

MEWBOURNE OIL COMPANY

P.O. BOX 7698
TYLER, TEXAS 75711
903 - 561-2900
FAX 903 - 561-1870

April 1, 1991

State of New Mexico
Energy, Mineral & Natural Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Attn: Mr. Michael Stogner

RE: Unorthodox Location Application
Chalk Bluff Federal #2
1650' FNL & 1350' FWL
Section 1-T18S-R27E
Eddy County, New Mexico

Mr. Stogner:

Mewbourne Oil Company requests that the NMOCD grant its' above mentioned application without being required to directionally drill said well back to a standard gas well location. Mewbourne requests this action because of topography and economic reasons.

The preferred location was to be located 1980' from the north and west lines of Section 1, however due to a phalanx of oil and gas transmission lines at this site, the BLM would not approve this surface site. The next site chosen was 1650' from the north line and 1650' FWL of Section 1. Again, the BLM would not approve the surface site due to the fact it fell on the side of a large draw. The third site located 1650' FNL and 1350' FWL of Section 1 is agreeable with the BLM.

Mr. Michael Stogner
April 1, 1991
Page 2

If the NMOCD requires Mewbourne to directionally drill back to a standard gas well location, it will place an added economic burden on this well that greatly jeopardizes its' ability to produce a reasonable amount of return for a given investment. To directionally drill this well would require an additional investment of between \$250,000 and \$280,000.

Sincerely,

MEWBOURNE OIL COMPANY

A handwritten signature in cursive script that reads "William A. Pierce". The signature is written in dark ink and is positioned to the right of the typed name.

William A. Pierce
Manager, Drilling
and Production

BP/sh

OIL CONSERVATION DIVISION
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LISA K. SMITH*

ATTORNEYS AT LAW
500 MARQUETTE N.W., SUITE 800
ALBUQUERQUE, NEW MEXICO 87102-2121

(505) 768-1500
FAX (505) 768-1529

OF COUNSEL
O. M. CALHOUN*
MACK EASLEY
JOE W. WOOD
RICHARD S. MORRIS

CLARENCE E. HINKLE (1901-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

April 2, 1991

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Mr. Michael E. Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Application of Mewbourne Oil Company for Administrative
Approval of an Unorthodox Gas Well Location in the N $\frac{1}{2}$ of
Section 1, Township 18 South, Range 27 East, Eddy County,
New Mexico

Dear Mr. Stogner:

Mewbourne Oil Company hereby applies for administrative
approval of an unorthodox gas well location for a well to be
drilled 1350 feet from the West line and 1650 feet from the North
line of Section 2, in the township and range given above. The
well will be drilled to test the Morrow formation, and the N $\frac{1}{2}$ of
Section 1 will be dedicated to the well.

The well was originally proposed for a location 1980 feet
from the North and West lines of the section, but was moved due
to pipelines in the area. A second location 1650 feet from the
North and West lines was also unacceptable due to the presence of
pipelines. The location was moved further to the West, rather
than the East or North in order to stay where Mewbourne believes
the thicker pay will occur. An existing pad cannot be used to
drill the proposed well.

Enclosed for your review are two copies of the following:

1. Geologic discussion.
2. Letter regarding directional drilling.
3. Land plat.

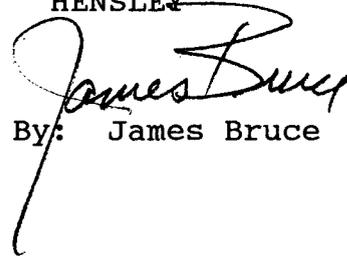
Mr. Michael E. Stogner
April 2, 1991
Page 2

4. C-102 with attached survey regarding proposed location.
5. C-102 with attached survey regarding proposed 1650-1650 location.
6. Topographic map.
7. Structure/Isopach map (Morrow formation).
8. Cross-Section.
9. Affidavit of notice with list of offset ownership and certified return receipts.
10. Notice letters.
11. Waiver letters.

Please contact me or David Overton at Mewbourne if you have any questions.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY



By: James Bruce

JB:le
Enclosures

HINKLE, COX, EATON, COFFIELD & HENSLEY DIVISION

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 800
ALBUQUERQUE, NEW MEXICO 87102-2521

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April 11, 1991

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*NOT LICENSED IN NEW MEXICO

Mr. Michael E. Stogner
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

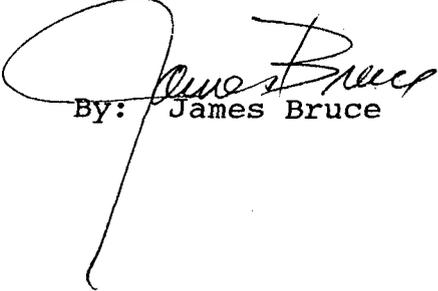
Re: Application of Mewbourne Oil Company for Administrative
Approval of an Unorthodox Gas Well Location in the N $\frac{1}{2}$ of
Section 1, Township 18 South, Range 27 East, Eddy County,
New Mexico

Dear Mr. Stogner:

Enclosed with respect to the above application, which was
filed with you by letter dated April 2, 1991 are copies of
certified return receipts from Arco, Amoco, the Estate of Vilas
P. Sheldon, Dekalb Energy, and Sharon A. Olsen. In addition,
enclosed are letters from Fina Oil and Chemical Company, Yates
Petroleum Corporation, Meridian Oil Inc., and Oxy USA Inc.
waiving any objection to the proposed unorthodox location.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By: 
James Bruce

JB:le
Enclosures

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
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1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Arco Oil & Gas Company PO Box 1610 Midland, TX 79701 Chalk Bluff Federal 2	4. Article Number P. 784. 785.927 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X Eugene Garcia	
7. Date of Delivery APR 1 1991	

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
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1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Amoco Production Co POB 3092 Houston, TX 77253 Chalk Bluff Fed #2	4. Article Number P. 684. 785.926 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X My	
7. Date of Delivery APR 1 - 1991	

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

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1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Velas P. Sheldon 70 Jack Sanchez 100 N Expressway 83 Brownsville, TX Chalk Bluff Fed 2	4. Article Number P. 684. 785.937 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X M S Gabriel	
7. Date of Delivery 4/1/91	

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent card from being returned to you. The return receipt fee will provide you the name of the person delivered and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to:

DeKalb Energy
1625 Broadway
Denver, Co 80202

4. Article Number

P.684.785.948

Type of Service:

- Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee

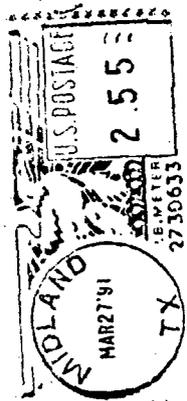
X

8. Addressee's Address (ONLY if requested and fee paid)

6. Signature - Agent

X

7. Date of Delivery



FROM

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

SHIP TO

SHARON A. OLSEN
 P. O. BOX 283
 SOUTH LAGUNA, CALIFORNIA 92677

RETURN POSTAGE GUARANTEED

Fold at line over top of envelope to the right of the return address.

CERTIFIED

P 684 785 942

Is your RETURN ADDRESS completed on the reverse side?

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 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

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<p>3. Article Addressed to: <i>Sharon A. Olsen</i> <i>PO Box 283</i> <i>S. Laguna, Ca</i></p> <p>5. Signature - Addressee <i>Chalk Buff Sed 2</i></p> <p>6. Signature - Agent <i>X</i></p>	<p>4. Article Number <i>P. 684. 785. 942</i></p> <p>Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p> <p>8. Addressee's Address (ONLY if requested and fee paid)</p>
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Thank you for using Return Receipt Service.

COPY

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
Location Drilling Permit
Chalk Bluff Federal #2
N/2 of Sec 1, T18S, R27E
Eddy County, New Mexico

Gentlemen:

Fina Oil and Chemical Company, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at an unorthodox location 1650' FNL and 1350' FWL of Section 1, T18S, R27E, Eddy County, New Mexico.

This letter is to advise that Fina Oil and Chemical Company has no objection to granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

Mewbourne Oil Company



Paul Haden
Landman

FINA OIL AND CHEMICAL COMPANY

By: E. A. Nash

E. A. Nash, Attorney in Fact  RED

Date: April 1, 1991

COPY

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
Location Drilling Permit
Chalk Bluff Federal #2
N/2 of Sec 1, T18S, R27E
Eddy County, New Mexico

Gentlemen:

Yates Petroleum Corporation, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at an unorthodox location 1650' FNL and 1350' FWL of Section 1, T18S, R27E, Eddy County, New Mexico.

This letter is to advise that Yates Petroleum Corporation has no objection to granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

Mewbourne Oil Company



Paul Haden
Landman

By: 

Date: 7-3-91

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
Location Drilling Permit
Chalk Bluff Federal #2
N/2 of Sec 1, T18S, R27E
Eddy County, New Mexico

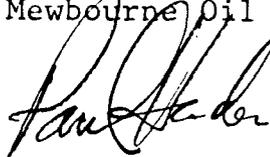
Gentlemen:

Meridian Oil, Inc., as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at an unorthodox location 1650' FNL and 1350' FWL of Section 1, T18S, R27E, Eddy County, New Mexico.

This letter is to advise that Meridian Oil, Inc. has no objection to granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

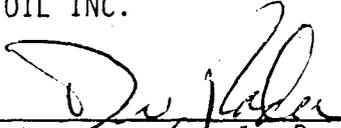
Sincerely,

Mewbourne Oil Company



Paul Haden
Landman

MERIDIAN OIL INC.

By:  D. W. Rader, Engineering Manager

Date: 4/2/91

COPY

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
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Eddy County, New Mexico

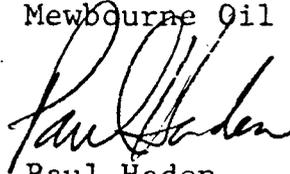
Gentlemen:

Oxy USA Inc., as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at an unorthodox location 1650' FNL and 1350' FWL of Section 1, T18S, R27E, Eddy County, New Mexico.

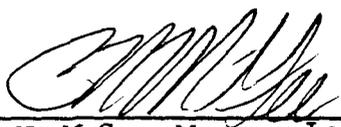
This letter is to advise that Oxy USA Inc. has no objection to granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

Mewbourne Oil Company



Paul Haden
Landman

By: 

P. N. McGee, Manager Land - Western Region

Date: April 4, 1991

HINKLE, COX, EATON, COFFIELD & HENSLEY CONSERVATION DIVISION

ATTORNEYS AT LAW

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April 18, 1991

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Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

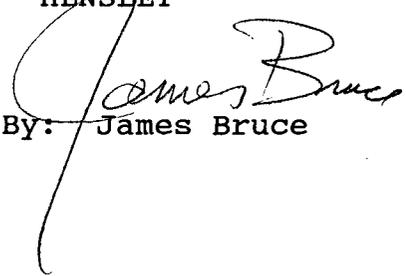
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Approval of an Unorthodox Gas Well Location in the N $\frac{1}{2}$ of
Section 1, Township 18 South, Range 27 East, Eddy County,
New Mexico

Dear Mr. Stogner:

Regarding the above application, filed with you on April 2,
1991, enclosed is a copy of a certified return receipt regarding
notice sent to Joan Hudson Moore. Also enclosed are letters from
Amoco, Marathon, Rodgers Aston and NCNB Dallas, Co-Trustees,
Arco, and Dekalb Energy waiving objection to the proposed
unorthodox location.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By:  James Bruce

JB:le
Enclosures

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3. Article Addressed to:
Joan Hudson Moore
22762 Casida
Mission Viejo, Ca

Chalk Bluff Fed 2

4. Article Number
P. 684.785.940

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X Joan Hudson

8. Addressee's Address (ONLY if requested and fee paid)

6. Signature - Agent
X

7. Date of Delivery
4/3/91



Amoco Production Company

501 WestLake Park Boulevard
Post Office Box 3092
Houston, Texas 77253

April 11, 1991

RE: EA 85,389
Contract #141,054
South Empire Area
Eddy County, New Mexico

Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

ATTENTION: Mr. Paul Haden

Gentlemen:

In response to your letter dated March 27, 1991, this is to advise that Amoco Production Company has no objection to Mewbourne Oil Company's proposal to drill the Chalk Bluff Federal #2 well at an unorthodox location of 1650' FNL and 1350' FWL of Section 1, T-18-S, R-27-E, Eddy County, New Mexico. It is our understanding that this will be an approximate 10,200' Morrow test. Amoco has no objection to granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Per the continuous drill provision of our Farmout Contract to Mewbourne Oil Company dated January 31, 1990, actual drilling for the next development well must be commenced on or before May 29, 1991. However, in consideration of the extra time required to file an application and obtain NMOCD approval for the unorthodox location mentioned above, Amoco hereby agrees to an extension of 30 days or until June 28, 1991, for the commencement of the second additional well which has been proposed as the Chalk Bluff Federal #2.

Sincerely,

C. L. Raper
Land Manager

Jan DW/sd

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
Location Drilling Permit
Chalk Bluff Federal #2
N/2 of Sec 1, T18S, R27E
Eddy County, New Mexico

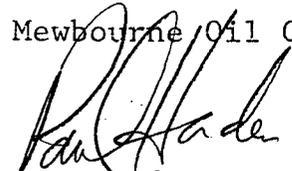
Gentlemen:

Marathon Oil Company, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at an unorthodox location 1650' FNL and 1350' FWL of Section 1, T18S, R27E, Eddy County, New Mexico.

This letter is to advise that Marathon Oil Company has no objection to granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

Mewbourne Oil Company


Paul Haden
Landman

By: ORE Bollard

Date: 4/10/91

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
Location Drilling Permit
Chalk Bluff Federal #2
N/2 of Sec 1, T18S, R27E
Eddy County, New Mexico

Gentlemen:

Rogers Aston and NCNB Dallas, Co-trustees of the "C" Trusts, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at an unorthodox location 1650' FNL and 1350' FWL of Section 1, T18S, R27E, Eddy County, New Mexico.

This letter is to advise that Rogers Aston and NCNB Dallas, Co-trustees of the "C" Trusts has no objection to granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

Mewbourne Oil Company



Paul Haden
Landman

By: _____

Date: _____

James G. Chubb
4-8-91

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
Location Drilling Permit
Chalk Bluff Federal #2
N/2 of Sec 1, T18S, R27E
Eddy County, New Mexico

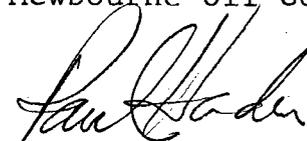
Gentlemen:

Arco Oil and Gas Company, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at an unorthodox location 1650' FNL and 1350' FWL of Section 1, T18S, R27E, Eddy County, New Mexico.

This letter is to advise that Arco Oil and Gas Company has no objection to granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

Mewbourne Oil Company


Paul Haden
Landman

JTC By: Melanie B. Bell, Area Landman
Date: 4-10-91

COPY

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

RE: Application for Unorthodox
Location Drilling Permit
Chalk Bluff Federal #2
N/2 of Sec 1, T18S, R27E
Eddy County, New Mexico

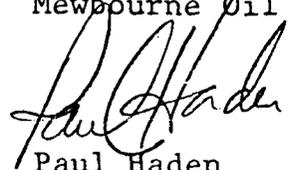
Gentlemen:

Dekalb Energy Company, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at an unorthodox location 1650' FNL and 1350' FWL of Section 1, T18S, R27E, Eddy County, New Mexico.

This letter is to advise that Dekalb Energy Company has no objection to granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

Mewbourne Oil Company


Paul Haden
Landman

By: Thomas J. Ryan
Date: April 11, 1991