

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - 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

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 **AMEND EXISTING ORDER**
 NSL NSP SD **NSL-6757**

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

30-075-40884
 Merged to EH State 14
 Newbarn Oil Co
 6757A

[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	See Attachments	Attorney	May 23, 2013
Print or Type Name	Signature	Title	Date
		jamesbruc@aol.com	
		e-mail Address	

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)

jamesbruce@aol.com

May 23, 2013

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

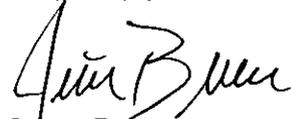
Re: Mewbourne Oil Company
Request to amend Administrative Order NSL-6757

Dear David:

Enclosed as Exhibit A is a copy of the application, and enclosed as Exhibit B is a copy of the order. Due to surface matters, the location has been moved from offsetting Section 1 to a location 1325 feet FNL and 115 feet FWL. See Exhibit 6. As a result, Mewbourne requests that the application be amended to reflect the new surface location. The only offset, to the north, is Mewbourne, so I don't think that any additional notice is required.

Please let me know if you need anything else.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

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2013 MAY 29 P 2:37

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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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>	Merit 6 EH State Well No. 1 (30-025-70884)
<u>Surface location:</u>	1490 feet FNL & 150 feet FEL of <u>Section 1-19S-34E</u>
<u>Bottom hole location:</u>	2310 feet FNL & 330 feet FEL of <u>Section 6-19S-35E</u>
<u>Well unit (project area):</u>	S½N½ of Section 6, Township 19 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 line. An APD, with a Form C-102, is attached as Exhibit A.

The producing interval of the wellbore will be unorthodox. The unorthodox location will increase the productive length of the wellbore.

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

N/2 Sec. 1
COG Operating LLC

EXHIBIT

A

N/2N/2 Sec. 6
Mewbourne Oil Company

N/2S/2 Sec. 6
COG Operating LLC

W/2NW/4 Sec. 5
Sundown Energy, LP
PGP Holdings I, LLC

NW/4SW/4 Sec. 5
O'Neil Properties, Ltd.

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,

COPY
James Bruce

Attorney for Mewbourne Oil Company

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



March 1, 2013

EXHIBIT

B

Mewbourne Oil Company
Attn: Mr. James Bruce, Attorney

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6757
Administrative Application Reference No. pDKB1303550499

Mewbourne Oil Company
OGRID 14744
Merit 6 EH State Com Well No. 1H
API No. 30-025-40884

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1490 FNL & 150 FEL	H	1	19S	34E	Lea
Penetration Point	1577 FNL & 330 FWL	E	6	19S	35E	Lea
Terminus	2310 FNL & 330 FEL	H	6	19S	35E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 N/2 of Section 6	160	Scharb; Bone Spring	55610

Reference is made to your application received on February 1, 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 the special rules for the Scharb; Bone Spring Pool, which provide for 80-acre units, with wells to be located within 200 feet of the center of a quarter-quarter section, 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 closer to the outside boundary of the project area than the location parameters in the applicable special pool rules would allow.

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 engineering reasons, in order to maximize production of hydrocarbons within this project area.

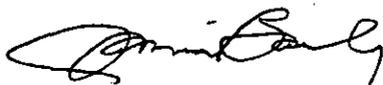
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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,



Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources
RECEIVED
APR 17 2013
 OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505
HOBBS OGD

Form C-103
 Revised August 1, 2011

WELL API NO. 30-025-40884
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-8025
7. Lease Name or Unit Agreement Name Merit 6 EH State
8. Well Number 1H
9. OGRID Number 14744
10. Pool name or Wildcat Scharb Bone Spring (55610)

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Mewbourne Oil Company

3. Address of Operator
PO Box 5270, Hobbs, NM 88240

4. Well Location
 Unit Letter H: 1490' feet from the North line and 150' feet from the East line
 Section 1 Township 19S Range 34E NMPM SE4/NE4 County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3949' - GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Move location <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

* Mewbourne Oil Company would like to move the location from 1490' FNL & 150' FEL, Sec. 1 T19S R35E, Lea County, NM to 1325' FNL & 115' FWL, Sec. 6 T19S R35E, Lea County, NM. *

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Bradley Bishop TITLE Regulatory DATE 4-17-13

Type or print name BRADLEY BISHOP E-mail address: PHONE:
 For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE
 Conditions of Approval (if any):

EXHIBIT C APR 17 2013

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Arteria, 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

HOBBS OCD Form C-102
Revised August 1, 2011
Submit one copy to appropriate District Office
APR 17 2013
RECEIVED AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40884	² Pool Code 55610	³ Pool Name Scharb Bone Spring
⁴ Property Code 39573	⁵ Property Name MERIT 6 EH STATE	
⁷ OGRUD No.	⁸ Operator Name MEWBOURNE OIL COMPANY	⁶ Well Number 1H ⁹ Elevation 3949'

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	6	19-S	35-E		1325	NORTH	115	WEST	LEA

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
H	6	19-S	35-E		2310'	NORTH	330	EAST	LEA

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

<p>(S 89°56" E 5233.8') S 89°47'48" W 5243.34'</p> <p>Project Area</p> <p>Producing Area</p> <p>1325'</p> <p>115'</p> <p>3310'</p> <p>844' 330'</p> <p>GEODETIC DATA NAD 27 GRID - NM EAST</p> <p>SURFACE LOCATION N 616964.3 E 796210.1 LAT: 32.693220° N LONG: 103.504360° W</p> <p>LEGEND (XX'XX') - GLO XX'XX'XX" - FOUND</p>	<p>¹⁷ OPERATOR CERTIFICATION</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>Bradley Bishop 4-17-13 Signature Date</p> <p>BRADLEY BISHOP Printed Name</p> <p>Email Address</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</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>4/18/13 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680 Certificate Number</p>

APR 17 2013