

DATE IN <u>7.29.11</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>7.29.11</u>	TYPE <u>NSL</u>	APP NO <u>1121054991</u>
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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



RECEIVED
NEW MEXICO
OIL CONSERVATION
DIVISION
JUL 29 P 12:51
Newbourne
4744
West Draw 5 IA #1

ADMINISTRATIVE APPLICATION CHECKLIST 30-015-39058

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 _____

[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.

James Bruce

Print or Type Name

Signature

Attorney

Title

Date

jamesbruc@aol.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

July 29, 2011

Jami Bailey, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Ms. Bailey:

Pursuant to NMAC 19.15.15.13, Mewbourne Oil Company applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	West Draw 5 IA Well No. 1
<u>Surface location:</u>	1440 feet FSL & 400 feet FEL
<u>Bottom hole location:</u>	330 feet FNL & 400 feet FEL
<u>Well unit (project area):</u>	E $\frac{1}{2}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 5, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico

The well will be drilled to a depth sufficient to test the Glorieta-Yeso formation (North Seven Rivers Glorieta-Yeso Pool). The pool is spaced on statewide rules, with 40 acre spacing, and wells to be located no closer than 330 feet to a quarter-quarter section line. An APD with a Form C-102 included, is attached as **Exhibit A**.

The well will penetrate the top of the Yeso formation at an unorthodox location in Unit I, approximately 1540 feet FSL. However, the completed and perforated portion of the wellbore will be at an orthodox location, at least 1650 feet FSL. The location is due to engineering reasons: The unorthodox surface location will increase the productive length of the wellbore.

Due to the well's directional plan, the entry point in the Yeso encroaches on the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 5 (operated by applicant). However, working interest ownership is uniform in the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 5, so notice was not given to anyone in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 5. The SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4 may be slightly affected. The only working interest owner in that tract other than applicant is Devon Energy Production Company, L.P., which has been mailed notice. **Exhibit B**.

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Mewbourne Oil Company

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

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

1. Operator Name and Address MEWBOURNE OIL CO Po Box 5270 Hobbs, NM 88241		2. OGRID Number 14744
		3. API Number 30-015-39058
4. Property Code 38630	5. Property Name WEST DRAW 5 1A	6. Well No. 001H

7. Surface Location

UL - Lot I	Section 5	Township 20S	Range 25E	Lot Idn I	Feet From 1440	N/S Line S	Feet From 400	E/W Line E	County EDDY
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8. Pool Information

N. SEVEN RIVERS; GLORIETA-YESO	97563
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3491
14. Multiple N	15. Proposed Depth 5715	16. Formation Yeso Formation	17. Contractor	18. Spud Date 6/15/2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mills thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	710	400	0
Prod	8.75	7	26	2800	500	0
Prod	6.125	4.5	11.6	5715	0	0

Casing/Cement Program: Additional Comments

MOC proposes to drill & test the Yeso. Will have on location & working all H2S safety equipment before Queen formation. The 4 1/2" liner set @ 2800' to TD will utilize a packer port system (no cmt) in the lateral hole. 7" csg will be cemented & will provide lease line isolation.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	4000	Schaffer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCDC guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 5/17/2011	Expiration Date: 5/17/2013
	Conditions of Approval Attached	

Printed Name: Electronically filed by Monty Whetstone	
Title: Vice President Operations	
Email Address: prodmgr@mewbourne.com	
Date: 5/17/2011	Phone: 903-561-2900

EXHIBIT

A

District I

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

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone (505) 748-1283 Fax (505) 748-9720

District III

1000 Rio Brazos 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

Form C-102
Permit 131539

Energy, Minerals and Natural Resources**Oil Conservation Division****1220 S. St Francis Dr.****Santa Fe, NM 87505****WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-39058	2. Pool Code 97565	3. Pool Name N. SEVEN RIVERS; GLORIETA-YESO
4. Property Code 38630	5. Property Name WEST DRAW 5 LA	6. Well No. 001H
7. OGRID No 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3491

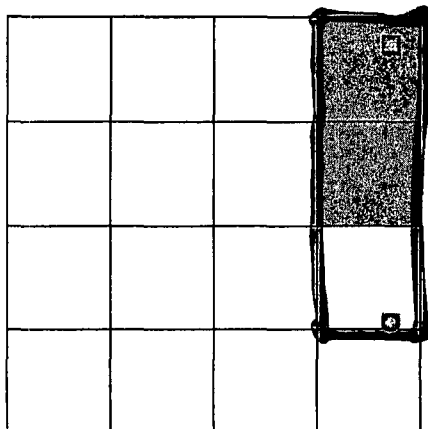
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	5	20S	25E		1440	S	400	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
A	5	20S	25E	1	330	N	400	E	EDDY
12. Dedicated Acres 120.26	13. Joint or Infill	14. Consolidation Code	15. 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

**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: 5/17/2011

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: Gary Jones

Date of Survey: 12/14/2010

Certificate Number: 7977

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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jamesbruc@aol.com

July 29, 2011

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, Oklahoma 73102

Dear Sirs:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the NE¼SE¼ of Section 5, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. You are an offset owner. If you object to the application, you must notify the Division in writing no later than 20 days from the date 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 later.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT B