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NEW MEXICO OIL CONSERVATION DIVISION
- Geological & 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

Applicant: <u>Mewbounre Oil Comapny</u>	OGRID Number: <u>14744</u>
Well Name: <u>Armstrong 26/35 WIJO Fed Com #3H</u>	API: <u>30-015-47453</u>
Pool: <u>Purple Sage Wolfcamp (Gas)</u>	Pool Code: <u>98220</u>

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
- ☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
- ☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
- ☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. ☒ Offset operators or lease holders
- B. ☐ Royalty, overriding royalty owners, revenue owners
- C. ☐ Application requires published notice
- D. ☐ Notification and/or concurrent approval by SLO
- E. ☐ Notification and/or concurrent approval by BLM
- F. ☐ Surface owner
- G. ☒ For all of the above, proof of notification or publication is attached, and/or,
- H. ☐ No notice required

FOR OCD ONLY	
☐	Notice Complete
☐	Application Content Complete

3) **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.

Cy Shook
Print or Type Name

Cy Shook
Signature

10/22/20
Date

432-682-3715
Phone Number

cshook@mewbourne.com
e-mail Address

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020
Midland, Texas 79701
Phone (432) 682-3715
Fax (432) 685-4170

October 22, 2020

Via Certified Mail

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
Attn: Mr. Leonard Lowe
Division Director

Re: Application for Unorthodox Well Location
Armstrong 26/35 W1JO Fed Com #3H
API No. 30-015-47453
Surface Location: 2500' FSL & 2645' FEL (Unit J) (Section 26)
Proposed First Perf: 2540' FSL and 2310' FEL (Unit J) (Section 26)
Bottomhole Location: 100' FSL & 2310' FEL (Unit O) (Section 35)
Proposed Last Perf: 100' FSL & 2310' FEL (Unit O) (Section 35)
Section 26 and 35, T-25-S, R-31-E, NMPM
Eddy County, New Mexico

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.15.13, Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of an unorthodox gas well location for its proposed Armstrong 26/35 W1JO Fed Com #3H. This well will be drilled as a horizontal gas well in the Purple Sage Wolfcamp (Gas) Pool (98220).

The Armstrong 26/35 W1JO Fed Com #3H will be dedicated to a standard 480-acre gas spacing and proration unit comprising the SE/4 of Section 26 and the E/2 of Section 35. There are currently two other existing Wolfcamp Gas wells producing from within the proposed spacing unit, the Armstrong 26/35 W0LM Federal Com #1H, API# 30-015-43750 and the Armstrong 26/35 W1LM Federal Com #2H, API# 30-015-43798.

The Purple Sage Wolfcamp (Gas) Pool is currently governed by Special Pool Rules, Hearing Order No. R-14262 which requires standard 320-acre gas spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit, nor closer than 10 feet to any interior quarter-quarter section line or subdivision inner boundary, or in the case of a horizontal well, no closer than 330 feet to the outer boundary of the producing area.

The unorthodox location is necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying the SE/4 of Section 26 and the E/2 of Section 35.

The affected offset acreage comprises the NE/4 of Section 26, T25S- R31E NMPM and the NE/4 of Section 2, T26S-R31E NMPM (See Attached Map). There is currently one Wolfcamp well producing within the offset acreage, Devon's Snapping 2 State #14H, API# 330-015-42688. Consequently, notice of this application is being provided to Devon Energy Production Company, LP and XTO Energy, Inc.

Attached is a Form C-102 showing the surface, first take point, and bottomhole locations for the Armstrong 26/35 W0JO Fed Com #4H. Also, attached is a map showing the affected offset acreage, a horizontal well plan, notice list and offset notice letter.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Purple Sage Wolfcamp (Gas) Pool underlying Sections 26 and 35 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

Should you have any questions regarding the above, please email me at cshook@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Cy Shook
Landman

Xc: OCD-Hobbs

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 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

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 30-015-47453	² Pool Code 98220	³ Pool Name PURPLE SAGE WOLFCAMP (GAS)
⁴ Property Code	⁵ Property Name ARMSTRONG 26/35 W1J0 FED COM	⁶ Well Number 3H
⁷ GRID NO. 14744	⁸ Operator Name MEWBOURNE OIL COMPANY	⁹ Elevation 3338'

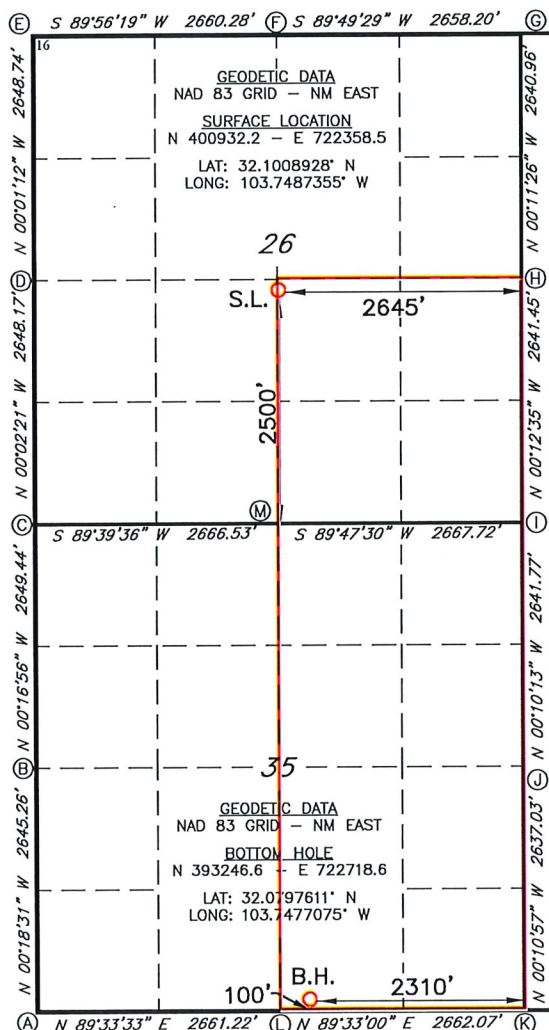
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
J	26	25S	31E		2500	SOUTH	2645	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
0	35	25S	31E		100	SOUTH	2310	EAST	EDDY
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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Bradley Bishop 10/21/2020
Signature Date

BRADLEY BISHOP
Printed Name

BBISHOP@MEWBOURNE.COM
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.

1-07-19

Date of Survey

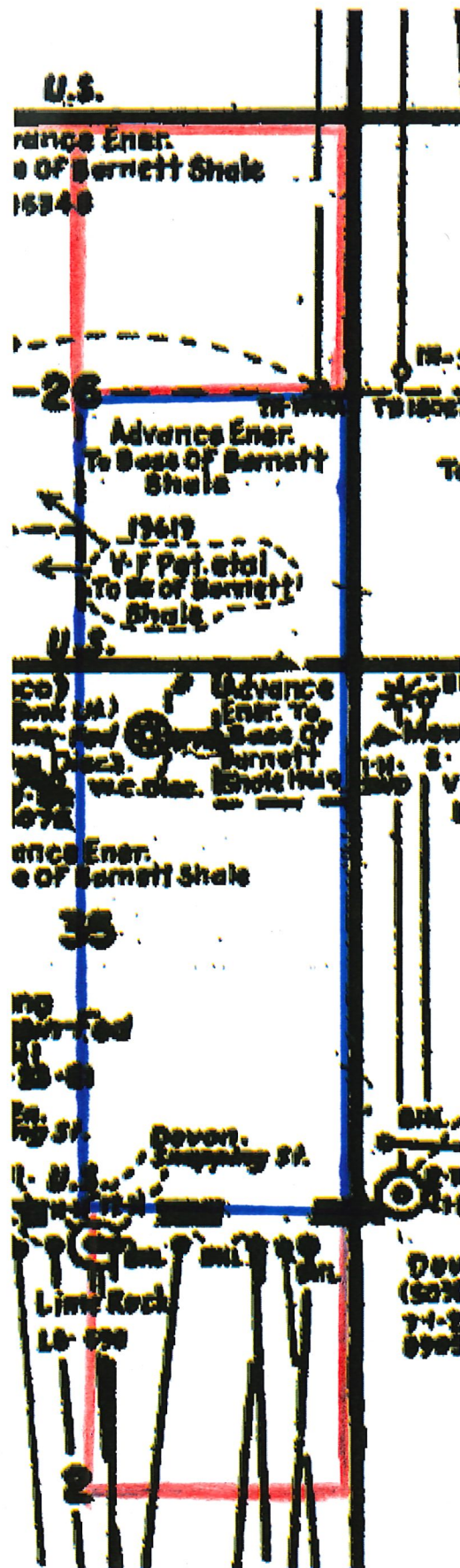
Signature and Seal of Professional Surveyor

19680

Certificate Number

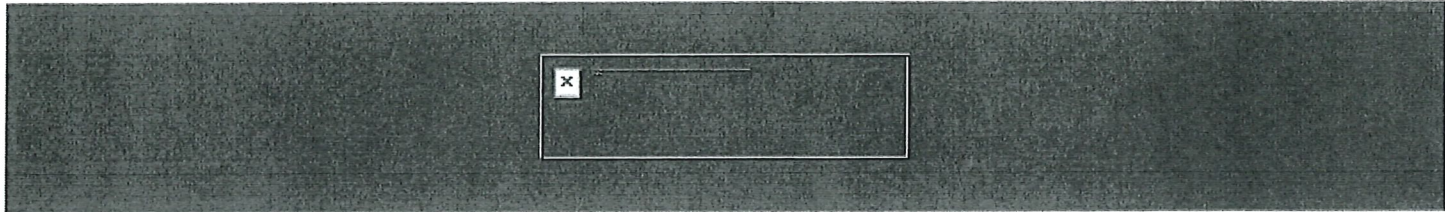
REV: 10-16-20 BHL

Job No.: **LS19010031**



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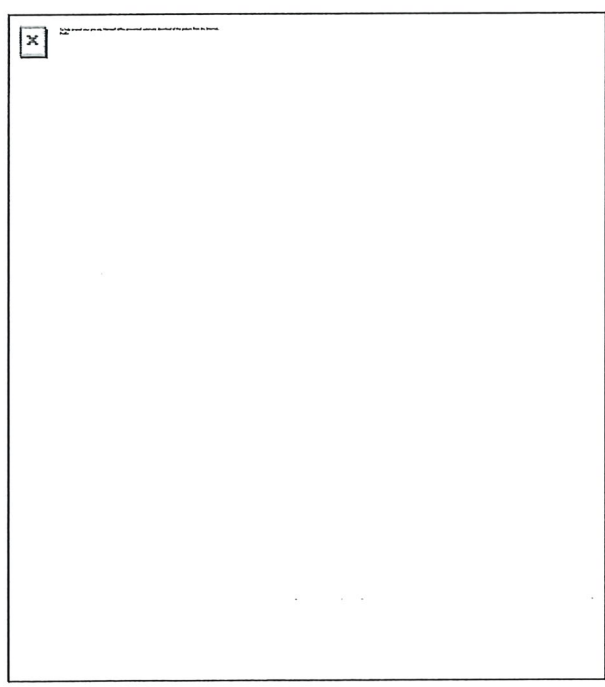
Delivered to 333 W SHERIDAN AVE, OKLAHOMA CITY, OK 73102

OBTAIN PROOF OF DELIVERY

TRACKING NUMBER	<u>771888366655</u>
FROM	Mewbourne Oil Company 500 West Texas, Suite 1020 Midland, TX, US, 79701
TO	Devon Energy Production Company, LP Permian Land Manager

333 W. Sheridan Ave
OKLAHOMA CITY, OK, US, 73102

REFERENCE	Armstrong KN/JO NSL Notices
SHIPPER REFERENCE	Armstrong KN/JO NSL Notices
SHIP DATE	Fri 10/23/2020 05:47 PM
PACKAGING TYPE	FedEx Envelope
ORIGIN	Midland, TX, US, 79701
DESTINATION	OKLAHOMA CITY, OK, US, 73102
NUMBER OF PIECES	1
TOTAL SHIPMENT WEIGHT	0.50 LB
SERVICE TYPE	FedEx Standard Overnight

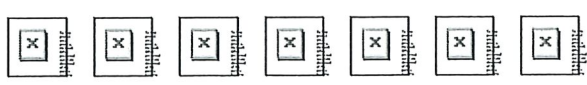


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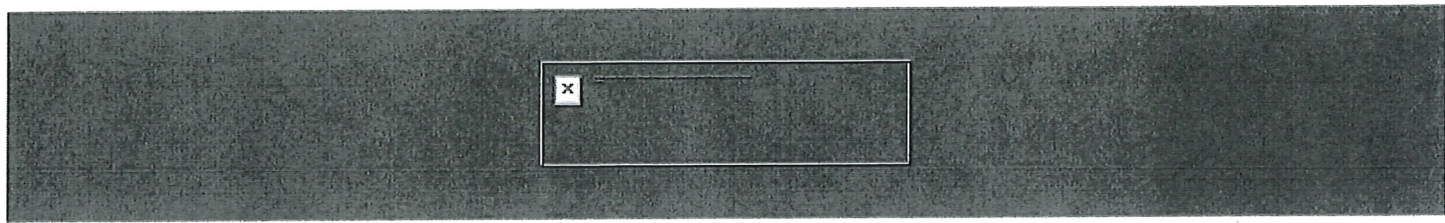
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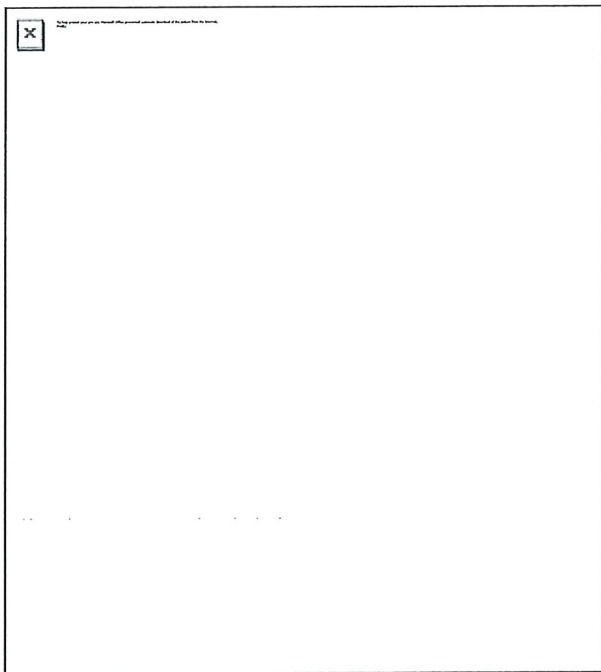
Delivered to 23231 INTERSTATE 45, SPRING, TX 77389
Received by B.KING

OBTAIN PROOF OF DELIVERY

TRACKING NUMBER	<u>771888277991</u>
FROM	Mewbourne Oil Company 500 West Texas, Suite 1020 Midland, TX, US, 79701
TO	XTO Energy Inc. Permian Land Manager

22777 Springwoods Village Pkwy
SPRING, TX, US, 77389

REFERENCE	Armstrong KN/JO NSL Notices
SHIPPER REFERENCE	Armstrong KN/JO NSL Notices
SHIP DATE	Fri 10/23/2020 05:47 PM
DELIVERED TO	Shipping/Receiving
PACKAGING TYPE	FedEx Envelope
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DESTINATION	SPRING, TX, US, 77389
NUMBER OF PIECES	1
TOTAL SHIPMENT WEIGHT	0.50 LB
SERVICE TYPE	FedEx Standard Overnight

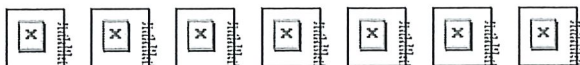


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Thank you for your business.

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 14301

CONDITIONS OF APPROVAL

Operator:	MEWBOURNE OIL CO	P.O. Box 5270	Hobbs, NM88241	OGRID:	14744	Action Number:	14301	Action Type:	NSL
OCD Reviewer									Condition
Ilowe									None