

DATE IN 1/24/08	SUSPENSE	ENGINEER Jones	LOGGED IN 1/24/08	TYPE DHC 3986	APP NO. PKVR0802430699
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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 _____

[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.

Monty Whetstone
Print or Type Name

Monty Whetstone
Signature

Vice-President Operations
Title

1/23/08
Date

e-mail Address

RECEIVED
2008 JAN 24 AM 8 30

District I

1625 N. French Drive, Hobbs, NM 88240

District II

1301 W. Grand Avenue, 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 DepartmentForm C-107A
Revised June 10, 2003**Oil Conservation Division**1220 South St. Francis Dr.
Santa Fe, New Mexico 87505**APPLICATION TYPE**☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE**APPLICATION FOR DOWNHOLE COMMINGLING**☒ Yes ☐ No**Mewbourne Oil Company**

P. O. Box 7698, Tyler, TX 75711

Operator

Address

Henry "8" Federal Com #1

O - Sec 8, T20S, R29E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 14744 Property Code 35784 API No. 30-015-34927 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE <u>EAST BURTON FLAT</u>	INTERMEDIATE ZONE	LOWER ZONE <input checked="" type="checkbox"/>
Pool Name	<u>Undersig.</u> <u>Strawn (Gas)</u>		<u>Burton Flat;</u> <u>Morrow, East (Gas)</u>
Pool Code			73320
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,502 - 10,550'		11,256 - 11,516'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New Zone		SI below plug
Date and Oil/Gas/Water Rates of Last Production (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Est. Rate: Rates: 250 MCFD 2 BO, 2 BW	Date: Rates:	Date: 9/25/07 Rates: 230 MCFD 0 BO, 1 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: 100 % Gas: 52 %	Oil: % Gas: %	Oil: 0 % Gas: 48 %

ADDITIONAL DATAAre all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

MEWBOURNE OIL COMPANY

**P. O. BOX 7698
TYLER, TX 75711
903 - 561-2900
FAX 903 - 561-1870**

January 23, 2008

BY FAX

Mr. William Jones
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Form C-107A
Henry "8" Federal Com #1
Sec 8 T20S R29E
Eddy Co., NM
Undes. Strawn (Gas) and Burton Flat; Morrow, East (Gas) Pools

Dear Mr. Jones:

Please find enclosed the following for the application to downhole commingle production from the Strawn and Morrow zones in the referenced well:

Form C-107A
Attachments information
Form C-102 for both zones
Administrative Application Checklist

A copy of Form C-107A is being mailed today to the Bureau of Land Management in Carlsbad.
If you need further information, please call me at (903) 561-2900.

Yours truly,



Janet Burns
Reg. Tech.

cc: NMOCD - Artesia
Bureau of Land Management
Hobbs
Midland
Allen Brinson
Wayne Jones

Attachments to C-107A

Mewbourne Oil Company
Henry "8" Federal Com #1
Unit Letter O, Sec 8 T20S R29E
Undes; Strawn (Gas) and Burton Flat; Morrow, East (Gas) Pools
Eddy Co., NM

C-102 for each zone to be commingled showing its spacing unit and acreage dedication

Production curve is not attached (new well)

Estimated production rates and supporting data

Test Data:

Morrow	9/25/07	230 MCFD, 0 BO, 1 BW: last recorded production
Strawn		250 MCFD, 2 BO, 2 BW: estimated initial production

Data to support allocation method or formula

Test as shown above for both zones

Notification list of working, royalty and overriding royalty interests for uncommon interest cases

No uncommon interests.

Any additional statements, data or documents required to support commingling

The well is completed with 5 1/2" OD casing. In order to dually complete the well to recover all economic reserves, the use of small diameter special clearance tubing would be required. Performing a dual completion as described could not be economically justified for a zone with limited deliverability. To produce the Strawn interval (upper zone) up the annulus (5 1/2" - 2 7/8") is not recommended due to liquid loading and insufficient velocity to lift produced fluids with the estimated gas rates listed above. The addition of the Strawn as a commingled zone will prevent waste that would not otherwise be possible due to the increased cost to produce each individual zone. Commingling will prevent early abandonment of each production zone. (Note: current Atoka perforations from 10,666-10,850' are to be squeezed off.)

1425 N. French Dr., Hobbs, NM 88240

811 South First, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

2040 South Pocheon, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Pet Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Parkdeco

Santa Fe, New Mexico 87504-2088

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 73320	Pool Name East Burton Flat Morrow
Property Code	Property Name HENRY 8 FEDERAL COM#1	Well Number 1
OGED No. 14744	Operator Name * MEWBOURNE OIL COMPANY	Elevation 3268'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	8	20 S	29 E		1218	SOUTH	1820	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code			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

MARATHON'S
WATER FEED CUM X1

Lease
#NMO1165

NM17221

3271.5'

3268.5'

Lat.: N32°35'02.7"

Long.: W104°05'40.1"

3267.6'

3270.5'

1218'

2820'

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District IV

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

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

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-015-34927		² Pool Code	³ Pool Name Strawn (Gas)
⁴ Property Code 35784	⁵ Property Name Henry 8 Federal Com		⁶ Well Number 1
⁷ OGRID No. 14744	⁸ Operator Name Mewbourne Oil Company		⁹ Elevation 3268

¹⁰ Surface Location

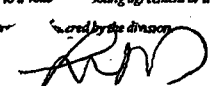
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	8	20S	29E		1218	South	1820	East	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

¹⁶	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 to a voluntary pooling agreement or a compulsory pooling order.	
	Signed by the division  Date 1/23/08 Signature Printed Name Janet Burns	
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. 07/20/06 Date of Survey Signature and Seal of Professional Surveyor Herschell Jones (REFER TO ORIGINAL PLAT) 7977 Certificate Number		