

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



SEP 24 2010  
HOBBSOCD

## 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 \_\_\_\_\_

30-015-37481

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### [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.

WILLIAM F. CARR  
Print or Type Name

William F. Carr  
Signature

ATTORNEY  
Title

9/22/10  
Date

wcarr@hollandhart.com  
e-mail Address



September 22, 2010

**HAND-DELIVERED**

Mark E. Fesmire, P.E., J.D.  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

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2010 SEP 22 P 3:27

Re: Application of Mewbourne Oil Company for Administrative Approval of an Unorthodox Well Location for its Bradley "29" Federal Com Well No. 2H, to be drilled from an unorthodox surface location 2150 feet from the South line and 260 feet from the East line (Unit I) to an unorthodox bottom hole location 2450 feet from the South line and 330 feet from the West line of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Fesmire:

Pursuant to the provisions of Oil Conservation Division General Rule 19.15.15.13 NMAC, Mewbourne Oil Company hereby seeks administrative approval of an unorthodox oil well location for its Bradley "29" Federal Com Well No. 2H to be drilled as a horizontal well at a point 2150 feet from the South Line and 260 feet from the East line to a true vertical depth of approximately 8181 feet with a measured depth of approximately 12673.84 feet and then in an westerly direction with a lateral length of approximately 4118 feet to an unorthodox bottom hole location 2450 feet from the South line and 330 feet from the West line of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The surface location of the well will be its penetration point in the Bone Spring formation. This well will evaluate the Second Bone Sand interval in the Bone Spring formation which is the principal objective in the well. A 160-acre non-standard spacing and proration unit/project area comprised of the N/2 S/2 of Section 29 will be dedicated to the well in the Bone Spring formation.

This well is governed by the Special Rules and Regulations for the Santo Nino-Bone Spring Pool which provide for oil wells to be located on standard spacing units containing 80-acres with wells to be located within 150 feet of the center of a governmental quarter-quarter section or lot (Order No. R-8546). This well location is



unorthodox in the Bone Spring formation to the North, East and West because its surface and bottom hole locations are less than 510 feet from the project area boundary – thereby closer than permitted by the applicable rules.

This unorthodox oil well location is required for topographic reasons. (Topographic Map attached as Exhibit D) The well was originally staked at a location 2260 feet from the South line and 150 feet from the West line of Section 29 which was in a large sand dune feature and was denied by the Bureau of Land Management. The BLM required Mewbourne to find a surface location on the East side of Section 29. The proposed unorthodox location is in smaller sand dune feature and has been approved by the BLM. Attached hereto as Exhibit A is a plat showing the location of the subject spacing unit, the proposed unorthodox well location and adjoining spacing units and wells. Exhibit B is a copy of the Acreage Dedication Plat for the well (Division Form C-102) that shows the survey location of the well.

Exhibit C is a list of affected persons as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC. A copy of this application, including all attachments, has been mailed to each of these offset operators/affected persons by certified mail-return receipt requested in accordance with Rule 19.15.4.12 A (2)(a). Each owner has been advised that if it has an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date this notice was sent.

A draft of a Division approval order is also attached for your convenience. Your attention to this application is appreciated.

Very truly yours,

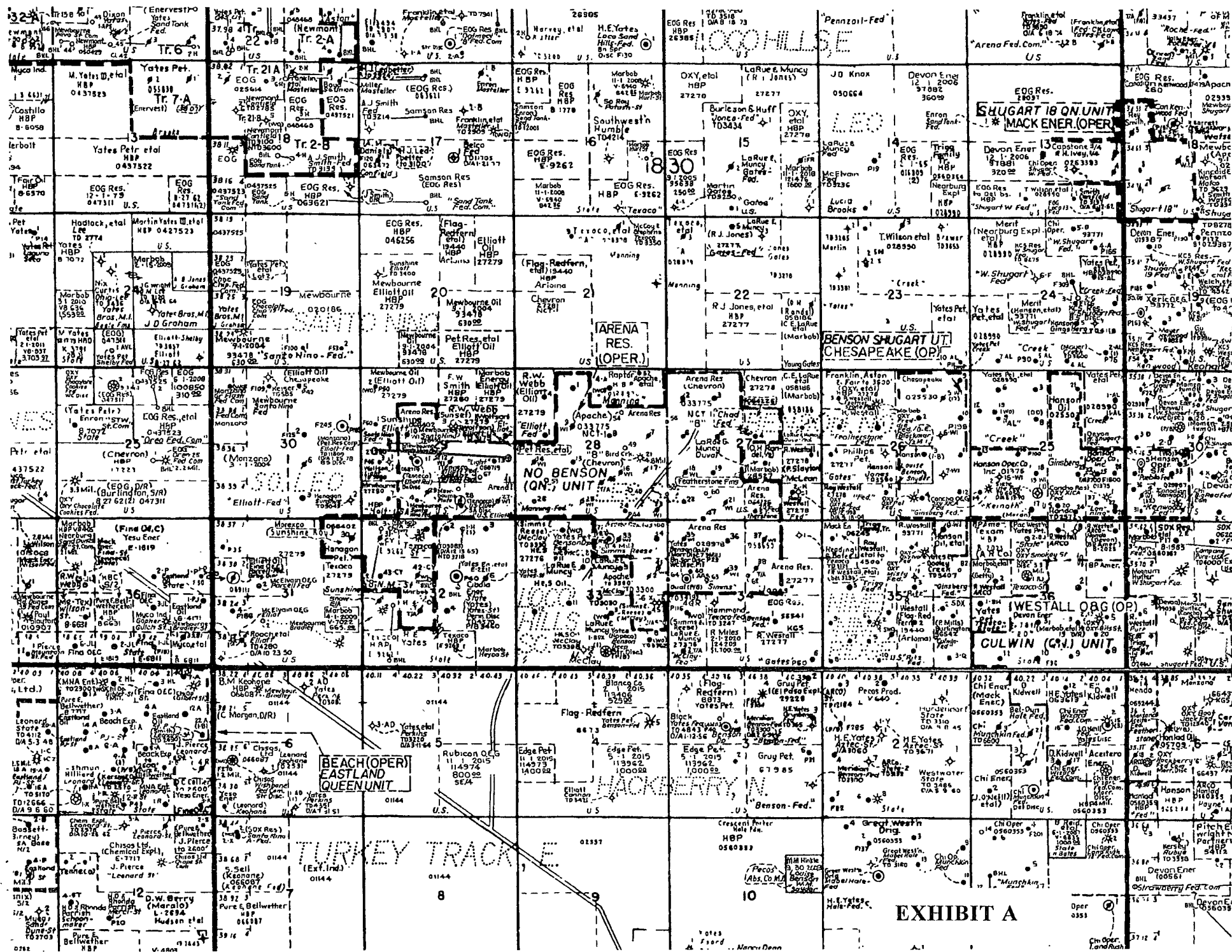
A handwritten signature in black ink, appearing to read "William F. Carr".

William F. Carr

Attorney for Mewbourne Oil Company

Enclosures

cc: New Mexico Oil Conservation Division – Hobbs



1820 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-102  
Revised October 16, 2009  
Submit one copy to appropriate  
District Office

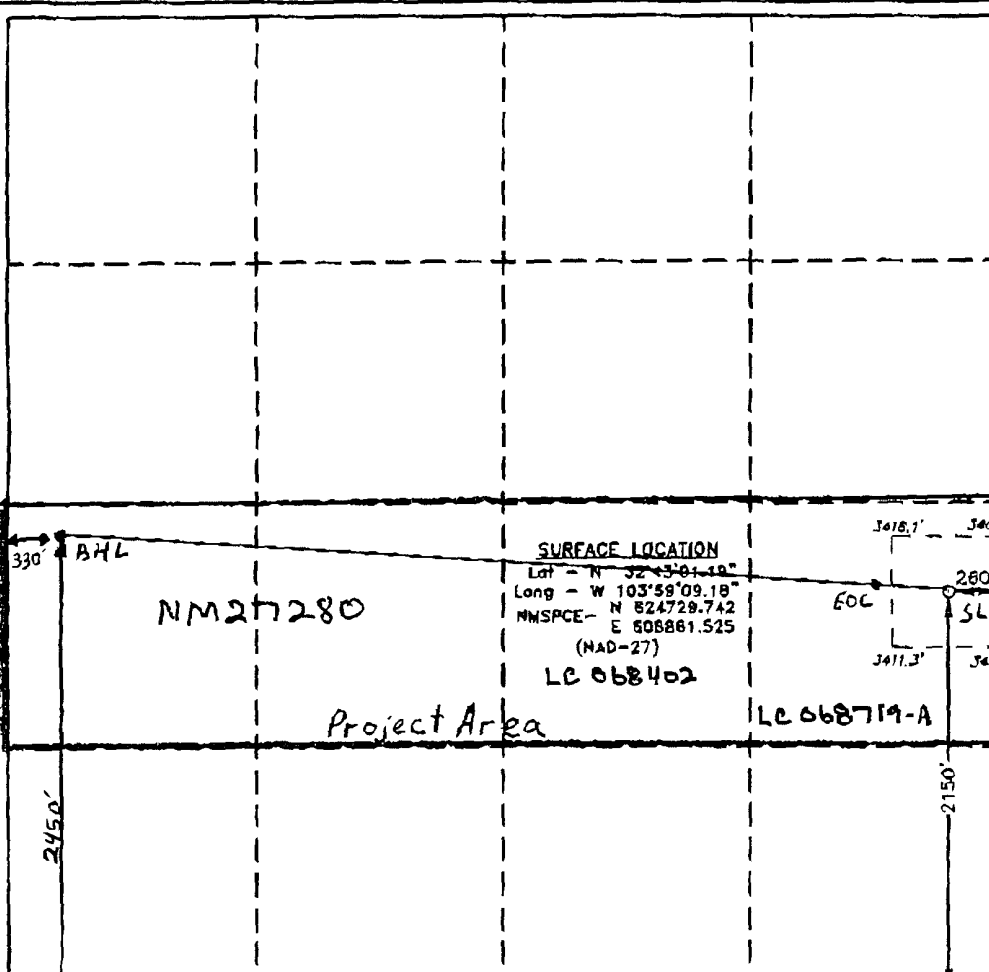
☐ AMENDED REPORT

### Surface Location

Bottom Hole Location If Different From Surface

Dedicated Acres 160	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

 <p><b>Map Details:</b></p> <ul style="list-style-type: none"> <li>Top boundary: 330' (left), 340' (right)</li> <li>Left boundary: 2450'</li> <li>Right boundary: 2150'</li> <li>Point ABL at top-left corner.</li> <li>Point EOC at bottom-left corner.</li> <li>Point SL at bottom-right corner.</li> <li>Point J416.1' at top-right corner.</li> <li>Point J411.3' at bottom-right corner.</li> <li>Point J416.1' at top-right corner.</li> <li>Point J411.3' at bottom-right corner.</li> <li>Point J416.1' at top-right corner.</li> <li>Point J411.3' at bottom-right corner.</li> </ul> <p><b>Project Area</b></p> <p><b>Surface Location</b></p> <p>Lat - N 32° 30' 12"</p> <p>Long - W 103° 59' 09.18"</p> <p>NMSPCE - N 824729.742</p> <p>E 808861.525</p> <p>(NAD-27)</p> <p>LC 068402</p> <p>LC 068719-A</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><u>Jackie Lathan</u> 6/9/12 Signature Date</p> <p><u>Jackie Lathan</u> Printed Name</p> <hr/> <p><b>SURVEYOR CERTIFICATION</b></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>APR 13 2012</p> <p>Date Surveyed</p> <p>Signature of Professional Surveyor</p> <p><u>Gary E. Jones</u></p> <p>7977</p> <p>Certificate No. Gary E. Jones 7977</p> <p>REG. SURVEYS</p>
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## EXHIBIT B

## **EXHIBIT C**

Application of Mewbourne Oil Company  
for Administrative Approval of an Unorthodox Well Location  
for its Bradley "29" Federal Com Well No. 2H,  
Section 29, Township 18 South, Range 30 East, N.M.P.M.,  
Eddy County, New Mexico.

## **NOTICE LIST**

### **Section 30, NE/4, W/2SE/2** **T-18-S, R-30-E, NMPM**

Chesapeake Operating, Inc.  
P.O. Box 18496  
Oklahoma City, Oklahoma 73154

### **Section 30, E/2 SE/4** **T-18-S, R-30-E, NMPM**

Chisos LTD.  
670 Dona Ana Road, SW  
Deming, New Mexico 88030

Pure Energy Group, Inc.  
22610 U. S. Hwy.281, Suite 218  
San Antonio, Texas 78258

Myco Industries, Inc.  
105 South Fourth Street  
Artesia, New Mexico 88210

John A. Yates, Individually and as Trustee of the Trust Q created  
u/w/o Peggy A. Yates, deceased  
105 South Fourth Street  
Artesia, New Mexico 88210

Yates Drilling Company  
105 South Fourth Street  
Artesia, New Mexico 88210

New Tex Oil Company  
Post Office Box 297  
Hobbs, New Mexico 88240

Ronadero Company, Inc.  
Post Office Box 746  
Big Horn, Wyoming 82833-0746

Natalie V. Hanagan  
1922 18<sup>th</sup> Ave., W.  
Williston, North Dakota 58801

Robert J. Leonard  
Trustee of the Leonard Trust  
Post Office Box 400  
Roswell, New Mexico 88202

Sacramento Partners  
A Limited Partnership  
105 South Fourth Street  
Artesia, New Mexico 88210

Mariner Energy, Inc.  
2000 W. Sam Houston Pkwy. S., Suite 2000  
Houston, Texas 77042-3622

**Section 29, NW/4**  
**T-18-S, R-30-E, NMPM**

Mewbourne Oil Company

**Section 29, NW/4 NE/4**  
**T-18-S, R-30-E, NMPM**

Mewbourne Oil Company

**Section 29, NE/4 NE/4**  
**T-18-S, R-30-E, NMPM**

Mewbourne Oil Company

The D. C. Trust  
Marilyn J. Cone, Trustee  
P. O. Box 64244  
Lubbock, Texas 79464

Clifford Cone, Individually and as  
Trustee of the Trusts created u/w/o  
and Codicil of Kathleen Cone, Deceased  
(Address unknown)

Kenneth G. Cone, Individually and as  
Trustee of the Trusts Created u/w/o  
And Codicil of Kathleen Cone, Deceased  
P. O. Box 11310  
Midland, Texas 79702

**Section 29, S/2 NE/4**  
**T-18-S, R-30-E, NMPM**

Mewbourne Oil Company

Myco Industries, Inc.  
Sacramento Partners Limited Partnership,  
John A. Yates, Individually and as  
Trustee of the Trust Q created  
u/w/o Peggy A. Yates, deceased  
and  
Yates Drilling Company  
105 South Fourth Street  
Artesia, New Mexico 88210-2118

Hanagan Petroleum Corporation  
P. O. Box 1737  
Roswell, New Mexico 88202

New Tex Oil Company  
P. O. Box 297  
Hobbs, New Mexico 88240

**Section 28, W/2**  
**T-18-S, R-30-E, NMPM**

Mewbourne Oil Company





October \_\_, 2010

Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, Texas 79701

Attention: William F. Carr

*Administrative Order NSL-\_\_\_\_\_*

Dear Mr. Carr:

Reference is made to the following: **(i)** your application dated July 28, 2010 on behalf of the operator, Mewbourne Oil Company ("Mewbourne"); and **(ii)** the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Mewbourne's request for approval of a non-standard gas well location to be applicable to the Bone Spring formation, which is governed by Oil Conservation Division General Rule 19.15.15.9 NMAC.

The N/2 S/2 of Section 29, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico is dedicated to this well to form a non-standard 160-acre oil spacing and proration unit / horizontal well project area.

This application has been duly filed under the provisions of Rule 19.15.15.9 NMAC.

The data submitted with this application indicates that this unorthodox oil well location is required for topographic reasons. Mewbourne originally staked at a standard location 2260 feet from the South line and 150 feet from the West line of said Section 29 but this location was unacceptable because it was in a large sand dune feature and the BLM required that the well be moved to a location in the East half of the section. The well was moved to the current unorthodox well location 2150 feet from the South line and 260 feet from the East line of the Section which is a drillable location that has been approved by the BLM. The Bottomhole location of this horizontal well is also unorthodox and is proposed at a point 2450 feet from the South line and 330 feet from the West line of Section 29.

By the authority granted me under the provisions of Rule 19.15.15.9 NMAC of the general rules of the Oil Conservation Division, the following described unorthodox oil well location within this 160-acre spacing and proration unit/horizontal well project area is hereby approved:

**Bradley "29" Federal Com No. 2H  
Surface Location: 2150' FSL & 260' FEL (Unit I)  
Bottomhole Location: 2450' FSL & 330' FWL (unit L)  
Section 29, Township 18 South, Range 30 East, NMPM  
Eddy County, New Mexico.**



September 22, 2010

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO ALL AFFECTED PERSONS:

Re: Application of Mewbourne Oil Company for Administrative Approval of an Unorthodox Well Location for its Bradley "29" Federal Com Well No. 2H, to be drilled from an unorthodox surface location 2150 feet from the South line and 260 feet from the East line (Unit I) to an unorthodox bottom hole location 2450 feet from the South line and 330 feet from the West line of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application and attached plats which was filed with the New Mexico Oil Conservation Division on this date by Mewbourne Oil Company for administrative approval of an unorthodox well location for its Bradley "29" Federal Com Well No. 2H, to be drilled from an unorthodox surface location 2150 feet from the South line and 260 feet from the East line (Unit I) to an unorthodox bottom hole location 2450 feet from the South line and 330 feet from the West line of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty days from the date of this letter. If no objection is received within this twenty-day period, this application for unorthodox well location may be approved.

Very truly yours,

William F. Carr  
Attorney for Mewbourne Oil Company  
Enclosures

cc: D. Paul Haden  
Mewbourne Oil Company