

NSL-7712

Revised March 23, 2017

RECEIVED: 4/27/18	REVIEWER: LRL	TYPE: NSL	APP NO: PK#1813666428
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**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:** El Mar 21 W2NC Fed Com #5H **API:** Pending APD 025-44750  
**Pool:** Salado Draw Wolfcamp Gas **Pool Code:** 84410

### 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) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☒ Offset operators or lease holders  
 B. ☐ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☐ Notification and/or concurrent approval by SLO  
 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. ☐ No notice required

#### FOR OCD ONLY

- ☐ Notice Complete  
☐ Application Content Complete

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.

Cy Shook

Print or Type Name

*Cy Shook*

Signature

4/20/2018

Date

432-682-3715

Phone Number

cshook@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  
Division Director

Re: Application for Unorthodox Well Location  
El Mar W2NC Fed Com #5H  
API No. Pending APD  
Surface Location: 215' FSL & 2510' FWL (Unit D)  
Proposed First Perf: 330' FSL and 2310' FWL (Unit D)  
Bottomhole Location: 330' FNL & 2310' FWL (Unit M) ↗  
Proposed Last Perf: 330' FNL & 2310' FWL (Unit M) ↖  
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 gas well location for its proposed El Mar W2NC Fed Com #5H. This well will be drilled as a horizontal gas well in the Salado Draw; Wolfcamp (Gas) Pool (84410).

The El Mar W2NC Fed Com #5H will be dedicated to a standard 320-acre gas spacing and proration unit comprising the W/2 of Section 21. There are currently no other existing Wolfcamp Gas wells producing from within the proposed spacing unit.

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

The affected offset acreage comprises the Sections 16, 17, 20, 21, 28, and 29, T26S- R33E NMPM (See Attached Map). COG Operating LLC operates an active Wolfcamp Gas well, the State GR #1 (30-025-26785), in the E/2 of Section 17 to the Northwest of Section 21. Consequently, notice of this application is being provided to COG Operating LLC, EOG Resources, Inc., Endeavor Energy Resources, LLC, Axis Energy Corporation, Bill Fenn, Individually and as Trustee U/W/O Joe Glenn Fenn, Dec'd, Chad & Marci Barbe, Muleshoe Crude LP, Newkumet Exploration, Inc., Warrior Exploration, LLC, Energex, LLC, William and Karen Hardie, Georgetown Exploration, Inc, Palo Petroleum, Inc., Marathon Oil Permian LLC, Broughton Petroleum Inc., Americawest Resources, LLC, Coyote Oil and Gas, LLC, Alpar Energy, LP, JSTM Energy Investments, LLC, True North Exploration, Inc., CK Finance LLC, Lynn Charuk, VJ Energy Partners, LLC, ConocoPhillips Company, Petras Energy, LP, and Veritas Energy Holdings, LLC.

Attached is a Form C-102 showing the surface and bottomhole locations for the El Mar W2NC Fed Com #5H. 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 Salado Draw; Wolfcamp (Gas) Pool underlying the W/2 of 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 [cshook@mewbourne.com](mailto:cshook@mewbourne.com) or call me at (432) 682-3715.

Sincerely,

**MEWBOURNE OIL COMPANY**

A handwritten signature in blue ink, appearing to read "Cy Shook".

Cy Shook  
Landman

Xc: OCD-Hobbs

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		<sup>2</sup> Pool Code 84410		<sup>3</sup> Pool Name Salado Draw Wolfcamp Gas	
<sup>4</sup> Property Code		<sup>5</sup> Property Name EL MAR 21 W2NC FEDERAL COM			<sup>6</sup> Well Number 5H
<sup>7</sup> GRID NO.		<sup>8</sup> Operator Name MEWBOURNE OIL COMPANY			<sup>9</sup> Elevation 3247'

<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
N	21	26S	33E		215	SOUTH	2510	WEST	LEA

<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
C	21	26S	33E		330	NORTH	2300'	WEST	LEA

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. 10
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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.

	<p><b>17 OPERATOR CERTIFICATION</b></p> <p>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>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
	<p><b>18 SURVEYOR CERTIFICATION</b></p> <p>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><b>11-30-2017</b></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p><b>19680</b></p> <p>Certificate Number</p>
	<p><b>GEODETIC DATA</b> NAD 83 GRID -- NM EAST</p> <p><b>SURFACE LOCATION</b> N 37:2679.1 -- E 775537.3</p> <p>LAT: 32.0223236° N LONG: 103.5776475° W</p> <p><b>BOTTOM HOLE</b> N 37:7414.2 -- E 775291.7</p> <p>LAT: 32.0353439° N LONG: 103.5783333° W</p> <p><b>CORNER DATA</b> NAD 83 GRID -- NM EAST</p> <p>A: FOUND BRASS CAP "1913" N 37:2456.8 -- E 773029.3</p> <p>B: FOUND BRASS CAP "1913" N 37:5095.7 -- E 773009.6</p> <p>C: CALCULATED CORNER N 37:7735.7 -- E 772989.6</p> <p>D: FOUND BRASS CAP "1913" N 37:755.1 -- E 778269.6</p> <p>E: FOUND BRASS CAP "1913" N 37:5114.2 -- E 778288.4</p> <p>F: FOUND BRASS CAP "1913" N 37:2472.4 -- E 778307.3</p> <p>G: FOUND BRASS CAP "1913" N 37:2464.7 -- E 775671.8</p>
	<p>Job No.: LS1710691</p>

**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 Address List

Re: Application for Unorthodox Well Location  
El Mar 21 W2NC Fed Com #5H  
API No. Pending  
Surface Location: 215' FSL & 2510' FWL (Unit N)  
Proposed First Perf: 330' FSL and 2310' FWL (Unit D)  
Bottomhole Location: 330' FNL & 2310' FWL (Unit M)  
Proposed Last Perf: 330' FNL & 2310' FWL (Unit M)  
Section 21, T-26-S, R-33-E, NMPM  
Lea County, New Mexico

Gentlemen:

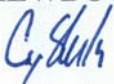
Enclosed is a copy of Mewbourne Oil Company's (MOC) Application for Unorthodox Well Location for the El Mar 21 W2NC Fed Com #5H well in Section 21, T26S, R33E, Lea County, New Mexico. You are being sent a copy of this Application per OCD's requirements to notify the interest owners in the affected offset 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.

MOC is seeking approval of the unorthodox location in order to allow for the efficient recovery of reserves thereby preventing waste.

If you have any questions regarding this application, please contact me via telephone at 432-682-3715 or via email at [cshook@mewbourne.com](mailto:cshook@mewbourne.com).

Sincerely,

**MEWBOURNE OIL COMPANY**



Cy Shook  
Landman

**Section 21, T26S, R33E**  
**Lea County, New Mexico**

Tract 1 (Section 17)	Tract 2 (Section 16)	Tract 3 (Section 15)
Tract 4 (Section 20)	<div>Section 21</div> <div>E2 Sec. 21 (Tract 9)</div>	Tract 5 (Section 22)
Tract 6 (Section 29)	Tract 7 (Section 28)	Tract 8 (Section 27)



**Notice List**

**Mewbourne Oil Company**

**Application for Unorthodox Well Location**

**El Mar 21 W2NC Fed Com #5H, W/2 of Section 21, T26S, R33E**

**Lea County, New Mexico**

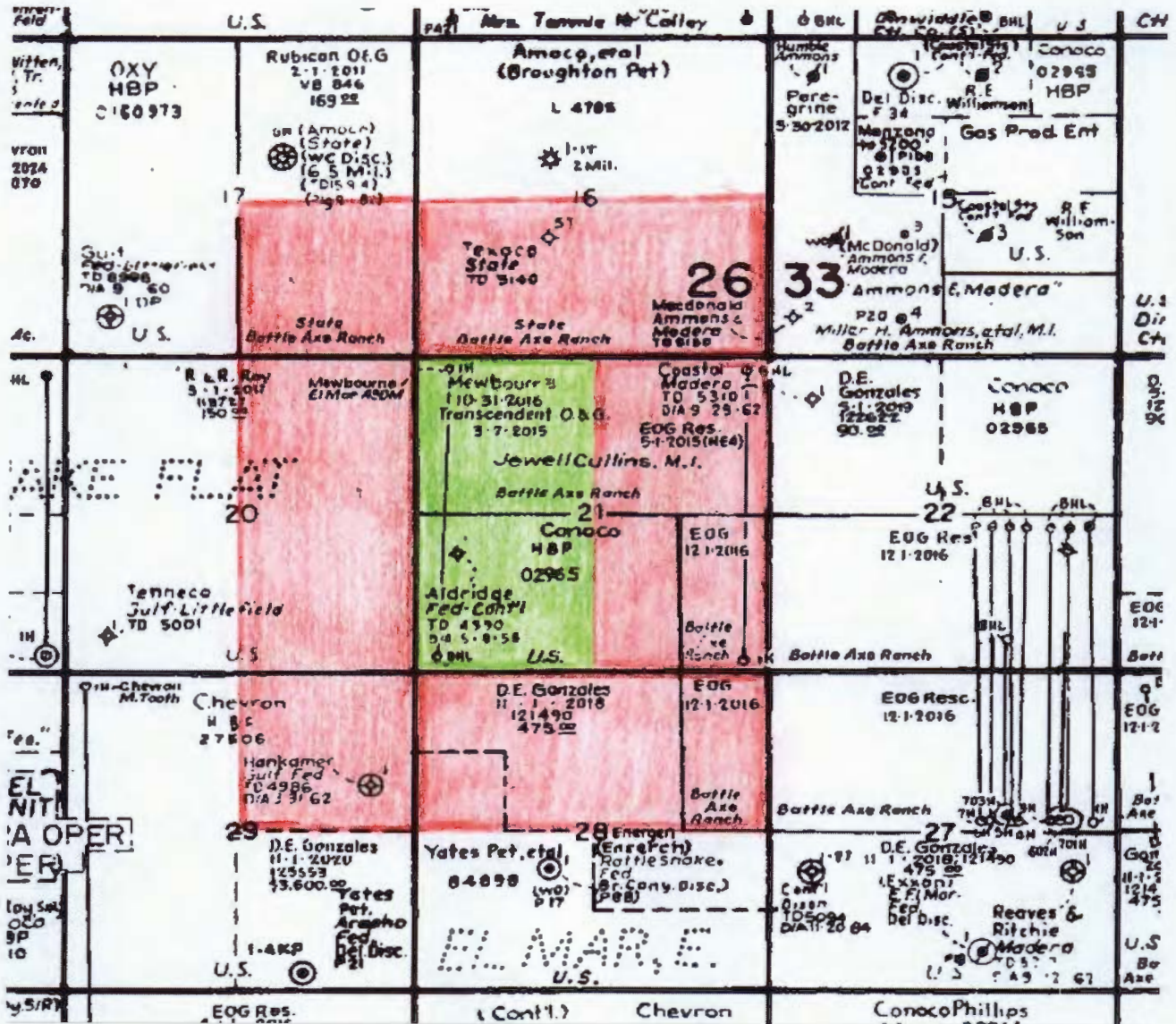
<b>2</b>	<b>Tract Numbers</b>	<b>Certified Tracking Number</b>
COG Operating LLC 600 W. Illinois Ave. Midland, Texas 79701 Attn: Permian Land Manager	1	9402810699945030937573
EOG Resources, Inc. 5509 Champions Dr. Midland, Texas 79706 Attn: Permian Land Manager	1, 2, 3, 4, 5, 7, 8, 9	9402810699945030937653
Chevron USA, Inc. 6301 Deauville Blvd Midland, Texas 79706 Attn: Permian Land Manager	6	9402810699945030938018
Axis Energy Corporation P.O. Box 2107 Roswell, New Mexico 88202 Attn: Mr. Ken Barbe	2	9402810699945030938582
Chad & Marci Barbe P.O. Box 2107 Roswell, New Mexico 88202	2	9402810699945030938810
Newkumet Exploration, Inc P.O. Box 11330 Midland, Texas 79702 Attn: Mr. Wayne Newkumet	2	9402810699945030941490

Energex, LLC 4873 Raintree Circle Denver, Colorado 80134 Attn: Tim Lilley	2	9402810699945030941186
Palo Petroleum, Inc 5944 Luther Ln. #900 Dallas, Texas 75225 Attn: James P. Graham	2	9402810699945030941568
Endeavor Energy Resources, LLC 110 N. Marienfeld, Suite 200 Midland, Texas 79701 Attn: Permian Land Manager	2	9402810699945030941148
Bill Fenn, Individually and as Trustee U/W/O Joe Glenn Fenn, deceased P.O. Box 1757 Roswell, New Mexico 88202	2	9402810699945030938636
Muleshoe Crude LP 101 Blackberry Court Midland, Texas 79705	2	9402810699945030941391
Warrior Exploration, LLC 310 W. Wall, Suite 305 Midland, Texas 79701 Attn: Maner Shaw	2	9402810699945030941803
William and Karen Hardie 400 N. Marienfeld, Suite 109 Midland, Texas 79701	2	9402810699945030942008
Georgetown Exploration, Inc 712 Main Street, Ste. 1700 Houston, Texas 77002 Attn: Michael M. Fowler	2	9402810699945030941216
Marathon Oil Permian LLC 5555 San Felipe Street Houston, Texas 77056-2723 Attn: Permian Land Manager	2	9402810699945030941315

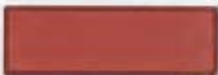


Broughton Petroleum Inc. 1205 Silliman Street Sealy, Texas 74474 Attn: Cheryl Mellenthin	2	9402810699945030938766
Coyote Oil and Gas, LLC P.O. Box 1708 Hobbs, New Mexico 88241	2	9402810699945030941087
JSTM Energy Investments, LLC P.O. Box 5441 Midland, Texas 79704 Attn: John D. Pool	2	9402810699945030941285
CK Finance LLC 3511 Edgewater St. Dallas, Texas 75205 Attn: Charles Korrell	2	9402810699945030938919
VJ Energy Partners, LLC 3701 Fairhaven Ct. Midland, Texas 79707 Attn: Victoria C. Levens	2	9402810699945030941759
Veritas Energy Holdings, LLC P.O. Box 10850 Fort Worth, Texas 76114 Attn: Permian Land Manager	2	9402810699945030941735
Americawest Resources, LLC P.O. Box 3383 Midland, Texas 79702 Attn: Gary J. Lamb	2	9402810699945030938551
Alpar Energy, LP P.O. Box 1046 Perryton, Texas 79070 Attn: Jack Allen	2	9402810699945030938377
True North Exploration, Inc. P.O. Box 5061 Midland, Texas 79704 Attn: Steve Sell	2	9402810699945030941650

Lynn Charuk 3921 Tanforan Ct. Midland, Texas 79707	2	9402810699945030941308
Petras Energy, LP 110 N. Marienfeld, Suite 200 Midland, Texas 79701 Attn: Robert Booth	2	9402810699945030941599
NMOCD 1625 N. French Drive Hobbs, New Mexico 88240 Attn: Paul Kautz	N/A	



Proration Unit



Effected Offsets

Mewbourne Oil Company  
Cy Shook  
500 W TEXAS AVE STE 1020  
MIDLAND TX 79701-4279

EI Mar 21 W2NC CS

US POSTAGE AND FEES PAID  
FIRST-CLASS  
Apr 24 2018  
Mailed from ZIP 79701  
4 oz First-Class Mail Flats Rate

CID: 56133

USPS CERTIFIED MAIL



9414 8106 9994 5030 9463 08

New Mexico Oil Conservation Division  
Attn: Mr. Leonard Lowe  
1220 S SAINT FRANCIS DR  
SANTA FE NM 87505-4225



endicia.com

**From:** [Lowe, Leonard, EMNRD](#)  
**To:** ["Cy Shook"](#)  
**Cc:** [Brown, Maxey G, EMNRD](#); [Kautz, Paul, EMNRD](#); ["lisa@rwbyram.com"](#); [Jones, William V, EMNRD](#); [Goetze, Phillip, EMNRD](#); [McMillan, Michael, EMNRD](#); [Dawson, Scott, EMNRD](#); ["jglover@blm.gov"](#); ["scaffey@blm.gov"](#); ["jstovall@blm.gov"](#)  
**Subject:** APPROVED NSL-7717\_Mewbourne Oil Company\_El Mar 21 W2NC Federal Com Well No. 5H\_SEC 21 26S 33E  
**Date:** Tuesday, May 22, 2018 5:03:00 PM  
**Importance:** High

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Cy Shook,

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>

**ORDER No.:** NSL-7717  
**APPLICANT:** Mewbourne Oil Company [14744]  
**WELL:** El Mar 21 W2NC Federal Com Well No. 5H [API #: 30-025-44750]  
**POOL:** Salado Draw; Wolfcamp (GAS) [# 84410]

**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](mailto:leonard.lowe@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/ocd/>