

DATE IN 2-4-13	SUSPENSE 2-24	ENGINEER DB	LOGGED IN 2-4	TYPE NSL	APP NO. PDKB1303549159
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Newbourne
Grubhouse 33 NE 64
Corr # 111

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.

James Bruce

Print or Type Name

Signature

Attorney

Title

Date

jamesbruc@aol.com
e-mail Address

1/31/13

6756

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

January 31, 2013

David Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Brooks:

Pursuant to NMAC 19.15.15.13, Mewbourne Oil Company applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Ironhouse 33 NC State Com. Well No. 1H
<u>Surface location:</u>	225 feet FSL & 1360 feet FWL
<u>Bottom hole location:</u>	330 feet FNL & 2280 feet FWL
<u>Well unit (project area):</u>	E½W½ of Section 33, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico

The well will be drilled to a depth sufficient to test the Bone Spring formation (Scharb-Bone Spring Pool). Under Order No. R-2589, the pool is spaced on 80 acres, with wells to be located within 200 feet of the center of a quarter-quarter section. Attached as Exhibit A is an APD with a Form C-102.

The unorthodox location will increase the productive length of the wellbore.

Attached as Exhibit B is a land plat. The offsets are as follows:

SW¼SW¼ §28
T.H. McElvain Oil & Gas LLLP

SE¼SW¼ and SW¼SE¼ §28
OXY USA Inc.

W¹/₂NE¹/₄ and SW¹/₄SE¹/₄ §33
BOPCO, L.P.

NW¹/₄SE¹/₄ §33
OXY USA Inc.

N¹/₂N¹/₂ §4
Nadel and Gussman Permian, LLC

W¹/₂W¹/₂ § 33
Mewbourne Oil Company

Notice of the application has been sent to the offsets, as reflected on Exhibit C.

Please contact me if you need any further information on this application.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Division I:
1625 N. French Dr., Hobbs, NM 88240
Phone (505) 393-6161 Fax (505) 393-6710

Division II:
411 S. First St., Artesia, NM 88210
Phone (505) 749-4282 Fax (505) 749-6720

Division III:
1600 Rio Bravo Rd., Alamogordo, NM 88410
Phone (505) 314-6176 Fax (505) 314-6130

Division IV:
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-4470 Fax (505) 476-4462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit - 15766

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address NEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241		2. OGRID Number 15744
		3. API Number 30-0254-0968
4. Property Code 59351	5. Property Name IRONHOUSE 33 NC STATE COM	6. Well No. 001

7. Surface Location

U.S. Loc.	Section	Township	Range	Lot/Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	35	18S	35E	N	225	S	1360	W	LEA

8. Proposed Bottom Hole Location

U.S. Loc.	Section	Township	Range	Lot/Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	33	18S	35E	C	330	N	2280	W	Lea

9. Pool Information

SCHARB-BONE SPRING	55610
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Additional Well Information

11. Well Type New Well	12. Well Type OIL	13. Cable Rotary	14. Lease Type State	15. Ground Level Elevation 3913
16. Multiple N	17. Proposed Depth	18. Formation Bone Spring	19. Completion	20. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest fresh water

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	34.1	1975	1200	0
Int1	12.25	9.625	26	3450	1100	0
Int2	8.75	7	26	9325	1400	3000
Prod	6.125	4.5	13.5	13885	0	0

Casing/Cement Program: Additional Comments

NOC proposes to drill & test the Bone Spring formation. H2S rule 118 does not apply because MOC has researched this area & no high concentrations were found. Will have on location & working all H2S safety equipment before drilling into the Yates for safety & insurance purposes. 4 1/2" production liner will be run & will utilize packer port system. No cement is required. Will stimulate as needed for production.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1500	Schaffer
Double Ram	3000	3000	Schaffer
Annular	3000	1500	Schaffer

I, the undersigned, certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify I have complied with 19.12.14.9 (A) NMAC and/or 19.15.14.6 (B) NMAC if applicable.

Signature:

Printed Name: Electronically filed by: Monty Whetstone

Title: Vice President, Operations

Email Address: prodmg@newbourne.com

Date: 11/15/2012

Phone: 505-361-2900

OIL CONSERVATION DIVISION

Approved By: ELLIO GONZALES

Title: HOBBES STAFF MANAGER

Approved Date: 11/20/2012 Expiration Date: 11/20/2014

EXHIBIT

A

Division I
1625 N. French Dr., Hobbs, NM 88249
Phone (505) 383-6141 Fax (505) 393-0226
Division II
311 S. First St., Artesia, NM 88215
Phone (505) 746-1283 Fax (505) 749-5726
Division III
1609 Rio Bravo, E.S., Alamogordo, NM 87410
Phone (505) 394-6174 Fax (505) 394-6175
Division IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3450 Fax (505) 476-3451

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Form C-102
August 1, 2011
Permit 157666

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number: 30-02540268	2. Pool Code: 55610	3. Pool Name: SCHARBONE SPRING
4. Property Code: 39351	5. Property Name: IRONHOUSE, INC STATE COM.	
7. OOPID No. 14744	8. Operator Name: NEUBOURNE OIL CO	9. Elevation: 3913

10. Surface Location

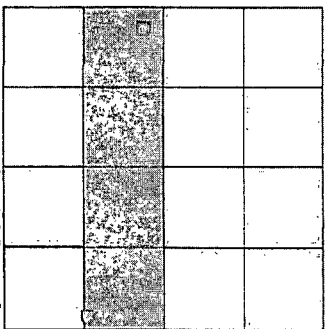
UL - Loc.	Section	Township	Range	Loc. Id.	Feet From	N/S Line	Feet From	E/W Line	County
N	33	18S	35E		225	S	1360	W	LEA

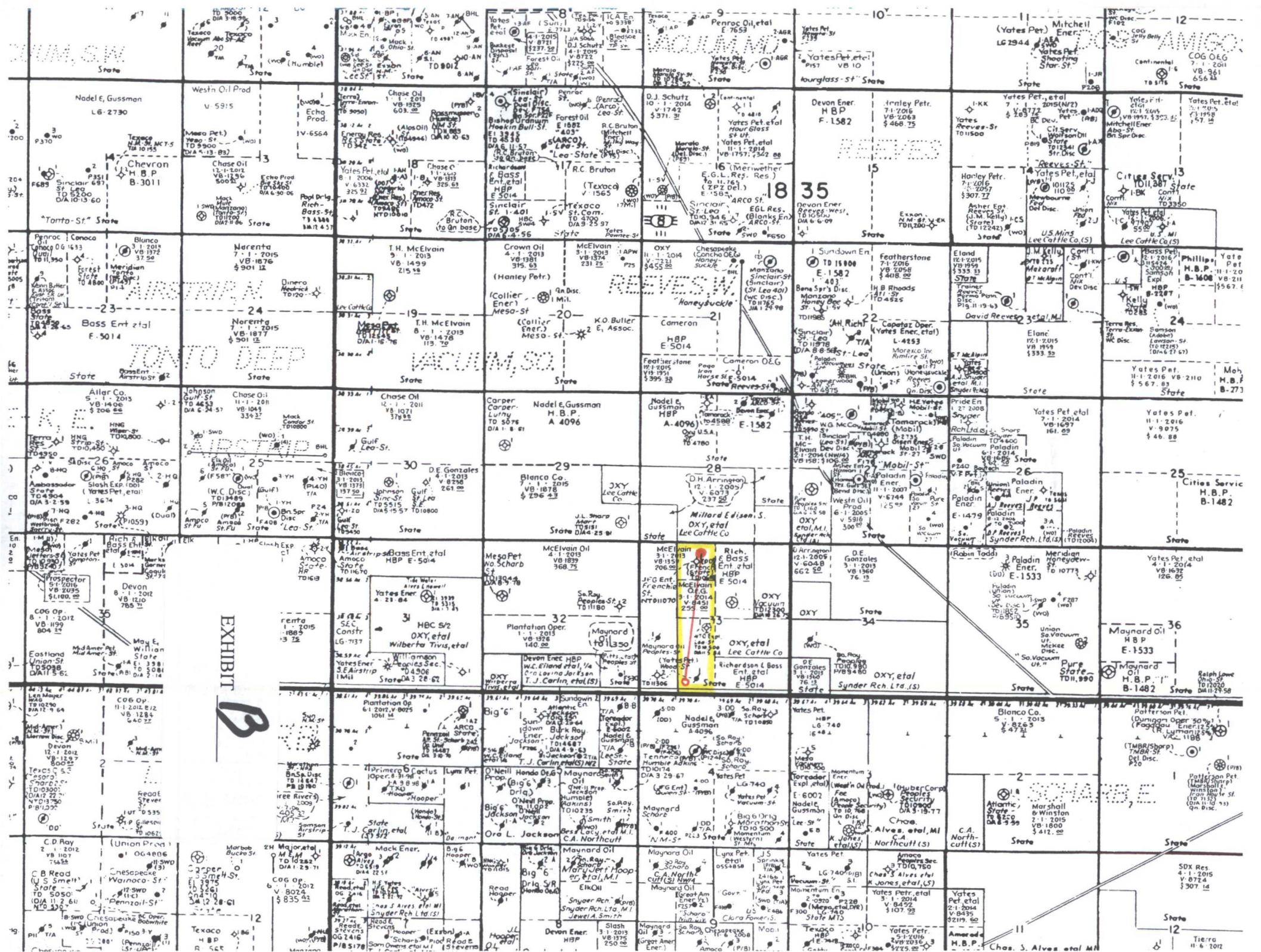
11. Bottom Hole Location If Different From Surface

UL - Loc.	Section	Township	Range	Loc. Id.	Feet From	N/S Line	Feet From	E/W Line	County
E	33	18S	35E	C	230	N	2280	W	LEA

12. Dedicated Acre: 160.00	13. Joint or Well	14. Completion Case:
15. Orig. No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION <i>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(s) 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.</i> E. Signed By: Monty Whistons Title: Vice President Operations Date: 11/15/2012 SURVEYOR CERTIFICATION <i>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.</i> Surveyed By: Gary Jones Date of Survey: 6/19/2012 Certificate Number: 7977
--	--



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
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jamesbruc@aol.com

January 31, 2013

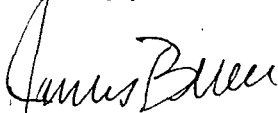
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the E½W½ of Section 33, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. You are an offset operator or interest owner. If you object to the application, you must notify the Division in writing within 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT

C

Exhibit A

T.H. McElvain Oil & Gas LLLP
Suite 2500
1050 17th Street
Denver, Colorado 80265

BOPCO, L.P.
Suite 2900
201 Main Street
Fort Worth, Texas 76102

OXY USA Inc.
5 Greenway Plaza
Houston, Texas 77046

Nadel and Gussman Permian, LLC
Suite 508
601 North Marienfeld
Midland, Texas 79701

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, February 04, 2013 1:46 PM
To: jamesbruc@aol.com
Subject: Mewbourne - Ironhouse 33 NC State Com #1H; NSL Application

Dear Jim

Your list of offsetting operators lists Mewbourne as operator of the W/2 W/2. Based on the surface location, it would appear that there would be an encroachment toward the W/2 W/2. Is working interest identical as between the E/2 W/2 of Section 33 and the W/2 @/2.

Also, I need to know footages for the beginning point of the completed interval in order to fill out the form.

Sincerely

David K. Brooks

Brooks, David K., EMNRD

From: jamesbruc@aol.com
Sent: Wednesday, February 20, 2013 9:32 AM
To: Brooks, David K., EMNRD
Subject: Re: Mewbourne - Ironhouse 33 NC State Com #1H; NSL Application

David: The productive interval begins 708 feet FSL and 1450 feet FWL. However, interest ownership is the same -- the entire W/2 is state land leased to T.H. McElvain, and farmed out to Mewbourne.

Jim

-----Original Message-----

From: Brooks, David K., EMNRD, EMNRD <david.brooks@state.nm.us>
To: jamesbruc <jamesbruc@aol.com>
Sent: Mon, Feb 4, 2013 1:45 pm
Subject: Mewbourne - Ironhouse 33 NC State Com #1H; NSL Application

Dear Jim

Your list of offsetting operators lists Mewbourne as operator of the W/2 W/2. Based on the surface location, it would appear that there would be an encroachment toward the W/2 W/2. Is working interest identical as between the E/2 W/2 of Section 33 and the W/2 @/2.

Also, I need to know footages for the beginning point of the completed interval in order to fill out the form.

Sincerely

David K. Brooks