REVIEWER: LRL

PLEL

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: Mewbourne Oil Company OGRID Number: 14744 Well Name: Annabelle 18/13 W2PO Fed Com #1H API: 30-015-44532 Pool: Purple Sage Wolfcamp Gas Pool Code: 98220 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) \Box SD NSP (PRORATION UNIT) B. Check one only for [1] or [1] [1] Commingling - Storage - Measurement PLC CTB DHC □ PC Поім [||] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery EOR □ PPR FOR OCD ONLY 2) NOTIFICATION REQUIRED TO: Check those which apply. Notice Complete A. Offset operators or lease holders B. Royalty, overriding royalty owners, revenue owners Application C. Application requires published notice Content D. Notification and/or concurrent approval by SLO Complete 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. \rightarrow No notice required 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.

	4/24/2018
Adriana Jimenez	Date
Print or Type Name	432-682-3715
	Phone Number
Ayimener	ajimenez@mewbourne.com e-mail Address

MEWBOURNE OIL COMPANY

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

April 24, 2018

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 Non-Standard Proration Unit

Annabelle 13/18 W2PO Fed Com #1H

Surface Location: 10' FNL & 330' FEL (Unit A – Section 19, T24S, R27E)

First Take Point: 340' FSL & 720' FEL (Unit P – Section 18, T24S, R27E)

Last Take Point: 336' FSL & 2290' FEL (Unit O – Section 13, T24S, R26E)

Bottomhole Location: 336' FSL & 2290' FEL (Unit O – Section 13, T24S, R26E)

Proration Unit: SE/4 Section 13, T-24-S, R-26-E, NMPM and

S/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, Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of a non-standard proration unit for its Annabelle 13/18 W2PO Fed Com #1H well. This well was drilled as a horizontal gas well in the Purple Sage Wolfcamp Gas Pool (98220).

The Annabelle 13/18 W2PO Fed Com #1H was dedicated to a 473.21-acre gas spacing and proration unit comprising the SE/4 Section 13 and S/2 Section 18. There are currently no other existing Wolfcamp producing wells within the proposed spacing unit.

The non-standard proration unit is necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying the SE/4 Section 13 and S/2 Section 18.

The affected offset acreage comprises the N/2 and SW/4 of Section 13, N/2 of Section 24, Township 24 South, Range 26 East, NMPM, N/2 of Section 19, NW/4 of Section 20, W/2 of Section 17, N/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:

Mewbourne Oil Company Non-Standard Proration Unit Annabelle 13/18 W2PO Fed Com #1H Page 2 of 2

- Habanero 17 Federal Com #1H (API No: 3001536108), Section 17, T24S, R27E
- Habanero 17 Federal #2H (API No: 3001539377), Section 17, T24S, R27E
- Annabelle 13/18 W2BA Fed Com #1H (API No: 3001542765), Section 13, T24S, R26E and Section 18, T24S, T27E

Consequently, notice of this application is being provided to O'Neill Properties, Ltd., HOSP Minerals, L.L.C., MRC Permian Company, Apache Corporation, ConocoPhillips Company, COG Operating LLC, Marshall & Winston, Inc., Devon Energy Production Company, L.P., Pintail Production Company, Inc., Featherstone Development Corporation, WPX Energy Permian, LLC and Cimarex Energy Company.

Attached is a Form C-102 showing the surface, first take point, last take point, and bottomhole locations for the Annabelle 13/18 W2PO Fed Com #1H. Also, attached is a map showing the affected offset acreage, and 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 the SE/4 Section 13 and S/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 ajimenez@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Adriana Jimenez Associate Landman

Xc: OCD-Artesia

Detrict 9
1625 N. French Dr., 14obie, NM 83240
Phone, 4575) 393-6161 Fax: (\$13) 393-0720
Platint 3
811 S. Finst St., Artenia, NM 68210
Phone, 6573) 748-1283 Fax: (\$75) 749-9720
Pointint 30
1000 Ren Benzon Rend, Artor, NM 97400
Phone: (\$05) 334-6173 Fax: (\$05) 334-6170
Datable 19
1220 S. St. Francis Dx., Sente Fe, NM 97395
Phone: (\$05) 416-3460 Fax: (\$05) 476-1462

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

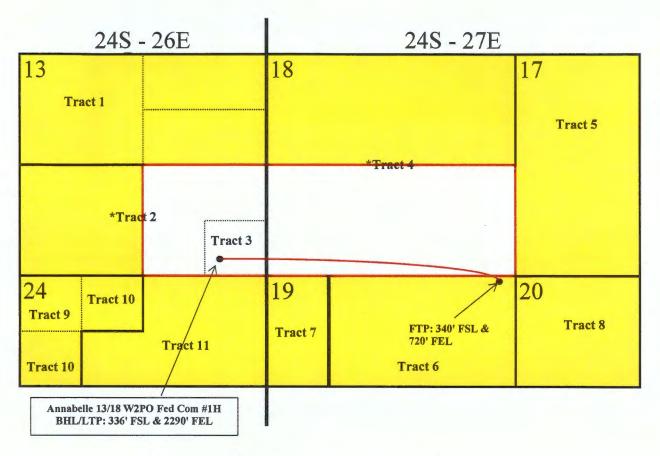
1220 South St. Francis MM OIL CONSERVATION
Santa Fe, NM 87505 ARTESIA DISTRICT

☐ AMENDED REPORT

MAR 28 2018

Job No.: L51701032R

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*Mewbourne Oil Company is the Operator of Tracts 2 & 4

473.21 -Acre Spacing Unit
Affected Offset Acreage/Tracts

Mewbourne Oil Company
Application for Non-Standard Proration Unit
Annabelle 13/18 W2PO Fed Com #1H
Affected Offset Acreage

Notice List

Mewbourne Oil Company Application for Non-Standard Proration Unit Annabelle 13/18 W2PO 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	1	9402810699945030965168
MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240 Attn: Mr. Nick Weeks	3, 4 & 11	9402810699945030965243
Apache Corporation 303 Veterans Airpark Ln #600, Midland, TX 79705 Attn: Mr. Derek Webb	3 & 4	9402810699945030965172
Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102 Attn: Mr. Brandon Patrick	4, 5 & 8	9402810699945030965496
ConocoPhillips Company P.O. Box 2197 Houston, Texas 77252 Attn: Mrs. Judy Webb	4	9402810699945030965700
Marshall & Winston, Inc. P.O. Box 50880 Midland, Texas 79710 Attn: Mr. Kevin Hammit	4	9402810699945030966134
COG Operating LLC 600 W. Illinois Avenue One Concho Center Midland, Texas 79701 Attn: Mrs. Rita Buress	4	9402810699945030966963

Owners Noticed	Tract Numbers	Certified Tracking Number
Pintail Production Company, Inc. 6467 Southwest Blvd. Fort Worth, Texas 76132 Attn: Harvey H. Mueller, II	6	9402810699945030966820
Featherstone Development Corporation P.O. Box 429 Roswell, NM 88202	7	9402810699945030966950
WPX Energy Permian, LLC 3500 One Williams Center, Suite 3500 Tulsa, OK 74172 Attn: Aaron Young	9	9402810699945030967148
Bureau of Land Management Carlsbad Field Office 620 E. Greene Street Carlsbad, New Mexico 88220-6292 Attn: Mr. Cody Layton	10	9402810699945030967254
Bureau of Land Management Deputy State Director, Minerals 301 Dinosaur Trail Santa Fe, New Mexico 87508	10	9402810699945030967384
Cimarex Energy Company 600 North Marienfeld, #600 Midland, Texas 79701 Attn: Mr. Bari A. Sadler	11	9402810699945030967841
NMOCD 811 S. First St. Artesia, NM 88210 Attn: Paul Kautz	N/A	9402810699945030973033

MEWBOURNE OIL COMPANY

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

April 24, 2018

Via Certified Mail

See Attached List

Re: Mewbourne Oil Company's Application for Non-Standard Proration Unit

Annabelle 13/18 W2PO Fed Com #1H

Surface Location: 10' FNL & 330' FEL (Unit A – Section 19, T24S, R27E)

First Take Point: 340' FSL & 720' FEL (Unit P– Section 18, T24S, R27E)
Last Take Point: 336' FSL & 2290' FEL (Unit O – Section 13, T24S, R26E)

Bottomhole Location: 336' FSL & 2290' FEL (Unit O – Section 13, T24S, R26E)

Proration Unit: SE/4 Section 13, T-24-S, R-26-E, NMPM and

S/2 Section 18, T-24-S, R-27-E, NMPM,

Eddy County, New Mexico

Pool: Purple Sage Wolfcamp Gas Pool (98220)

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Mewbourne Oil Company ("Mewbourne") for approval of an non-standard proration unit for its Annabelle 13/18 W2PO Fed Com #1H well located at the surface, first take point, last take point, and bottomhole locations described above. The well will test the Purple Sage Wolfcamp Gas Pool and is dedicated to a non-standard 473.21-acre gas spacing and proration unit comprising the SE/4 of Section 13, T-24-S, R-26-E, NMPM, Eddy County, New Mexico and S/2 of Section 18, T-24-S, R-27-E, NMPM, Eddy County, New Mexico. The non-standard proration unit is necessary in order to maximize the recovery of oil and gas reserves within the Wolfcamp formation underlying the SE/4 of Section 13 and S/2 of Section 18.

As the owner of an interest that may be affected by the 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 <u>ajimenez@mewbourne.com</u> or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Adriana Jimenez Associate Landman

Enclosure

Xc: OCD-Artesia

Debics 8 1625 N. French Dr., 14cbie, NM 88240 Physic (\$15) 393-6166 Fac: (\$15) 193-0720 District II 831 S. Flan St., Americ, NSC 86210 Phane: (\$75)-748-1283 Fax: (\$75)-748-9720 Obstrict III 1000 Res Bearon Rend, Actor, NM 97410 Phone: (505) 334-6178 Fac: (505) 334-6170 District IV 1220 S. St. Francis De., Santa Fe, NIM 87505 Phone: (505) 416-1460 Exa. (505) 476-1462

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

Submit one copy to appropriate 1220 South St. Francis MM OIL CONSERVATION ARTESIA DISTRICT Santa Fe, NM 87505

AMENDED REPORT

Revised August 1, 2011

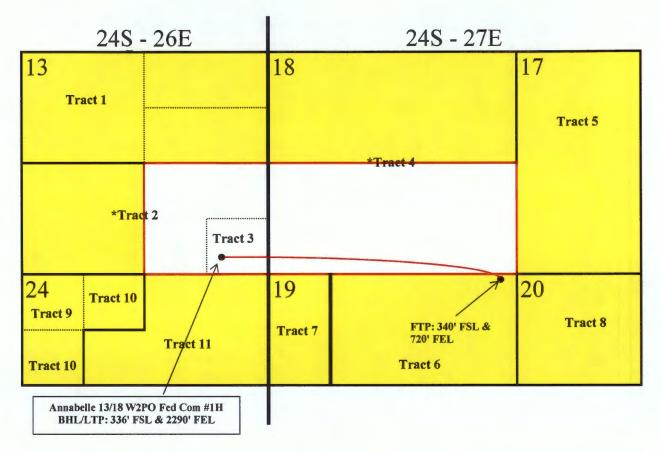
Form C-102

District Office

MAR 28 2018

Jab No.: L51701032R

WELL LOCATION AND ACREAGE DEDICATION PLAT | API Number Pool Code RECEIVED 98220 Sage Walferso 30-015-44532 Well Number **Property Code** ANNABELLE 18/13 W2PO FEDERAL COM 319813 1H Operator Name Elevation MEWBOURNE OIL COMPANY 3241 14744 10 Surface Location Lot Jan Feet From the East West line 19 245 27E 10 NORTH 330 EAST EDDY Bottom Hole Location If Different From Surface Feet from the Foci Gum the East/West line County 336 13 248 26F SOUTH 2290 EDDY EAST 11 Jaint at Infill 15 Order No. 473,21 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. (0 "OPERATOR CERTIFICATION 0 BHL/LTP: 336' FTP: 340' FSL & FSL & 2290' FEL 720' FEL DETAIL Annabelle 13/18 W2PO Fed Com #1H 330 B. H. 2310 S.L. 10' FNL & 330' FEL 10 "SURVEYOR CERTIFICATION DETAIL \$. 1. I hereby certify that the well location shown on this HAS BE STONE - HAS EAST NAD BJ GRID -- NW EAST 330 600 3233.2 plat was platted from field notes of actual surveys 3255.B FOLHO BIUSS CAP "1968" 445414.8 - E. 370824.5 made by me or under my supervision, and that the FOUND 1/2" FON ROD 445425.3 - E) 576066.4 O same is true and correct to the best of my belief. C: FOUND BRISS CAP *1968' FELND 1/2" JRON ROD 442784.6 - E: 576036.3 8-11-2017 Q: FOUND BRIES CAP "1966" N: 440138.5 - E: 588202.3 16: FOLIND 1/2" IRON ROD 10: 440144.6 - E: 578044.6 E. CALCULATED CORNER. LI FOUND HAL IN STONE PLE IN 4348837 - E: 5780284 F) FOUND BRASE ONP "1988" 42 FOUND 1/2" REBAR 434664.4 - E: 373368.3 G. FOLIND MINES CAP "1888" W: 445438.8 - E: 268078.4 PE FOLINO (* 1900) PIPE, ≥ 440119.0 = E: 573405.5 19680 D. FOLND SMASS CAP "1966" IN 442785.5 - E: 570824.0 2 MESERGE W PSESSON B. N MESERGE W MINERED D



*Mewbourne Oil Company is the Operator of Tracts 2 & 4

473.21 -Acre Spacing Unit
Affected Offset Acreage/Tracts

Mewbourne Oil Company
Application for Non-Standard Proration Unit
Annabelle 13/18 W2PO Fed Com #1H
Affected Offset Acreage

Notice List

Mewbourne Oil Company Application for Non-Standard Proration Unit Annabelle 13/18 W2PO Fed Com #1H, Section 13, T24S, R26E and Section 18, T24S, R27E Eddy County, New Mexico

Tract 1: NW Section 13, T24S, R26E

O'Neill Properties, Ltd.; HOSP Minerals, L.L.C. P.O. Box 2840 Midland, Texas 79702

Attn: Mrs. Tammy Vannaman

(MOC has JOA with the O'Neills covering the W/2)

Tract 2: SW, N2SE, SWSE Section 13, T24S, R26E

Mewbourne Oil Company

Tract 3: SESE Section 13, T24S, R26E

MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240 Attn: Mr. Nick Weeks

Apache Corporation 303 Veterans Airpark Ln #600, Midland, TX 79705 Attn: Mr. Derek Webb

Tract 4: All of Section 18, T24S, R27E

Mewbourne Oil Company

MRC Permian Company

Apache Corporation

Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102 Attn: Katie Dean

ConocoPhillips Company P.O. Box 2197 Houston, Texas 77252 Attn: Mrs. Judy Webb Marshall & Winston, Inc. P.O. Box 50880 Midland, Texas 79710 Attn: Mr. Kevin Hammit

COG Operating LLC 600 W. Illinois Avenue One Concho Center Midland, Texas 79701 Attn: Mrs. Rita Buress

Tract 5: All of Section 17, T24S, R27E

Devon Energy Production Company, LP

Tract 6: N2 of Section 19, T24S, R27E

Mewbourne Oil Company

Pintail Production Company, Inc. 6467 Southwest Blvd. Fort Worth, Texas 76132 Attn: Harvey H. Mueller, II

Tract 7: Lots 1 & 2 (W2NW) of Section 19, T24S, R27E

Featherstone Development Corporation P.O. Box 429 Roswell, NM 88202

Tract 8: NW of Section 20, T24S, R27E

Devon Energy Production Company, LP

Tract 9: NWNW of Section 24, T24S, R26E

WPX Energy Permian, LLC 3500 One Williams Center, Suite 3500 Tulsa, OK 74172 Attn: Aaron Young

Tract 10: NENW, SWNW of Section 24, T24S, R26E

Bureau of Land Management Carlsbad Field Office 620 E. Greene Street Carlsbad, New Mexico 88220-6292 Attn: Mr. Cody Layton

Bureau of Land Management Deputy State Director, Minerals 301 Dinosaur Trail Santa Fe, New Mexico 87508

Tract 11: NE, SENW of Section 24, T24S, R26E

MRC Permian Company

Cimarex Energy Company 600 North Marienfeld, #600 Midland, Texas 79701 Attn: Mr. Bari A. Sadler From: Lowe, Leonard, EMNRD

To: "ajimenez@mewbourne.com"

Cc: Mike Bratcher (mike.bratcher@state.nm.us); Cordero, Gilbert, EMNRD; "lisa@rwbyram.com"; Goetze, Phillip,

EMNRD; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Dawson, Scott, EMNRD; "jglover@blm.gov";

<u>"scaffey@blm.gov"</u>; <u>"rjsanche@blm.gov"</u>; <u>"jstovall@blm.gov"</u>

Subject: Approved NSP-2104, Mewbourne Oil Company_Annabelle 18 13 W2PO Fed Com Well No. 1H_13 T24S R26E

Date: Tuesday, May 22, 2018 10:51:00 AM

Attachments: NSP-2104 ORDER.pdf

Importance: High

Ms. Adriana Jimenez,

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

NSP-2104

APPLICANT: Mewbourne Oil Company [147441]
AREA: SW4 of Section 13 T24S R26E

WELL: Annabelle 18 13 W2PO Federal Com Well No. 1H

API NO: 30-015-44532

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/