

ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 2009 JUN 18 PM 2:53 1220 South St. Francis Drive, Santa Fe, NM 87505



30-025-37460
 Wilson South 18 stake #1
 Mewbourne (14744)

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.

Robin Terrell _____ Signature _____ SR Production Engineer _____ 06/16/09 _____ Date

Print or Type Name Title

rterrell@mewbourne.com _____ e-mail Address

RECEIVED

2009 JUN 18 PM 1 03

MEWBOURNE OIL COMPANY

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

June 16, 2009

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

RE: Form C-107A
Wilson South 18 State #1
Commingle

To Whom It May Concern:

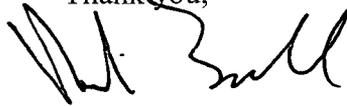
Please find enclosed the following for the application to downhole commingle production from the Osudo Morrow & Wilson Wolfcamp South Gas Pools in the referenced well:

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
1625 N. French Drive, Hobbs, NM 88240

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

APPLICATION FOR DOWNHOLE COMMINGLING

DAC-4199

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

Wilson South 18 State #1 K - Sec 18, T21S, R35E Lea
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 14744 Property Code API No. 30-025-37460 Lease Type: Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wilson Wolfcamp South Oil		Osudo Morrow Gas
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10878' - 10940'		12046' - 12250'
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	Producing		Shut In
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.)	Current Rates 10 MCF 0 BO, 0 BW	Date: Rates:	Date: 02/25/07 Rates: 120 MCF 2 BO, 3 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 0% 7.5%	Oil Gas % %	Oil Gas 100% 92.5%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X 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 X No

Will commingling decrease the value of production? Yes No X

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 X 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 TITLE Sr Production Engineer DATE 06/16/09

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

E-MAIL ADDRESS rterrell@mewbourne.com

MEWBOURNE OIL COMPANY
Wilson South 18 State #1
Unit Letter K, Sec 18 T21S R35E
Wilson Wolfcamp South and Osudo Morrow DHC
Lea Co., NM

Attachments to C-107A

- 1. C102 for each zone to be commingled showing its spacing unit & acreage dedication.**
- 2. Production curve for Morrow and Wolfcamp perfs.**

Osudo Morrow (Production 120 MCF 2 BO, 3 BW)
Wilson Wolfcamp South (Production 10 MCF, 0 BO, 0 BW)

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

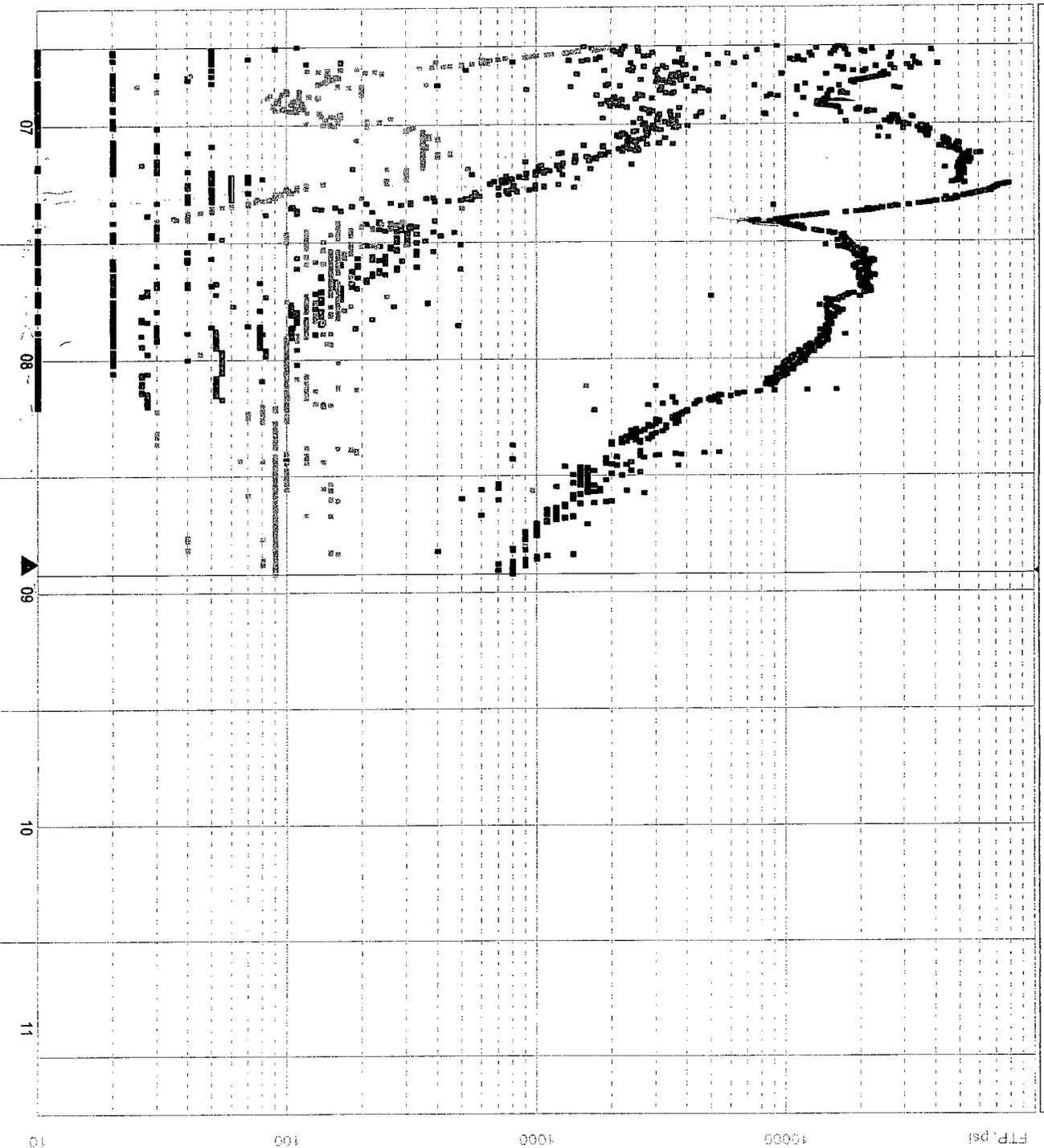
No uncommon interests.

- 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 Wolfcamp 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 Osudo Morrow with the Wilson Wolfcamp South 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: WILSON SOUTH 18 STATE #1
 Location: 18-21S-35E
 Reservoir: WOLFCAMP
 Field: OSUDO SOUTH
 City/State: LEA, NM
 Operator: MEWBOURNE OIL COMPANY

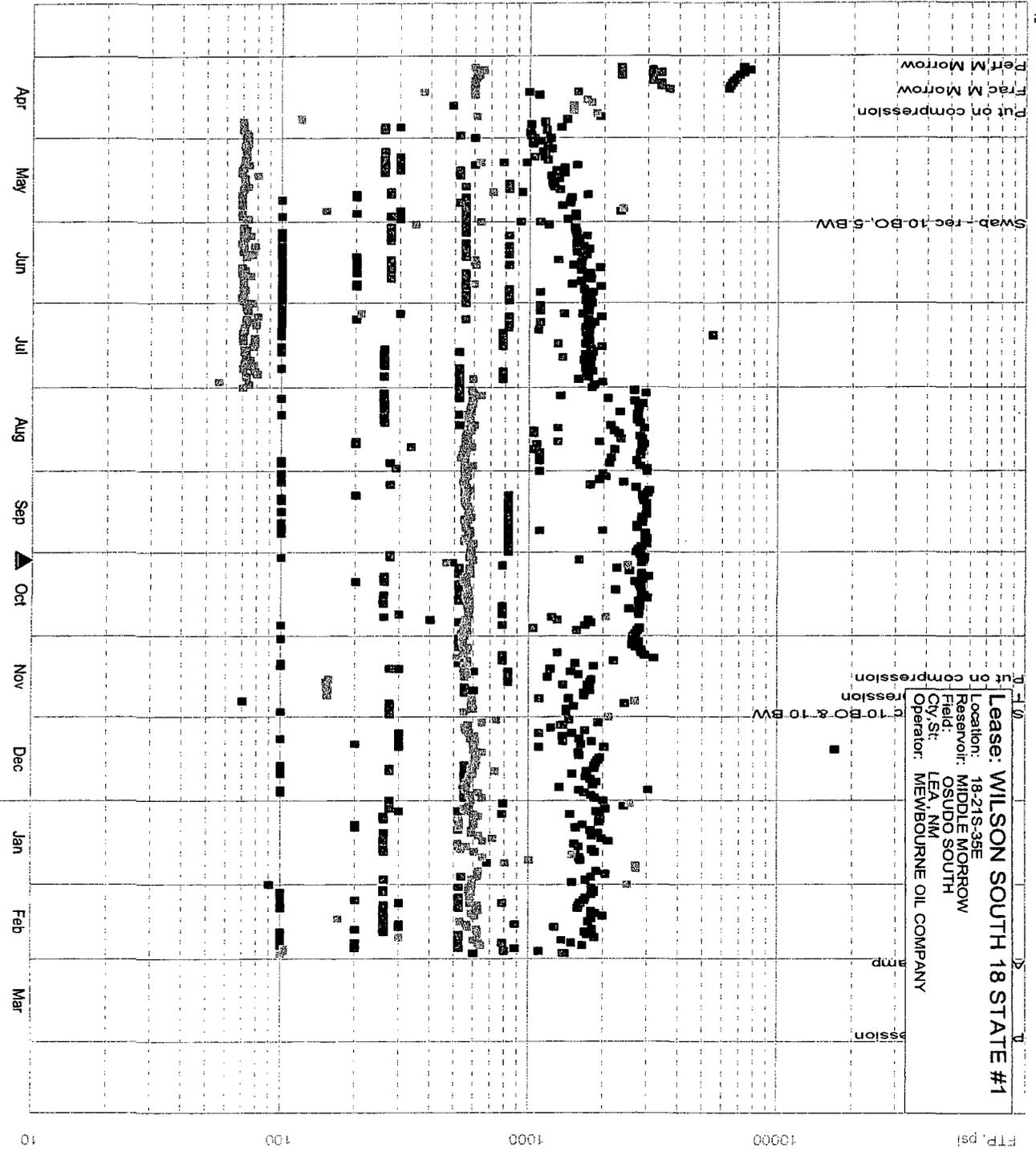
1 10 100 1000 Water, Bbl/day
 1 10 100 1000 Oil, Bbl/day
 0.1 1 10 100 Gas, Mcf/day



Gas, Mcf/day
 Ref= 6/2009
 Cum= 133360
 Oil, Bbl/day
 Ref= 6/2009
 Cum= 59074
 Water, Bbl/day
 Ref= 6/2009
 Cum= 1097
 FTP, psi
 Ref= 6/2009
 Cum= 149078

0.1 1 10 100 Water, Bbl/day
 0.1 1 10 100 Oil, Bbl/day
 1 10 100 1000 Gas, Mcf/day

Day/Gas



Gas, Mcf/day 6/2009 67029
 Oil, Bbl/day 6/2009 1883
 Water, Bbl/day 6/2009 186
 FTP, psi 6/2009 162161

2006

2007

DISTRICT I
1225 M. 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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name <i>Wilson Wolfcamp South</i>
Property Code	Property Name WILSON SOUTH "18" STATE	Well Number 1
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3657

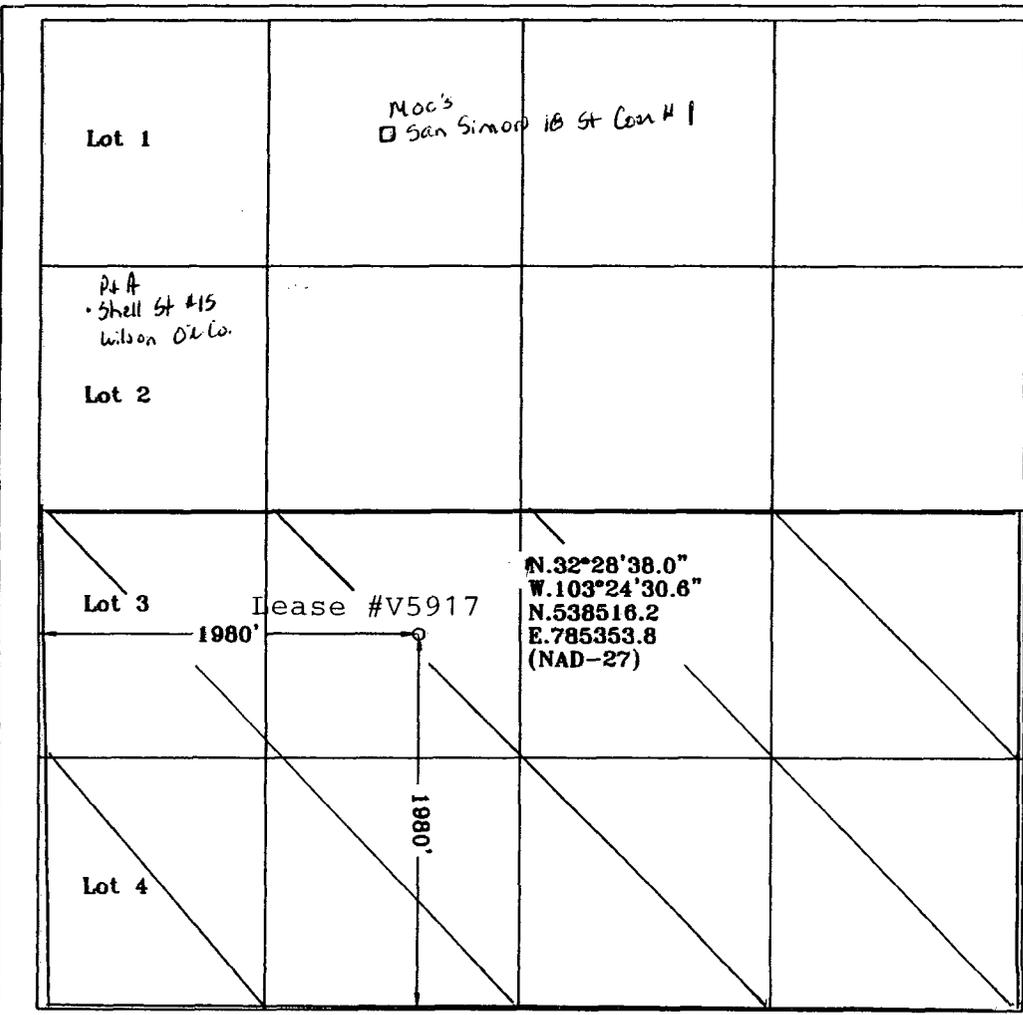
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	18	21S	35E		1980	SOUTH	1980	WEST	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.				

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.

Kristi Green
Signature

Kristi Green
Printed Name

Hobbs Regulatory
Title

09/13/05
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.

8/22/2005
Date Surveyed

Signature & Seal of Professional Surveyor

Herschel L. Jones
Professional Surveyor

3640

Certificate No. Herschel L. Jones RLS 3640

WILSON SOUTH

GENERAL SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

DISTRICT I
1225 N. Beach 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
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Osudo Morrow
Property Code	Property Name WILSON SOUTH "18" STATE	Well Number 1
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3657

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	18	21S	35E		1980	SOUTH	1980	WEST	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	Joint or Infill	Consolidation Code	Order No.						
320									

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

<p>Lot 1</p> <p>Moc's <input type="checkbox"/> San Simon 18 St Con # 1</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kristi Green</i></p> <p>Signature</p> <p><u>Kristi Green</u></p> <p>Printed Name</p> <p>Hobbs Regulatory</p> <p>Title</p> <p>09/13/05</p> <p>Date</p>		
	<p>Lot 2</p> <p>Pl A Shell St #15 Wilson Oil Co.</p>	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>8/22/2005</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Herschel L. Jones</i></p> <p>HERSCHEL L. JONES NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 3640</p> <p>Certificate No. Herschel L. Jones RLS 3640 WILSON SOUTH GENERAL SURVEYING COMPANY</p>	
<p>Lot 3</p> <p>1980'</p> <p>Lease #V5917</p> <p>N.32°28'38.0" W.103°24'30.6" N.538516.2 E.785353.8 (NAD-27)</p>			
<p>Lot 4</p> <p>1980'</p>			

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650 990' 660' 330' 0'