RECEIVED:	06/06/18	REVIEWER:	LRL	TYPE:	NSP	APP NO:	pLEL1817036444

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION Described to the second	u –
ADMINISTRATIVE APPLICATION CHE	CKLIST
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR I REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LE	exceptions to division rules and
RESERVICION WHICH REQUIRE I ROCESSINO AT THE DIVISION EE	VELINGARIATE
Applicant: Mewbourne Oil Company	OGRID Number: 14744
Well Name: Armstrong 26/35 W0LM Fed Com #1H	API: 30-015-43750
Pool: Purple Sage Wolfcamp Gas	Pool Code: 98220
SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO P INDICATED BELOW	PROCESS THE TYPE OF APPLICATION
1) TYPE OF APPLICATION: Check those which apply for [A] A. Location – Spacing Unit – Simultaneous Dedication NSL NSP (PROJECT AREA) NSP (PROTATION)	UNIT) SD
[II] Injection – Disposal – Pressure Increase – Enhanced O	OLM il Recovery 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	FOR OCD ONLY Notice Complete Application Content Complete
 E. Notification and/or concurrent approval by BLM F. Surface owner G. For all of the above, proof of notification or publication H. No notice required 	n is attached, and/or,
3) CERTIFICATION: I hereby certify that the information submitted administrative approval is accurate and complete to the best of understand that no action will be taken on this application until notifications are submitted to the Division.	of my knowledge. I also
Note: Statement must be completed by an individual with manageria	l and/or supervisory capacity.

	6/5/2018
Tyler Jolly	Date
Print or Type Name	
	432-682-3715
TOM	Phone Number
	tjolly@mewbourne.com
Signature //	e-mail Address

Signature

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

June 5, 2018

Via Email

New Mexico Oil Conservation Division

1220 S. St. Francis Drive Santa Fe, New Mexico 87505

Attn: Mr. Leonard Lowe

Re: Application for Unorthodox Proration Unit

Armstrong 26/35 W0LM Fed Com #1H (API# 30-015-43750)

Surface Location: 2500' FSL & 380' FWL (Unit L in Section 26)

First Take Point: 2311' FSL & 990' FWL (Unit L in Section 26)

Last Take Point: 330' FSL & 990' FWL (Unit M in Section 35) Bottomhole Location: 330' FSL & 990' FWL (Unit M in Section 35)

Proration Unit: SW/4 of Section 26 and W/2 of Section 35, T-25-S, R-31-E,

NMPM, Eddy County, New Mexico

Pool: Purple Sage Wolfcamp Gas Pool (98220)

Armstrong 26/35 W1LM Fed Com #2H (API# 30-015-43798)

Surface Location: 2500' FSL & 330' FWL (Unit L in Section 26)

First Take Point: 2311' FSL & 330' FWL (Unit L Section 26)

Last Take Point: 330' FSL & 330' FWL (Unit M in Section 35)
Bottomhole Location: 330' FSL & 330' FWL (Unit M in Section 35)

Proration Unit: SW/4 of Section 26 and W/2 of Section 35, T-25-S, R-31-E,

NMPM, Eddy County, New Mexico

Pool: Purple Sage Wolfcamp Gas Pool (98220)

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.15.13, Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of an unorthodox proration unit for its proposed Armstrong 26/35 W0LM Fed Com #1H and Armstrong 26/35 W1LM Fed Com #2H wells. These wells will be drilled as horizontal wells in the Purple Sage Wolfcamp Gas Pool (98220).

The Armstrong 26/35 W0LM Fed Com #1H and Armstrong 26/35 W1LM Fed Com #2H wells will be dedicated to an unorthodox 480-acre gas spacing and proration unit comprising the SW/4 of Section 26 and the W/2 of Section 35. There are currently no other existing Wolfcamp producing wells within the proposed spacing unit.

Mewbourne Oil Company Unorthodox Proration Unit Armstrong 26/35 W0LM Fed Com #1H Armstrong 26/35 W1LM Fed Com #2H Page 2 of 2

The unorthodox proration unit is necessary in order to maximize the recovery of oil and gas reserves and prevent waste from the Wolfcamp formation underlying the SW/4 of Section 26 and the W/2 of Section 35.

The affected offset acreage comprises the Sections 26, 27, 34, and 35, T25S, R31E, NMPM and Sections 2 and 3, T26S, R31E, NMPM (See Attached Map). There are currently the following Wolfcamp producers within the offset acreage:

Operator	Name	Number	API	Section
Mewbourne Oil Company	Big Sinks Fed Com	1	3001523491	35
Devon Energy Production Company, L.P.	Snapping 2 State	14H	3001542688	2

Notice of this application is being provided to Advance Energy Partners, V-F Petroleum Inc., 4-BR Resources Investments II, LLC, Santo Legado LLC, Devon Energy Production Company, LP, Longhorn Partners, OXY Y-1 Company, and the NMOCD.

Attached are Form C-102's showing the surface, first take point, last take point, and bottomhole locations for the Armstrong 26/35 W0LM Fed Com #1H and Armstrong 26/35 W1LM Fed Com #2H wells. 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 June 6, 2018.

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 (98220) underlying the SW/4 of Section 26 and the W/2 of Section 35 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 <u>tjolly@mewbourne.com</u> or call me at (432) 682-3715.

Very truly yours,

MEWBOURNE OIL COMPANY

Tyler Jolly Landman

District 1
1(023 N. Fracch Dr., Hobbs, NM 88240
Phone: (375) 393-6161 Fax: (375) 393-0720
District II
811 S. First St., Artesla, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Azice, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District VII
1220 S. S. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3460

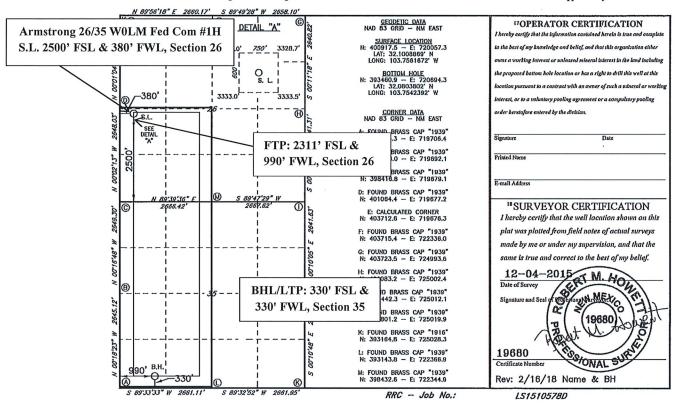
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

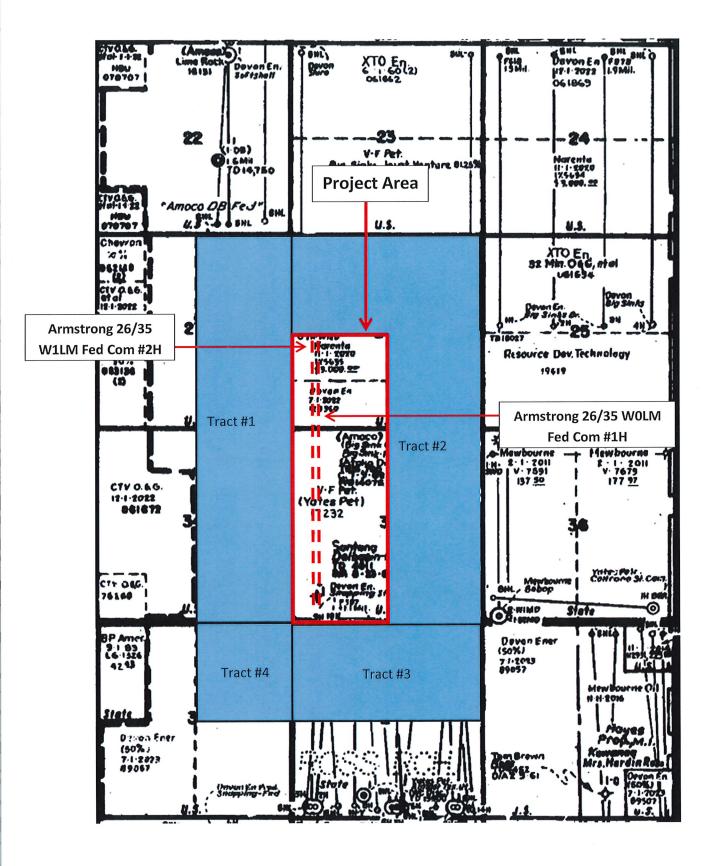
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT												
API Number 2Pool			2Pool	Code	de ³ Pool Name							
4Property Co	4Property Code ARMSTRONG						S Property Name S Property Name 6 Well Number 1 H					
7OGRID 1	10,	*Operator Name **PElevation MEWBOURNE OIL COMPANY 3331'										
						¹º Sur	face L	ocation				
UI. or lot no.	Section	Towns	hip	Range	Lot 1d	n Feet from	the	North/South line	Feet From the	East/W	est line	County
L	26	25S		31E		250	0	SOUTH	380	WE	ST	EDDY
				"]	Botton	Hole Loca	tion I	f Different F	rom Surface			
UL or lot no.	Section	Towns	nip	Range	Lot Id	n Feet from	the	North/South line	Feet from the	East/W	est line	County
M	35	25S	1	31E	E 330			SOUTH	990	WE	ST	EDDY
12 Dedicated Acres	13 Joint	or Infill	14 Con	solidation	Code	15 Order No.	•		•			

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.





Notice List

Mewbourne Oil Company

Application for Unorthodox Proration Unit

Armstrong 26/35 W0LM Fed Com #1H Armstrong 26/35 W1LM Fed Com #2H Eddy County, New Mexico

Owners Noticed	Tract Numbers	Certified Tracking Number
Devon Energy Production Company, L.P. as Operator of Tracts 1 & 3 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102-5015	Tract 1, 2, & 3	9414810699945031954517
ConocoPhillips Company, as Operator of Tract 4 600 North Dairy Ashford P.O. Box 2197 Houston, TX 77252-2197 Midland, TX 79701	Tract 4	9414810699945031954586
4-BR Resources Investments II, LLC 44-A East Broad Oaks Houston, TX 77056 Attn: Brian Burgher	Tract 2	9414810699945031954661
Santo Legado LLC P.O. Box 1020 Artesia, NM 88211-1020 Attn: Hanson Yates	Tract 2	9414810699945031954685
Advance Energy Partners 11490 Westheimer Road, Suite 950 Houston, TX 77077 Attn: Brian A. van Staveren	Tract 2	9414810699945031956122

Tyler Jolly

V-F Petroleum Inc. 500 W. Texas, Suite 350 Midland, TX 79701 Attn: Jerry Gahr	Tract 2	9414810699945031956696
Longhorn Partners P.O. Box 1973 Midland, TX 79702	Tract 2	9414810699945031965719
OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046 Attn: Jonathan Gonzalez	Tract 2	9414810699945031956740
NMOCD 811 S. 1st Street Artesia, NM 88210 Attn: Paul Kautz		9414810699945031956771

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

June 6, 2018

Via Certified Mail

See Attached List

Re: Mewbourne Oil Company's Application for Unorthodox Proration Unit

Armstrong 26/35 W0LM Fed Com #1H (API# 30-015-43750)

Surface Location: 2500' FSL & 380' FWL (Unit L in Section 26)
First Take Point: 2311' FSL & 990' FWL (Unit L Section 26)
Last Take Point: 330' FSL & 990' FWL (Unit M in Section 35)

Bottomhole Location: 330' FSL & 990' FWL (Unit M in Section 35)

Proration Unit: SW/4 of Section 26 and W/2 of Section 35, T-25-S, R-31-E,

NMPM, Eddy County, New Mexico

Pool: Purple Sage Wolfcamp Gas Pool (98220)

Armstrong 26/35 W1LM Fed Com #2H (API# 30-015-43798)

Surface Location: 2500' FSL & 330' FWL (Unit L in Section 26)
First Take Point: 2311' FSL & 330' FWL (Unit L Section 26)
Last Take Point: 330' FSL & 330' FWL (Unit M in Section 35)
Bottomhole Location: 330' FSL & 330' FWL (Unit M in Section 35)

Proration Unit: SW/4 of Section 26 and W/2 of Section 35, T-25-S, R-31-E,

NMPM, Eddy County, New Mexico

Pool: Purple Sage Wolfcamp Gas Pool (98220)

Ladies and Gentlemen:

Please find the enclosed copy of the application filed by Mewbourne Oil Company ("Mewbourne") for approval of an unorthodox proration unit for the Armstrong 26/35 W0LM Fed Com #1H and the Armstrong 26/35 W1LM Fed Com #2H wells located at the surface, first take point, last take point, and bottomhole locations described above. The wells will test the Purple Sage Wolfcamp Gas Pool and will be dedicated to an unorthodox 480-acre gas spacing and proration unit comprising the SW/4 of Section 26 and the W/2 of Section 35, T-25-S, R-31-E, NMPM, Eddy County, New Mexico. The unorthodox proration unit is necessary in order to maximize the recovery of oil and gas reserves within the Wolfcamp formation underlying the SW/4 of Section 26 and the W/2 of Section 35.

As the owner of an interest that may be affected by the proposed unorthodox 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.

Enclosure

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

Very truly yours,

MEWBOURNE OIL COMPANY

Tyler Jolly Landman From: Tyler Jolly

To: Lowe, Leonard, EMNRD; Jones, William V, EMNRD

Subject: NSP Application

Date: Wednesday, June 6, 2018 2:54:04 PM

Attachments: NMOCD Application Armstrong 26-35 Wolfcamp Wells.pdf

Gentlemen,

Please see attached Non-Standard Proration Unit Application for Mewbourne's upcoming Armstrong 26/35 Wolfcamp wells. These wells will be in the same proration unit and in the same pool. Please contact me if you have any questions or need additional information.

Tyler Jolly Mewbourne Oil Company

500 West Texas, Suite 1020, Midland, TX 79701

Ph: 432-682-3715

RECEIVED:	REVIEWER:	TYPE:	APP NO:

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY



NEW MEXICO OIL CO	ONSERVATION DIVISION
- Geological & Eng 1220 South St. Francis Driv	
ADMINISTRATIVE AP	PPLICATION CHECKLIST
	TIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND SSING ATTHE DIVISION LEVEL IN SANTA FE
Applicant: Mewbourne Oil Company	OGRID Number: 14744
Well Name: Armstrong 26/35 W1LM Fed Com #2H	API: 30-015-43798
Pool: Purple Sage Wolfcamp Gas	Pool Code: 98220
	N REQUIRED TO PROCESS THE TYPE OF APPLICATION TED BELOW
1) TYPE OF APPLICATION: Check those which apply A. Location – Spacing Unit – Simultaneous D NSL NSP (PROJECT AREA)	
B. Check one only for [1] or [1] [1] Commingling – Storage – Measuremed DHC DHC DTB PLC PROBLEM DECTOR DEC	C OLS OLM se - Enhanced Oil Recovery I EOR PPR FOR OCD ONLY Notice Complete Application Content Complete On or publication is attached, and/or, ration submitted with this application for
administrative approval is accurate and comp understand that no action will be taken on this notifications are submitted to the Division.	blete to the best of my knowledge. I also sapplication until the required information and
Note: Statement must be completed by an ind	lividual with managerial and/or supervisory capacity.
	6/5/2018
Tyler Jolly	Date
Print or Type Name	432-682-3715
Tall	Phone Number
X X X X	tjolly@mewbourne.com
Signature	e-mail Address

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

June 5, 2018

Via Email

New Mexico Oil Conservation Division

1220 S. St. Francis Drive Santa Fe, New Mexico 87505

Attn: Mr. Leonard Lowe

Re: Application for Unorthodox Proration Unit

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NMPM, Eddy County, New Mexico

Pool: Purple Sage Wolfcamp Gas Pool (98220)

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NMPM, Eddy County, New Mexico

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Mewbourne Oil Company Unorthodox Proration Unit Armstrong 26/35 W0LM Fed Com #1H Armstrong 26/35 W1LM Fed Com #2H Page 2 of 2

The unorthodox proration unit is necessary in order to maximize the recovery of oil and gas reserves and prevent waste from the Wolfcamp formation underlying the SW/4 of Section 26 and the W/2 of Section 35.

The affected offset acreage comprises the Sections 26, 27, 34, and 35, T25S, R31E, NMPM and Sections 2 and 3, T26S, R31E, NMPM (See Attached Map). There are currently the following Wolfcamp producers within the offset acreage:

Operator	Name	Number	API	Section
Mewbourne Oil Company	Big Sinks Fed Com	1	3001523491	35
Devon Energy Production Company, L.P.	Snapping 2 State	14H	3001542688	2

Notice of this application is being provided to Advance Energy Partners, V-F Petroleum Inc., 4-BR Resources Investments II, LLC, Santo Legado LLC, Devon Energy Production Company, LP, Longhorn Partners, OXY Y-1 Company, and the NMOCD.

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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 (98220) underlying the SW/4 of Section 26 and the W/2 of Section 35 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 <u>tjolly@mewbourne.com</u> or call me at (432) 682-3715.

Very truly yours,

MEWBOURNE OIL COMPANY

Tyler Jolly Landman

District I
1625 N. French Dr., Hobbs, NM 88240
Přaone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Attesia, NM 88210
Přaone: (573) 748-1283 Fax: (573) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Plaone: (503) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (503) 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

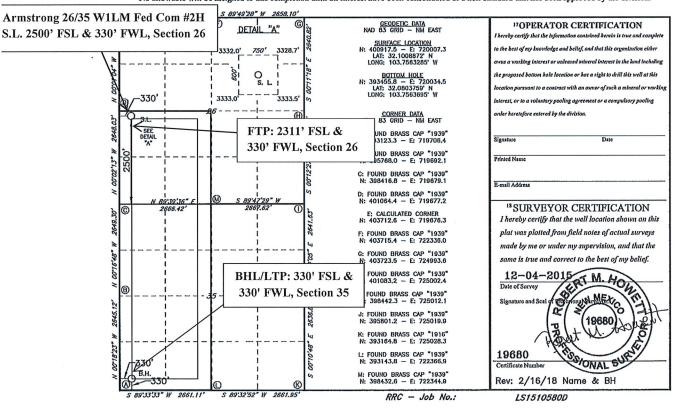
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

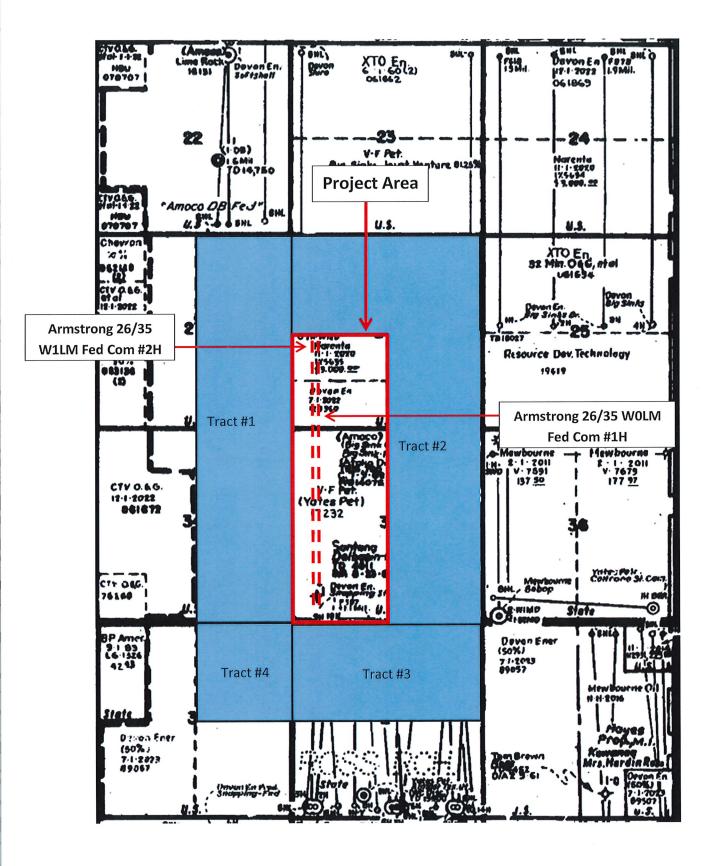
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	WELL LOCATION AND ACREAGE DEDICATION FLAT									
I API Number 2Poo			2 Pool Cod	ode 3 Pool Name						
30-0	15-4375	53		98220	0		Purple Sage W	olfcamp	Gas	
⁴ Property Code	le				5 Propert					6 Well Number
			Α	RMSTR	ONG 26/3	5 WILM FED	COM			2H
70GRID N					*Operato				9	Elevation
1474	4			MEW	BOURNE (OIL COMPANY				3331'
					10 Surfac	e Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/W	est line	County
L	26	25S	31E		2500	SOUTH	330	WE	ST	EDDY
			11]	Bottom 1	Hole Location	on If Different F	rom Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County
M	35	25S	31E		330	SOUTH	330	WE	ST	EDDY
12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order N			Order No.					•		
480										

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.





Notice List

Mewbourne Oil Company

Application for Unorthodox Proration Unit

Armstrong 26/35 W0LM Fed Com #1H Armstrong 26/35 W1LM Fed Com #2H Eddy County, New Mexico

Owners Noticed	Tract Numbers	Certified Tracking Number
Devon Energy Production Company, L.P. as Operator of Tracts 1 & 3 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102-5015	Tract 1, 2, & 3	9414810699945031954517
ConocoPhillips Company, as Operator of Tract 4 600 North Dairy Ashford P.O. Box 2197 Houston, TX 77252-2197 Midland, TX 79701	Tract 4	9414810699945031954586
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Santo Legado LLC P.O. Box 1020 Artesia, NM 88211-1020 Attn: Hanson Yates	Tract 2	9414810699945031954685
Advance Energy Partners 11490 Westheimer Road, Suite 950 Houston, TX 77077 Attn: Brian A. van Staveren	Tract 2	9414810699945031956122

Tyler Jolly

V-F Petroleum Inc. 500 W. Texas, Suite 350 Midland, TX 79701 Attn: Jerry Gahr	Tract 2	9414810699945031956696
Longhorn Partners P.O. Box 1973 Midland, TX 79702	Tract 2	9414810699945031965719
OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046 Attn: Jonathan Gonzalez	Tract 2	9414810699945031956740
NMOCD 811 S. 1st Street Artesia, NM 88210 Attn: Paul Kautz		9414810699945031956771

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

June 6, 2018

Via Certified Mail

See Attached List

Re: Mewbourne Oil Company's Application for Unorthodox Proration Unit

Armstrong 26/35 W0LM Fed Com #1H (API# 30-015-43750)

Surface Location: 2500' FSL & 380' FWL (Unit L in Section 26)
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Bottomhole Location: 330' FSL & 990' FWL (Unit M in Section 35)

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NMPM, Eddy County, New Mexico

Pool: Purple Sage Wolfcamp Gas Pool (98220)

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Very truly yours,

MEWBOURNE OIL COMPANY

Tyler Jolly Landman From: Tyler Jolly

To: Lowe, Leonard, EMNRD; Jones, William V, EMNRD

Subject: NSP Application

Date: Wednesday, June 6, 2018 2:54:04 PM

Attachments: NMOCD Application Armstrong 26-35 Wolfcamp Wells.pdf

Gentlemen,

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Tyler Jolly Mewbourne Oil Company

500 West Texas, Suite 1020, Midland, TX 79701

Ph: 432-682-3715

From: Lowe, Leonard, EMNRD

"Tyler Jolly" To:

Cc: Mike Bratcher (mike.bratcher@state.nm.us); Cordero, Gilbert, EMNRD; Jones, William V, EMNRD; McMillan,

Michael, EMNRD; Goetze, Phillip, EMNRD; Dawson, Scott, EMNRD; "lisa@rwbyram.com"; "jglover@blm.gov"; "scaffey@blm.gov"; "rjsanche@blm.gov"; "jstovall@blm.gov"

Subject: APPROVED NSP-2107_Mewbourne Oil CO._SEC 26 & 35 26S 35E

Date: Monday, July 16, 2018 2:48:00 PM Importance: High

Tyler Jolly,

The following Administrative Order has been issued.

ORDER: NSP-2107

OPERATOR: Mewbourne Oil Company POOL: Purple Sage; Wolfcamp [No. 98220]

The Order will soon be available on the Division's web site: http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx

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/