

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

RECEIVED
 2008 JUN 17 PM 2 05

[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.

<u>Robin Terrell</u>		<u>SR Production Engineer</u>	<u>06/12/08</u>
Print or Type Name	Signature	Title	Date
		<u>rterrell@mewbourne.com</u>	
		e-mail Address	

MEWBOURNE OIL COMPANY
PO BOX 5270
HOBBS, NM 88240
575-393-5905
FAX 575-397-6252

June 12, 2008

Engineering Bureau
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Form C-107A
Colt "5" Fed #1
Recompletion & Commingle

To Whom It May Concern:

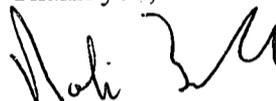
Please find enclosed the following for the application to downhole commingle production from the East Burton Flat Morrow and East Burton Flat Atoka zones in the referenced well:

Form C107A
Attachments information
Form C-102 for both zones
Administrative Application Checklist

A copy of Form C-107A is being mailed today to the Bureau of Land Management in Carlsbad.

Mewbourne Oil Company would appreciate this commingle request being processed as soon as possible. If you need further information, please call me at (575) 390-4816.

Thank you,



Robin Terrell
SR Production Engineer

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos 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	Pool Name
		E. Burton Flat Morrow / ATOKA
Property Code	Property Name	Well Number
	COLT "5" FEDERAL	1
OGRID No.	Operator Name	Elevation
14744	MEWBOURNE OIL COMPANY	3291'

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	5	20 S	29 E		1650	NORTH	1650	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	Joint or Infill	Consolidation Code	Order No.
326.13			

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

Lat.: N32°36'19.9"
Long.: W104°05'38.2"

OPERATOR CERTIFICATION

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

Terry Burke
Signature

Terry Burke
Printed Name

Drilling Foreman
Title

Nov 20, 2003
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.

GARY L. JONES
NOVEMBER 6, 2003
Date Surveyed

Gary L. Jones
Signature & Seal of Professional Surveyor

W. O. S. N. S. 3764

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

MEWBOURNE OIL COMPANY
Colt "5" Fed #1
Unit Letter G, Sec 5 T20S R29E
East Burton Flat Morrow and East Burton Flat Atoka
Eddy Co., NM

Attachments to C-107A

1. C102 for each zone to be commingled showing its spacing unit & acreage dedication.
2. Production curve for existing Morrow perms showing current production. Atoka is estimated.

East Burton Flat Morrow (Current production 50 MCF 0 BO, 0 BW)
East Burton Flat Atoka (estimated 1000 MCF, 3 BO, 3 BW)

3. Notification list of working, royalty and overriding royalty interests for uncommon interest cases.

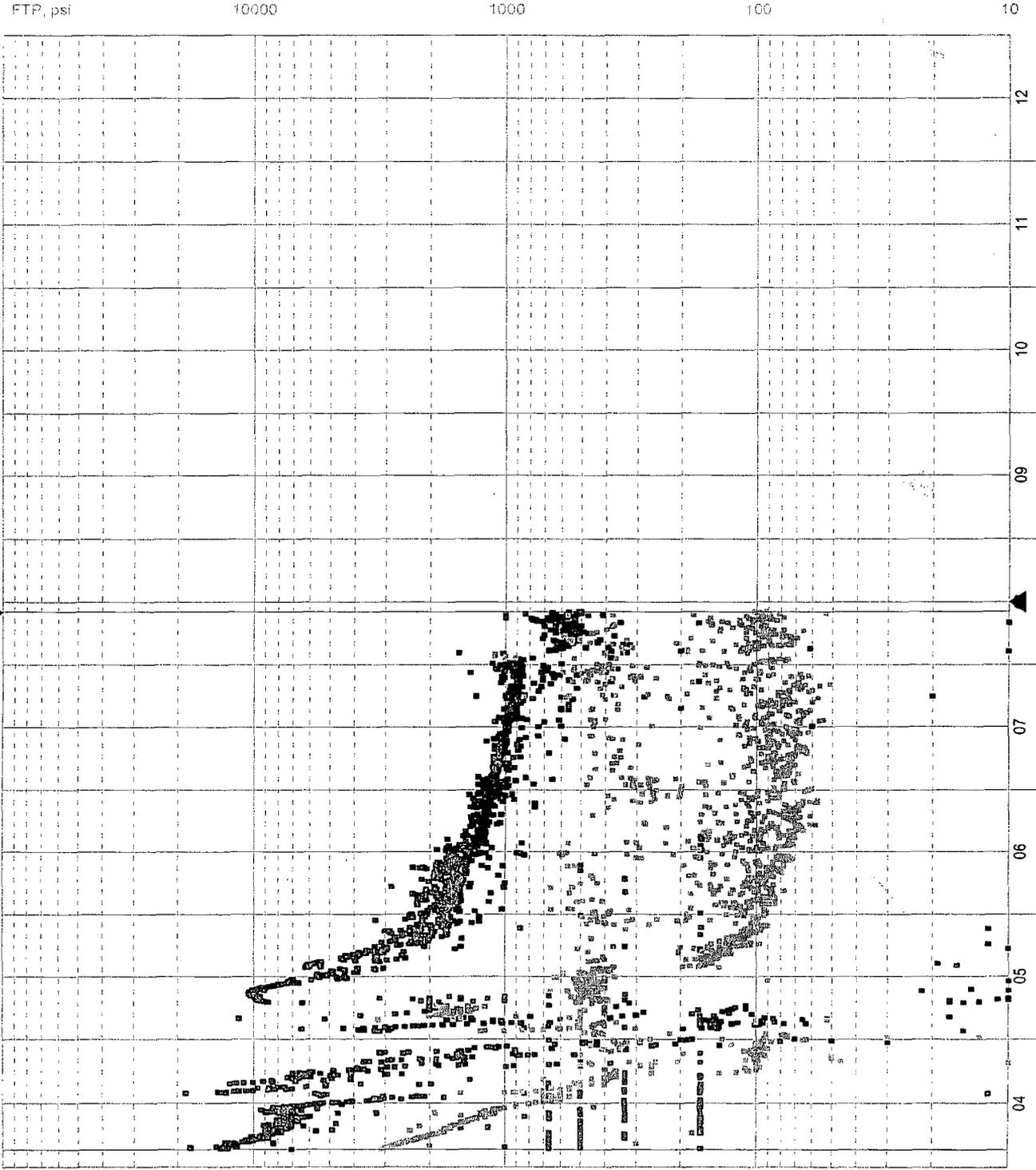
No uncommon interests.

4. Additional statements and data to support commingle.

The well is completed with 5 ½" OD casing. In order to dually complete the well to recover all economic reserves, the use of small diameter special clearance tubing would be required. Performing a dual completion as described could not be economically justified for a zone with limited deliverability. To produce the Atoka interval (upper zone) up the annulus (5 ½" - 2 ⅞") is not recommended due to liquid loading and insufficient velocity to lift produced fluids with the estimated gas rates listed above. The addition of the Atoka as a commingled zone will prevent waste that would not otherwise be possible due to the increased cost to produce each individual zone. Commingling will prevent early abandonment of each productive zone.

Lease: COLT 5 FED #1

Location: 5-20S-29E
 Reservoir: MIDDLE MORROW
 Field: BURTON FLAT EAST
 Cty, St: EDDY, NM
 Operator: MEWBOURNE OIL COMPANY



Gas, Mcf/day	6/2008	412618
Ref	6/2008	412618
Cum	6/2008	412618
Oil, Bbl/day	6/2008	977
Ref	6/2008	977
Cum	6/2008	977
Water, Bbl/d	6/2008	6058
Ref	6/2008	6058
Cum	6/2008	6058
FTP, psi	6/2008	586605
Ref	6/2008	586605
Cum	6/2008	586605

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

NMNM-0144698

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Colt 5 Federal #1

9. API Well No.

30-015-33151

10. Field and Pool, or Exploratory Area

East Burton Flat Morrow

11. County or Parish, State

Eddy County, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Mewbourne Oil Company 14744

3a. Address

PO Box 5270 Hobbs, NM 88240

3b. Phone No. (include area code)

575-393-5905

4. Location of Well (Footage, Sec., T. R., M., or Survey Description)

1650' FNL & 1650' FEL, Unit Letter G Sec 5-T20S-R29E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other <u>Downhole</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>commingle adding new</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>zones</u>

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Mewbourne Oil Company request approval to DHC East Burton Flat Morrow & East Burton Flat Atoka. Morrow is currently producing from 11060' to 11330' with rates of 50 MCF, 0 BO, 0 BW. The Atoka is to be perforated from 10720' to 10730'. Commingling of these 2 pools will not reduce the value of remaining reserves. The ownership of both pools is identical. Both zones included in NM-0354232.

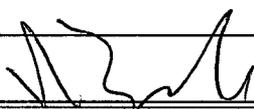
Procedure to downhole commingle: Perforate Atoka @ 10720' to 10730' then flowtest & PWOL. Produce well until rates fall below minimum required velocity. Pull tbg. Set temporary plug to isolate Morrow perfs @ 11060' to 11330'. RIH w/tbg & set pkr @ 10600'. Frac Atoka perfs @ 10720' to 10730' w/1000 gals of 7 1/2% HCl & 30000# of HSP. Flow test & PWOL. Produce well until rate falls below minimum required velocity. Release pkr & pull tbg. Drill out plug over Morrow perfs. Land EOT @ 11050' & PWOL.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Robin Terrell

Title Sr Production Engineer

Signature



Date 06/12/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

Name
(Printed/Typed)

Title

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Date

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.

(Continued on next page)

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

APPLICATION FOR DOWNHOLE COMMINGLING

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Operator Mewbourne Oil Company PO Box 5270, Hobbs, NM 88240
Address DRE-4048

Lease Colt "5" Federal #1 Well No. G - Sec 05, T20S, R29E Eddy Eddy County Eddy

OGRID No. 14744 Property Code 33244 API No. 30-015-33151 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>UPPER</u> East Burton Flat Atoka		East Burton Flat Morrow
Pool Code			73320
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10720' - 10730'		11060' - 11330'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Est. Rate: Rates: 1000 MCF 3 BO, 3 BW	Date: Rates:	Date: 06/12/08 Rates: 60 MCF 0 BO, 0 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 100 % 94 %	Oil Gas % %	Oil Gas 0 % 6 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE [Signature] TITLE Sr Production Engineer DATE 06/12/08

TYPE OR PRINT NAME Robin Terrell TELEPHONE NO. (575) 393-5905

E-MAIL ADDRESS rtterrell@mewbourne.com