State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Melanie A. Kenderdine Cabinet Secretary

Ben Shelton Deputy Secretary **Gerasimos "Gerry" Razatos** Division Director (Acting) Oil Conservation Division



Brad Dunn bdunn@mewbourne.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8909

Mewbourne Oil Company [OGRID 14744] Canal 20 19 Federal Com Well No. 853H API No. 30-015-56355

Reference is made to your application received on March 10th, 2025.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	1040 FNL & 355 FEL	А	20	21S	27E	Eddy
First Take Point	1810 FNL & 100 FEL	Н	20	21S	27E	Eddy
Last Take Point/	1810 FNL & 100 FWL	Е	19	21S	27E	Eddy
Terminus						2

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
Section 20	1269.92	Carlsbad; Wolfcamp, East	74160
Section 19		_	

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced pool or formation. 19.15.16.15(B)(3)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal **gas** well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter section or equivalent. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 660 feet for a **gas** well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal

Administrative Order NSL – 8909 Mewbourne Oil Company Page 2 of 2

well shall be no closer than 330 feet for a **gas** in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of First and/or Last Take Points referenced above within the described Horizontal Spacing Unit.

This well's completed interval is as close as 100 feet to the eastern and 100 feet to the western boundary of the proposed horizontal spacing unit. Encroachment will impact the following tract(s).

Section 24, T21S, R26E, encroachment to the NE/4 Section 21, T21S, R27E, encroachment to the NW/4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location to maximize the recovery of oil and gas reserves within the Wolfcamp formation underlying Section 20 and Section 19. Thereby preventing waste within the formation all while protecting the correlative rights of affected persons within the encroached tracts.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.

Gerasimos Razatos Division Director (Acting) GR/lrl

Date: 4/23/2025

ID NO. 440679	I	NSL - 8909	Revised March 23, 2017
RECEIVED: 03/10/25	REVIEWER:	TYPE:	APP NO: pLEL2507929556
1	- Geolog	CO OIL CONSERVATIO ical & Engineering Bur rancis Drive, Santa Fe,	eau –
		EQUIRE PROCESSING AT THE DIVISIO	
Applicant: Mewbourne Oil Co			OGRID Number: 14744
Well Name: Canal 20/19 Fe Pool: Carlsbad; Wolfcamp, Ea			API: 30-015-Pending Pool Code: 74160
001,,,,			
SUBMIT ACCURATE AN	D COMPLETE IN	FORMATION REQUIRED T INDICATED BELOW	O PROCESS THE TYPE OF APPLICATION
1) TYPE OF APPLICATIO A. Location – Space	cing Unit – Simu	which apply for [A] Itaneous Dedication PROJECT AREA)	
 WFX 2) NOTIFICATION REQU A. Offset opera B. Royalty, ove C. Application D. Notification E. Notification F. Surface own 	Ag – Storage – A CTB F Disposal – Press PMX S RED TO: Check tors or lease ho rriding royalty o requires publish and/or concurr and/or concurr er above, proof c	PLC PC OLS ure Increase – Enhanced SWD IPI EOR those which apply. Iders whers, revenue owners ed notice ent approval by SLO ent approval by BLM	OLM d Oil Recovery PPR FOR OCD ONLY Notice Complete Application Content Complete
administrative appro	val is accurate Iction will be ta	and complete to the be ken on this application u	ed with this application for est of my knowledge. I also until the required information and
Note: Stater	nent must be comple	eted by an individual with manag	erial and/or supervisory capacity.
		2/	14/2025
Brad Dunn		Do	ate
Print or Type Name			32) 682-3715 none Number
7m 1/_		b	dunn@mewbourne.com

Signature

e-mail Address

MEWBOURNE OIL COMPANY

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

February 14, 2025

Via Certified Mail

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

Re: Application for Unorthodox Well Locations

 CANAL 20/19 FED COM #853H (API #30-015-pending) Surface Location: 1040' FNL & 355' FEL (Unit A) (Sec. 20) Proposed First Perf: 1810' FNL & 100' FEL (Unit H) (Sec. 20) - unorthodox Bottomhole Location: 1810' FNL & 100' FWL (Unit E) (Sec. 19) Proposed Last Perf: 1810' FNL & 100' FWL (Unit E) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, 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 unorthodox gas well locations for the above captioned CANAL 20/19 FED COM #712H, CANAL 20/19 FED COM #714H, CANAL 20/19 FED COM #716H, and CANAL 20/19 FED COM #718H wells. Each of these wells will be drilled as horizontal gas well in the Carlsbad; Wolfcamp, East Gas Pool [74160].

The above well will be dedicated to a standard 1269.92-acre gas spacing and proration unit comprising all of Section 20 and all of Section 19.

The Carlsbad; Wolfcamp, East Gas Pool is currently governed by Division Rule 19.15.16.15 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 quarterquarter 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 locations are necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying all of Section 20 and all of Section 19.

The affected offset acreage comprises the SE/4 of Section 13, E/2 of Section 24 and the NE/4 of Section 25, T21S, R26E, and the S/2 of Section 18, S/2 of Section 17, SW/4 of Section 16, W/2 of Section 21, NW/4 of Section 28, N/2 of Section 29, and the N/2 of Section 30, T21S, R27E, NMPM (See Attached Map). Notice of this application is being provided to the attached list of parties.

Attached is our Form C-102s showing the surface, first take point, and bottomhole location for the above captioned well. Also, attached is a map showing the affected offset acreage, a horizontal well plan, and notice list.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Carlsbad; Wolfcamp, East Gas Pool underlying Sections 20 & 19 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 <u>bdunn@mewbourne.com</u> or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Brad Dunn Landman Received by OCD: 3/10/2025 10:22:43 AM

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<u>C-10</u>	_		State of New Mexico Energy, Minerals & Natural Resources Department					Revised July 9, 2024			
	t Electronic CD Permitti		OIL CONSERVATION DIVISION					☐ Initial Submittal			
							Submittal Type:		Amended Rep	ort	
						51		As Drilled			
			1		WELL LOCAT	TION INFORMATIC	N				
API N			Pool Code		4160	Pool Name C	ARLSBAD	EAST		LFCAMP GA	S
Proper	ty Code		Property Na	ame	CANA	L 20/19 FE	D COM		Well	Number 8	53H
OGRII) No.	14744	Operator Name MEWBOURNE OIL COMPANY Ground Level Elevation					3207'			
Surface	e Owner: 🗆	State Fee [⊥ □Tribal □Fe	ederal		Mineral Owner:		🗆 Tribal	□ Fee	deral	
					Surf	ace Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude		County
Α	20	21S	27E		1040 FNI	355 FEL	32.46993	53°N	104.2047142°W		EDDY
					Bottom	Hole Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Long	itude	County
Ε	19	21S	27E		1810 FNI	100 FWL	32.46737	08°N	104	.2371592 ° W	EDDY
		1		T							
	ted Acres 69.92	Infill or Defi DEFININ	-		g Well API	Overlapping Spa		Consoli	dation	Code COM	
	Numbers.	DEFININ	IG WELL			Y Well setbacks are under Common Ownersh					
Older	Numbers.								mp. ∟		
	1	1	1	1		ff Point (KOP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	0.0001	Long		County
H	20	21S	27E		1810 FNI	NL 10 FEL 32.4678090°N 104.2035981°W ED Take Point (FTP)				EDDY	
UL	Section	Township	Range	Lot	First 12 Ft. from N/S	Ft. from E/W Latitude Longitude			itude	County	
H	20	21S	27E		1810 FNI		e			EDDY	
						lke Point (LTP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Long	itude	County
Unitized Area or Area of Uniform Interest Spacing Unit Type Hori				izontal 🗌 Vertical	Grou	nd Floor I	Elevat	ion:			
OPERATOR CERTIFICATIONS				SURVEYOR CER	TIFICATIONS						
my knowledge and belief, and , if the well is a vertical or directional well, that this				I hereby certify that th surveys made by me u my belief.	nder my superview	ME 19680	Hosan CO	s plotted from field no ne is true and correct t	tes of actual o the best of		
Signature			Date			Signature and Seal of Pros	fessional Surveyor	7.			
Printed N	ame					Certificate Number Date of Survey					
						19680		0	2/2	2/2024	
Email Ac	ldress							0	~/~		

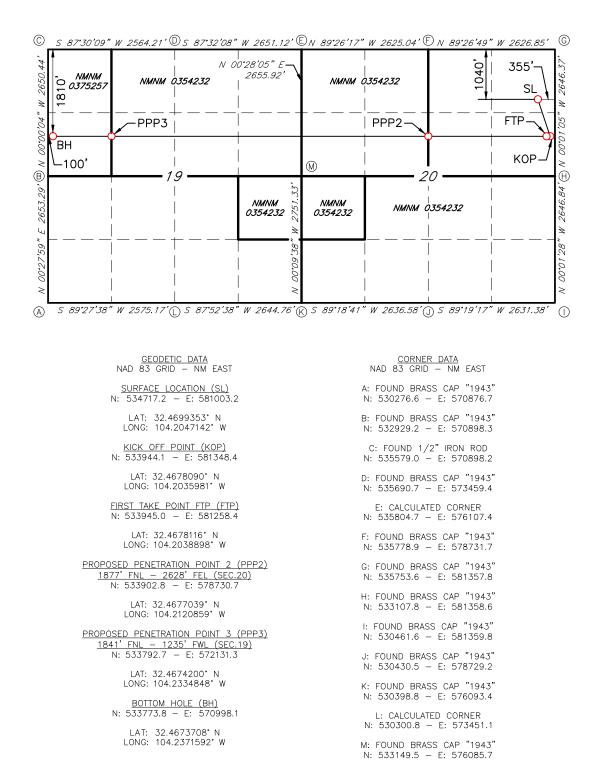
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division. Released to Imaging: 5/2/2025 11:52:03 AM JOB #: LS24020158D2

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is a directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

CANAL 20/19 FED COM #853H



MEWBOURNE OIL COMPANY 500 West Texas Avenue, Suite 1020 MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

February 14, 2025

Via Certified Mail

Affected Parties (See Attached List)

- Re: Application for Non Standard Locations
 - CANAL 20/19 FED COM #712H (API #30-015-pending) Surface Location: 1020' FNL & 355' FEL (Unit A) (Sec. 20) Proposed First Perf: 830' FNL & 100' FEL (Unit A) (Sec. 20) - unorthodox Bottomhole Location: 830' FNL & 100' FWL (Unit D) (Sec. 19) Proposed Last Perf: 830' FNL & 100' FWL (Unit D) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico
 - CANAL 20/19 FED COM #714H (API #30-015-pending) Surface Location: 1060' FNL & 355' FEL (Unit A) (Sec. 20) Proposed First Perf: 2150' FNL & 100' FEL (Unit H) (Sec. 20) - unorthodox Bottomhole Location: 2150' FNL & 100' FWL (Unit D) (Sec. 19) Proposed Last Perf: 2150' FNL & 100' FWL (Unit E) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico
 - CANAL 20/19 FED COM #716H (API #30-015-pending) Surface Location: 1540' FSL & 1130' FWL (Unit L) (Sec. 21) Proposed First Perf: 1810' FSL & 100' FEL (Unit I) (Sec. 20) - unorthodox Bottomhole Location: 1810' FSL & 100' FWL (Unit L) (Sec. 19) Proposed Last Perf: 1810' FSL & 100' FWL (Unit L) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico
 - 4. CANAL 20/19 FED COM #718H (API #30-015-pending) Surface Location: 1500' FSL & 1130' FWL (Unit L) (Sec. 21) Proposed First Perf: 490' FSL & 100' FEL (Unit P) (Sec. 20) - unorthodox Bottomhole Location: 490' FSL & 100' FWL (Unit M) (Sec. 19) Proposed Last Perf: 490' FSL & 100' FWL (Unit M) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico
 - CANAL 20/19 FED COM #851H (API #30-015-pending) Surface Location: 1000' FNL & 355' FEL (Unit A) (Sec. 20)
 Proposed First Perf: 490' FNL & 100' FEL (Unit A) (Sec. 20) - unorthodox Bottomhole Location: 490' FNL & 100' FWL (Unit D) (Sec. 19)
 Proposed Last Perf: 490' FNL & 100' FWL (Unit D) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico

- 6. CANAL 20/19 FED COM #853H (API #30-015-pending) Surface Location: 1040' FNL & 355' FEL (Unit A) (Sec. 20) Proposed First Perf: 1810' FNL & 100' FEL (Unit H) (Sec. 20) - unorthodox Bottomhole Location: 1810' FNL & 100' FWL (Unit E) (Sec. 19) Proposed Last Perf: 1810' FNL & 100' FWL (Unit E) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico
- CANAL 20/19 FED COM #855H (API #30-015-pending) Surface Location: 1560' FSL & 1130' FWL (Unit L) (Sec. 21) Proposed First Perf: 2150' FSL & 100' FEL (Unit I) (Sec. 20) - unorthodox Bottomhole Location: 2150' FSL & 100' FWL (Unit L) (Sec. 19) Proposed Last Perf: 2150' FSL & 100' FWL (Unit L) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico
- CANAL 20/19 FED COM #857H (API #30-015-pending) Surface Location: 1520' FSL & 1130' FWL (Unit L) (Sec. 21) Proposed First Perf: 830' FSL & 100' FEL (Unit P) (Sec. 20) - unorthodox Bottomhole Location: 830' FSL & 100' FWL (Unit M) (Sec. 19) Proposed Last Perf: 830' FSL & 100' FWL (Unit M) (Sec. 19) – unorthodox Located in the all of Sections 20 and 19-T21S-R27E, NMPM Eddy County, New Mexico

To Whom It May Concern:

Enclosed is a copy of Mewbourne Oil Company's (MOC) Application for Unorthodox Non Standard Well Locations for the CANAL 20/19 FED COM #712H, CANAL 20/19 FED COM #714H, CANAL 20/19 FED COM #716H, CANAL 20/19 FED COM #718H, CANAL 20/19 FED COM #851H, CANAL 20/19 FED COM #853H, CANAL 20/19 FED COM #855H, and CANAL 20/19 FED COM #857H wells covering all of Sections 20 and 19-T21S-R27E, NMPM, Eddy County, New Mexico. You are being sent a copy of this Application per OCD's requirements to notify the interest owners in the affected offset acreage. If you have any objection to this Application, notification should be given within 20 days of the date of this letter. The Application has been filed with the OCD as of this date.

The unorthodox locations are necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying Section 20 and Section 19.

If you have any questions regarding this application, please contact me via telephone at 432-682-3715 or via email at <u>bdunn@mewbourne.com</u>.

Sincerely,

MEWBOURNE OIL COMPANY

Brad Dunn Landman

PLAT OF AFFECTED AREA

24-21S-			
26E	19-21S-27E	20-21S-27E	21-21S-27E
202			
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05.040			
25-21S-	20.246.275	20 248 275	20 246 275
26E	30-21S-27E	29-21S-27E	28-21S-27E
		AFFECTED TRACTS	
		AFFECTED TRACTS	

OWNER NAME	ADDRESS LINE 1	ADDRESS LINE 2	ADDRESS LINE 3	CITY	STATE	ZIP	TRACKING NUMBER
Ida Mae Rayroux Revocable Trust	5 Bessies Landing Drive			Poquoson	VA	23662	9414 8362 0855 1278 3541 37
The Dougherty Family Living Trust	6 Bessies Landing Drive			Poquoson	VA	23663	9415 8362 0855 1278 3547 79
Rachel A. West	1711 Standpipe Road			Carlsbad	NM	88220	9416 8362 0855 1278 3555 16
William Dean Wall and Mary L. Wall	2109 Sandy Lane			Carlsbad	NM	88220	9417 8362 0855 1278 3555 54
Kenney L. Rayroux and Carolyn J. Rayroux	2110 Solana			Carlsbad	NM	88220	9418 8362 0855 1278 3555 85
OXY Y-1 Company	Attn: Permian Land Manager	PO Box 27570		Houston	ТΧ	77227	9419 8362 0855 1278 3556 08
Ross Duncan Properties, LLC	PO Box 647			Artesia	NM	88211	9420 8362 0855 1278 3556 46
Southwest Petroleum Services, LLC	100 N Pennsylvania			Roswell	NM	88203	9421 8362 0855 1278 3556 60
B&G Royalties	PO Box 376			Artesia	NM	88211	9422 8362 0855 1278 3557 07
Oak Valley Mineral and Land, LP	PO Box 50820			Midland	ТΧ	79710	9423 8362 0855 1278 3557 38
Bureau of Land Management	310 Old Santa Fe Trail			Santa Fe	NM	87508	9424 8362 0855 1278 3557 45
Matador Production Company	One Lincoln Centre	5400 LBJ Freeway	STE 1500	Dallas	ТΧ	75240	9425 8362 0855 1278 3558 20
Snow Oil & Gas Inc.	P.O. Box 1277			Andrews	ТΧ	79714	9426 8362 0855 1278 3558 82
Permian Resources Operating, LLC	300 N. Marienfeld St	STE 1000		Midland	ТΧ	79701	9427 8362 0855 1278 3559 67

CANAL 20/19 NSL DISTRIBUTION LIST

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Operator:	OGRID:
MEWBOURNE OIL CO	14744
P.O. Box 5270	Action Number:
Hobbs, NM 88241	440679
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)
CONDITIONS	

Created By Condition Condition Ilowe None 3/20/2025

Action 440679

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