

DATE IN 8/25	SUSPENSE 9/15	ENGINEER MS	LOGGED IN MS	TYPE NSL	P.M.E.S.O. - APP NO. 323991795
--------------	---------------	-------------	--------------	----------	-----------------------------------

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.

James Bruce

Print or Type Name

Signature

Attorney for Applicant

Title

jamesbruc@aol.com

e-mail Address

Date

RECEIVED
 AUG 25 2003
 Oil Conservation Division

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) 982-2151 (FAX)

jamesbruce@aol.com

RECEIVED

AUG 25 2003

August 25, 2003

Oil Conservation Division

Hand Delivered

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

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

<u>Well:</u>	SF "17" Fed. Com. Well No. 1	30-025-36345
<u>Location:</u>	1975 feet FNL & 1422 feet FEL	
<u>Unit:</u>	(G) SW 1 NE 4 of Section 17, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico	

The well will be drilled to a depth sufficient to test the Morrow formation, and the location is orthodox in the Morrow. However, if the Wolfcamp and Strawn formations appear prospective, those zones may be tested. The well is in the Undesignated Young-Wolfcamp Pool and the Undesignated Young-Strawn Pool. Both pools are oil pools developed on statewide rules. Attached as Exhibit 1 is a Form C-102 for the well.

The well's original location was 1650 feet FEL, and this was based on geologic reasons in the Morrow formation - the eastern part of the SW~~1~~NE~~4~~ is the best location in the Morrow formation. (If you would like a geologic plat of the Morrow, please let me know.) The location in the oil zones was not material in locating the well.

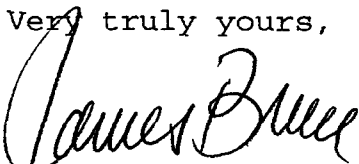
Attached as Exhibit 2 is a topographic plat of the area near the wellsite. The location had to be moved to the east to avoid a road, pipeline, and aqueduct. (Due to the Morrow geology, applicant did not want to move further west.) This made the location unorthodox as to oil zones.

The W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 17 is covered of United States Lease NM 106717, and the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 17 is covered of United States Lease NM 9016. Lease NM 106717 is segregated out of Lease NM 9016, so royalty ownership is common between the two leases. In addition, there is a 7.5% overriding royalty which is common between the leases. There are several additional overriding royalty owners in the E $\frac{1}{2}$ NE $\frac{1}{4}$ who own no interest in the W $\frac{1}{2}$ NE $\frac{1}{4}$. All overriding royalty owners in the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 17 (including those who also own the same interest in the W $\frac{1}{2}$ NE $\frac{1}{4}$) have been notified of this application, and a copy of the notice letter is attached as Exhibit 3.

Working interest ownership in the E $\frac{1}{2}$ of Section 17 below the top of the Wolfcamp formation is governed by an operating agreement, and all working interest owners will share in production from the Wolfcamp and Strawn formations. Therefore, those parties have not been notified of this application.

Please call me if you need any further information on this matter.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

CMD : ONGARD 08/27/03 08:33:06
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TQHR

OGRID Idn : 14744 API Well No: 30 25 36345 APD Status(A/C/P): A
Opr Name, Addr: MEWBOURNE OIL CO Aprvl/Cncl Date : 06-12-2003
PO BOX 7698
TYLER, TX 75711

Prop Idn: 32654 SF 17 FEDERAL COM Well No: 1

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn :	G	17	18S	32E			FTG 1975 F N	FTG 1422 F E
OCD U/L :	G		API County :	25				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3775

State Lease No: Multiple Comp (S/M/C) : S
Prpsd Depth : 12900 Prpsd Frmtn : MORROW

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

N.M. Oil Cons. Division

1625 N. French Dr.
Hobbs, NM 88240

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

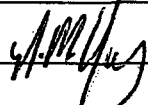
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM-106717
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" 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	3b. Phone No. (include area code) 505-393-5905	8. Lease Name and Well No. SF "17" Federal Com #1
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1975' FNL & 1422' FEL At proposed prod. zone G		9. API Well No. 30-025-36345
14. Distance in miles and direction from nearest town or post office* 8 miles SSW from Maljamar, NM		10. Field and Pool, or Exploratory Lusk Morrow, North
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1218'	16. No. of Acres in lease 320	11. Sec., T., R., M., or Blk. and Survey or Area Sec 17-T18S-R32E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 762'	19. Proposed Depth 12,900'	12. County or Parish Lea
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3775'	22. Approximate date work will start* ASAP	13. State NM
17. Spacing Unit dedicated to this well 320		
20. BLM/BIA Bond No. on file NM1693, Nationwide		
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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) NM Young	Date JUL 25 2003
Title Hobbs District Manager		
Approved by (Signature) /s/ NOE GONZALEZ	Name (Printed/Typed) /s/ NOE GONZALEZ	Date JUL 25 2003
Title ACTING FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

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.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

OPER. OGRID NO. 14744
PROPERTY NO. 32654
POOL CODE 80800
EFF. DATE 7-29-03
API NO. 30-025-36345

DISTRICT I

25 N. French Dr., Hobbs, NM 88240

DISTRICT II

11 South First, Artesia, NM 88210

DISTRICT III

100 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

140 South Pacheco, Santa Fe, NM 87506

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	Pool Name <i>Lusk Morrow</i>
Property Code	Property Name SF "17" FEDERAL COM	Well Number 1
OGRID No. <i>1A7A-A</i>	Operator Name MEWBOURNE OIL COMPANY	Elevation 3775'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	17	18 S	32 E		1975'	NORTH	1422'	EAST	LEA

Bottom Hole Location If Different From Surface

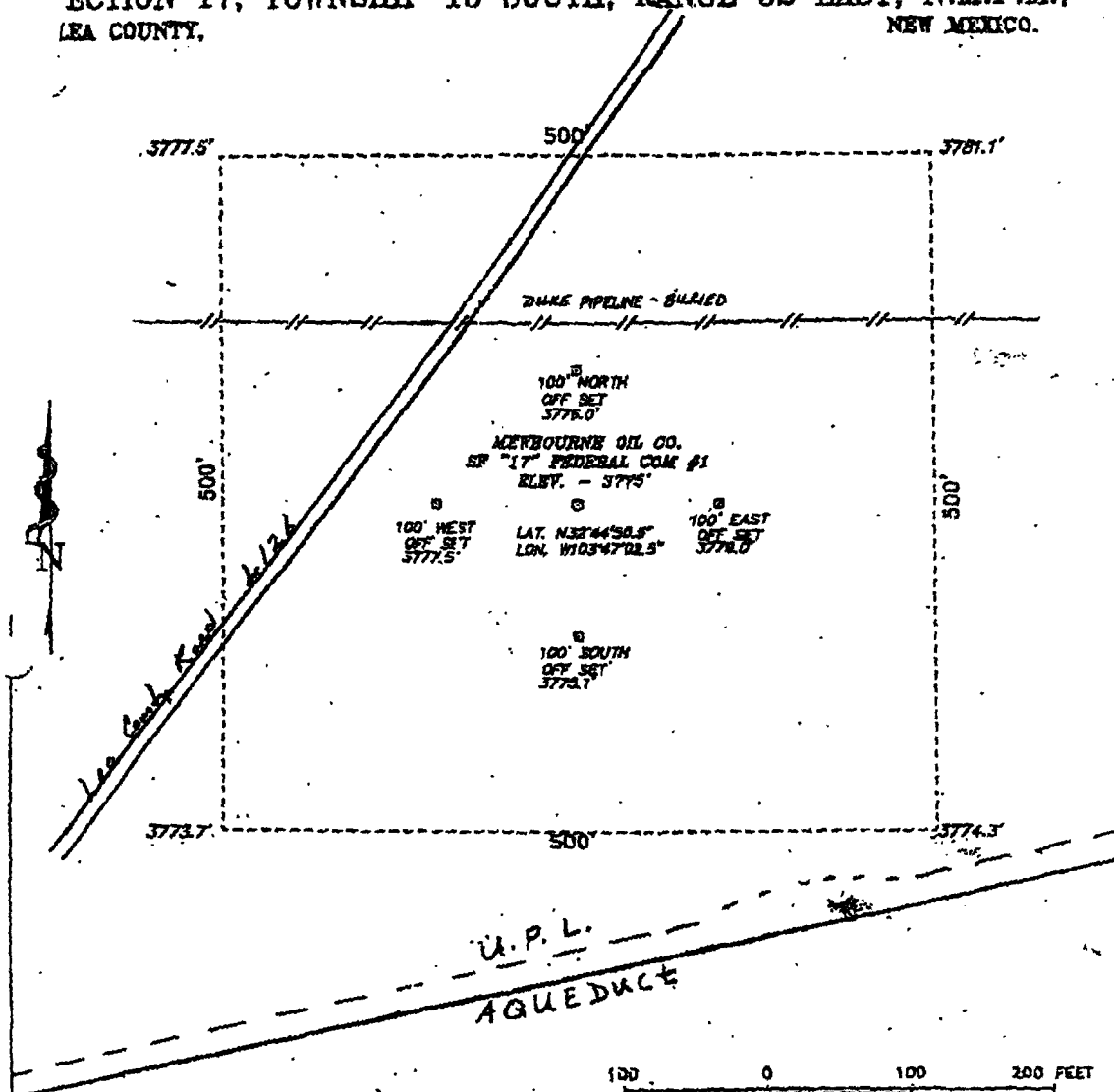
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No. <i>Standard 640-ac Section</i>
------------------------	-----------------	--------------------	---

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 the the information contained herein is true and complete to the best of my knowledge and belief. Signature <i>N.M. Young</i> Printed Name District Manager Title Date <i>6/12/03</i>
	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. Date Surveyed June 6, 2003 Signature <i>GARY L. JONES</i> Professional Surveyor Certificate No. 3580 JLP
	EXHIBIT 1
	A circular seal for the New Mexico Professional Land Surveyors. The seal contains the text "NEW MEXICO", "PROFESSIONAL LAND SURVEYORS", and "1927". The seal also contains the name "GARY L. JONES" and the number "7977".

SECTION 17, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



FROM THE INTERSECTION OF STATE HWY. 529 AND
LEA COUNTY RD. L-128 GO SOUTH ON 128 APPROX
3.1 MILES THE LOCATION IS APPROX 300' EAST OF ROAD

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 3330 Drawn By: JAMES PRESLEY

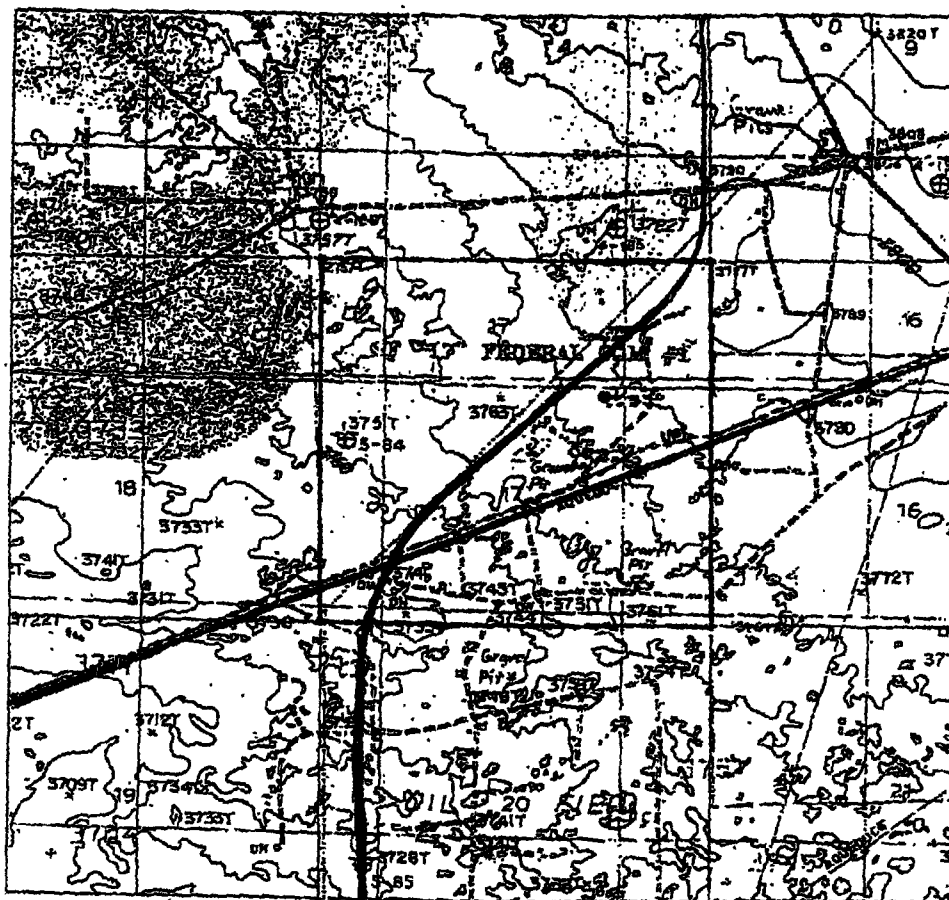
MEWBOURNE OIL COMPANY

REF: SF "17" FEDERAL COM. #1 / Well Pad Topo

SF "17" FEDERAL COM #1 LOCATED 1975' FROM THE
NORTH LINE AND 1422' FROM THE EAST LINE OF
SECTION 17, TOWNSHIP 18 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 06/06/03 Sheet 1 of 1 She





SF "17" FEDERAL COM #1
Located at 1975' FNL and 1422' FEL
Section 17, Township 18 South, Range 32 East,
N.M.P.M., Lea County, New Mexico.

basin surveys

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7916 - Office
(505) 392-5074 - Fax

W.O. Number: 3330AA - JLP #1

Survey Date: 05/05/03

Scale: 1" = 2000'

Date: 05/05/03

MEWBOURNE
OIL
COMPANY

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) 982-2151 (FAX)

jamesbruce@aol.com

August 25, 2003

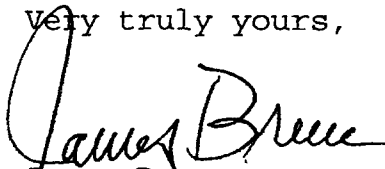
CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and Gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, requesting administrative approval of an unorthodox oil well location in the Wolfcamp and Strawn formations in the SW~~NE~~ of Section 17, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico. You own an interest offsetting the well's location. If you object to the well's location, you must notify the Division in writing no later than Monday, September 15, 2003 (1220 South St. Francis Drive, Santa Fe, New Mexico 87505; attention: Michael E. Stogner). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney Mewbourne Oil Company



EXHIBIT A

St. Mary Land & Exploration Company
1776 Lincoln St., Suite 1100
Denver, CO 80203

Centennial
P. O. Box 1837
Roswell, NM 88202

Jack Folkner
P. O. Box 39
Loleta, CA 95551

Louise Folkner Lane
6106 84th St. E.
Puyallup, WA 98371

Carroll Larry Folkner
45 E. Vince
Ventura, CA 93001

Robert L. Folkner
807 W. Canary Way
Chandler, AZ 88248

Mary Ryan Folkner
Address unknown

Carl Lewis Folkner, Jr.
213 Camino Cuatro SW
Albuquerque, NM 87105

Stephen Francis Folkner
213 Camino Cuatro SW
Albuquerque, NM 87105

John Christopher Folkner
7201 Del Pasada NW
Albuquerque, NM 87120

T. E. Brown, Jr., Personal Representative
2407 Cerro Road
Artesia, NM 88210

T. E. Brown, Jr.
2407 Cerro Road
Artesia, NM 88210

Oil Royalties Corp.
c/o Renaissance Energy, LLC
P. O. Box 2473
Midland, TX 79702

Oil Royalties Corp.
c/o Jacques Vinmont, Jr.
21 Aspen Court
Boynton Beach, FL 33436

Randy G. Patterson
105 S. Fourth Street
Artesia, NM 88210

William C. White
42 Colbert Avenue
Artesia, NM 88210

Jack W. McCaw and wife, Mary Ann McCaw
P. O. Box 127
Artesia, NM 88210

EHW, LLC
101 South Fourth Street
Artesia, NM 88210

Mary Kennedy Gore
P. O. Box 13051
Las Vegas, NV 89112

Willa Kathryn Kennedy
P. O. Box 1121
Edgewood, NM 87015

Higgins Trust, Inc.
P. O. Box 2421
Gainesville, GA 30503

George Westall and wife, Willa Mae Westall
P. O. Box 70
Ruidoso Downs, NM 88346

John W. Wallnich, Jr.
416 N. Elmhurst Avenue
Mt. Prospect, IL 60056

Paul J. Anderson
728 Gull Lake Drive
Nisswa, MN 56468

Thomas R. Holloway
7570 West 147th Street
Apple Valley, MN 55124

Margaret K. Hunker, Trustee
1710 W. Third Street
Roswell, NM 88201

Deborah Fedric
P. O. Box 1771
Roswell, NM 88202

William James Wallrich
40210 N. Lakeview Drive
Antioch, IL 60002

Billy G. Underwood
P. O. Box 2523
Roswell, NM 88202

County Lea

Pool Young - Strawn 65560

TOWNSHIP 18 South

Range 32 East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: NE/4 Sec 20 (R-5102, 10-1-75)

County LEAPool Young - Morrow Gas (87820)

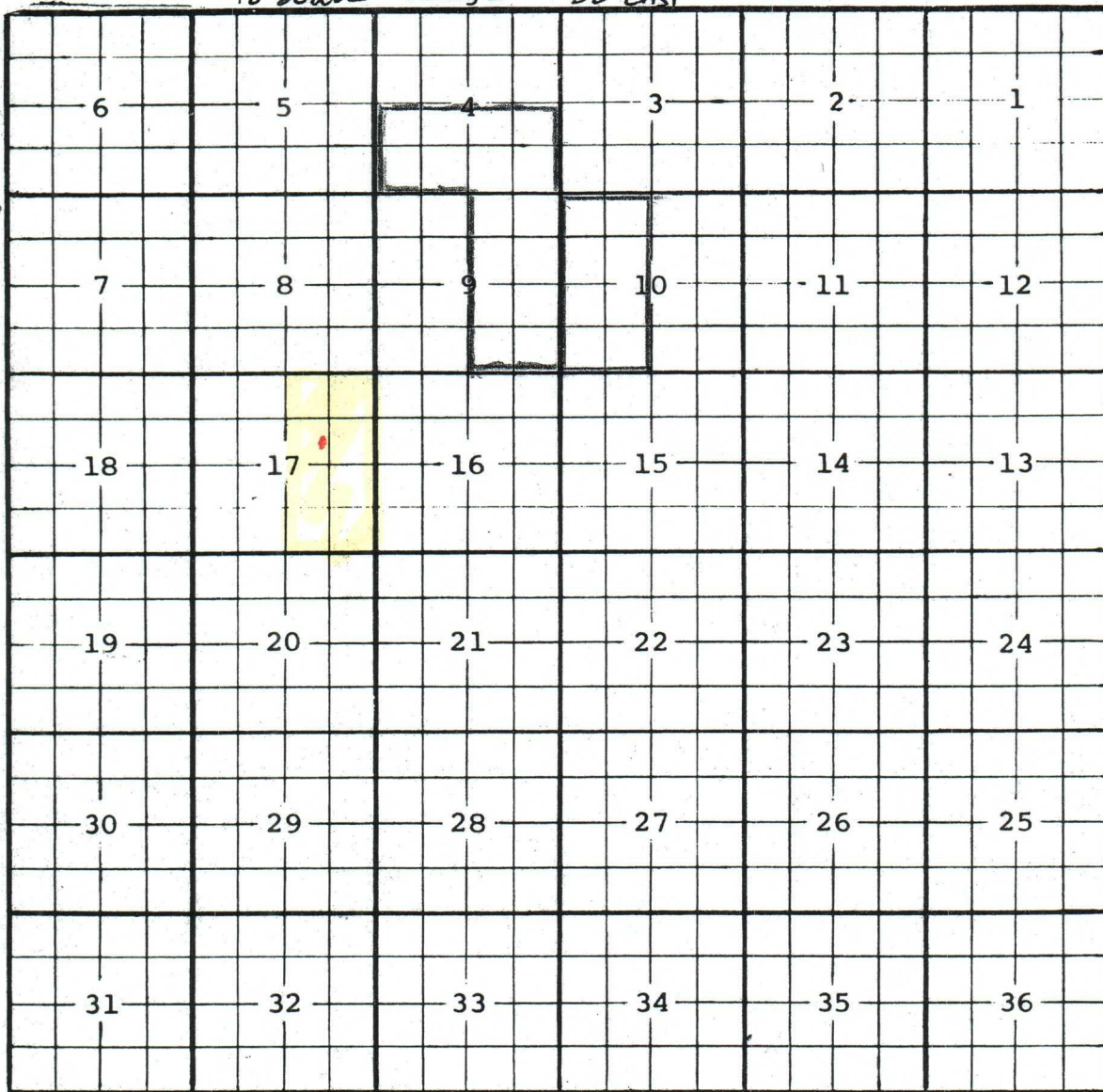
TOWNSHIP

18 South

Range

32 East

NMPM

Description: $\frac{1}{2}$ Sec. 10 (R-6420, 8-1-80)Ext: $\frac{1}{2}$ Sec. 4, $\frac{1}{2}$ Sec. 9 (R-6476, 10-1-80)

County LEAPool NORTH YOUNG - WOLF CAMP

65590

TOWNSHIP 18 South, RANGE 32 East, NEW MEXICO PRINCIPAL MERIDIAN

	6	5	4	3	2	1
7	8	9	10	11	12	
13	17	18	19	14	15	
19	20	21	22	23	24	
26	29	28	27	26	25	
31	32	33	34	35	36	

DESC: SW/4 sec. 8 (R-9741, 9-1-89) EXT: S/2 SEC 7 (R-9194, 6-1-90)

Ext: W/2 sec. 17 (R-9544, 7-1-91)

County Lea

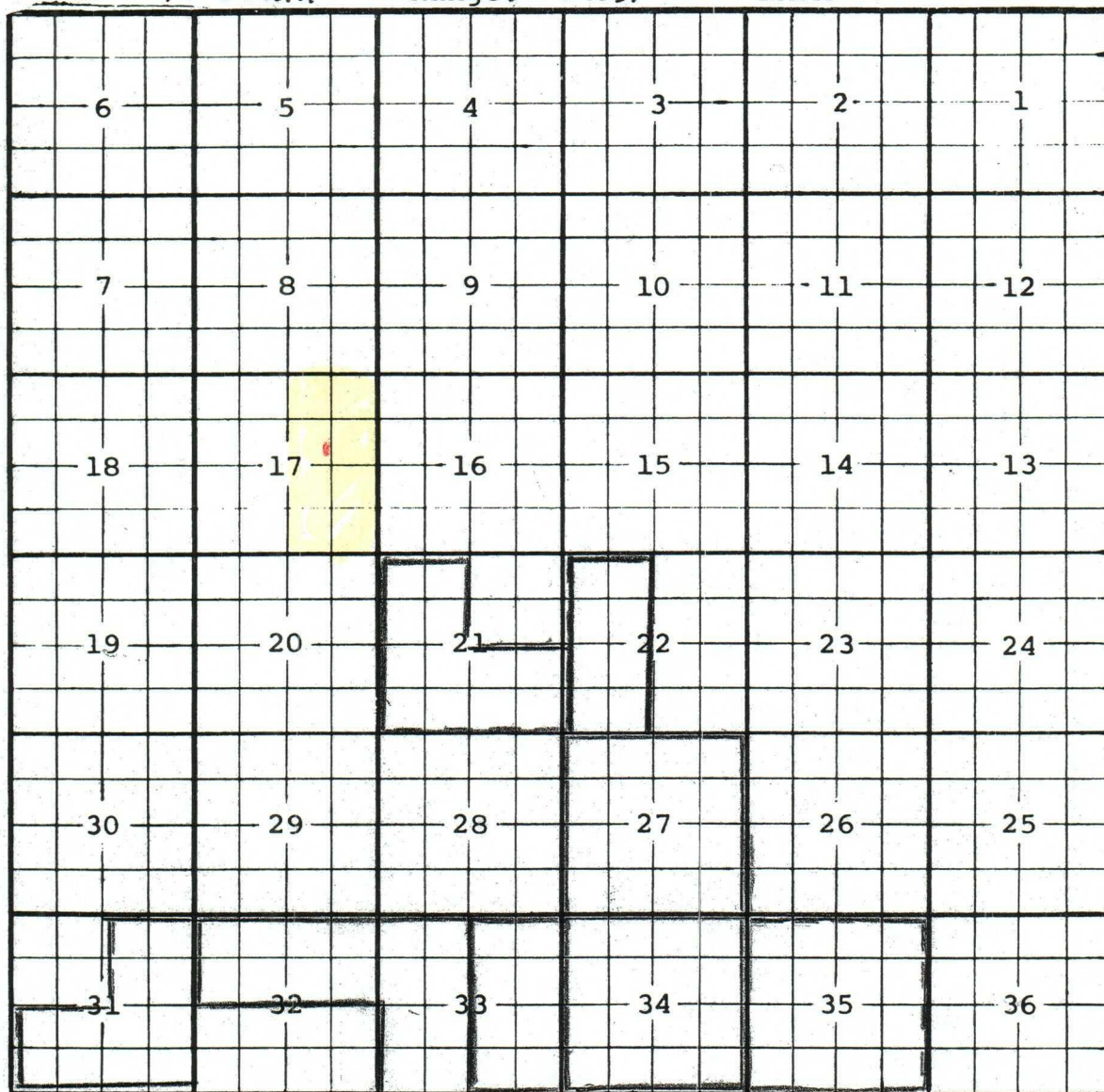
Pool North Lusk - Morrow Gas

TOWNSHIP 18 South

Range 32 East

NMPM

80800



Description: All Sec 34 (R-5215, 6-1-76)

Ext: All Sec 27 (R-5456, 7-1-77) Ext: $\frac{5}{2}$ Sec. 33 (R-6211, 12-31-79)

Ext: $\frac{1}{2}$ Sec. 32, $\frac{1}{2}$ Sec. 33 (R-6449, 9-1-80) Ext: All sec 35 (R-6923,

3-9-82) Ext: $\frac{1}{2}$ Sec. 22 (R-10342, 4-24-95) Ext: $\frac{5}{2}$ and $\frac{1}{4}$ Sec 31 (R-11633, 8-10-01)

Ext: $\frac{1}{2}$ and $\frac{5}{4}$ Sec. 21 (R-11728, 2-20-02)