

**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 Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-102  
August 1, 2011  
Permit 174741

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-41729	2. Pool Code 97721	3. Pool Name WC:SALT DRAW;WOLFCAMP, (G)
4. Property Code 39758	5. Property Name Salt Draw 2 CN Fee	6. Well No. 002H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 2971

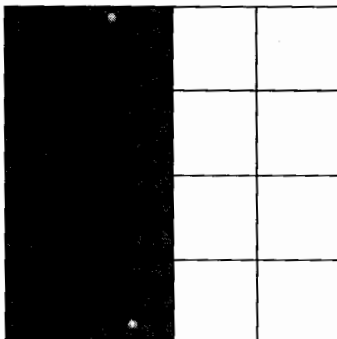
**10. Surface Location**

UL - Lot C	Section 2	Township 25S	Range 28E	Lot Idn	Feet From 150	N/S Line N	Feet From 1670	E/W Line W	County Eddy
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**11. Bottom Hole Location if Different From Surface**

UL - Lot N	Section 2	Township 25S	Range 28E	Lot Idn N	Feet From 330	N/S Line S	Feet From 1980	E/W Line W	County Eddy
12. Dedicated Acres 321.09	13. Joint or Infill		14. Consolidation Code				15. 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**

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><i>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(s) 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.</i></p> <p>E-Signed By:      Monty Whelstone Title:                Vice President Operations Date:                10/9/2013</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Surveyed By:        Robert Howell Date of Survey:     10/2/2013 Certificate Number: 19680</p>
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## McMillan, Michael, EMNRD

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**From:** jamesbruc@aol.com  
**Sent:** Wednesday, December 11, 2013 9:42 AM  
**To:** McMillan, Michael, EMNRD  
**Subject:** Re: Mewbourne Salt Draw 2 CN Draw 2H Eddy Co.

Beginning or producing interval: 330 feet FNL & 1768 feet FWL

-----Original Message-----

**From:** McMillan, Michael, EMNRD, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>  
**To:** jamesbruc <[jamesbruc@aol.com](mailto:jamesbruc@aol.com)>  
**Sent:** Tue, Dec 10, 2013 4:19 pm  
**Subject:** RE: Mewbourne Salt Draw 2 CN Draw 2H Eddy Co.

The surface location is not in question. It is the beginning of producing interval that is in question based on your letter.

Thanks Mike

**From:** [jamesbruc@aol.com](mailto:jamesbruc@aol.com) [<mailto:jamesbruc@aol.com>]  
**Sent:** Tuesday, December 10, 2013 3:40 PM  
**To:** McMillan, Michael, EMNRD  
**Subject:** Re: Mewbourne Salt Draw 2 CN Draw 2H Eddy Co.

Mike: Use 1670 feet FWL (not 1678), which is the number set forth in the C-102.

-----Original Message-----

**From:** McMillan, Michael, EMNRD, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>  
**To:** jamesbruc <[jamesbruc@aol.com](mailto:jamesbruc@aol.com)>  
**Sent:** Tue, Dec 10, 2013 3:24 pm  
**Subject:** RE: Mewbourne Salt Draw 2 CN Draw 2H Eddy Co.

I am confused about the location of the penetration point. Please clarify if 1768 or 1678 FSL.

Thanks Mike

**From:** [jamesbruc@aol.com](mailto:jamesbruc@aol.com) [<mailto:jamesbruc@aol.com>]  
**Sent:** Tuesday, December 10, 2013 3:03 PM  
**To:** McMillan, Michael, EMNRD  
**Subject:** Re: Mewbourne Salt Draw 2 CN Draw 2H Eddy Co.

Mike: My dyslexia got to me. Use the footage on the C-102.

Thanks,

Jim

-----Original Message-----

**From:** McMillan, Michael, EMNRD, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>  
**To:** jamesbruc <[jamesbruc@aol.com](mailto:jamesbruc@aol.com)>  
**Sent:** Tue, Dec 10, 2013 2:16 pm  
**Subject:** Mewbourne Salt Draw 2 CN Draw 2H Eddy Co.

Jim:

It was good seeing you at lunch. I am confused about the penetration point on the Mewbourne Salt Draw 2 CN Draw 2H. Your surface location on your letter states 1760 FWL, and the C-102 says 1670. Should the penetration point be 1678 FWL; instead of 1768?

Thank You

DATE IN 12/02/13	SUSPENSE	ENGINEER MM	LOGGED IN 12/02/13	TYPE NSL	APP NO. P7891333654996
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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



2013 NOV 25 P 2:34

### 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 \_\_\_\_\_

Marbourne Oil  
 Salt Draw 2CJ Fee #2H  
 30-015-41729

#### [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

11/22/13  
 Date

jamesbruce@ool.com  
 e-mail Address

**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)

November 22, 2013

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

Dear Mr. Brooks:

Pursuant to NMAC 19.15.15.13, Mewbourne Oil Company applies for approval of an unorthodox gas well location for the following well:

<u>Well:</u>	Salt Draw 2 CN Fee Well No. 2H
<u>Surface location:</u>	150 feet FNL & 1760 feet FWL
<u>Beginning of producing interval:</u>	330 feet FNL & 1768 feet FWL
<u>Bottom hole location:</u>	330 feet FSL & 1980 feet FWL
<u>Well unit (project area):</u>	Lots 3, 4, S½NW¼, and SW¼ (W½) of Section 2, Township 25 South, Range 28 East, N.M.P.M., Eddy County, New Mexico

The well will be drilled to a depth sufficient to test the Wolfcamp formation. The formation is spaced on statewide rules, with 320 acre spacing and wells to be located no closer than 660 feet to a quarter section line. A Form C-102 is attached as Exhibit A.

The beginning of the producing interval and the bottom hole location are unorthodox in order to maximize the productive interval of the wellbore.

A land plat is attached as Exhibit B. The offset operators or working interest owners are:

Section 35-24S-28E  
Mewbourne Oil Company  
Devon Energy Production Company, L.P.  
EOG Resources, Inc.  
Chevron U.S.A. Inc.

RKC, Inc.

Section 11

Nearburg Producing Company

Chevron U.S.A. Inc.

COG Operating LLC

Transcendent Oil & Gas Properties, LLC

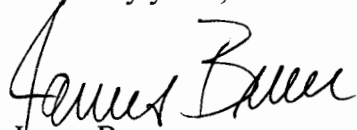
Magnum Hunter Production, Inc.

Matador Production Company

The notice letter to the offsets is attached as Exhibit C.

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

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

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

<sup>1</sup> API Number <b>30-015-41729</b>	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>SALT DRAW 2 CN FEE</b>	<sup>6</sup> Well Number <b>2H</b>
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name <b>MEWBOURNE OIL COMPANY</b>	<sup>9</sup> Elevation <b>2971'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>3</b>	<b>2</b>	<b>25-S</b>	<b>28-E</b>		<b>150</b>	<b>NORTH</b>	<b>1670</b>	<b>WEST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

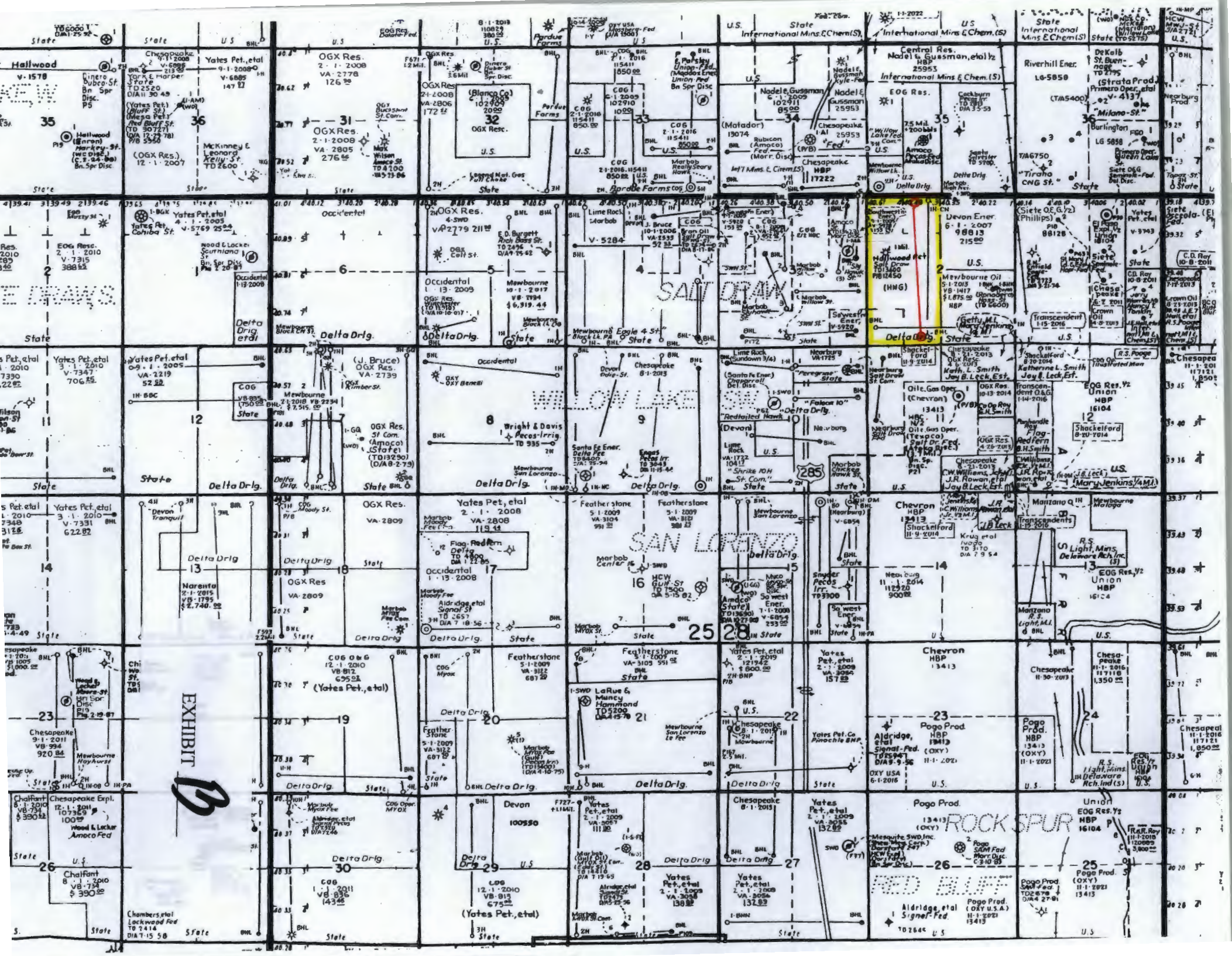
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<p>N 89°57'57" W 2647.27'</p> <p>N 89°59'05" W 2648.92'</p> <p>1670'</p> <p>150'</p> <p>LOT 4</p> <p>LOT 3</p> <p>LOT 2</p> <p>LOT 1</p> <p>GEODETIC DATA NAD 27 GRID - NM EAST SURFACE LOCATION N 424213.5 E 584394.6 LAT: 32.1659856° N LONG: 104.06059614° W CORNER DATA NAD 27 GRID - NM EAST A: FND BRASS CAP N 419029.5 - E 582711.1 B: FND BRASS CAP N 421686.2 - E 582718.6 C: FND 1940 BRASS CAP N 424364.4 - E 582725.4 D: FND BRASS CAP N 424362.8 - E 585372.0 E: FND BRASS CAP N 424362.1 - E 588020.4 F: FND BRASS CAP N 421747.7 - E 588012.1 G: FND BRASS CAP N 419133.6 - E 587996.8 H: FND BRASS CAP N 419081.7 - E 585354.1</p> <p>EXHIBIT <b>A</b></p>		<p><sup>17</sup> 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.</p> <p>Date</p>
<p>N 88°52'13" E 2644.07'</p> <p>N 88°52'28" E 2643.81'</p>		<p><sup>18</sup> 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.</p> <p>10/7/13 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680 Certificate Number</p>







**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)

November 22, 2013


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 gas well location in the W½ of Section 2, Township 25 South, Range 28 East, N.M.P.M., Eddy 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 the date 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 C



Exhibit A

Devon Energy Production Company, L.P.  
333 West Sheridan  
Oklahoma City, Oklahoma 73102

EOG Resources, Inc.  
P.O. Box 2267  
Midland, Texas 79702

Chevron U.S.A. Inc.  
15 Smith Road  
Midland, Texas 79705

RKC, Inc.  
Suite 380  
7500 East Arapahoe Road  
Centennial, Colorado 80122

Nearburg Producing Company  
Building 2, Suite 120  
3300 North A Street  
Midland, Texas 79705

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

Transcendent Oil & Gas Properties, LLC  
Suite 200  
4425 98th Street  
Lubbock, Texas 79424

Magnum Hunter Production, Inc.  
Suite 600  
600 North Marienfeld  
Midland, Texas 79701

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