

DATE IN 7/25/06	SUSPENSE	DAVID BROOKS ENGINEER	LOGGED IN 7/25/06	TYPE NSL	APP NO. PTDSO620638908
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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



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.

Print or Type Name	Signature	Title	Date
		e-mail Address	

To: <ssmith@mewbourne.com>

cc:

Subject: NSL Application No.pTDS062038908; Forty-Niner Ridge Unit Well No. 102

Steve

We are in receipt of the referenced application for administrative approval of NSL.

To process your application, we need the following additional information:

Identification of the unit that will be dedicated to the proposed well

Description of the ownership of that unit and the adjacent unit toward which the well will encroach, including identification of the interests owned by each of the parties noticed.

Thanks

David K. Brooks
Assistant General Counsel
New Mexico Oil Conservation Division
505-476-3450

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MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

July 24, 2006

OVERNIGHT EXPRESS MAIL

2006 JUL 25 AM 10 04

Mr. Mark Fesmire, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Mewbourne Oil Company for administrative approval of an unorthodox well location for its Forty-Niner Ridge Unit Well No. 102 to be drilled at a location 1,980 feet from the North line and 2,310 feet from the East line of Section 16, Township 23 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Fesmire:

Mewbourne Oil Company ("Mewbourne") hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2)-(4), of an unorthodox well location for its Forty-Niner Ridge Unit Well No. 102 located 1,980 feet from the North line and 2,310 feet from the East line of Section 16, Township 23 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

The Forty-Niner Ridge Unit Well No. 102 is being proposed pursuant to and will be governed by the Unit and Unit Operating Agreements for the Forty Niner Ridge Unit, both dated July 1, 1973. Assuming a successful completion in the Morrow formation, the well will be dedicated to and become the fourth Morrow well within the existing 3,800-acre Morrow Participating Area of the Forty-Niner Ridge Unit. The well is unorthodox pursuant to the Division's Statewide Rules and Regulations which provide for wells on 320-acre spacing units to be located no closer than 660 feet to the outer boundary of the quarter section on which such well is located. The proposed well location is only 330 feet from the outer boundary of quarter section on which the well is located. Mewbourne originally attempted to permit this well at a location 1,980' FNL & 1,980' FEL of said Section 16, however, it was necessary to move the location to 1,980' FNL & 2,310' FEL in order to obtain a potash waiver from Mosaic Potash Carlsbad, Inc.

The siliciclastic portion of the Morrow Formation in the Forty-Niner Ridge Unit area is interpreted to be braided stream and near shore deltaic in both the Middle Morrow and Lower Morrow. Although several sand intervals may be encountered and be potentially productive, the target sand, Middle Morrow "Blue", is currently producing in the Mewbourne Oil Company Forty-Niner Ridge Unit Well #101 (16N) one-half mile southwest of the above referenced location. Imaging log data from the #101 indicates the axis of the braided stream channel is trending N20°E. This is confirmed by thick Blue sands encountered in the Skelly #1 Forty Niner Ridge Unit Well drilled at 16J. The Skelly well was completed in the Middle Morrow Blue but was not fracture stimulated and produced less than 1 BCFG before the Morrow was abandoned in 1982. Both the original proposed location and the unorthodox location should find thick Middle Morrow "Blue" Sand. Moving the location further west or north would increase the risk of not finding reservoir quality sands.

Exhibit A is a plat that shows the Forty Niner Ridge Unit Area, the 3,800-acre Morrow Participating Area and the proposed unorthodox well location.

Exhibit B is a combined Isopach and Top of Structure Map that shows the proposed well location and the anticipated sand trend in the area.

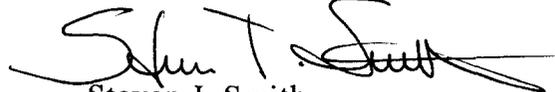
Exhibit C is a list of affected parties. A copy of this application and a copy of the plat has been sent to those listed on Exhibit C in accordance with Rule 1207(A)(5) and they have been advised that if they have an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date this notice was sent.

Also enclosed is a proposed administrative order of the Division.

Your attention to this application is appreciated.

Very truly yours,

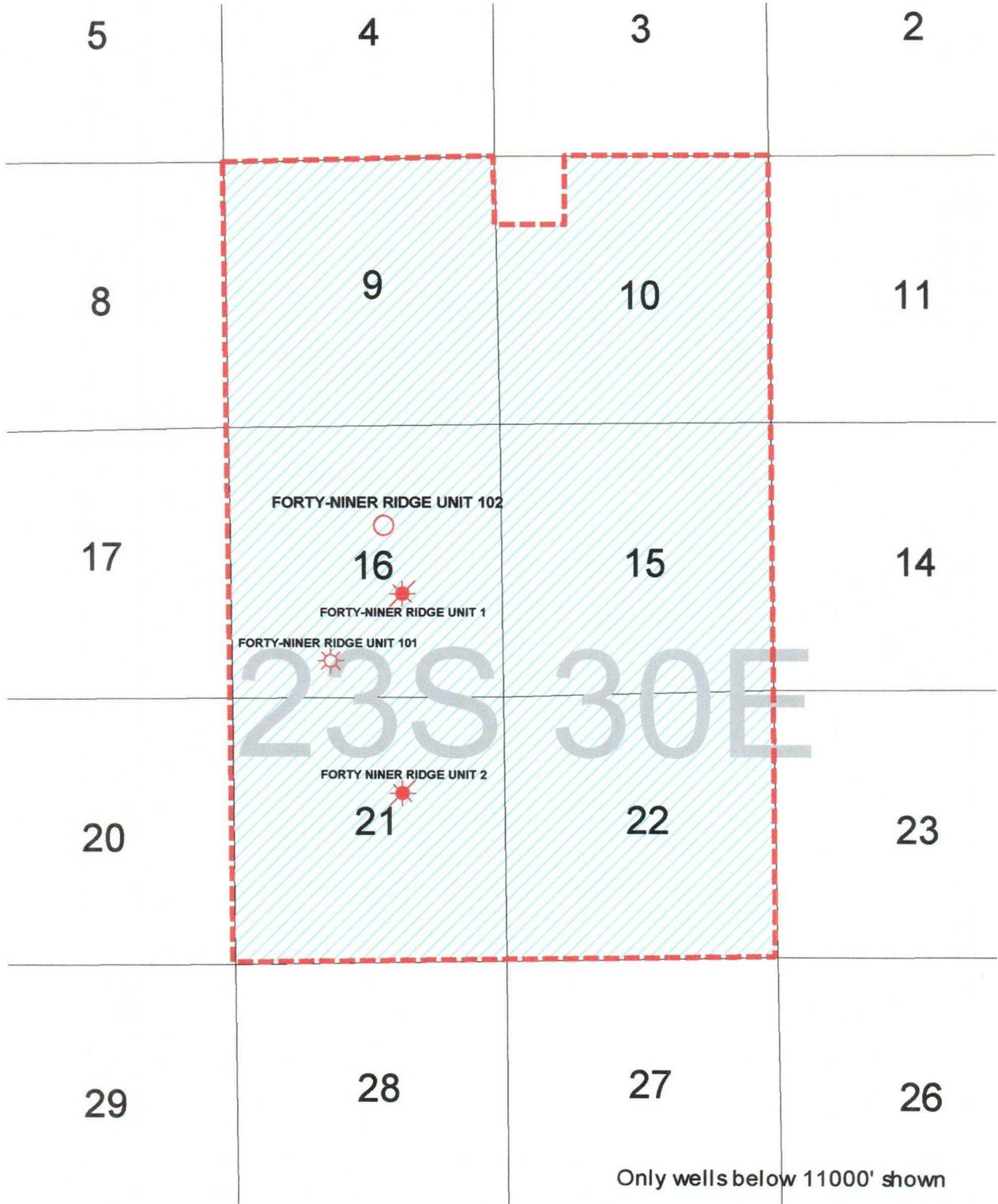
MEWBOURNE OIL COMPANY

A handwritten signature in black ink, appearing to read "Steven J. Smith", written over a horizontal line.

Steven J. Smith
Senior Landman

Enclosures

EXHIBIT A

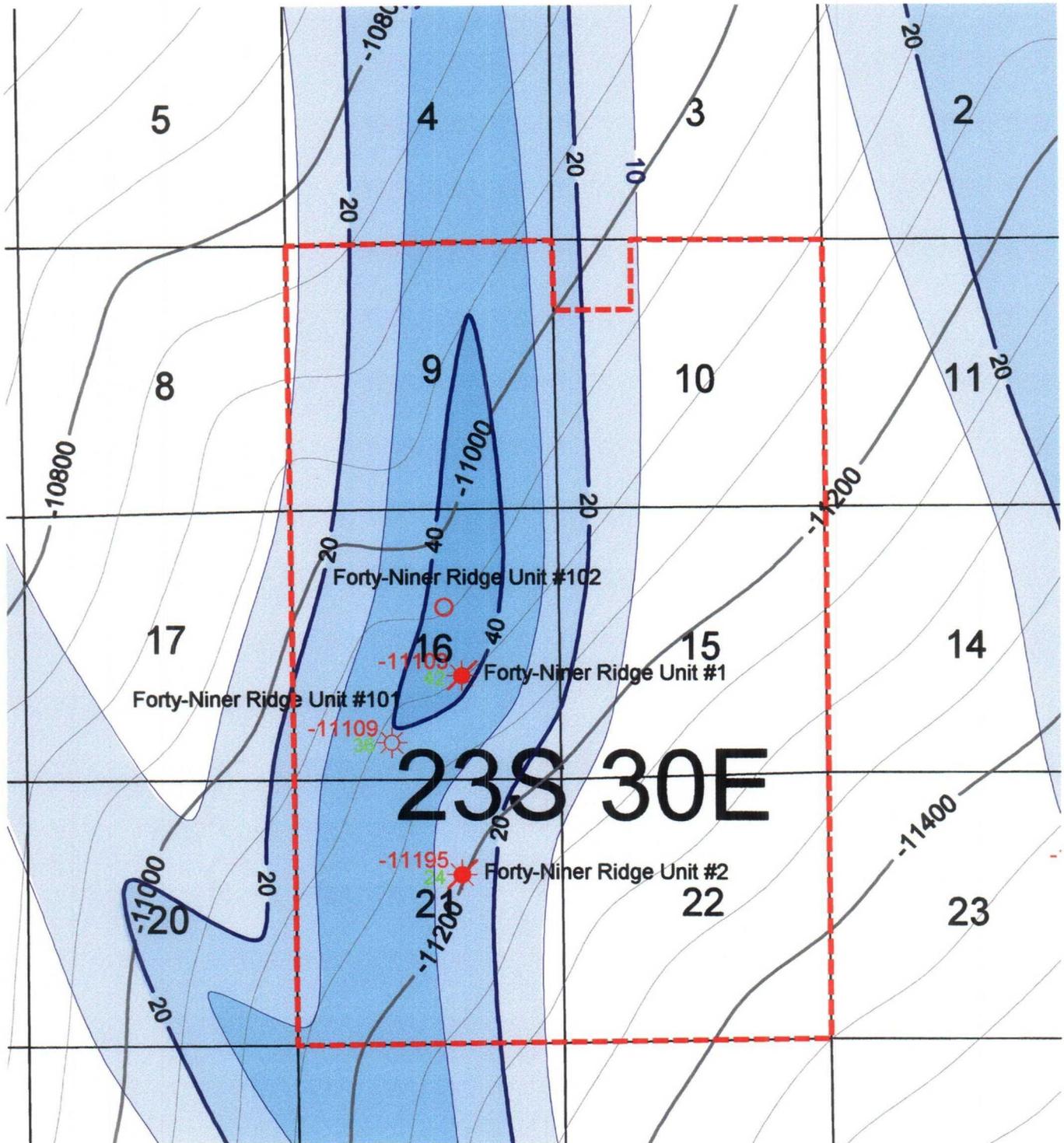


-  Unit Boundary Outline
-  Morrow Participating Area



 Mewbourne Oil Company		
Forty-Niner Ridge Unit Well # 102 T23S-R30E Eddy County, New Mexico		
Author: Steve Smith	Date: 21 July, 2006	
Scale: 1" = 3000'		

Exhibit B



Unit Boundary Outline
 Subsea Top of Lower Morrow
 Gross Morrow Blue Sand
 Only wells below 11000' shown



Mewbourne Oil Company		
Forty-Niner Ridge Unit Well # 102 Eddy County, New Mexico Isopach Middle Morrow Blue Sand Structure Top of Lower Morrow		
Author: RL Nelson	CI=10' CI=50'	Date: 7/21/2006
Scale: 1"=3000'		

Exhibit C

Notice List

**Mewbourne Oil Company Application
for Unorthodox Well Location
Forty Niner Ridge Unit Well #102**

Perry Bass, Trustee,
Lee Bass, Inc.,
Sid Bass, Inc.,
Thru Line, Inc., and
Keystone, Inc.
c/o Bass Enterprises Production Company
201 Main Street, Suite 2900
Fort Worth, TX 76102-3134
Attn: Mr. Forest Naylor

Broughton Petroleum, Inc.
P. O. Box 1389
Sealy, TX 77474-1389
Attn: Mr. William T. Wilson

COG Oil & Gas L.P.
550 West Texas, Suite 1300
Midland, TX 79701
Attn: Mrs. Jan Spradlin

Strata Production Company
200 West First Street, Suite 700
Roswell Petroleum Building
Roswell, NM 88203
Attn: Mr. Mark B. Murphy

ChevronTexaco
11111 South Wilcrest
Houston, TX 77099
Attn: Mr. Mayan Marshall

Attention: Steve Smith

Administrative Order NSL-_____

Dear Mr. Smith:

Reference is made to your application dated July 24, 2006 for administrative approval of an unorthodox well location for a well to be drilled to test the Morrow formation pursuant to the terms and conditions of the Unit and Unit Operating Agreements for the Forty Niner Ridge Unit, both dated July 1, 1973. This well will be drilled to the Morrow formation at an unorthodox gas well location 1,980 feet from the North line and 2,310 feet from the East line of Section 16, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico.

The existing 3,800-acre Morrow Participating Area of the Forty-Niner Ridge Unit is to be dedicated to said well.

This application has been duly filed under the provisions of Rule 104.F of the General Rules of the Oil Conservation Division revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By authority granted me under the provisions of Rule 104.F(2), the above-described unorthodox oil well location within this 40-acre unit in the Second Bone Springs formation is hereby approved.

Sincerely,

Mark E. Fesmire, P.E.
Director

cc: Oil Conservation Division - Hobbs/Artesia