

District I
625 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

Operator Mewbourne Oil Company Address P.O. Box 7698, Tyler, TX 75711
Lease Tombstone "7" Federal Com #1 Well No. P - Sec 7, T20S, R25E County Eddy
Unit Letter-Section-Township-Range
OGRID No. 14744 Property Code 33796 API No. 30-015533381 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Undes. Dagger Draw; Atoka, SE		Cemetery; Morrow
Pool Code	97014		74640
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8,992 - 9,130'		9,414 - 9,504'
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)		RECEIVED	
Oil Gravity or Gas BTU (Degree API or Gas BTU)		JUN 20 2005	
Producing, Shut-In or New Zone	New Zone	GOOD-ARTEDIA	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: Estimated rate: Rates: 300 MCFD 1 BO 1 BW	Date: Rates:	Date: 6/12/05 Rates: 130 MCFD 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 % 70 %	Oil Gas % %	Oil Gas 0 % 30 %

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 ☐
NMOC 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 Janet Burns TITLE Reg. Tech. DATE 6/15/05
TYPE OR PRINT NAME Janet Burns TELEPHONE NO. (903) 561-2900
E-MAIL ADDRESS _____

MEWBOURNE OIL COMPANY

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

June 15, 2005

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JUN 20 2005

OCU-ARTESIA

UPS NEXT DAY AIR #N455 748 948 2

Mr. William Jones
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Form C-107A
Tombstone "7" Federal Com #1
Sec 7 T20S R25E
Undes. Dagger Draw; Atoka SE (Gas) and Cemetery; Morrow (Gas) Pools
Eddy Co., NM

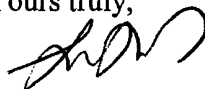
Dear Mr. Jones:

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

Form C-107A
Attachments information
Form C-102 for both zones
Production curve (Morrow only)
Administrative Application Checklist

A copy of Form C-107A is being mailed today to the Bureau of Land Management in Roswell.
If you need further information, please call me at (903) 561-2900.

Yours truly,



Janet Burns
Reg. Tech.

cc: NMOC - Artesia
✓ Bureau of Land Management
Hobbs
Midland
Allen Brinson
Wayne Jones
Don Russell

Attachments to C-107A

Mewbourne Oil Company
Tombstone "7" Federal Com #1
Unit Letter P, Sec 7 T20S R25E
Undes. Dagger Draw; Atoka SE (Gas) and Cemetery; Morrow (Gas) Pools
Eddy Co., NM

C-102 for each zone to be commingled showing its spacing unit and acreage dedication

Production curve is attached

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Estimated production rates and supporting data

JUN 20 2005

OOD-AMT/COM

Test Data:

Morrow	130 MCFD, 0 BO, 0 BW: current production
Atoka	300 MCFD, 1 BO, 1 BW: estimated production

Data to support allocation method or formula

Test as shown above for both zones

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

No uncommon interests.

Any additional statements, data or documents required to support commingling

The well is completed with 5 1/2" 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 1/2" - 2 7/8") 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 production zone.

DISTRICT II
611 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-106
Revised March 17, 1989
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 30-015-33381	Pool Code	Pool Name Undes Atoka
Property Code 33796	Property Name TOMBSTONE "7" FEDERAL COM.	Well Number 1
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3535

Surface Location

UL or lot No. P	Section 7	Township 20S	Range 25E	Lot Idn	Feet from the 990	North/South line SOUTH	Feet from the 990	East/West line EAST	County EDDY
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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
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Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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 Kristi Green Printed Name Hobbs Regulatory Title 06/01/05 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. 3/29/2004 Date Surveyed Signature & Seal of Professional Surveyor Herschel L. Jones Certification No. 3640 TOMBSTONE GENERAL SURVEYING COMPANY

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 1000 M. French Dr., Hobbs, NM 88240

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 811 South First, Artesia, NM 88210

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STATE OF NEW MEXICO
 Energy, Minerals and Natural Resources Department

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
		N. Cemetary Morrow
Property Code	Property Name	Well Number
	TOMBSTONE 7" Federal Com	1
OGRID No.	Operator Name	Elevation
14744	MEWBOURNE OIL COMPANY	3535

Surface Location

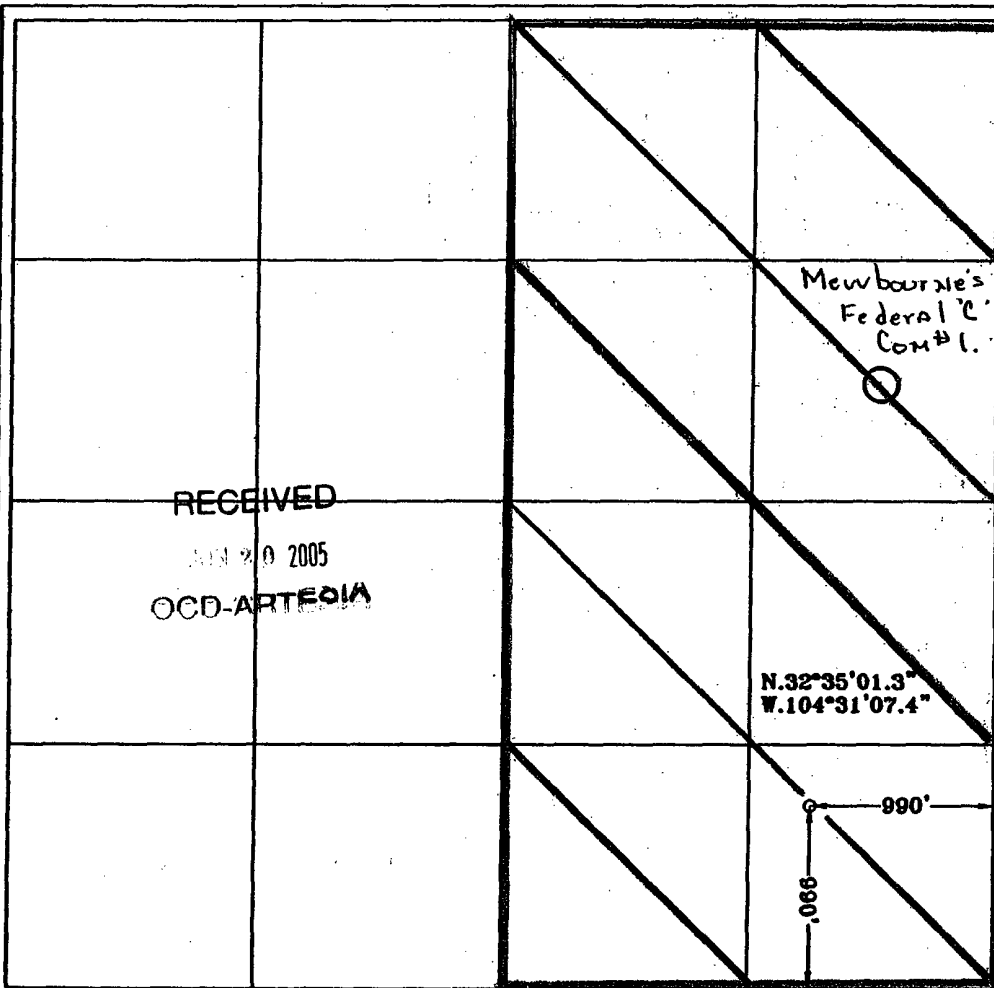
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	7	20S	25E		990	SOUTH	990	EAST	EDDY

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.
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



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

April 06, 2004
 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.

3/29/2004

Date Surveyed

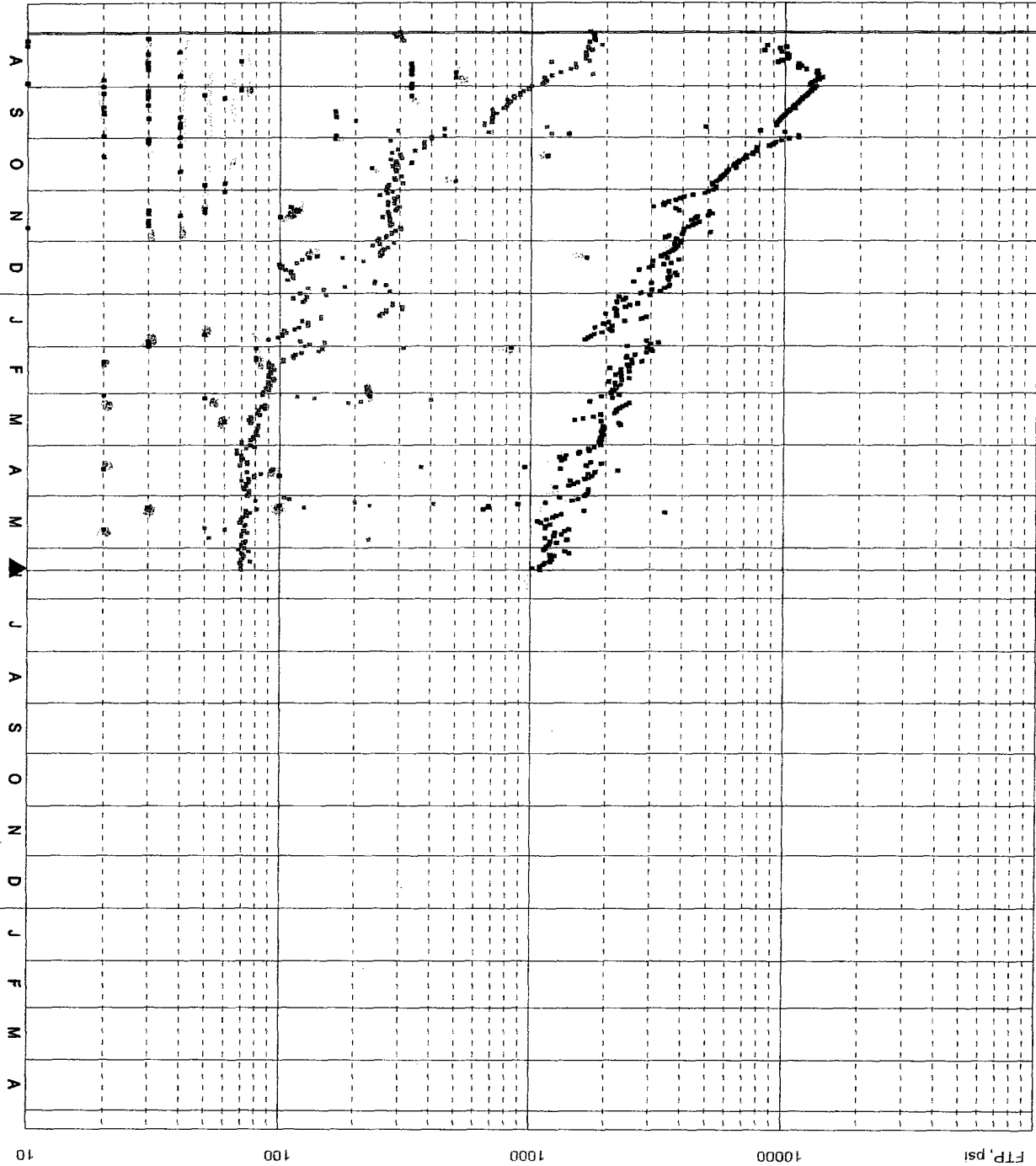
Signature & Seal of
 Professional Surveyor

HERSCHEL L. JONES
 NEW MEXICO
 3640
 Certificate No. Herschel L. Jones RLS 3640
 TOMBSTONE
 GENERAL SURVEYING COMPANY

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

Lease: TOMBSTONE 7 FEE COM #1
 Location: 05-120S-R25E
 Reservoir: L & M MORROW
 Field: CEMETARY
 City/St: EDDY, NM
 Operator: NEWBOURNE OIL COMPANY

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



Gas, Mcf/day	6/2005
Ref=	132434
Cum=	88
Oil, Bbl/day	6/2005
Ref=	310
Cum=	98070
Water, Bbl/d	6/2005
Ref=	98070
Cum=	

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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



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 _____

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 OGD-ARTESIA

[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.

Monty L. Whetstone

Print or Type Name

Signature

Vice-President Operations

Title

6/15/05

Date

e-mail Address