

DATE IN 1/12/07	SUSPENSE	ENGINEER BROOKS	LOGGED IN 1/16/07	TYPE NSL	APP NO. PTD 50701646927
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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
Henry 8 Fed Crn #1
5558

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
 P.O. Box 1056
 Santa Fe, New Mexico 87504

Signature

Attorney for Applicant
 Title Date

jamesbruc@aol.com
 e-mail Address

2007 JUN 12 PM 3 12

1/12/07

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 12, 2007

Hand delivered

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to Division Rule 104.F(2), Mewbourne Oil Company applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Henry 8 Fed. Com. Well No. 1
<u>Location:</u>	1218 feet FSL & 1820 feet FEL
<u>Well Unit:</u>	SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 8, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

The well is being drilled to a depth sufficient to test the Morrow formation (East Burton Flat-Morrow Gas Pool). The well is at an orthodox gas well location. However, applicant anticipates uphole oil zones which will be productive. Therefore, applicant requests unorthodox location approval in the Delaware and Bone Spring formations. Both those zones are spaced on statewide regulations (40 acre well units, with wells to be located no closer than 330 feet to a quarter-quarter section line). An APD, with a Form C-102 attached is attached as Exhibit A.

The well's location is based upon topographic reasons. Attached as Exhibit B is a daily report regarding the staking of the well. Due to proximity of pipelines and existing lease roads, and the desire to minimize additional surface disturbance, the Bureau of Land Management would not approve an orthodox location.

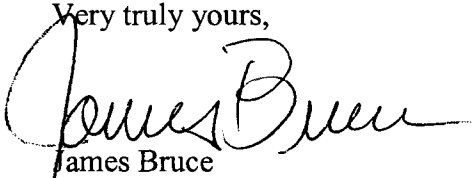
A land plat is attached as Exhibit C. The S $\frac{1}{2}$ of Section 8, except for the SE $\frac{1}{4}$ SE $\frac{1}{4}$, is covered by Federal Lease NM 01165, which has common interest ownership in the Delaware and Bone

Burton 8340
WC 96403

Spring formations. Therefore, there is no adversely affected offset, and notice of this application has not been given to anyone.

Please contact me if you need any further information.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Mewbourne Oil Company

0812

OCD-ARTESIA

6-01-68

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER JUN 07 2008

OCD-ARTESIA

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-01165	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Mewbourne Oil Company - 14744		7. If Unit or CA Agreement, Name and No.	
3a. Address PO Box 5270 Hobbs, NM 88240		8. Lease Name and Well No. Henry B Federal Com #1 35784	
3b. Phone No. (include area code) 505-393-6906		9. API Well No. 30-015-34927	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1218' FSL & 1820' FEL Unit O - CAPTAN CONTROLLED WATER BASIN At proposed prod. zone Same		10. Field and Pool, or Exploratory East Burton Flat Morrow	
14. Distance in miles and direction from nearest town or post office* 12 miles North of Carlsbad		11. Sec., T., R., M., or Blk. and Survey or Area Sec 8-T20S-R29E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drilg. unit line, if any) 1218'		12. County or Parish Eddy	
16. No. of Acres in lease 280		13. State NM	
17. Spacing Unit dedicated to this well 320			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1550'			
19. Proposed Depth 11800'		20. BLM/BIA Bond No. on file NM1693, Nationwide	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3268' GL		22. Approximate date work will start* ASAP	
		23. Estimated duration 45	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature: <i>Kristi Green</i>	Name (Printed/Typed) Kristi Green	Date 04/27/06
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Title Hobbs Regulatory	Name (Printed/Typed) Tony J. Herrell	Date 6/05/06
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Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE
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Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached

Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent sta

*(Instructions on reverse)

EXHIBIT A

gly and willfully to make to any department or agency of the United on.

APPROVAL FOR 1 YEAR

WITNESS

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Operator to test for chlorides in
Capitan Deep over 100' from
01800 to 02922'

B6N-OCD

Sa 11
29.5

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1600 Elb Hrnas Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 73320	Pool Name East Burton Flat Morrow
Property Code	Property Name HENRY 8 FEDERAL COM#1	Well Number 1
OGHD No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3268'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	8	20 S	29 E		1218	SOUTH	1820	EAST	EDDY

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
Dedicated Acres 320	Joint or Infill	Consolidation Code	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

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Kristi Green</i> Signature Kristi Green Printed Name Hobbs Regulatory Title 04/25/06 Date
	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. MARCH 30, 2006 Date Surveyed Signature: GARY L JONES Professional Surveyor Professional Seal W.O. No. 64 Certification No. Gary L Jones 7977

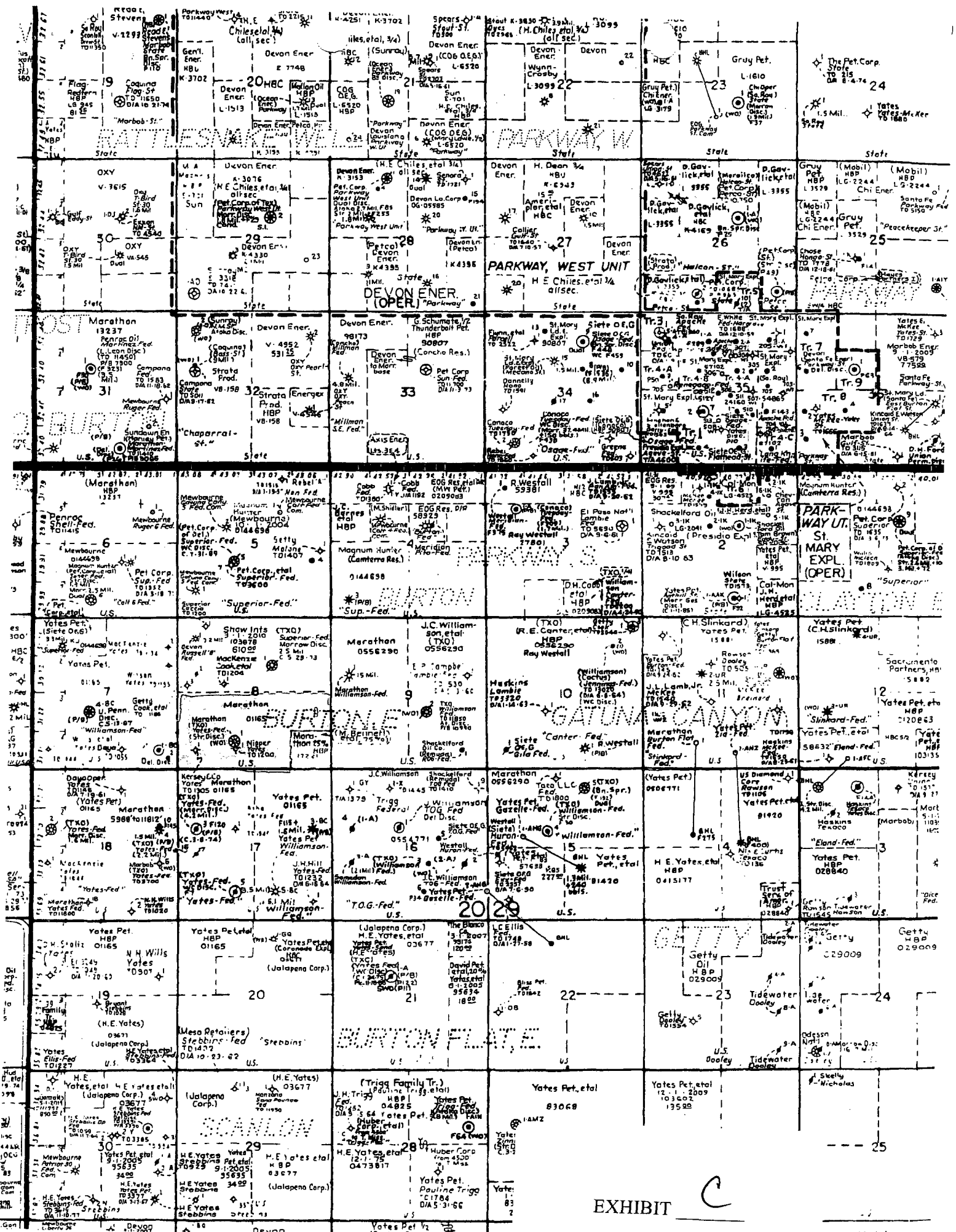
**MEWBOURNE OIL COMPANY
500 WEST TEXAS, SUITE 1020
MIDLAND, TEXAS 79701**

Lease	<u>Henry "8" Federal Com</u>		Well No	<u>1</u>	Location	<u>990' FSL & 990' FEL</u>	
County	<u>Eddy</u>	ST <u>NM</u>	Section	<u>8</u>	TwnShp	<u>20S</u>	Rng <u>29E</u>
Section		Blk <u></u>	Survey	<u></u>			
Filename						Page	<u>1</u>

DATE _____

DAILY REPORTS

JAN 25 2006	Staked location @ 990' FSL & 990' FEL, Sec 8-T20S-R29E, Eddy Co, NM. Elevation @ 3272' GL. This appears to be a drillable location pending BLM & arch approval w/pits to the North. An existing lease road will have to be re-routed around the location as the spot falls 20' from the road center. (FL)
FEB 01 2006	Met w/Barry Hunt w/BLM. Approved location pending arc survey. (FL)
MAR 15 2006	Re-staked location @ 1650' FSL & 1650' FEL, Sec 8-T20S-R29E, Eddy Co, NM. This spot is not acceptable due to a pair of pipelines 4' north of spot. Staked location @ 1877' FSL & 1650' FEL. Elevation @ 3268'. This spot is 180' north of the pipelines. This appears to be a drillable location in a flat grassy pasture w/pits to the north, pending BLM & arch approval. Staked an alternate location @ 1478' FSL & 1506' FEL. Elevation @ 3269'. This spot is 180' south of a SW/NE pipeline & 180' east of a SE/NW pipeline. This appears to be a drillable location on the edge of a small grassy hill w/pits to the NE, pending BLM & arch approval. (FL)
MAR 31 2006	BLM would not approve locations staked earlier. Restaked @ 1218' FSL & 1820' FEL of Sec 8-T20S-R29E. BLM approved location w/pits to the W/SW. Elevation @ 3265' GL. Staked road to the east to main caliche road. Staked pipeline to the Browning 9 Federal #1. (MY)
AUG 23 2006	MI GCI/Sweatt Construction & start building location @ 1218' FSL & 1820' FEL, Sec 8-T20S-R29E, Eddy Co NM. (FL)
AUG 24-29 2006	Building location. (FL)
AUG 30 2006	Location finished & ready for ratholes. <i>Drop from report until further activity.</i> (FL)



EXHIBIT