

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

[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.

Ken M. Calvert	<i>K. M. Calvert</i>	Engineering Manager	2/9/05
Print or Type Name	Signature	Title	Date
_____ e-mail Address			


MEWBOURNE OIL COMPANY

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

DHC-3401

February 9, 2005

UPS NEXT DAY AIR #N455 814 629 7

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

RE: Form C-107A
Colt "6" Federal #1
Sec 6 T20S R29E
Burton Flat; Atoka East (Gas) and Burton Flat; Morrow East (Gas) Pools
Eddy Co., NM

Dear Mr. Catanach:

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
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: NMOCD -Artesia
Bureau of Land Management - Roswell
Hobbs
Midland
Allen Brinson
Wayne Jones
Don Russell

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

DAS-340

Operator Mewbourne Oil Company Address P.O. Box 7698, Tyler, TX 75711

Lease Colt "6" Federal #1 Well No. J - Sec 6, T20S, R29E County Eddy

OGRID No. 14744 Property Code 33019 API No. 30-015-33041 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<i>UNDES</i> Burton Flat; Atoka, East (Gas)		Burton Flat; Morrow, East (Gas)
Pool Code	73200		73320
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,688 - 10,698'		11,108 - 11,294'
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: Estimated rate: Rates: 500 MCFD 1 BO, 1 BW	Date: Rates:	Date: 1/22/05 Rates: 239 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 100 % Gas 68 %	Oil % Gas %	Oil 0 % Gas 32 %

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 *Janet Burns* TITLE Reg. Tech. DATE 2/9/05

TYPE OR PRINT NAME Janet Burns TELEPHONE NO. (903) 561-2900

E-MAIL ADDRESS _____

Attachments to C-107A

Mewbourne Oil Company
Colt "6" Federal #1
Unit Letter J, Sec 6 T20S R29E
Burton Flat; Atoka, East (Gas) and Burton Flat; Morrow, East (Gas) Pools
Eddy Co., NM

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

Production curve is not attached (new well)

Estimated production rates and supporting data

Test Data:

Morrow	1/22/05	239 MCFD, 0 BO, 0 BW: current production
Atoka		500 MCFD, 1 BO, 1 BW: estimated initial production based on offset Atoka production in area

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
 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 30-015-33041		Pool Code 73320		Pool Name E. Burton Flat Morrow	
Property Code 33019		Property Name COLT "6" FEDERAL			Well Number 1
OGRID No. 14744		Operator Name MEWBOURNE OIL COMPANY			Elevation 3286

Surface Location

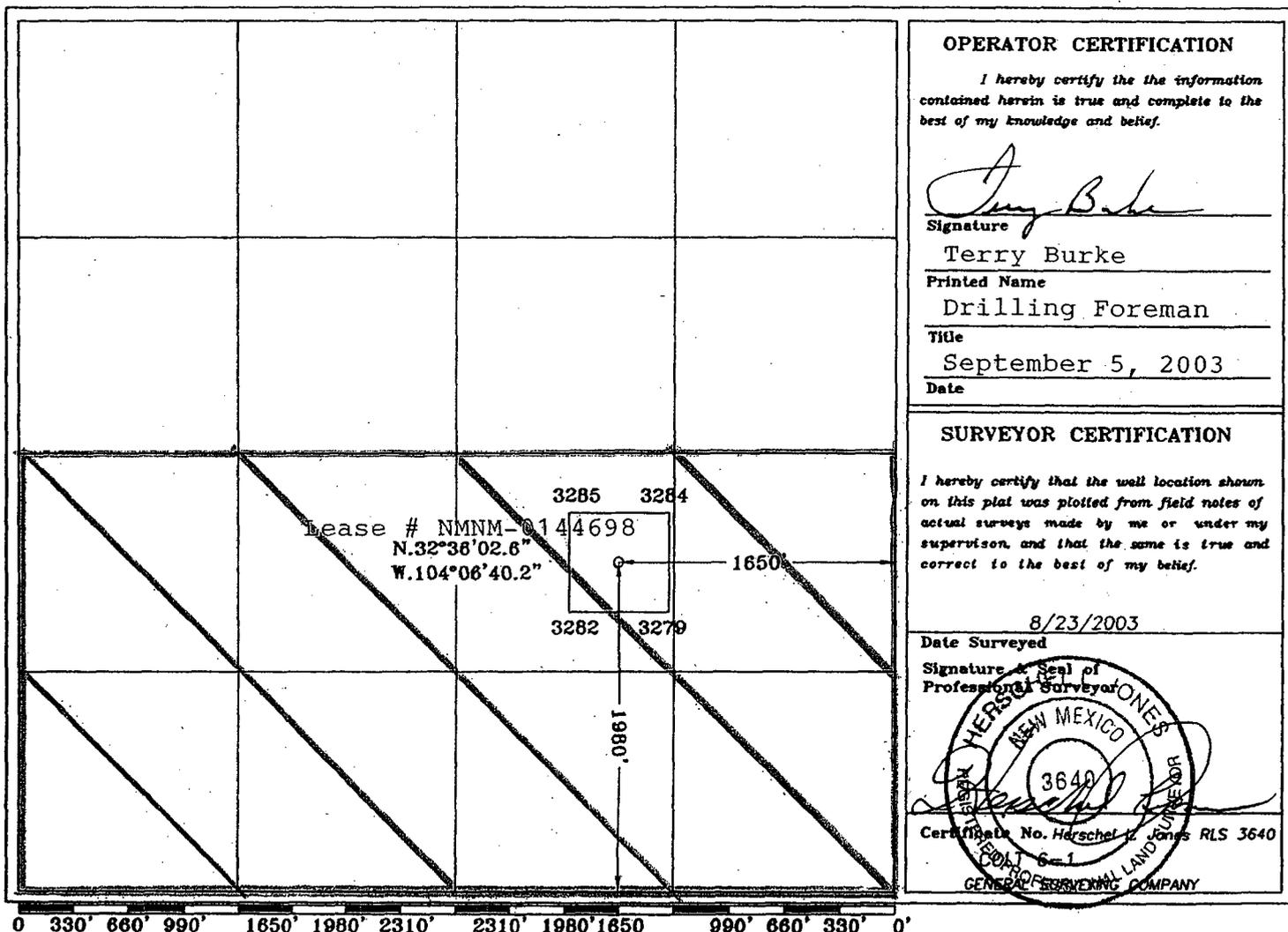
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	6	20S	29E		1980	SOUTH	1650	EAST	EDDY

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.
* 299.84			

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 that 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

September 5, 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.

8/23/2003

Date Surveyed

Signature & Seal of Professional Surveyor

[Signature]
 Certificate No. Herschel L. Jones RLS 3640
 GENERAL SURVEYING COMPANY

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

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Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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Property Code 33019	Property Name COLT "6" FEDERAL			Well Number 1	
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY			Elevation 3286	

Surface Location

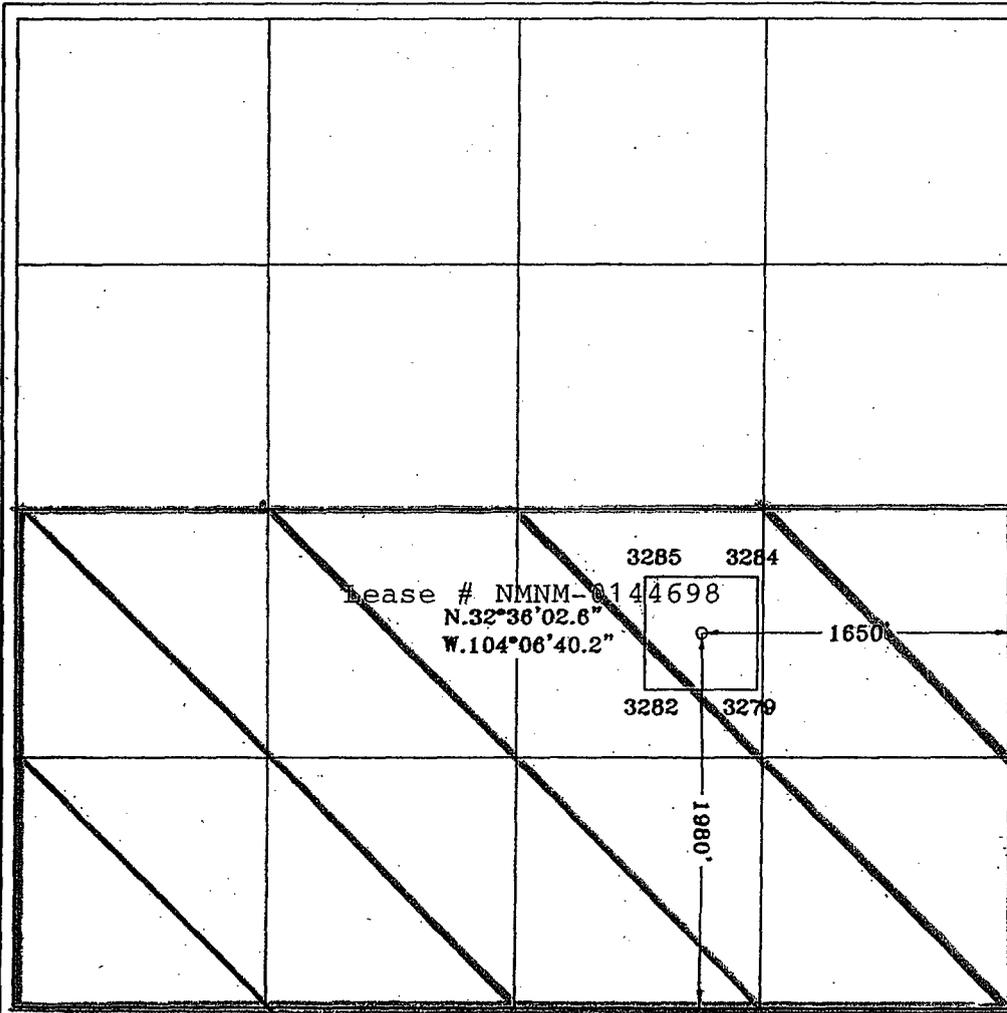
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Janet Burns
Printed Name
Reg. Tech.
Title
2/9/05
Date

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8/23/2003
Date Surveyed

[Signature]
Signature & Seal of Professional Surveyor

HERSCHEL JONES
NEW MEXICO
3640

Certificate No. Hirschel Jones RLS 3640
GENERAL SURVEYING COMPANY

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