

DATE IN 9/22/2014	SUSPENSE	ENGINEER MAM	LOGGED IN 9/22/2014	TYPE NSL	APP NO. PMAM1426538332
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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]**

-NSL7171
 -Mewbourne
 Oil Company
 14744
 well

[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 _____

-Delaware Ranch
 11 W2MDFee
 30-015-39555
 Pool
 -WC-015
 S262728A
 WOLF CAMP (GAS)

[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

Signature

Date

David Catanach

9/22/14

Agent for Mewbourne Oil Company
 Title

drcatanach@netscape.com
 E-Mail Address

September 22, 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
Delaware Ranch 11 W2MD Fee No. 1H
API No. (30-015-39555)
Surface Location: 330' FSL & 1120' FWL (Unit M)
First Take Point: 1110' FSL & 330' FWL (Unit M)
Bottomhole Location: 330' FNL & 330' FWL (Unit D)
Section 11, T-26 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 Delaware Ranch 11 W2MD Fee No. 1H. This well will be drilled as a horizontal wildcat gas well in the WC-015 S262814C; Wolfcamp (Gas) Pool (97954).

The Delaware Ranch 11 W2MD Fee No. 1H will be dedicated to a standard 320-acre gas spacing and proration unit comprising the W/2 of Section 11. There are currently no other existing Wolfcamp producing wells within the proposed spacing unit.

The WC 015 S262814C; 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 unorthodox location is necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying the W/2 of Section 11.

The affected offset acreage comprises the E/2 of Section 10 (Affected Offset Tract No. 1) and the S/2 and NE/4 of Section 3 and S/2 and NW/4 of Section 2 (Affected Offset Tract No. 2), all in Township 26 South, Range 28 East, NMPM (**See Attached Map**). Tract No. 1 is currently being produced in the Wolfcamp formation and is operated by COG Operating, LLC. There is currently no Wolfcamp production within

Tract No. 2. Consequently, notice of this application is being provided to COG Operating, LLC, and to all leasehold owners within Tract No. 2, which include COG Operating, LLC, Concho Oil & Gas, LLC, Yates Petroleum Corporation, Allar Company, Oxy Y-1 Company, Abo Petroleum Corporation and Myco Industries, Inc.

Attached is a Form C-102 showing the surface, first take point and bottomhole locations for the Delaware Ranch 11 W2MD Fee No. 1H. Also attached is a map showing the affected offset acreage, a horizontal well plan, notice list and offset 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-015 S262814C; Wolfcamp (Gas) Pool underlying the W/2 of Section 11 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 30-015-39555		Pool Code 97954	Pool Name WC-015 S262814C; Wolfcamp (Gas)
Property Code 313640	Property Name Delaware Ranch 11 W2MD Fee		Well Number 1H
OGRID No. 14744	Operator Name Mewbourne Oil Company		Elevation 2976

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	11	26 South	28 East		330'	South	1120'	West	Eddy

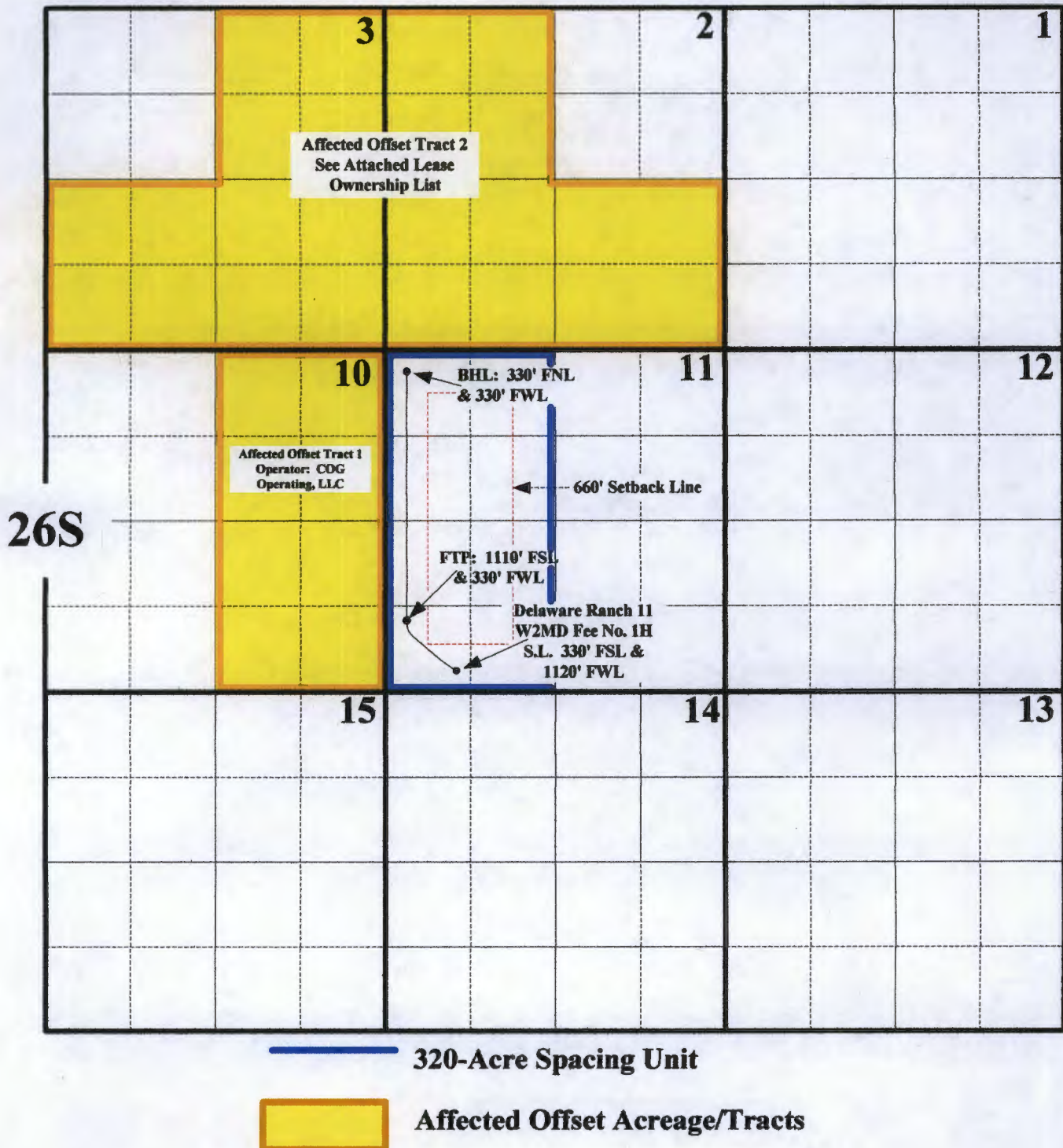
Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	26 South	28 East		330'	North	330'	West	Eddy
Dedicated Acres 320/W2	Joint or Infill	Consolidate Code	Order No.						

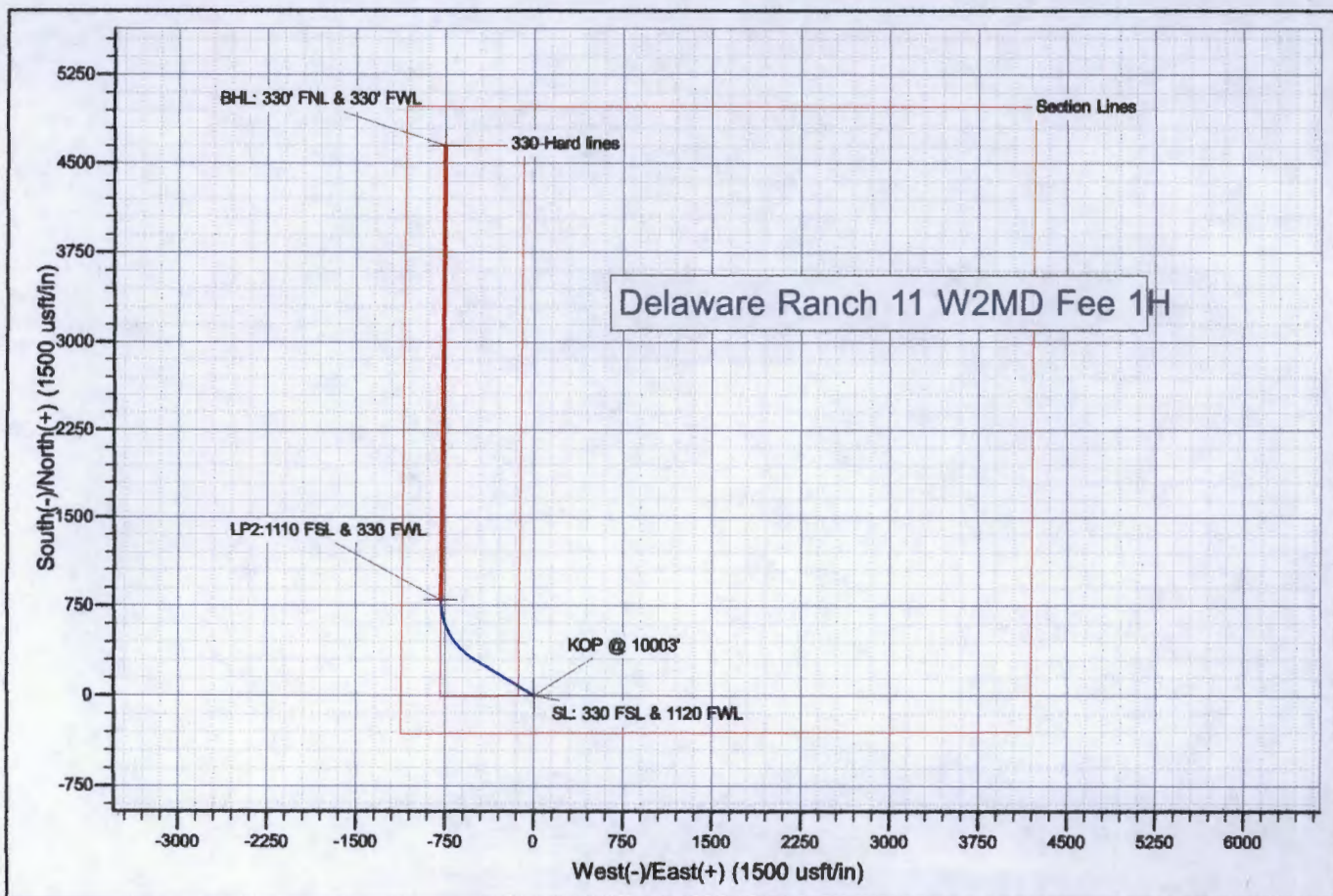
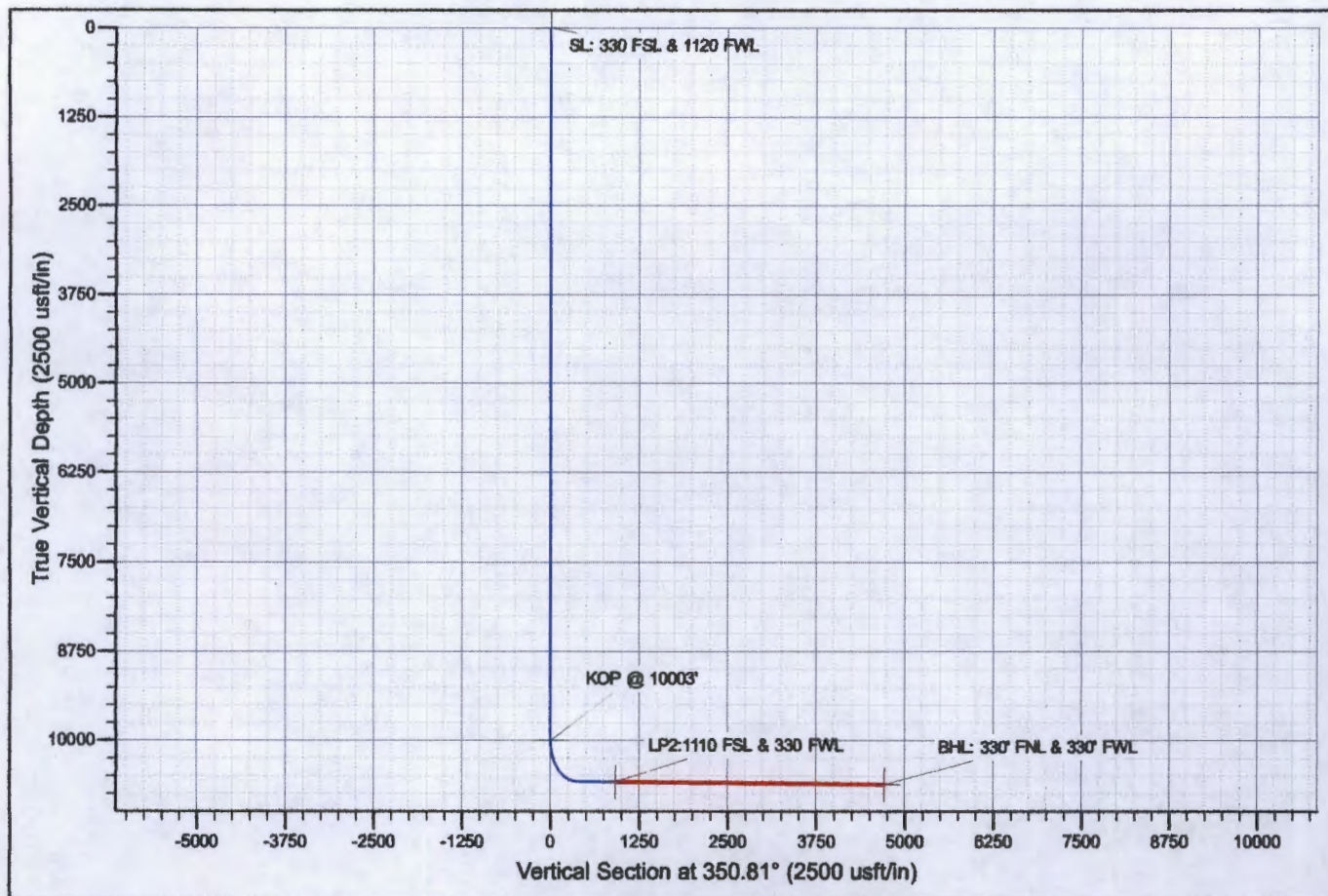
No Allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the Division

	<p align="center">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 heretofor entered by the Division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
	<p align="center">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>	

28E



Mewbourne Oil Company
Application for Unorthodox Well Location
Delaware Ranch 11 W2MD Fee No. 1H
Affected Offset Acreage



September 22, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: (See Attached List)

Re: Mewbourne Oil Company
Application for Unorthodox Gas Well Location
Delaware Ranch 11 W2MD Fee No. 1H (API No. 30-015-39555)
Surface Location: 330' FSL & 1120' FWL (Unit M)
First Take Point: 1110' FSL & 330' FWL (Unit M)
Bottomhole Location: 330' FNL & 330' FWL (Unit D)
Section 11, T-26 South, R-28 East, NMPM,
WC-015 S262814C; Wolfcamp (Gas) Pool (97954)
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 Delaware Ranch 11 W2MD Fee No. 1H located at the surface, first take point and bottomhole locations described above. The well will test the WC-015 S262814C; Wolfcamp (Gas) Pool and will be dedicated to a standard 320-acre gas spacing and proration unit comprising the W/2 of Section 11, Township 26 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 W/2 of Section 11.

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
500 W. Texas, Suite 1020
Midland, Texas 79701

Enclosure

Xc: OCD-Artesia

Notice List
Mewbourne Oil Company
Application for Unorthodox Well Location
Delaware Ranch 11 W2MD Fee No. 1H
Section 11, T-26 South, R-28 East, NMPM

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

Oxy Y-1 Company
P.O. Box 4294
Houston, Texas 77210-4294
Attn: Mr. Mark Hodge

Yates Petroleum Corporation
105 S. Fourth Street
Artesia, New Mexico 88210

Myco Industries, Inc.
P.O. Box 840
Artesia, New Mexico 88211

Allar Company
P.O. Box 1567
Graham, Texas 76450

Abo Petroleum Corporation
P.O. Box 900
Artesia, New Mexico 88211

7012 3050 0000 6819 6806

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CERTIFIED MAIL™ RECEIPT**
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ARTESIA NM 88210

Postage	\$	1.19	0501
Certified Fee		3.30	06
Return Receipt Fee (Endorsement Required)		2.70	SEP 22 2014
Restricted Delivery Fee (Endorsement Required)		0.00	Postmark Here
Total Postage & Fees	\$	7.19	09/22/2014

Yates Petroleum Corporation
105 S. Fourth Street
Artesia, New Mexico 88210

PS Form 3800, August 2008 See Reverse for Instructions

7012 3050 0000 6819 6752

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HOUSTON TX 77210

Postage	\$	1.19	0501
Certified Fee		3.30	06
Return Receipt Fee (Endorsement Required)		2.70	SEP 22 2014
Restricted Delivery Fee (Endorsement Required)		0.00	Postmark Here
Total	\$	7.19	09/22/2014

Oxy Y-1 Company
P.O. Box 4294
Houston, Texas 77210-4294
Attn: Mr. Mark Hodge

PS Form 3800, August 2008 See Reverse for Instructions

7012 3050 0000 6819 6776

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GRAHAM TX 76450

Postage	\$	1.19	0501
Certified Fee		3.30	06
Return Receipt Fee (Endorsement Required)		2.70	SEP 22 2014
Restricted Delivery Fee (Endorsement Required)		0.00	Postmark Here
Total	\$	7.19	09/22/2014

Allar Company
P.O. Box 1567
Graham, Texas 76450

PS Form 3800, August 2008 See Reverse for Instructions

7012 3050 0000 6819 6813

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MIDLAND TX 79701

Postage	\$	1.19	0501
Certified Fee		3.30	06
Return Receipt Fee (Endorsement Required)		2.70	SEP 22 2014
Restricted Delivery Fee (Endorsement Required)		0.00	Postmark Here
Total	\$	7.19	09/22/2014

COG Operating, LLC

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

PS Form 3800, August 2008 See Reverse for Instructions

7012 3050 0000 6819 6790

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ARTESIA NM 88211

Postage	\$	1.19	0501
Certified Fee		3.30	06
Return Receipt Fee (Endorsement Required)		2.70	SEP 22 2014
Restricted Delivery Fee (Endorsement Required)		0.00	Postmark Here
Total	\$	7.19	09/22/2014

Abo Petroleum Corp.
P.O. Box 900
Artesia, New Mexico 88211

PS Form 3800, August 2008 See Reverse for Instructions

7012 3050 0000 6819 6783

**U.S. Postal Service™
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For delivery information visit our website at www.usps.com®

ARTESIA NM 88211

Postage	\$	1.19	0501
Certified Fee		3.30	06
Return Receipt Fee (Endorsement Required)		2.70	SEP 22 2014
Restricted Delivery Fee (Endorsement Required)		0.00	Postmark Here
Total	\$	7.19	09/22/2014

Myco Industries, Inc.
P.O. Box 840
Artesia, New Mexico 88211

PS Form 3800, August 2008 See Reverse for Instructions

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-39555
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	6. State Oil & Gas Lease No.
2. Name of Operator Mewbourne Oil Company	7. Lease Name or Unit Agreement Name Delaware Ranch 11 Fee	8. Well Number #4H
3. Address of Operator PO Box 5270, Hobbs NM 88240	9. OGRID Number 14744	10. Pool name or Wildcat Wildcat Wolfcamp 2979547
4. Well Location Unit Letter M : 330 feet from the South line and 1135 feet from the West line Section 11 Township 26S Range 28E NMPM Eddy County	11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2976'	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>		OTHER: <input type="checkbox"/>	
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: Extend APD & Make changes to Original APD <input checked="" type="checkbox"/> <i>Reclassify</i>			

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Mewbourne Oil Company has an approved APD for the above captioned well that will expire on 10/27/2014.

→ We would like to extend the APD for an additional year.

As per land owners request we would like to change the footage from 1135' FWL to 1120' FWL. We would also like to change the BHL from 330' FNL & 660' FWL to 330' FNL & 330' FWL

We would also like to change the well name to Delaware Ranch 11 W2MD Fee #1H.

NM OIL CONSERVATION
ARTESIA DISTRICT

This will be a gas well with a proration unit of 320 acres. New C-102 attached.

SEP 03 2014

Spud Date:

Rig Release Date:

RECEIVED

New Property Code = 313640

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Jackie Lathan* TITLE Regulatory DATE 08/29/14

Type or print name Jackie Lathan E-mail address: j.lathan@mewbourne.com PHONE: 575-393-5905

For State Use Only

APPROVED BY: *J.C. Shepherd* TITLE **"Geologist"** DATE 9-3-2014

Conditions of Approval (if any):