

DATE IN 9/09/2014	SUSPENSE	ENGINEER MAM	LOGGED IN 9/09/2014	TYPE NSL	APP NO. PMAM1425248313
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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 _____

- NSL 7161
 - Mewbourne Oil Co
 14744

Well
 - Jester "19"
 W2AP Federal
 com
 30-015 - Pending

- [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

PO 01
 - Funchand Ranch
 WOLF Camp (GAS)
 76780

- [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

9/8/14
 Date

drcatanach@netscape.com
 E-Mail Address

September 8, 2014

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
Jester "19" W2AP Federal Com No. 1H
API No. (N/A)
Surface Location: 185' FNL & 710' FEL (Unit A)
First Take Point: 758' FNL & 699' FEL (Unit A)
BHL: 330' FSL & 660' FEL (Unit P)
All in Section 19, T-23 South, R-27 East, NMPM,
Eddy County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13 (NMAC), Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of an unorthodox well location for its proposed Jester "19" W2AP Federal Com No. 1H. This well will be drilled as a horizontal development well in the Wolfcamp formation.

The Jester "19" W2AP Federal Com No. 1H will be dedicated to a standard 320-acre gas spacing and proration unit comprising the E/2 of Section 19. There are currently no other wells producing from the Wolfcamp formation within the proposed spacing unit.

Please note that the SE/4 of Section 19 is currently within the Southwest Forehand Ranch-Wolfcamp (Oil) Pool, which is spaced on 40-acres. This acreage is currently not being produced, nor has it ever been produced from the Southwest Forehand Ranch-Wolfcamp (Oil) Pool. Mewbourne believes that the Jester "19" W2AP Federal Com No. 1H will be a Wolfcamp gas completion, and is therefore permitting this well as a gas well on 320-acre spacing. After discussion with the OCD Artesia District Office, the OCD geologist has proposed that the SE/4 of Section 19 be deleted from the Southwest Forehand Ranch-Wolfcamp (Oil) Pool, and that the Forehand Ranch-Wolfcamp (Gas) Pool be extended to include the E/2 of Section 19.

The Forehand Ranch-Wolfcamp (Gas) Pool is currently governed by Division Rule 19.15.15.10.(B) (NMAC) which requires standard 320-acre spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the quarter section in which the well is located, and no closer than 10 feet to a 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 spacing unit.

The proposed unorthodox gas well location is necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying the E/2 of Section 19.

The 160-acre tracts that are directly affected by the proposed unorthodox gas well location are the NE/4 of Section 30 and NW/4 of Section 29, both in Township 23 South, Range 27 East (**See Attached Map**). There is currently no Wolfcamp development in either of these affected quarter sections, and consequently, there are no established 320-acre spacing units. Since there are several possible 320-acre Wolfcamp spacing unit orientations subsequently established that comprise the two affected offset 160-acre tracts, Mewbourne is providing notice of this application to the lessees in the N/2 and SE/4 of Section 30 and the N/2 and SW/4 of Section 29. These tracts, and the lease ownership within these tracts, is shown on the attached map and notice list.

Attached is a Form C-102 showing the surface, first take point, and bottomhole locations of the proposed well and the proposed spacing unit. Also attached is a map that shows the affected offset acreage and tract lessee identification.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Forehand Ranch-Wolfcamp (Gas) Pool underlying the E/2 of Section 19 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
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number N/A		Pool Code 76780	Pool Name Forehand Ranch Wolfcamp (Gas) Pool
Property Code	Property Name Jester "19" W2AP Federal Com		Well Number 1H
OGRID No. 14744	Operator Name Mewbourne Oil Company		Elevation

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	23 South	27 East		185	North	710	East	Eddy

Bottom Hole Location If Different From Surface

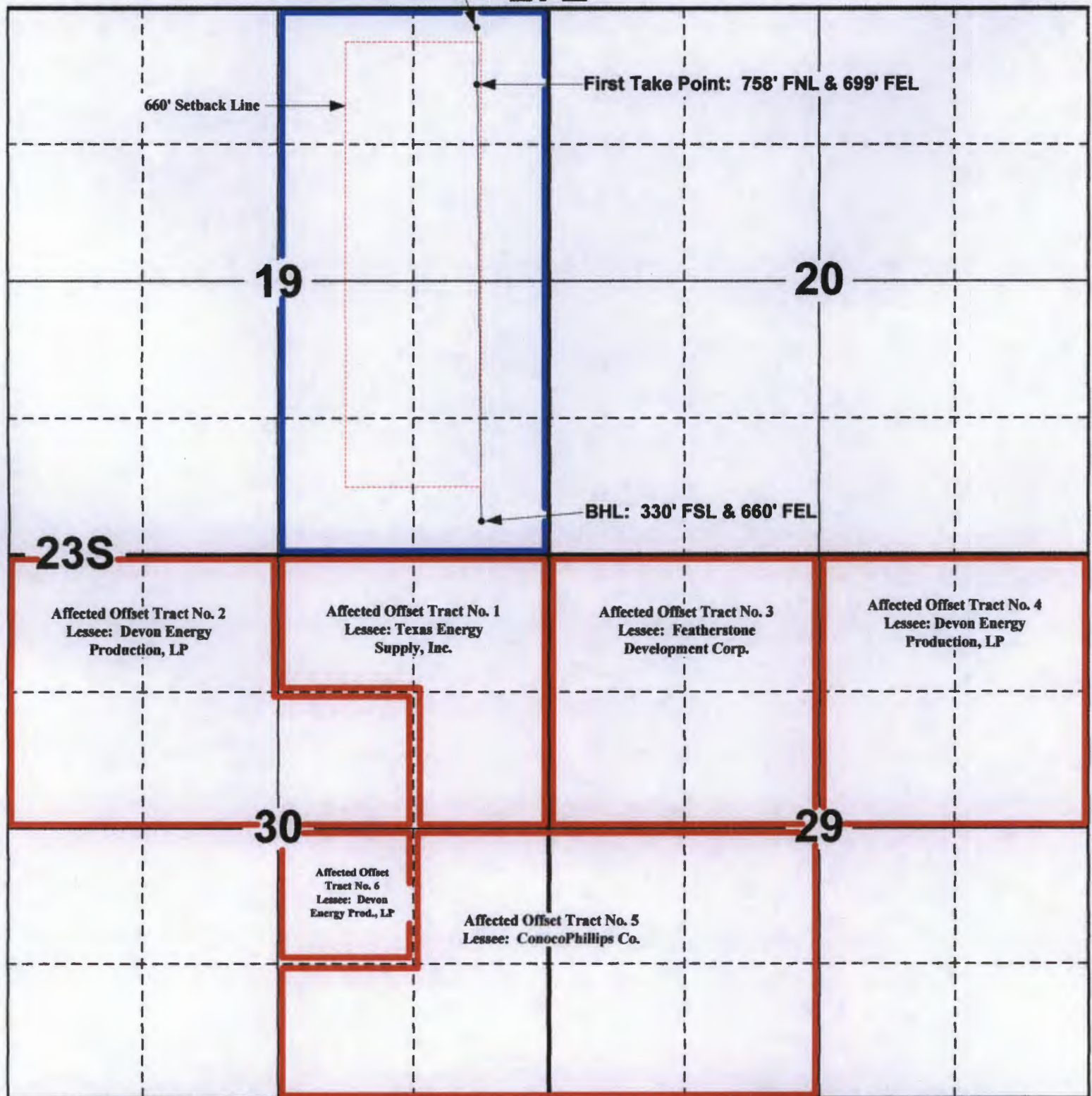
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	19	23 South	27 East		330'	South	660'	East	Eddy
Dedicated Acres 320	Joint or Infill	Consolidate Code	Order No.						

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>OPERATOR CERTIFICATION</p> <p><i>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 bottomhole 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.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
	<p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p>	
	<p>Certificate Number _____</p>	
	<p>BHL 330' 660'</p>	

Jester "19" W2AP Federal Com No. 1H
S.L.: 185' FNL & 710' FEL

27E



— Proposed 320-Acre Spacing Unit

— Affected Offset Acreage/Tract #

Mewbourne Oil Company
Application for Unorthodox Well Location
Jester "19" W2AP Federal Com No. 1H

Mewbourne Oil Company
Application for Unorthodox Well Location
Jester "19" W2AP Federal Com No. 1H
Section 19, T-23S, R-27E
Notice List

Devon Energy Production Company, LP
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

ConocoPhillips Company
P.O. Box 2197
Houston, Texas 77252-2197

Featherstone Development Corporation
P.O. Box 429
Roswell, New Mexico 88202

Texas Energy Supply, Inc.
P.O. Box 4848
Wichita Falls, Texas 76308

September 8, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: (See Attached List)

Re: Mewbourne Oil Company
Application for Unorthodox Well Location
Jester "19" W2AP Federal Com No. 1H (API No. N/A)
Surface Location: 185' FNL & 710' FEL (Unit A)
First Take Point: 758' FNL & 699' FEL (Unit A)
Bottomhole Location: 330' FSL & 660' FEL (Unit P)
Section 19, T-23 South, R-27 East, NMPM,
Forehand Ranch-Wolfcamp (Gas) Pool (76780)
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 well location for its proposed Jester "19" W2AP Federal Com Well No. 1H located at the surface, first take and bottomhole locations described above. The well will test the Forehand Ranch-Wolfcamp (Gas) Pool and will be dedicated to a standard 320-acre spacing and proration unit comprising the E/2 of Section 19, Township 23 South, Range 27 East, NMPM. The proposed 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 19.

As the owner of an interest that may be affected by the proposed unorthodox 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
500 W. Texas, Suite 1020
Midland, Texas 79701

Enclosure

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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

WICHITA FALLS TX 76308

Postage	\$ 1.19	0501
Certified Fee	\$3.30	
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total	\$7.19	

Sent **Texas Energy Supply, Inc.**
Street or PO **P.O. Box 4848**
City **Wichita Falls, Texas 76308**

PS Form

Instructions

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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

HOUSTON TX 77252-2197

Postage	\$ 1.19	0501
Certified Fee	\$3.30	
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total	\$7.19	

Sent **ConocoPhillips Company**
Street or PO **P.O. Box 2197**
City **Houston, Texas 77252-2197**

PS Form

Instructions

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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

OKLAHOMA CITY OK 73102

Postage	\$ 1.19	0501
Certified Fee	\$3.30	
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total	\$7.19	

Sent **Devon Energy Production**
Street or PO **Company, LP**
City **20 North Broadway, Suite 1500**
Oklahoma City, Oklahoma 73102

PS Form

Instructions

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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

ROSWELL NM 88202

Postage	\$ 1.19	0501
Certified Fee	\$3.30	
Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$7.19	

Sent **Featherstone Development**
Street or PO **Corporation**
City **P.O. Box 429**
Roswell, New Mexico 88202

PS Form

Instructions