Chris Thompson

Re: Surface Commingling;  
Empire "18" State #7 (Unit "T") and  
Empire "18" State #8 (Unit "J") Wells  
Section 18, T17S, R29E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes to commingle the production attributable from the referenced jointly owned wells with Mewbourne's production facilities associated with the Empire "18" State #3 Well and Empire "18" State #6 Wells located in Unit "P" (SE/4SE/4) of the captioned Section 18. This will enable the joint interest owners to save expenditures associated with having separate production facilities for the referenced #7 and #8 wells.

Please acknowledge your agreement to the above proposal by signing and returning the copy of this letter to the undersigned within fifteen (15) days of receipt of this letter. Failure to return same within said time period shall be deemed as an election to surface commingle the production from the #7 and #8 wells with the production facility located in Unit "P" in the captioned Section 18.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden  
Senior Landman

DPH/eb

The undersigned agrees to surface commingle the production associated with the Empire "18" State #7 and #8 Wells as proposed:

VIERSEN OIL & GAS CO.

By:

Dated signed 3-7-05

11 Records found.

Lease Number:

**B0-6846-0001**

Company name: CLAYTON WILLIAMS ENERGY INC  
Company ID: 25706  
Assigned from: B0-6846-0000  
Total acres: 440.00  
Prod stat: N/A

**Lease term:**

Lease term: 10 year lease terms 1/8th roy  
Issue date: 1/11/1937  
Termination date: Active  
Termination reason: N/A  
Current term: Extended Primary Term

**Billing information:**

Bill to: CLAYTON WILLIAMS ENERGY INC  
Rent per acre: 0.25  
Billing frequency: Annual  
Minimum annual rent: 110.00  
Last bill date: 12/16/2004  
Next bill date: 1/11/2006  
Escalation: 0

**Land information:**

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
18	17S	29E	I			40.00
			J			40.00
20	17S	29E	A			40.00
			B			40.00
			G			40.00
			H			40.00
			O			40.00
2	18S	29E	I			40.00
			J			40.00
			O			40.00
			P			40.00



1 Record found.

Lease Number:

**V0-5082-0000**

Company name: SOUTHWEST ROYALTIES INC  
Company ID: 109937  
Assigned from: N/A  
Total acres: 40.00  
Prod stat: N/A

**Lease term:**

Lease term: FIVE(5) YEAR TERM, 1/6th ROYALTY  
Issue date: 5/1/1997  
Termination date: Active  
Termination reason: N/A  
Current term: Extended Primary Term

**Billing information:**

Bill to: SOUTHWEST ROYALTIES INC  
Rent per acre: 1.00  
Billing frequency: Annual  
Minimum annual rent: 40.00  
Last bill date: 4/7/2005  
Next bill date: 5/1/2006  
Escalation: 0

**Land information:**

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
18	17S	29E	P			40.00