

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

September 19, 2016

Leonard Lowe
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Lowe:

Mewbourne Oil Company submits this application for approval of an unorthodox oil well location and a non-standard spacing unit (project area) for the following well:

<u>Well:</u>	Crazy Wolf 1/2 B2CD Fed. Com. Well No. 1H
<u>Surface location:</u>	1301 feet FNL & 2570 feet FEL §1
<u>First take point:</u>	1026 feet FNL & 217 feet FWL §1
<u>Last take point:</u>	386 feet FNL & 370 feet FWL §2
<u>Bottom hole location:</u>	386 feet FNL & 332 feet FWL §2
<u>Well unit (project area):</u>	NW/4 §1 & N/2 §2, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico

The well was drilled to a depth sufficient to test the Bone Spring formation. The well is in the East Lusk-Bone Spring Pool, which under Order No. R-4994 is spaced on 160 acres, with wells to be located no closer than (i) 660 feet to the outer boundary of a well unit, (ii) 330 feet to a quarter-quarter section line, and (iii) 1320 feet to the nearest well drilling to or capable of producing from the same pool. A Form C-102 is attached as Exhibit A.

The non-standard unit is requested in order to maximize wellbore length, and likewise the location is unorthodox in order to maximize the wellbore's productive interval (the Bone Spring is tight). The well's location will allow a future infill well in the well unit.

Attached as Exhibit B is a Midland Map Co. land plat. The offset operators are set forth on Exhibit C. The notice letter to the offsets is attached as Exhibit D.

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

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Mewbourne Oil Company

9/21/16 DATE IN	SUBPENSE	ENGINEER LRL	10/20/16 LOGGED IN	NSL TYPE	PEL 1630059213 APP NO
--------------------	----------	--------------	-----------------------	-------------	--------------------------

10/12/16

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 _____

[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

James Bruce
Signature

Attorney
Title

9/19/16
Date

jamesbruce@aol.com
e-mail Address

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
877 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1228 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

HOBBS OCD

FEB 18 2016

RECEIVED

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

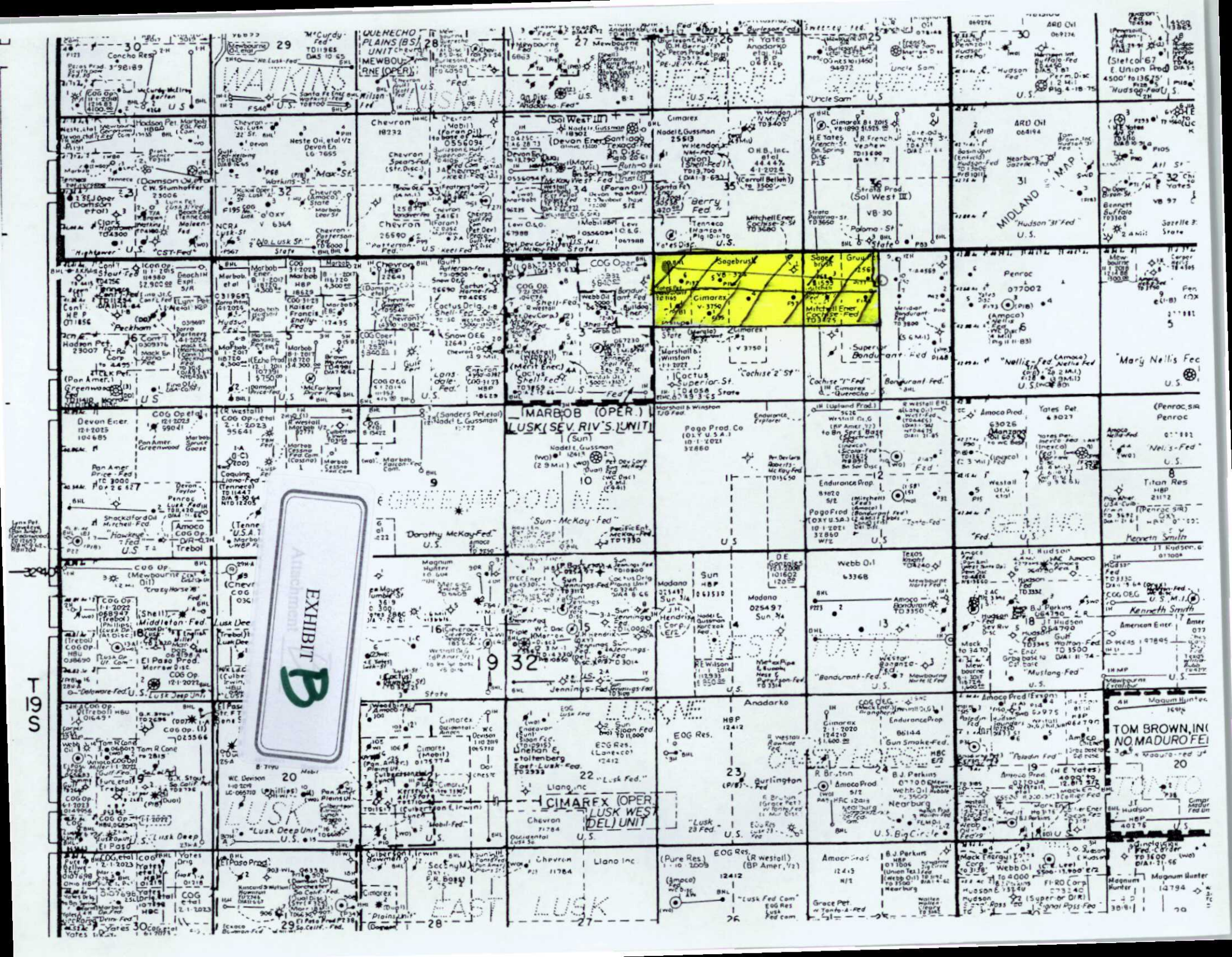
1 API Number 30-025-42793		2 Pool Code 41442		3 Pool Name Lusk; Bone Spring East	
4 Property Code 315266		5 Property Name CRAZY WOLF 1/2 B2CD FED COM			6 Well Number 1H
7 GRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3694'
10 Surface Location					
UL or lot no. 2	Section 1	Township 19S	Range 32E	Lot Idn. 1301	Feet from the NORTH Feet from the 2570 East/West line EAST County LEA
11 Bottom Hole Location If Different From Surface					
UL or lot no. 4	Section 2	Township 19S	Range 32E	Lot Idn. 386	Feet from the NORTH Feet from the 332 East/West line WEST County LEA
12 Dedicated Acres 480	13 Joint or Infill	14 Consolidation Code	15 Order No.		

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

		17 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 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 as a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Jackie Lathan</u> Date: <u>2/15/16</u> Printed Name: <u>Jackie Lathan</u> E-mail Address: _____	
18 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. Date of Survey: _____ Signature and Seal of Professional Surveyor: <u>ROBERT M. HOWETT</u> NEW MEXICO 100990 SURVEYOR		EXHIBIT A	

RRR - Firm No.: TX 10193838 NM 465:

05
APR 04 2016



30
Concho Res
Fed. 398189
U.S.

29
Walker
U.S.

28
Walker
U.S.

27
Walker
U.S.

26
Walker
U.S.

25
Walker
U.S.

24
Walker
U.S.

23
Walker
U.S.

22
Walker
U.S.

21
Walker
U.S.

20
Walker
U.S.

19
Walker
U.S.

18
Walker
U.S.

17
Walker
U.S.

16
Walker
U.S.

15
Walker
U.S.

14
Walker
U.S.

13
Walker
U.S.

12
Walker
U.S.

11
Walker
U.S.

10
Walker
U.S.

9
Walker
U.S.

8
Walker
U.S.

7
Walker
U.S.

6
Walker
U.S.

5
Walker
U.S.

4
Walker
U.S.

3
Walker
U.S.

2
Walker
U.S.

1
Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Walker
U.S.

Offset Ownership
Crazy Wolf 1/2 B2CD Fed Com No. 1H
Section 1/2, T19S, R32E
Lea County, New Mexico

E/2 of Section 1:

Cimarex Energy Company – Operator

SW/4 of Section 1:

Mewbourne Oil Company – Operator

S/2 of Section 2:

Mewbourne Oil Company – Operator

S/2 of Section 3:

Marshall & Winston, Inc. – Operator

N/2 of Section 3:

COG Operating LLC - Operator

S/2 of Section 34, T18S, R32E:

Matador Production Company - Operator

Section 35, T18S, R32E:

Nadel & Gussman Permian LLC – Operator

+ *BC Operating, LLC*

S/2 of Section 36, T18S, R32E:

Strata Production Company - Operator

EXHIBIT

C

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)

jamesbruce@aol.com

September 19, 2016

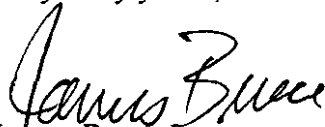
CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location and non-standard unit in the Bone Spring formation for a well in the NW/4 of Section 1 and N/2 of Section 2, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. You are an offset operator or interest owner. If you object to the application, you must notify the Division in writing within 20 days from receipt of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT

D

Exhibit A

Cimarex Energy Co.
Suite 600
600 North Marienfeld
Midland, Texas 79701

Marshall & Winston, Inc.
P.O. Box 50880
Midland, Texas 79710

COG Operating LLC
One Concho Center
600 West Illinois Avenue
Midland, Texas 79701

Matador Production Company
Suite 1500
5400 LBJ Freeway
Dallas, Texas 75240

BC Operating, Inc.
Nadel & Gussman Permian LLC
Suite 310
4000 North Big Spring
Midland, Texas 79705

Strata Production Co.
P.O. Box 1030
Roswell, New Mexico 88202