

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



6870

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 _____

30-015-41304
 Mewbourne Oil
 San Lorenzo 90B Fee # 1A

[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.

David Catanach
 Print or Type Name

David Catanach
 Signature

Agent for Mewbourne Oil Company
 Title

9/17/13
 Date

drcatanach@netscape.com
 E-Mail Address

September 17, 2013

Hand Delivered

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

Attention: Ms. Jami Bailey, CPG
Division Director

Re: Application for Unorthodox Well Location
San Lorenzo 9 OB Fee No. 1H
API No. ~~(N/A)~~ 30-015-41304
Surface Location: 200' FSL & 2450' FEL (Unit O)
First Take Point: 366' FSL & 2434' FEL (Unit O)
Bottomhole Location: 330' FNL & 1980' FEL (Unit B)
Section 9, T-25 South, R-28 East, NMPM,
Eddy County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13, Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of an unorthodox gas well location for its proposed San Lorenzo 9 OB Fee No. 1H. This well will be drilled as a horizontal wildcat gas well in the WC-015 S252815D; Wolfcamp (Gas) Pool (97949).

The San Lorenzo 9 OB Fee No. 1H will be dedicated to a standard 320-acre gas spacing and proration unit comprising the E/2 of Section 9. There are currently no other existing Wolfcamp producing wells within the proposed spacing unit.

The WC Wolfcamp (Gas) Pool is currently governed by Division Rule 19.19.15.10 which requires standard 320-acre gas spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the spacing unit, nor closer than 10 feet to any interior quarter-quarter section line or subdivision inner boundary, or in the case of a horizontal well, no closer than 660 feet to the outer boundary of the producing area.

The Wolfcamp completion interval at the beginning of the lateral will be located 366 feet from the South line and 2434 feet from the East line (Unit O) of Section 9, and the Wolfcamp completion interval at the terminus of the lateral will be located 330 feet from the North line and 1980 feet from the East line (Unit B) of Section 9 (See attached plat).

The unorthodox location is necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying the E/2 of Section 9.

The affected offset acreage comprises all of Section 4, all of Section 16 and the W/2 of Section 9, T-25S, R-28E, which may be included, at some time, in standard 320-acre gas spacing and proration units in the Wolfcamp formation. There are currently no Wolfcamp producing wells within the affected offset acreage. The affected offset tracts are further described as follows:

- Tract No. 1: NW/4 of Section 4-25S-28E. The leasehold owner within this tract is Devon Energy Production Company, LP (“Devon”);
- Tract No. 2: W/2 NE/4 of Section 4-25S-28E. The leasehold owners within this tract are Devon and COG Operating, LLC (“COG”);
- Tract No. 3: E/2 NE/4 & S/2 of Section 4-25S-28E. The leasehold owner within this tract is Devon.
- Tract No. 4: W/2 of Section 9-25S-28E. The leasehold owners within this tract are Mewbourne Oil Company, McCombs Energy, Ltd. And Chevron USA, Inc.; and
- Tract No. 5: All of Section 16-25S-28E. The leasehold owners within this tract are COG and Concho Oil & Gas, LLC.

Notice of this application is being provided by certified mail, return receipt requested to Devon Energy Production Company, LP, Chevron USA, Inc., COG Operating, LLC, Concho Oil & Gas, LLC, and McCombs Energy Ltd. in accordance with Division rules.

Attached is a map showing the surface location, first take point and bottomhole location for the San Lorenzo 9 OB Fee No. 1H. Also shown is the affected offset acreage. Also attached is a notice list and notice letter.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the WC Wolfcamp (Gas) Pool underlying the E/2 of Section 9 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at (505) 690-9453.

*Mewbourne Oil Company
Unorthodox Location Application
San Lorenzo 9 OB Fee No. 1H
Page 3*

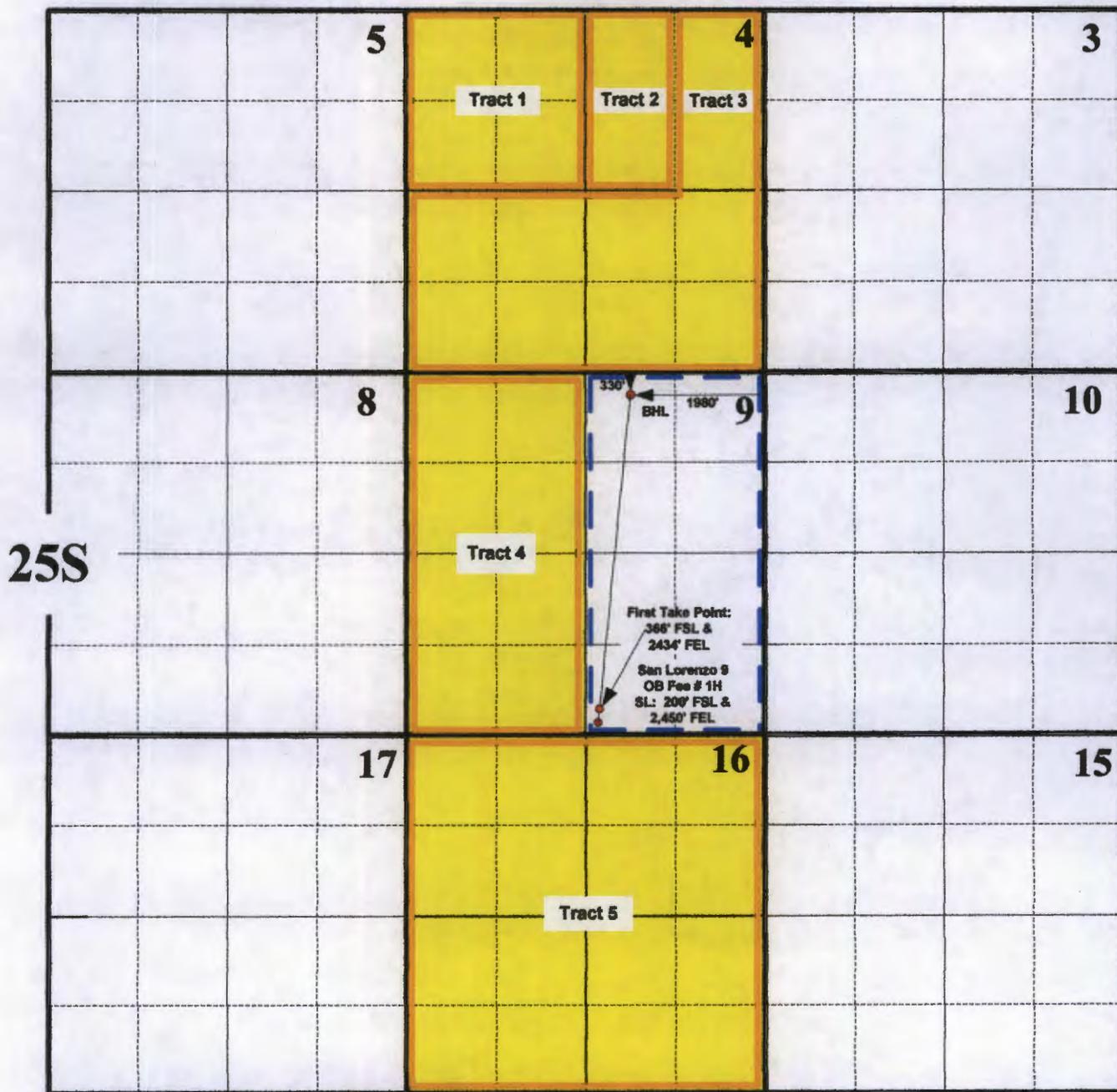
Sincerely,

A handwritten signature in black ink that reads "David Catanach". The signature is written in a cursive style with a long horizontal flourish extending to the right.

David Catanach, Agent
Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Xc: OCD-Artesia

28E



— — 320-Acre Spacing Unit

■ Affected Offset Acreage/Tracts

Mewbourne Oil Company
Application for Unorthodox Well Location
San Lorenzo 9 OB Fee No. 1H
Affected Offset Acreage

September 17, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: (See Attached List)

Re: Mewbourne Oil Company
Unorthodox Gas Well Location
San Lorenzo 9 OB Fee No. 1H (API No. N/A)
Surface Location: 200' FSL & 2450' FEL (Unit O)
First Take Point: 366' FSL & 2434' FEL (Unit O)
Bottomhole Location: 330' FNL & 1980' FEL (Unit B)
Section 9, T-25 South, R-28 East, NMPM,
WC-015 S252815D; Wolfcamp (Gas) Pool (97949)
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Mewbourne Oil Company ("Mewbourne") for approval of an unorthodox gas well location for its proposed San Lorenzo 9 OB Fee No. 1H located at the surface, first take and bottomhole locations described above. The well will test the WC Wolfcamp (Gas) Pool and will be dedicated to a standard 320-acre gas spacing and proration unit comprising the E/2 of Section 9, Township 25 South, Range 28 East, NMPM. The unorthodox location is necessary in order to maximize the recovery of oil and gas reserves within the Wolfcamp formation underlying the E/2 of Section 9.

As the owner of an interest that may be affected by the proposed unorthodox gas well location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach, Agent
Mewbourne Oil Company
550 W. Texas, Suite 1020
Midland, Texas 79701

Enclosure

Xc: OCD-Artesia

Notice List
Mewbourne Oil Company
Application for Unorthodox Well Location
San Lorenzo 9 OB Fee Well No. 1H
Section 9, T-25 South, R-28 East, NMPM

Devon Energy Production Company, LP
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102
Attn: Mr. Ken Gray

COG Operating, LLC
Concho Oil & Gas, LLC
600 W. Illinois
Midland, Texas 79701
Attn: Mrs. Jan Spradlin

McCombs Energy, Ltd.
5599 San Felipe, Suite 1200
Houston, Texas 77056
Attn: Mr. Ricky Haikin

Chevron USA, Inc.
1400 Smith Street
Room 43198
Houston, Texas 77002
Attn: Ms. Kelly Bass

7013 0600 0001 8711 5457

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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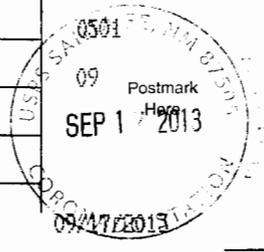
For delivery information visit our website at www.usps.com

HOUSTON TX 77002

Postage	\$ 1.12
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$6.77

Chevron USA, Inc.
 Sent To: **1400 Smith Street, Room 43198**
 Street, or PO Box: **Houston, Texas 77002**
 City, State: **Attn: Ms. Kelly Bass**

PS Form 3800, June 2009



7013 0600 0001 8711 5433

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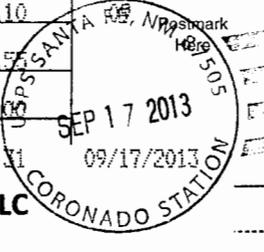
For delivery information visit our website at www.usps.com

MIDLAND TX 79701

Postage	\$ 0.66
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$6.31

COG Operating, LLC
 Sent To: **Concho Oil & Gas, LLC**
 Street, or PO Box: **600 W. Illinois**
 City, State: **Midland, Texas 79701**
Attn: Mrs. Jan Spradlin

PS Form 3800, June 2009



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OKLAHOMA CITY OK 73102

Postage	\$ 1.12
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$6.77

Devon Energy Prod. Company, LP
 Sent To: **20 N. Broadway, Suite 1500**
 Street, or PO Box: **Oklahoma City, OK 73102**
 City, State: **Attn: Mr. Ken Gray**

PS Form 3800, June 2009



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HOUSTON TX 77056

Postage	\$ 1.12
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$6.77

McCombs Energy, Ltd.
 Sent To: **5599 San Felipe, Suite 1200**
 Street, or PO Box: **Houston, Texas 77056**
 City, State: **Attn: Mr. Ricky Haikin**

PS Form 3800, June 2009

