REVIEWER:

ABOVE THIS TABLE FOR OCD DIVISION USE ONL

NEW MEXICO OIL CONSERVATION DIVISION

- Geological & Engineering Bureau -



1220 South St. Francis Drive, S	Santa Fe, NM 87505
ADMINISTRATIVE APPLIC	CATION CHECKLIST
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE A REGULATIONS WHICH REQUIRE PROCESSING	The state of the s
Applicant: Mewbourne Oil Company	OGRID Number: 14744
Vell Name: El Mar 21 W0DM Fed Com #2H ool: Upper Wolfcamp	API: 30-025-42935 Pool Code: 98097
SUBMIT ACCURATE AND COMPLETE INFORMATION R INDICATED 1) TYPE OF APPLICATION: Check those which apply f A. Location – Spacing Unit – Simultaneous Dedice INSL NSP (PROJECT AREA)	or[A] NSL = 7586
B. Check one only for [1] or [1] [1] Commingling – Storage – Measurement DHC CTB PLC PC [11] Injection – Disposal – Pressure Increase – WFX PMX SWD IPI 2) NOTIFICATION REQUIRED TO: Check those which a A. Offset operators or lease holders B. Royalty, overriding royalty owners, revenue C. Application requires published notice D. Notification and/or concurrent approval to the surface owner G. Surface owner G. For all of the above, proof of notification of the property of the surface of the surface of the surface of the surface owner	FOR OCD ONLY Apply. Por occion of the property of the proper

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.

Tyler Jolly	
Print or Type Name	
-/	

432-682-3715

8/31/2017 Date

Phone Number

tjolly@mewbourne.com e-mail Address

MEWBOURNE OIL COMPANY

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

August 31, 2017

Via Email

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

Application for Unorthodox Well Location Re:

El Mar 21 W0DM Fed Com #2H

API No. 30-025-42935

Surface Location: 190' FNL & 1290' FWL First Take Point: 330' FNL & 1100' FWL Last Take Point: 330' FSL & 1100' FWL Bottomhole Location: 330' FSL & 1100' FWL W/2W/2 of Section 21, T-26-S, R-33-E, NMPM

Lea 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 well location for its proposed El Mar 21 W0DM Fed Com #2H well. This well will be drilled as a horizontal well in the Upper Wolfcamp (Pool Code 98097).

The El Mar 21 W0DM Fed Com #2H well will be dedicated to a standard 160-acre spacing and proration unit comprising the W/2W/2 of Section 21. There is currently one other existing Wolfcamp producing well within the proposed spacing unit, the El Mar 21 W1DM Fed Com #3H (API# 30-025-42774).

Since this acreage is governed by the Division's statewide rules which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it is closer than 330 feet to the eastern boundary of the project area.

The unorthodox location is necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying the W/2W/2 of Section 21.

The affected offset acreage comprises the Sections 16, 21, & 28, T26S- R33E NMPM (See Attached Map). There are currently the following Wolfcamp producers within the offset acreage:

Mewbourne Oil Company Unorthodox Location Application Salado Draw 10 W1PA Fed Com #2H Page 2 of 2

API	Name	Number	Operator	Section
3002543402	BRASWELL 16 STATE	707H	EOG	16
3002543403	BRASWELL 16 STATE	708H	EOG	16
3002543404	BRASWELL 16 STATE	709H	EOG	16
3002543524	RATTLESNAKE 28 FED COM	706H	EOG	28
3002543525	RATTLESNAKE 28 FED COM	707H	EOG	28
3002543526	RATTLESNAKE 28 FED COM	708H	EOG	28
3002543527	RATTLESNAKE 28 FED COM	709H	EOG	28

Notice of this application is being provided to EOG Resources, Inc., Mr. & Mrs. Aaron & Rachel Breedyk, Axis Energy Corporation, Mr. Bill Fenn, Trustee and Individually, Mr. & Mrs. Chad Barbe, Escondido Oil & Gas, LLC, Holloway Investments, LLC, Marathon Oil Permian, LLC, Tanna Energy Partners, LP.

Attached is a Form C-102 showing the surface, first take point, last take point, and bottomhole locations for the El Mar 21 W0DM Fed Com #2H. Also, attached is a map showing the affected offset acreage, notice list, and offset notice letter.

All owners noticed on the attached notice list were sent the Application for Unorthodox Well Location via certified mail on August 31, 2017.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Upper Wolfcamp (Pool 98097) underlying Section 21 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 tjolly@mewbourne.com or call me at (432) 682-3715.

Very truly yours,

MEWBOURNE OIL COMPANY

Tyler Jolly Landman

Xc: OCD-Artesia

| District | District

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

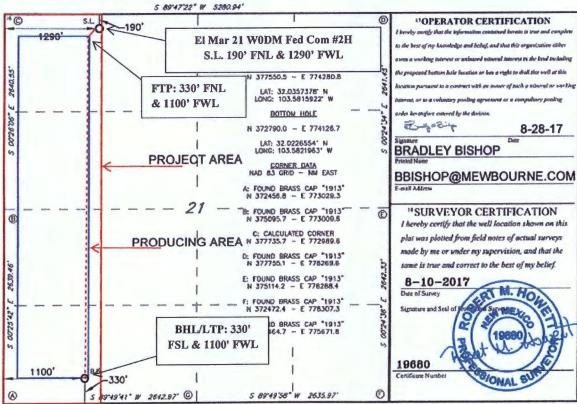
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

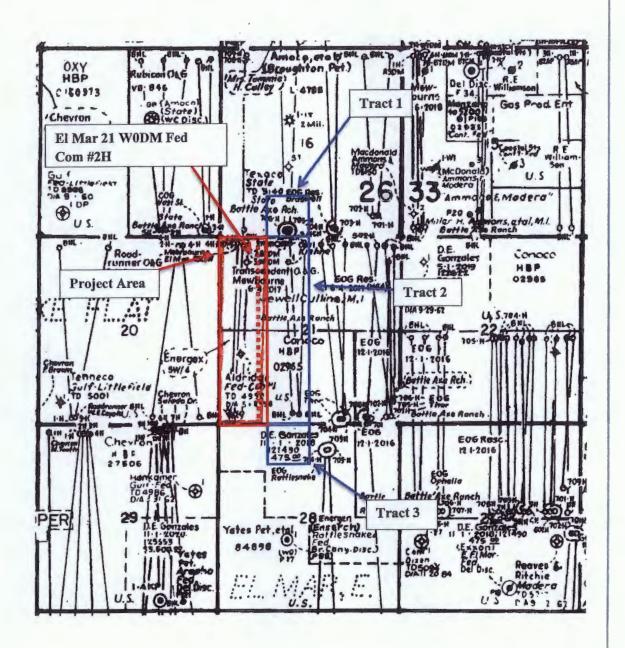
30-025-42935	³ Pool Code 98097	WC-025 G-09 S263327G;	
4Property Code 315646		Property Name VODM FEDERAL COM	6 Well Number 2H
14744		Decrator Name IE OIL COMPANY	*Elevation 3271*

"Surface Location Lot Idn Feet From the East/West line Range NORTH 1290 WEST LEA 21 **26S** 33E 190 " Bottom Hole Location If Different From Surface East/West line Fort from the North/South line Feet from the County 1100 WEST LEA 33E 330 SOUTH **26S** 21 12 Dedicated Acres 15 Order No. 13 Joint or Infill **NSL PENDING** 160

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.



Job No.: LS1707429



Notice List

Mewbourne Oil Company

Application for Unorthodox Well Location

El Mar 21 W0DM Fed Com #2H

Lea County, New Mexico

Owners Noticed	Tract Numbers	Certified Tracking Number
EOG Resources, Inc., 5509 Champions Dr. Midland, TX 79706 Attn: Land Manager	Tracts 1 & 3	9414810699945025321141
Mr. & Mrs. Aaron & Rachel Breedyk P.O. Box 2872 Roswell, NM 88202-2872	Tract 2	9414810699945025321196
Axis Energy Corporation P. O. Box 2107 Roswell, New Mexico 88202 Attn: Mr. Ken Barbe, Jr.	Tract 2	9414810699945025321219
Bill Fenn, Individually and as Trustee U/W/O Joe Glenn Fenn P.O. Box 1757 Roswell, NM 88202	Tract 2	9414810699945025321318
Mr. & Mrs. Chad Barbe 121 W. 3rd Street Roswell, NM 88201-4774	Tract 2	9414810699945025321356
Escondido Oil & Gas, LLC P.O. Box 51390 Midland, TX Attn: Tyler Nobles	Tract 2	9414810699945025321455
Holloway Investments, LLC P.O. Box 1571 Roswell, NM 88202 Attn. Byron Holloway	Tract 2	9414810699945025321608

Marathon Oil Permian LLC 5555 San Felipe Street Houston, TX 77056	Tract 2	9414810699945025322056
Tanna Energy Partners, LP P.O. Box 50820 Midland, TX 79710 Attn. Mr. Brian Arnold, Jr.	Tract 2	.9414810699945025322124
NMOCD 811 S. 1st Street Artesia, NM 88210 Attn: Paul Kautz	Tract 2	9414810699945025322216

MEWBOURNE OIL COMPANY

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

August 31, 2017

Via Certified Mail

See Attached List

Re: Mewbourne Oil Company's Application for Unorthodox Well Location

El Mar 21 W0DM Fed Com #2H

API No. 30-025-42935

Surface Location: 190' FNL & 1290' FWL First Take Point: 330' FNL & 1100' FWL Last Take Point: 330' FSL & 1100' FWL Bottomhole Location: 330' FSL & 1100' FWL

Proration Unit: W/2W/2 of Section 21, T-26-S, R-33-E, NMPM, Lea County, New Mexico

Upper Wolfcamp (Pool Code 98097)

Ladies and Gentlemen:

Please find the enclosed copy of the application filed by Mewbourne Oil Company ("Mewbourne") for approval of an unorthodox well location for the El Mar 21 W0DM Fed Com #2H well located at the surface, first take point, last take point, and bottomhole locations described above. The well will test the Upper Wolfcamp (Pool Code 98097) and will be dedicated to a 160-acre spacing and proration unit comprising the W/2W/2 of Section 21, T-26-S, R-33-E, NMPM, Lea County, New Mexico. The unorthodox location is necessary in order to maximize the recovery of oil and gas reserves within the Wolfcamp formation underlying the W/2W/2 of Section 21.

As the owner of an interest that may be affected by the proposed unorthodox well location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

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

Very truly yours,

MEWBOURNE OJL COMPANY

Tyler Jolly Landman

Enclosure

Xc: OCD-Artesia

Lowe, Leonard, EMNRD

From:

Tyler Jolly <tjolly@mewbourne.com>

Sent:

Wednesday, September 6, 2017 3:01 PM

To:

Lowe, Leonard, EMNRD

Cc:

Jones, William V, EMNRD

Subject:

RE: NMOCD Application for Unorthodox Well Location

Attachments:

C-102 El Mar 21 W0DM Fed Com #2H.pdf

Leonard,

We submitted a sundry for the permit on August 28, 2017 referenced on the C-102 in the NSL packet I emailed to you (please see attached). The information is probably not updated on the database yet, being the sundry was filed last week.

Please contact me if you have any further questions or need additional information.

Tyler Jolly

Mewbourne Oil Company

500 West Texas, Suite 1020, Midland, TX 79701

Ph: 432-682-3715 / Fax: 432-685-4170

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]

Sent: Wednesday, September 06, 2017 3:30 PM

To: Tyler Jolly

Cc: Jones, William V, EMNRD

Subject: RE: NMOCD Application for Unorthodox Well Location

Importance: High

Tyler Jolly,

Our database pertaining to this API NSL request indicates it is associated with the following well name: EL MAR 21 B2DM FEDERAL COM NO. 2H.

Your submitted NSL application referencing the same API references a different name: EL MAR 21 W0DM FED COM NO. 2H.

Please clarify.

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe. New Mexico 87004

Office: 505-476-3492 Cell: 505-930-6717 Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

From: Lowe, Leonard, EMNRD

To: "Tyler Jolly"

Cc: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; Sharp, Karen, EMNRD; "jglover@blm.gov"; "scaffey@blm.gov";

"jstovall@blm.gov"

Subject: APPROVED NSL-7586_Mewbourne Oil Company_SEC 21 26S 33E

Date: Tuesday, September 26, 2017 10:36:00 AM

Importance: High

Mr. Tyler Jolly,

The following administrative order has been issued and will soon be available on the Division's web site:

http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx

NSL-7586

Mewbourne Oil Company

API #: 30-025-42935

WELL: El Mar 21 W0DM Federal Com Well No. 2H

Leonard Lowe

Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004

Office: 505-476-3492 Cell: 505-930-6717 Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: http://www.emnrd.state.nm.us/ocd/