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|--------------|----------|--------------|--------------------|---------|-----------------|
| DATE 6/30/16 | SUSPENSE | ENGINEER LRL | LOGGED IN 07/01/16 | NSL NSP | PLEL 1618337353 |
|--------------|----------|--------------|--------------------|---------|-----------------|

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]

NSL-7442

NSP-2047

[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 _____

MEUNBOURNE OIL CO. [#14744]
JESTER 19/30 WOA H Fed. Com
Well No. 14

API# 30-015-42830

RECEIVED OGD
2016 JUN 30 PM 1:41

[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

POOL: Forehand Ranch
Wolfcamp, SW (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.

James Bruce
Print or Type Name

James Bruce
Signature

Officer
Title

6/30/16
Date

jamesbruce@ad.com
e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

June 30, 2016

Leonard Lowe
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Lowe:

Mewbourne Oil Company applies for approval of an unorthodox gas well location and a non-standard spacing unit (project area) for the following well:

| | |
|----------------------------------|---------------------------------------------------------------------------------------|
| <u>Well:</u> | Jester 19/30 W0AH Fed. Com. Well No. 1H |
| <u>Surface location:</u> | 185 feet FNL & 710 feet FEL §19 |
| <u>First take point:</u> | 330 feet FNL & 710 feet FEL §19 |
| <u>Last take point:</u> | 2310 feet FNL & 757 feet FEL §30 |
| <u>Bottom hole location:</u> | 2312 feet FNL & 757 feet FEL §30 |
| <u>Well unit (project area):</u> | E½ §19 & NE¼ §30, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico |

The well was drilled to a depth sufficient to test the Wolfcamp formation, which is spaced on 320 acres, with wells to be located no closer than 660 feet to a quarter section line. A Form C-102 is attached as Exhibit A.

The non-standard unit is requested in order to maximize wellbore length, and likewise the location is unorthodox in order to maximize the wellbore's productive interval (the Wolfcamp is tight). The well's location will allow a future infill well in the eastern part of the well unit.

Attached as Exhibit B is a Midland Map Co. land plat. The offset working interest owners or operators are set forth on Exhibit C. The notice letter to the offsets is attached as Exhibit D.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "Bruce".

James Bruce

Attorney for Mewbourne Oil Company

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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 August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---------------------------------------------------|----------------------|-----------------------------------------------------|---------------------|--------------------------------------------------------|-----------------------------|
| 1 API Number 30-015-42830 | | 2 Pool Code 76780 | | 3 Pool Name Forehand Ranch Wolfcamp SW (Gas) | |
| 4 Property Code 314814 | | 5 Property Name JESTER 19/30 WOA# FED COM | | | |
| 6 Well Number 1H | | 7 Elevation 3192' | | | |
| 8 Operator Name MEWBOURNE OIL COMPANY | | 9 Operator Name MEWBOURNE OIL COMPANY | | | |
| 10 Surface Location | | | | | |
| UL or lot no. A | Section 19 | Township 23S | Range 27E | Lot Idn 185 | Feet from the 185 |
| North/South line NORTH | | Feet from the 710 | | East/West line EAST | |
| County EDDY | | | | | |
| 11 Bottom Hole Location If Different From Surface | | | | | |
| UL or lot no. H | Section 30 | Township 23S | Range 27E | Lot Idn 2312 | Feet from the 185 |
| North/South line NORTH | | Feet from the 710 | | East/West line EAST | |
| County EDDY | | | | | |
| 12 Dedicated Acres 480 | | 13 Joint or Infill | | 14 Consolidation Code | |
| 15 Order No. | | | | | |

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

| | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>GEODETIC DATA NAD 27 GRID - NM EAST SURFACE LOCATION N 471761.3 E 534253.5 LAT: 32.29693965° N LONG: 104.22247765° W BOTTOM LOCATION N 484356.7 E 534311.0 CORNER DATA NAD 27 GRID - NM EAST A: FND BRASS CAP "1943" N 461282.2 E 529656.0 B: FND BRASS CAP "1943" N 463932.6 E 529658.0 C: FND BRASS CAP 1943 N 486582.4 E 529660.5 D: FND BRASS CAP 1943 N 469232.9 E 529665.1 E: FND BRASS CAP 1943 N 471883.1 E 529671.5 F: FND 1/2" RBR IN STONE MOUND N 471919.9 E 532336.8 G: FND PK NAIL IN CL ROAD N 471956.1 E 534962.0 H: FND PK NAIL N 486678.3 E 534998.8 I: CALCULATED CORNER N 461349.8 E 534937.9</p> | | <p>17 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 unless mineral interest in the land including the proposed bottom hole 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.</p> <p>Signature: <u>Jackie Lathan</u> Date: <u>8/20/15</u> Printed Name: <u>Jackie Lathan</u> E-mail Address: _____</p> |
| | | <p>18 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.</p> <p>Date of Survey: <u>5-27-14</u> Signature and Seal of Professional Surveyor: <u>Robert M. Howett</u> Certificate Number: <u>19680</u> REV: NAME & B.H.</p> |

RRC - Firm No.: TX 1019383B NM 4655451

EXHIBIT

Offset Ownership
Jester 19/30 W0AH Fed Com No. 1H
Section 19/30, T23S, R27E
Eddy County, New Mexico

W/2 of Section 19:

Mewbourne Oil Company – **Operator**

SW/4 of Section 18:

ConocoPhillips Company – **Working Interest Owner**

E/2

~~SE~~/4 of Section 18: ✓

Mewbourne Oil Company – **Operator**

NW/4, N/2SW/4, NW/4SE/4 of Section 30:

Devon Energy Production Company, L.P. – **Working Interest Owner**

Mewbourne Oil Company – **Working Interest Owner**

S/2S/2, NE/4SE/4 of Section 30: ✓

ConocoPhillips Company – **Working Interest Owner**

COG Oil & Gas, LP – **Working Interest Owner**

Mewbourne Oil Company – **Working Interest Owner**

W/2 of Section 20:

Devon Energy Production Company, L.P. – **Working Interest Owner**

Mewbourne Oil Company – **Working Interest Owner**

NW/4 of Section 29: ✓

MRC Permian Company – **Working Interest Owner**

Mewbourne Oil Company – **Working Interest Owner**

SW/4 of Section 29: ✓

ConocoPhillips Company – **Working Interest Owner**

S/2 of Section 17: ✓

Mobil Producing Texas & New Mexico, Inc. – **Working Interest Owner**

EXHIBIT

C

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

June 30, 2016

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on attached list

Ladies and gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox gas well location and non-standard unit in the Wolfcamp formation in the E/2 of Section 19 and NE/4 of Section 30, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. You are an offset operator or interest owner. If you object to the application, you must notify the Division in writing within 20 days from receipt of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,

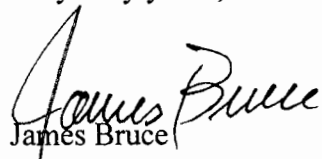
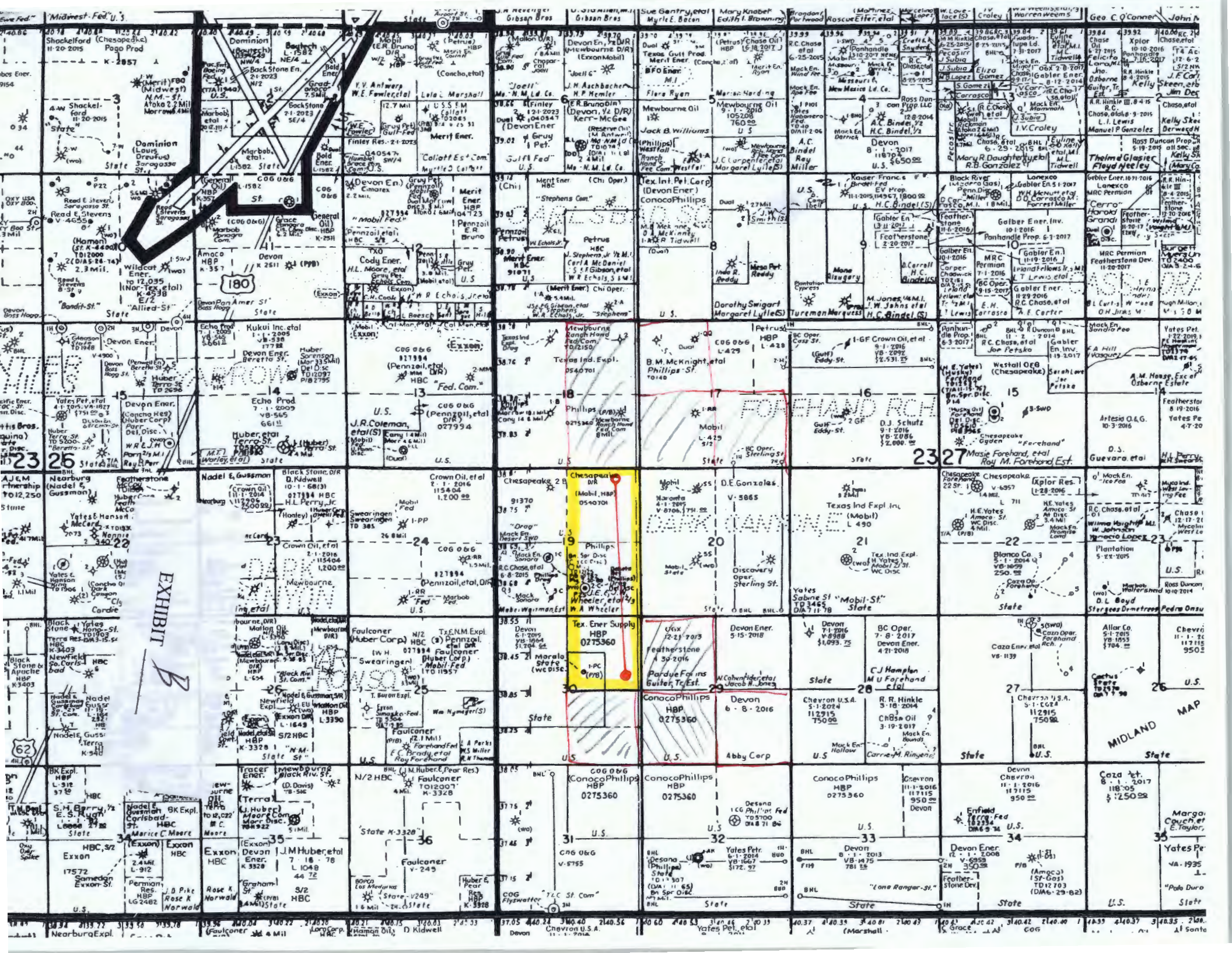

James Bruce
Attorney for Mewbourne Oil Company

EXHIBIT D



Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, August 08, 2016 4:56 PM
To: 'jerrys@mec.com'
Cc: Bayliss, Randolph, EMNRD; Sharp, Karen, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'; 'scaffey@blm.gov'; 'rjsanche@blm.gov'; 'jstovall@blm.gov'
Subject: NSL-7442/NSP-2047 and NSL-7444/NSP-2049 APPROVED
Importance: High

Mr. James Bruce,

The following permits have been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/imaging/WellFileCriteria.aspx>

NSL-7442**NSP-2047**

Mewbourne Oil Company

API No: 30-015-42830

WELL: Jester 19/30 WOAHH Fed Com Well No. 1H, Eddy County

NSL-7444**NSP-2049**

Mewbourne Oil Company

API No: 30-015-42498

WELL: Viper 29/32 W0LM Fed Com Well No. 1H, Eddy County

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>