

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



May 29, 2013

Mewbourne Oil Company
c/o Mr. James Bruce, Attorney

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6809
Administrative Application Reference No. pPRG1314342902

Mewbourne Oil Company
OGRID 14744
Malaga 30 PN Fed. Com. Well No. 1H
API No. 30-015

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1156 FSL & 330 FWL	M	30	24S	29E	Eddy
Terminus	330 FSL & 330 FEL	P	30	24S	29E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 S/2 of Section 30	160 + or -	South Pierce Crossing; Bone Spring	96671

Reference is made to your application received on May 21, 2013.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are less than 330 feet from an outer boundary of the project area.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location for topographic reasons.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jami Bailey".

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia
United States Bureau of Land Management

05/21/2013	SUSPENSE	ENGINEER DB	LOGGED IN 05/23/2013	TYPE NSL	PPRG 1314342902
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RECEIVED OOD

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

2013 MAY 21 P 2:19

- Engineering Bureau -

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



API Pending

30-015-

Malaga 30PM Fed Com #1

ADMINISTRATIVE APPLICATION CHECKLIST

Lot 4/Sec 30/24S/29E

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]

Mawbourne

6809

(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

James Bruce

Signature

Attorney

Title

5/18/13

Date

jamesbruc@aol.com

e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
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(505) 982-2151 (Fax)

jamesbruce@aol.com

May 18, 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>	Malaga 30 PM Fed. Com Well No. 1
<u>Surface location:</u>	1156 feet FSL & 330 feet FWL
<u>Bottom hole location:</u>	330 feet FNL & 330 feet FEL
<u>Well unit (project area):</u>	Lot 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$ and S $\frac{1}{2}$ SE $\frac{1}{4}$ (S $\frac{1}{2}$ S $\frac{1}{2}$) of Section 30, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

The well will be drilled to a depth sufficient to test the Bone Spring formation (South Pierce Crossing-Bone Spring Pool). The pool is spaced on statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 is attached as Exhibit A.

The beginning of the productive interval will be approximately 1023 feet from the south line and 615 feet from the west line of Section 30. The well will become orthodox at a point 990 feet from the south line and 900 feet from the west line of Section 30.

The surface location is unorthodox due to surface features (arroyos and dry washes) which required the operator to move the well north of an orthodox location (990 feet from the south line).

A land plat is attached as Exhibit B. The location only encroaches on Lot 3 of Section 30. Lots 3 and 4 (and other acreage) are part of Federal Lease NMNM 107384, which has common

interest ownership. In addition, Mewbourne Oil Company is the operator of the N½S½ of Section 30. Therefore, no one was notified of this application..

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

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce".

James Bruce

Attorney for Mewbourne Oil Company

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 96791 96671	³ Pool Name S. Pierce Crossing BS
⁴ Property Code	⁵ Property Name MALAGA 30 PM FED COM	⁶ Well Number 1H
⁷ OGRID No. 14744	⁸ Operator Name MEWBOURNE OIL COMPANY	⁹ Elevation 2920'

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
M	30	24-S	29-E		1156	SOUTH	330	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
P	30	24-S	29-E		330	SOUTH	330	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order 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.

16 EXHIBIT A (REQ = 2661.78') 330' 1156' 2635.10' 2655.17' 2650.88' 2669.08'	CORNER DATA NAD 27 GRID - NM EAST A: BRASS CAP "1942" N 429707.3 - E 593306.4 B: BRASS CAP "1942" N 429714.5 - E 595941.4 C: BRASS CAP "1942" N 429721.8 - E 598596.5 D: BRASS CAP "1942" N 432390.7 - E 598576.7 E: BRASS CAP "1942" N 435041.5 - E 598563.5	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 _____
	GEODETIC DATA NAD 27 GRID - NM EAST SURFACE LOCATION N 430864.5 - E 593665.1 LAT: 32°11'03.12" N LONG: 104°01'50.09" W	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. 1/31/13 Date of Survey Signature and Seal of Professional Surveyor:  19680 Certificate Number

