

04/14/2018

DATE

SUSPENSE

ENGINEER

LANDMAN

LOGGED IN

4/18/2018

TYPE

NSP

APP NO.

1801831374

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.

Mitchell Robb

Print or Type Name

Signature

Title

LANDMAN

Date

9/20/2016

mrobb@newbourne.com
e-mail Address

McMillan, Michael, EMNRD

From: Mitch Robb <mrobb@mewbourne.com>
Sent: Thursday, April 19, 2018 8:51 AM
To: McMillan, Michael, EMNRD
Subject: Re: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

Mike,

I apologize, I meant to send this to you yesterday but the tracking number for the NSP that we mailed to the BLM is 9414810699945030786942.

Please let me know if you need any additional information.

Thanks for your help on this.

Mitch Robb
Landman
Mewbourne Oil Company
Office: (432) 682-3715
Cell : (405) 394-8583
Email: mrobb@mewbourne.com

From: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Sent: Tuesday, April 17, 2018 5:43:43 PM
To: Mitch Robb
Subject: RE: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

IS this subject to any compulsory poolings?

From: McMillan, Michael, EMNRD
Sent: Tuesday, April 17, 2018 4:37 PM
To: 'Mitch Robb' <mrobb@mewbourne.com>
Subject: RE: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

Mitch:
We show your application as cancelled.
Call me to discuss
Mike

From: McMillan, Michael, EMNRD
Sent: Tuesday, April 17, 2018 4:23 PM
To: 'Mitch Robb' <mrobb@mewbourne.com>
Subject: RE: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

Did you notify everyone in the mineral interest estate in the NW/4 of Section 3?
Mike

MEWBOURNE OIL COMPANY

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

September 20, 2016

Via Certified Mail

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

Re: Application for Unorthodox Well Location and Non-Standard Proration Unit
Annabelle 13/18 W2BA Fed Com #1H
Surface Location: 145' FSL & 1980' FWL (Unit N – Section 12, T24S, R26E)
First Take Point: 330' FNL & 2310' FEL (Unit B– Section 13, T24S, R26E)
Last Take Point: 330' FNL & 330' FEL (Unit A – Section 18, T24S, R27E)
Bottomhole Location: 330' FNL & 330' FEL (Unit A – Section 18, T24S, R27E)
Proration Unit: NE/4 Section 13, T-24-S, R-26-E, NMPM and N/2 Section 18, T-24-S, R-27-E, NMPM, Eddy County, New Mexico

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.4.12.A.3 and 19.15.15.13, Mewbourne Oil Company (“Mewbourne”) respectfully requests administrative approval of an unorthodox gas well location and non-standard proration unit for its proposed Annabelle 13/18 W2BA Fed Com #1H well. This well will be drilled as a horizontal gas well in the Black River Wolfcamp Gas Pool (72240).

The Annabelle 13/18 W2BA Fed Com #1H will be dedicated to a 480-acre gas spacing and proration unit comprising the NE/4 Section 13 and N/2 Section 18. There are currently no other existing Wolfcamp producing wells within the proposed spacing unit.

The Black River Wolfcamp Gas Pool is currently governed by Division Rule 19.19.15.10 which requires standard 320-acre gas spacing and proration units with wells to be located no closer than 660 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 660 feet to the outer boundary of the producing area.

The unorthodox location and non-standard proration unit are necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying the NE/4 Section 13 and N/2 Section 18.

The affected offset acreage comprises the E/2 and SW/4 of Section 12, NW/4 and S/2 of Section 13, Township 24 South, Range 26 East, NMPM, all of Section 7, S/2 of Section 8, all of Section 17, S/2 of Section 18, Township 24 South, Range 27 East, NMPM (See Attached Map). There are currently the following Wolfcamp producers within the offset acreage:

- Habanero 17 Federal Com #1H (API No: 3001536108), Section 17, T24S, R27E

Consequently, notice of this application is being provided to O'Neill Properties, Ltd., HOSP Minerals, L.L.C., MRC Permian Company, Apache Corporation, COG Operating LLC, Marshall & Winston, Inc., Devon Energy Production Company, L.P., Texas Redhand, LLC, Michael T. O'Neill, and Simone Huys O'Neill, LLC

Attached is a Form C-102 showing the surface, first take point, last take point, and bottomhole locations for the Annabelle 13/18 W2BA Fed Com #1H. 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 Black River Wolfcamp Gas Pool underlying the NE/4 Section 13 and N/2 Section 18 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 mrobb@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

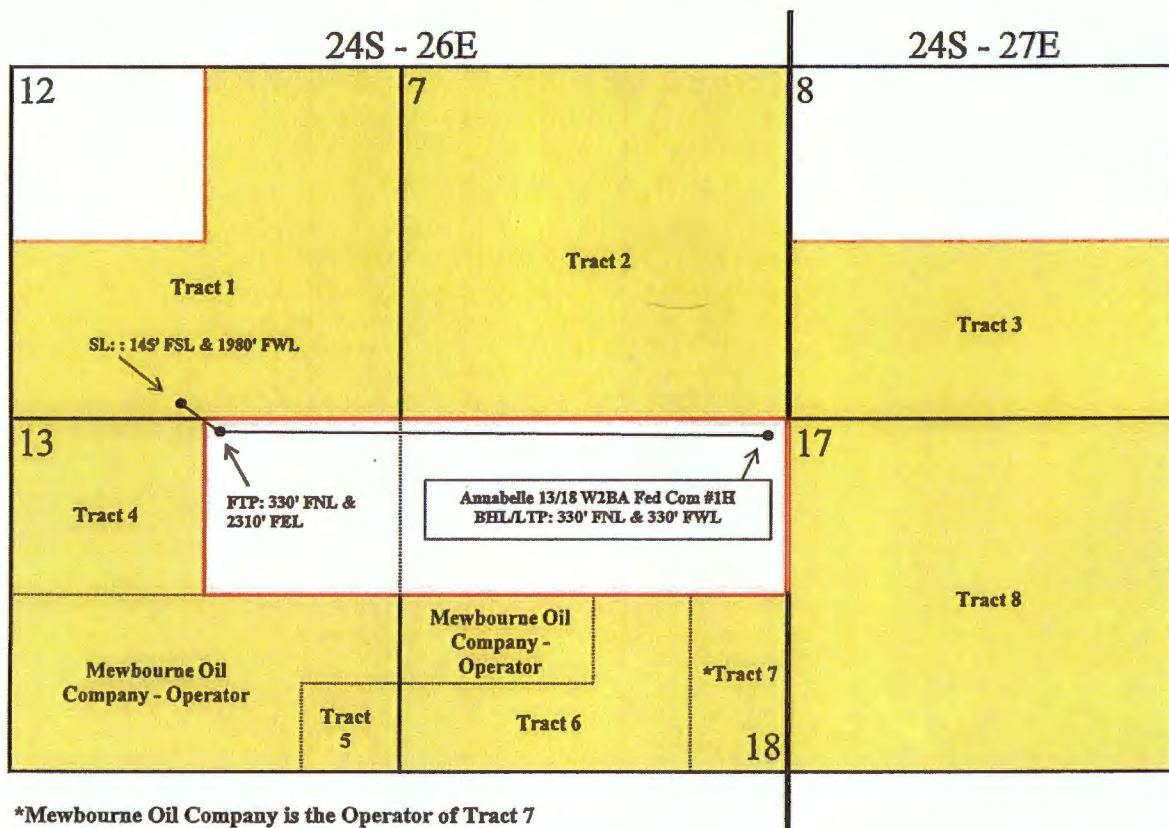


Mitch Robb
Landman

Xc: OCD-Artesia

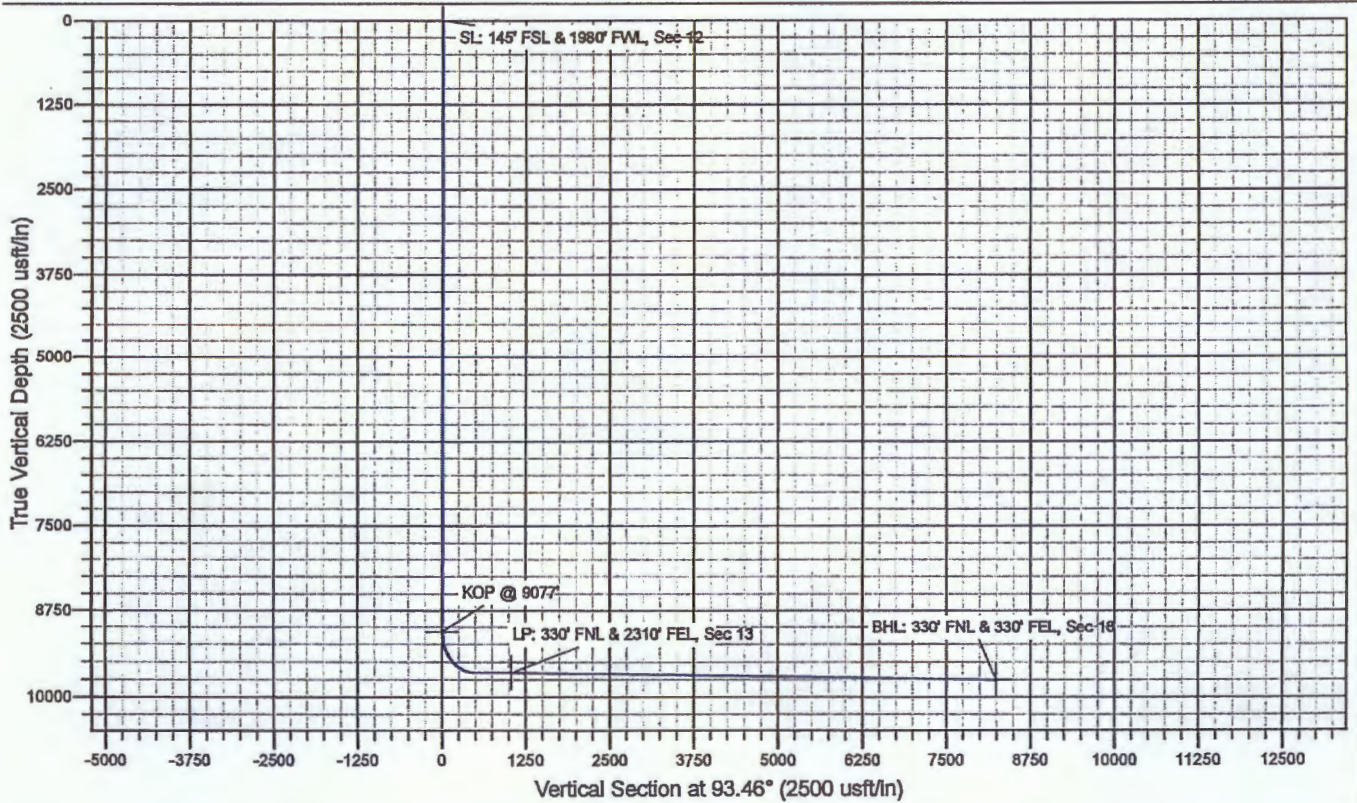
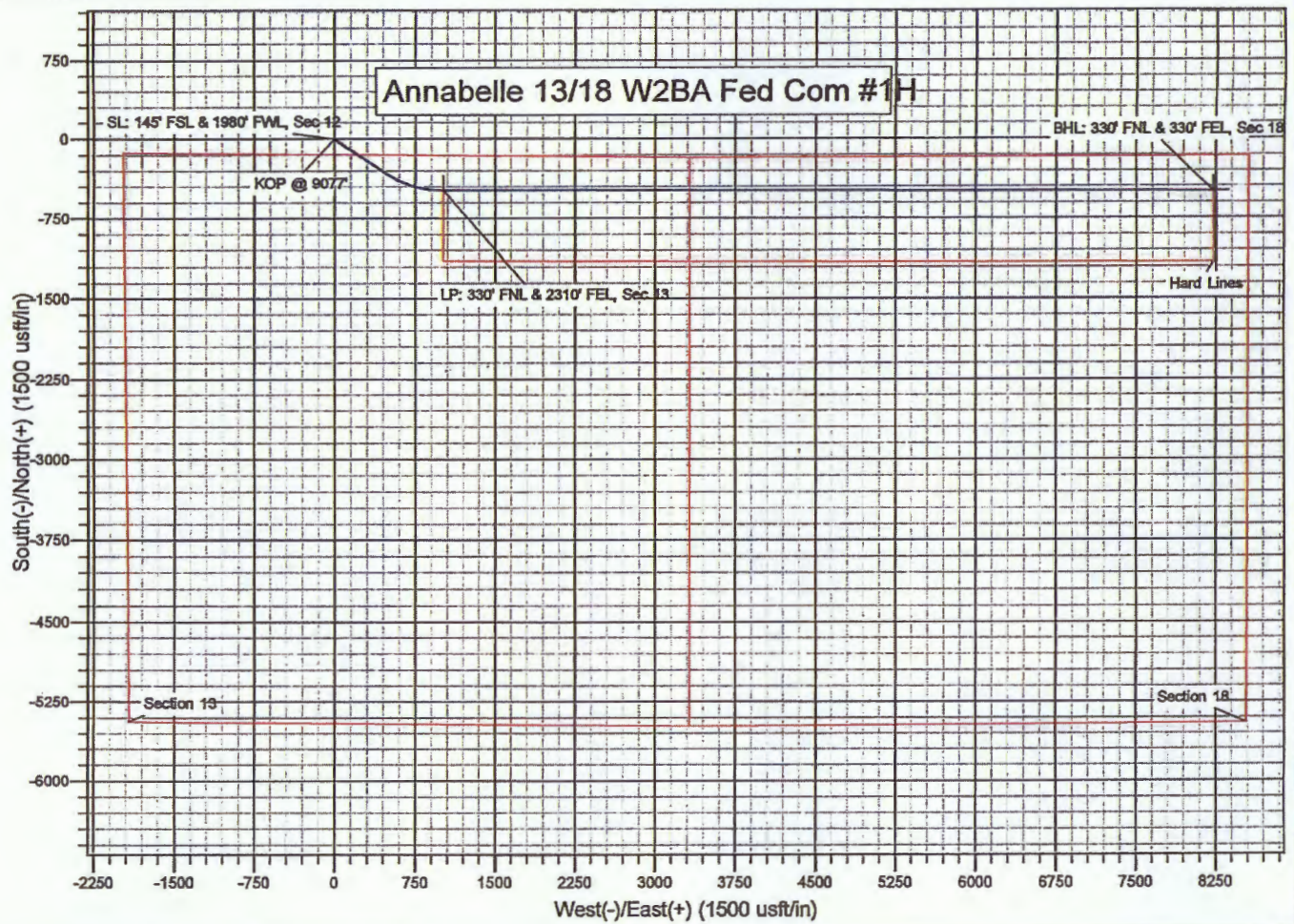
☐ AMENDED REPORT

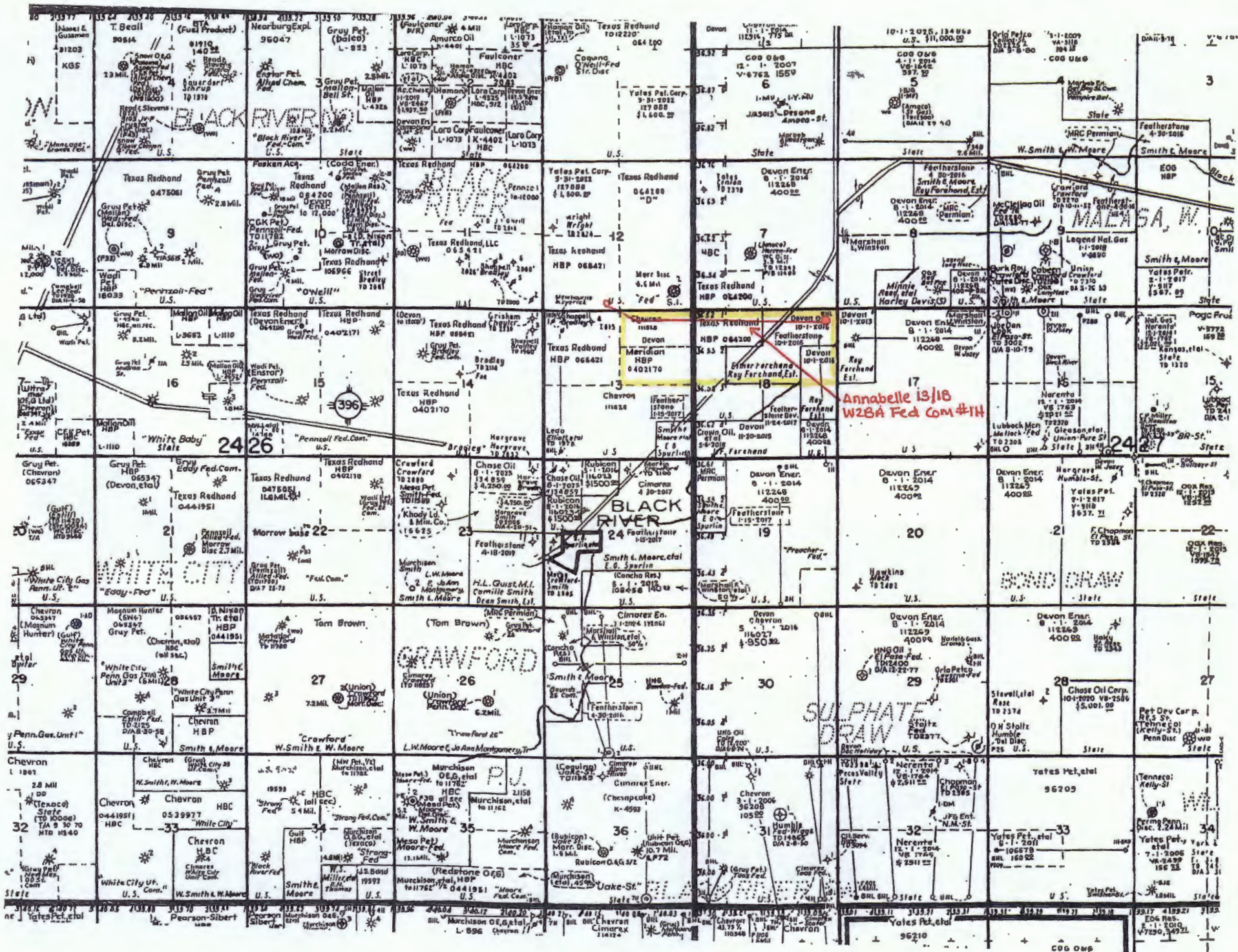
ERC - Firm No.: TX 10193838 NM 4655451 - Job No.: LS140084A



 480 -Acre Spacing Unit
 Affected Offset Acreage/Tracts

Mewbourne Oil Company
Application for Unorthodox Well Location and Non-Standard
Proration Unit
Annabelle 13/18 W2BA Fed Com #1H
Affected Offset Acreage





Owners Noticed	Tract Numbers	Certified Tracking Number
Texas Redhand, LLC; HOSP Minerals, L.L.C.; Michael T. O'Neill; Simone Huys O'Neill, LLC P.O. Box 2840 Midland, Texas 79702 Attn: Mrs. Tammy Vannaman	1	9414810699945017954340
NMOCD 811 S. First St. Artesia, NM 88210 Attn: Paul Kautz	N/A	9414810699945017954388

Notice List
Mewbourne Oil Company
Application for Unorthodox Well Location and Non-Standard Proration Unit
Annabelle 13/18 W2BA Fed Com #1H, Section 13, T24S, R26E and Section 18, T24S, R27E
Eddy County, New Mexico

Owners Noticed	Tract Numbers	Certified Tracking Number
O'Neill Properties, Ltd.; HOSP Minerals, L.L.C. P.O. Box 2840 Midland, Texas 79702 Attn: Mrs. Tammy Vannaman	4	9414810699945017953725
MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240 Attn: Mr. Nick Weeks	5	9414810699945017954098
Apache Corporation 303 Veterans Airpark Ln #600, Midland, TX 79705 Attn: Mr. Jeff Stout	2 & 5	9414810699945017954142
COG Operating LLC 600 W. Illinois Avenue One Concho Center Midland, Texas 79701 Attn: Mrs. Rita Buress	3 & 6	9414810699945017954197
Marshall & Winston, Inc. P.O. Box 50880 Midland, Texas 79710 Attn: Mr. Kevin Hammit	6	9414810699945017954234
Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102 Attn: Mr. Brandon Patrick	2 & 8	9414810699945017954272

MEWBOURNE OIL COMPANY

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

September 20, 2016

Via Certified Mail

See Attached List

Re: Mewbourne Oil Company's Application for Unorthodox Well Location and Non-Standard Proration Unit

Annabelle 13/18 W2BA Fed Com #1H

Surface Location: 145' FSL & 1980' FWL (Unit N – Section 12, T24S, R26E)
First Take Point: 330' FNL & 2310' FEL (Unit B– Section 13, T24S, R26E)
Last Take Point: 330' FNL & 330' FEL (Unit A – Section 18, T24S, R27E)
Bottomhole Location: 330' FNL & 330' FEL (Unit A – Section 18, T24S, R27E)
Proration Unit: NE/4 Section 13, T-24-S, R-26-E, NMPM and N/2 Section 18, T-24-S, R-27-E, NMPM, Eddy County, New Mexico
Pool: Black River Wolfcamp Gas Pool (72240)

Ladies and Gentlemen:

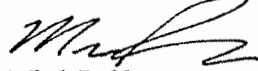
Enclosed please find a copy of the application filed by Mewbourne Oil Company ("Mewbourne") for approval of an unorthodox gas well location and non-standard proration unit for its Annabelle 13/18 W2BA Fed Com No. 1H well located at the surface, first take point, last take point, and bottomhole locations described above. The well will test the Black River Wolfcamp Gas Pool and will be dedicated to a non-standard 480-acre gas spacing and proration unit comprising the NE/4 of Section 13, T-24-S, R-26-E, NMPM, Eddy County, New Mexico and N/2 of Section 18, T-24-S, R-27-E, NMPM, Eddy County, New Mexico. The unorthodox location and non-standard proration unit are necessary in order to maximize the recovery of oil and gas reserves within the Wolfcamp formation underlying the NE/4 of Section 13 and N/2 of Section 18.

As the owner of an interest that may be affected by the proposed unorthodox gas well location and Non-Standard Proration Unit, 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 mrobb@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

Enclosure
Xc: OCD-Artesia

McMillan, Michael, EMNRD

From: Mitch Robb <mrobb@mewbourne.com>
Sent: Tuesday, April 17, 2018 2:48 PM
To: McMillan, Michael, EMNRD
Subject: Re: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H
Attachments: NMOCD NSP - Annabelle 13-18 W2BA Fed Com #1H.pdf

Mike,

Here is the application that I originally filed. Please let me know if you need any additional info.

Thanks,

Mitch Robb
Landman
Mewbourne Oil Company
Office: (432) 682-3715
Cell : (405) 394-8583
Email: mrobb@mewbourne.com

From: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Sent: Tuesday, April 17, 2018 3:30:15 PM
To: Mitch Robb
Subject: RE: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

E-MAIL

From: Mitch Robb <mrobb@mewbourne.com>
Sent: Tuesday, April 17, 2018 2:29 PM
To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: Re: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

Do I need to mail it in or can I email it to you?

Mitch

From: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Sent: Tuesday, April 17, 2018 3:27:22 PM
To: Mitch Robb
Subject: RE: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

RESEND APPLICATION

From: Mitch Robb <mrobb@mewbourne.com>
Sent: Tuesday, April 17, 2018 2:27 PM

To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: Re: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

Mike, this is the only well that we have dedicated to that NSP.

Mitch

From: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Sent: Monday, April 16, 2018 5:20:13 PM
To: Mitch Robb
Subject: RE: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

Are there other wells in the same NSP?
Mike

From: Mitch Robb <mrobb@mewbourne.com>
Sent: Monday, April 16, 2018 3:12 PM
To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: Re: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

Here you go:

Annabelle 13/18 W2BA Fed Com #1H
API No. 30-015-42765

Mitch

From: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Sent: Monday, April 16, 2018 3:16:45 PM
To: Mitch Robb
Subject: RE: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

I need an API Number
Mike

From: Mitch Robb <mrobb@mewbourne.com>
Sent: Monday, April 16, 2018 9:51 AM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Cc: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: Re: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

Good morning Leonard,

I was going through my records and I can't seem to find an NSP order for our Annabelle 13/18 W2BA Fed Com #1H. Do you have anything in your files that shows the status of the order?

Thanks,

Mitch Robb

Landman

Mewbourne Oil Company

Office: (432) 682-3715

Cell : (405) 394-8583

Email: mrobb@mewbourne.com

From: Mitchell Robb

Sent: Monday, October 17, 2016 10:24 AM

To: Lowe, Leonard, EMNRD

Cc: McMillan, Michael, EMNRD

Subject: Re: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

Good morning Leonard,

I have attached a revised application which only requests a NSP. Please let me know if this will suffice.

Thank you,

Mitch

From: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>

Sent: Friday, October 14, 2016 2:10:35 PM

To: Mitchell Robb

Cc: McMillan, Michael, EMNRD

Subject: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

Mitchell Robb,

The OCD has reviewed your NSL/NSP application request and has determined that you DO NOT need an NSL according to the pool you are seeking, R-14185. Your location is standard.

Your application for an NSL is cancelled at this time

The review did determine you will still need an approved NSP for your project area for 13/18 W2BA Federal Com No. 1H.

Please provide another application for an NSP request.

Thank you,

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/>

McMillan, Michael, EMNRD

From: Mitch Robb <mrobb@mewbourne.com>
Sent: Thursday, April 19, 2018 8:51 AM
To: McMillan, Michael, EMNRD
Subject: Re: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

Mike,

I apologize, I meant to send this to you yesterday but the tracking number for the NSP that we mailed to the BLM is 9414810699945030786942.

Please let me know if you need any additional information.

Thanks for your help on this.

Mitch Robb
Landman
Mewbourne Oil Company
Office: (432) 682-3715
Cell : (405) 394-8583
Email: mrobb@mewbourne.com

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IS this subject to any compulsory poolings?

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Mitch:
We show your application as cancelled.
Call me to discuss
Mike

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Sent: Tuesday, April 17, 2018 4:23 PM
To: 'Mitch Robb' <mrobb@mewbourne.com>
Subject: RE: NSP.NSL for WEL: 13/18 W2BA Federal Com No. 1H

Did you notify everyone in the mineral interest estate in the NW/4 of Section 3?
Mike