

NSL Initial Application

Received: 09/29/20

RECEIVED: 09/29/20	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2027476048
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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: Armstrong 26/23 WOE Fed Com #4H **API:** 30-015-PENDING
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) ☐ 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

Signature

9/25/19

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

September 17, 2019

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
Armstrong 26/23 W0EE Fed Com #4H
API No. Pending APD
Surface Location: 2500' FNL & 870' FWL (Unit E) (Section 26)
Proposed First Perf: 2310' FNL and 330' FWL (Unit E) (Section 26)
Bottomhole Location: 1420' FNL & 330' FWL (Unit E) (Section 23)
Proposed Last Perf: 1420' FSL & 330' FWL (Unit E) (Section 23)
Section 23 and 26, T-25-S, R-31-E, NMPM
Eddy 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 Armstrong 26/23 W0EE Fed Com #4H. This well will be drilled as a horizontal gas well in the Purple Sage Wolfcamp (Gas) Pool (98220).

The Armstrong 26/23 W0EE Fed Com #4H will be dedicated to a standard 400-acre gas spacing and proration unit comprising the NW/4 of Section 26 and the SW/4 and S/2NW/4 of Section 23. There are currently no other existing Wolfcamp Gas wells producing from within the proposed spacing unit.

The Purple Sage Wolfcamp (Gas) Pool is currently governed by Special Pool Rules, Hearing Order No. R-14262 which requires standard 320-acre gas spacing and proration units with wells to be located no closer than 330 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 330 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 NW/4 of Section 26 and the SW/4 and S/2NW/4 of Section 23.

The affected offset acreage comprises the Sections 23, T25S- R31E NMPM (See Attached Map). There is currently no Wolfcamp production within the offset acreage. Consequently, notice of this application is being provided to Devon Energy Production Company, LP and XTO Energy, Inc.

Attached is a Form C-102 showing the surface, first take point, and bottomhole locations for the Armstrong 26/23 W0EE Fed Com #4H. 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 Purple Sage Wolfcamp (Gas) Pool underlying Sections 23 and 26 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 or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



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

¹ API Number		² Pool Code 98220	³ Pool Name Purple Sage Wolfcamp (Gas)
⁴ Property Code	⁵ Property Name ARMSTRONG 26/23 W0EE FED COM		⁶ Well Number 4H
⁷ GRID NO. 14744	⁸ Operator Name MEWBOURNE OIL COMPANY		⁹ Elevation 3330'

¹⁰ Surface Location

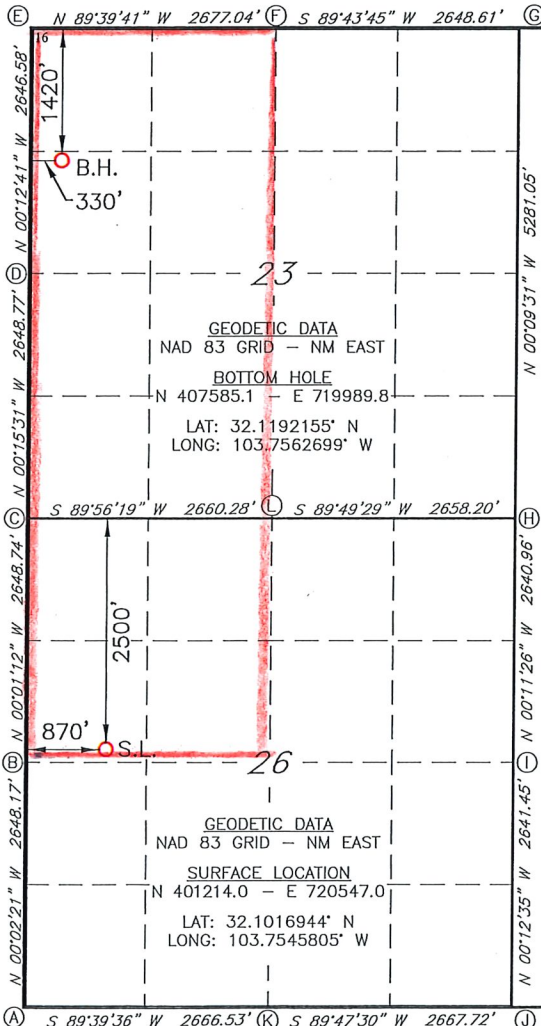
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
E	26	25S	31E		2500	NORTH	870	WEST	EDDY

¹¹ 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
E	23	25S	31E		1420	NORTH	330	WEST	EDDY

¹² Dedicated Acres 400	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1939"
N 398416.8 - E 719679.1

B: FOUND BRASS CAP "1939"
N 401064.4 - E 719677.2

C: CALCULATED CORNER
N 403712.6 - E 719676.3

D: FOUND BRASS CAP "1939"
N 406360.7 - E 719664.4

E: CALCULATED CORNER
N 409006.7 - E 719654.6

F: FOUND BRASS CAP "1939"
N 408990.9 - E 722331.0

G: FOUND 2" PIPE
N 409003.4 - E 724979.0

H: FOUND BRASS CAP "1939"
N 403723.6 - E 724993.6

I: FOUND BRASS CAP "1939"
N 401083.2 - E 725002.4

J: FOUND BRASS CAP "1939"
N 398442.3 - E 725012.1

K: FOUND BRASS CAP "1939"
N 398432.6 - E 722344.9

L: FOUND BRASS CAP "1939"
N 403715.4 - E 722336.0

¹⁷ OPERATOR CERTIFICATION

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.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION

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.

12-11-18

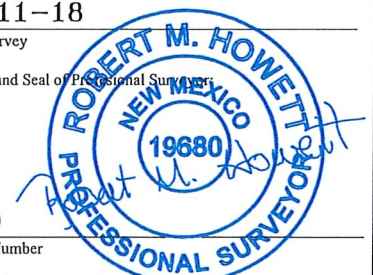
Date of Survey _____

Signature and Seal of Professional Surveyor _____

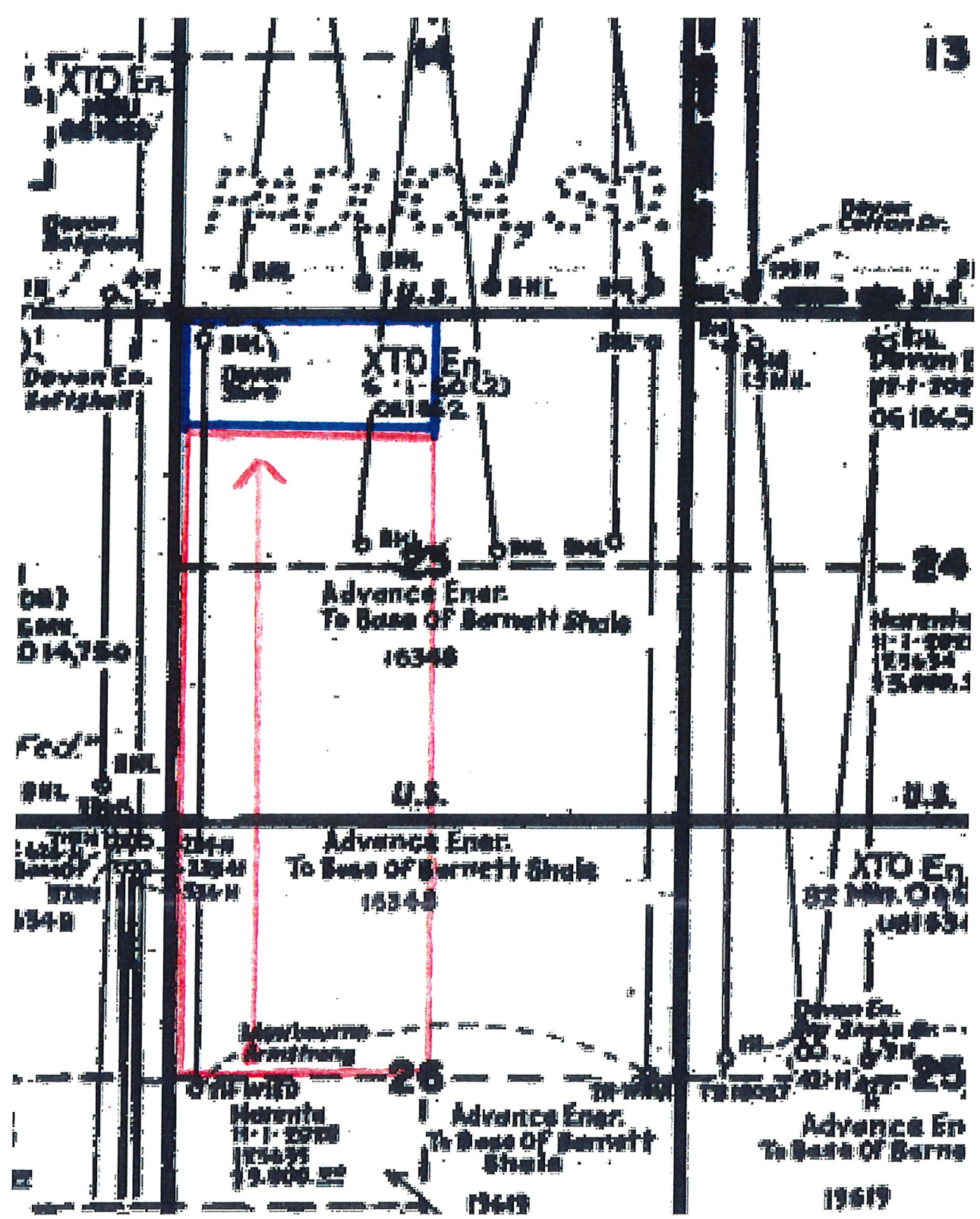
19680

Certificate Number

REV. 9/16/19 NAME/BHL



LS18121326D



Cy Shook

From: webmaster@simplecertifiedmail.com
Sent: Tuesday, September 24, 2019 10:24 AM
To: Cy Shook
Subject: [EXT] Document Delivered

A document with a tracking code of 9414810699945044039065 and reference number of NSL Notice Armstrong W0EE was successfully delivered to Permian Land Manager at Devon Energy Production Company, L.P..

Cy Shook

From: webmaster@simplecertifiedmail.com
Sent: Tuesday, September 24, 2019 4:31 PM
To: Cy Shook
Subject: [EXT] Document Delivered

A document with a tracking code of 9414810699945044038129 and reference number of NSL Notice Aremstrong W0EE was successfully delivered to Permian Land Manager at XTO Energy, Inc..