

DATE IN 11/07/13	SUSPENSE	ENGINEER DB	LOGGED IN 11/07/13	TYPE NSL	PPRG 1331144934
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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]

5984

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]  
 [A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

Mewbourne  
 Hayhurst 23 OB State Com #1H  
 30-015-41355

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.

David Catanach  
 Print or Type Name

David Catanach  
 Signature

Agent for Mewbourne Oil Company  
 Title

11/7/13  
 Date

drcatanach@netscape.com  
 E-Mail Address

November 7, 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  
Hayhurst 23 OB State Com No. 1H  
API No. (30-015-41355)  
Surface Location: 285' FSL & 1400' FEL (Unit O)  
First Take Point: 759' FSL & 1466' FEL (Unit O)  
BHL: 330' FNL & 1850' FEL (Unit B)  
All in Section 23, T-25 South, R-27 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 oil well location for its proposed Hayhurst 23 OB State Com Well No. 1H. This well will be drilled as a horizontal development oil well in the North Hay Hollow-Bone Spring Pool (30216).

The Hayhurst 23 OB State Com Well No. 1H will be dedicated to an existing 160-acre spacing and proration unit ("project area") comprising the W/2 E/2 of Section 23. This unit is currently dedicated to Mewbourne's Hayhurst 23 State Com Well No. 2H (API No. 30-015-39426) which is a horizontal Bone Spring completion located at a surface location 330 feet from the South line and 1700 feet from the East line, and a bottomhole location 340 feet from the North line and 1718 feet from the East line.

The North Hay Hollow-Bone Spring Pool is currently governed by Division Rule 19.15.15.9 which requires standard 40-acre spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit, or in the case of a horizontal well, no closer than 330 feet to the outer boundary of the project area.

The proposed unorthodox surface and first take point locations are necessary in order to avoid numerous surface obstructions within the SW/4 SE/4 of Section 23, including existing wells and gas pipelines (see attached Google Map).

The affected offset tract, as shown on the attached map, is the E/2 E/2 of Section 23. This tract is an existing 160-acre horizontal project area in the Bone Spring formation that is operated by Mewbourne. Please note that the working interest

ownership between the W/2 E/2 (drill tract) and the E/2 E/2 (affected tract) is common. Consequently, notice of this application is not required to be provided to any party.

Attached is an approved APD (Form C-101). Also attached is a Form C-102 showing the proposed well and proposed project area. Also attached is a map showing the affected offset acreage and a Google Map showing the surface obstructions.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the North Hay Hollow-Bone Spring Pool underlying the W/2 E/2 of Section 23 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.

Sincerely,



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

Xc: OCD-Artesia

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (505) 748-1283 Fax: (505) 748-9720

**District III**  
1000 Rio Brazos Rd., Artec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3470 Fax: (505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
August 1, 2011  
Permit 160962

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address <b>MEWBOURNE OIL CO</b> Po Box 5270 Hobbs, NM 88241		2. OGRID Number 14744
		3. API Number 30-015-41355
4. Property Code 39902	5. Property Name HAYHURST 23 OB STATE COM	6. Well No. 001H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Ida	Feet From	N'S Line	Feet From	E'W Line	County
O	23	25S	27E	O	285	S	1400	E	EDDY

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Ida	Feet From	N'S Line	Feet From	E'W Line	County
B	23	25S	27E	B	330	N	1850	E	Eddy

**9. Pool Information**

<b>HAY HOLLOW BONE SPRING, NORTH</b>	<b>30216</b>
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**Additional Well Information**

11. Well Type New Well	12. Well Type OIL	13. Cable Rotary	14. Lease Type State	15. Ground Level Elevation 3066
16. Multiple N	17. Proposed Depth 12380	18. Formation Bone Spring	19. Contractor	20. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	505	525	0
Int1	12.25	9.625	36	2150	500	0
Prod	8.75	7	26	8050	700	1950
Liner1	6.125	4.5	13.5	12380	0	0

**Casing/Cement Program: Additional Comments**

MOC proposes to drill & test Bone Spring formations. H2S rule 118 does not apply because MOC has researched this area & no high concentrations were found. Will have on location & working all H2S safety equipment before Yates formation for safety & insurance purposes. If commercial production casing will be run & will utilize packer port system. No cmt is required. Will stimulate as needed for production.

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1500	Schaffner
Double Ram	3000	3000	Schaffner
Annular	3000	1500	Schaffner

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <del>IX</del> and/or 19.15.14.9 (B) NMAC <del>IX</del> , if applicable. Signature: Printed Name: Electronically filed by Monty Whetstone Title: Vice President Operations Email Address: prodmgr@mewbourne.com Date: 5/14/2013	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 5/15/2013	Expiration Date: 5/15/2015
	Conditions of Approval Attached	

**District I**  
1625 N. Fench Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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**District III**  
1000 Rio Benzo Rd., Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3470 Fax: (505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 168962

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-41355	2. Pool Code 30216	3. Pool Name HAY HOLLOW BONE SPRING, NORTH
4. Property Code 39902	5. Property Name HAYHURST 23 OB STATE COM	6. Well No. 001H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3066

**10. Surface Location**

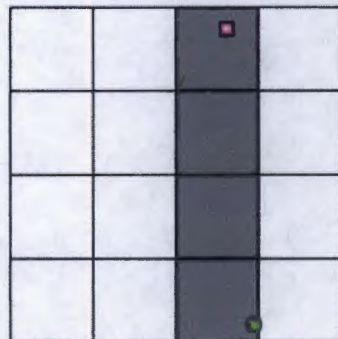
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	23	25S	27E		285	S	1400	E	EDDY

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	23	25S	27E	B	330	N	1850	E	EDDY

12. Dedicated Acres 160.00	13. Joint or Indiv	14. Consolidation Code	15. 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 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(s) 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.*

E-Signed By: Monty Whetstone  
Title: Vice President Operations  
Date: 5/14/2013

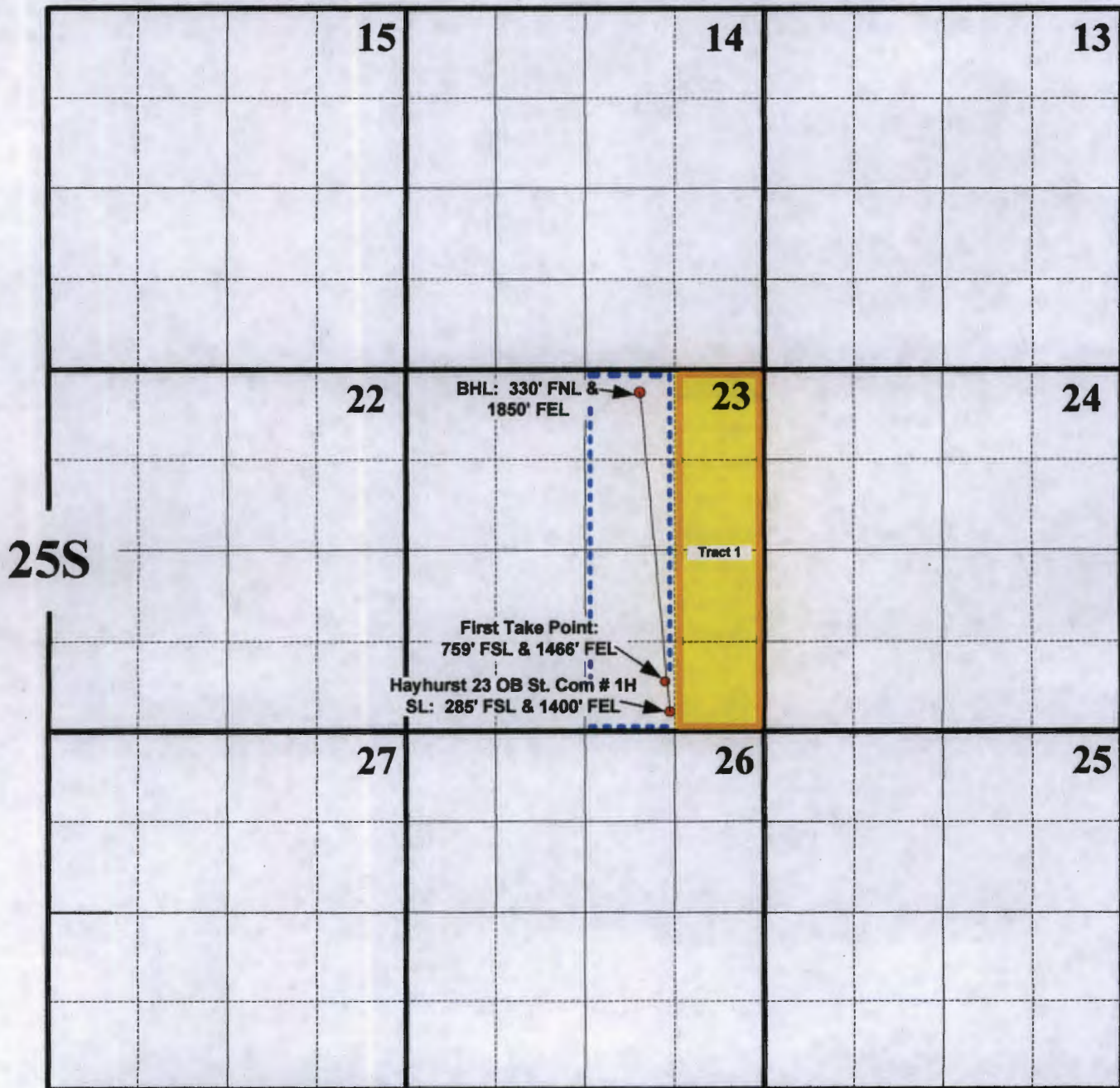
**SURVEYOR CERTIFICATION**

*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.*


Surveyed By: Robert Howett  
Date of Survey: 5/9/2013  
Certificate Number: 19690



**27E**



--- 160-Acre Project Area

 Affected Offset Acreage

**Mewbourne Oil Company**  
**Application for Unorthodox Well Location**  
**Hayhurst 23 OB State Com Well No. 1H**  
**Affected Offset Acreage**





Hayhurst 23 #2H

Hayhurst 23 OB

Hayhurst 23 PA

© 2013 Google

Imagery Date: 1/22/2013 32°06'35.78" N 104°09'37.94" W elev 3051

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