

DATE IN 2-4-13	SUSPENSE 2-24	ENGINEER DB	LOGGED IN 2-4	TYPE NSL	APP NO PDKB1303550499
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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



Newbourne

Merit 6 E H #1

ADMINISTRATIVE APPLICATION CHECKLIST

6757

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

1/31/13

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

January 31, 2013

David Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Brooks:

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>	Merit 6 EH State Well No. 1
<u>Surface location:</u>	1490 feet FNL & 150 feet FEL of <u>Section 1-19S-34E</u>
<u>Bottom hole location:</u>	2310 feet FNL & 330 feet FEL of <u>Section 6-19S-35E</u>
<u>Well unit (project area):</u>	S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 6, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico

The well will be drilled to a depth sufficient to test the Bone Spring formation (Scharb-Bone Spring Pool). Under Order No. R-2589, the pool is spaced on 80 acres, with wells to be located within 200 feet of the center of a quarter-quarter section line. An APD, with a Form C--102, is attached as Exhibit A.

The producing interval of the wellbore will be unorthodox. The unorthodox location will increase the productive length of the wellbore.

Attached as Exhibit B is a land plat. The offsets are as follows:

N/2 Sec. 1
COG Operating LLC

N/2N/2 Sec. 6
Mewbourne Oil Company

N/2S/2 Sec. 6
COG Operating LLC

W/2NW/4 Sec. 5
Sundown Energy, LP
PGP Holdings I, LLC

NW/4SW/4 Sec. 5
O'Neil Properties, Ltd.

Notice of the application has been sent to the offsets, as reflected on Exhibit C.

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

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

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., 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-101
August 1, 2011
Permit 158952

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 30-025-40884
4. Property Code 39573	5. Property Name MERIT 6 EH STATE COM	6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Id.	Feet From	N/S Line	Feet From	E/W Line	County
H	1	19S	34E	H	1490	N	150	E	LEA

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Id.	Feet From	N/S Line	Feet From	E/W Line	County
A	6	19S	35E	H	2310	N	330	E	Lea

9. Pool Information

SCHARB, BONE SPRING	35610
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Casing Rotary	14. Lease Type State	15. Ground Level Elevation 3948
16. Multiple N	17. Proposed Depth	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	54.5	1865	1375	0
Int1	12.25	9.625	36	3410	825	0
Int2	8.75	7	26	10950	1100	
Prod	6.125	4.5	13.5	15260	0	0

Casing/Cement Program: Additional Comments

MOC proposes to drill & test the Bone Spring formation. 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 drilling into the Yates for safety & insurance purposes. 4 1/2 production liner will be run & will utilize packer port system. No cement is required. Will stimulate as needed for production.

22. Proposed Blowout Prevention Program

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

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 <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: _____		OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Monty Wherstone		Approved By: Paul Kautz	
Title: Vice President Operations		Approved Date: 12/12/2012	Expiration Date: 12/12/2014
Email Address: prodmgr@mewbourne.com			
Date: 12/5/2012	Phone: 903-561-2900	Conditions of Approval Attached	

EXHIBIT **A**

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) 748-8720

District III
1600 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
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
August 1, 2011

Permit 158952

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40884	2. Pool Code 55610	3. Pool Name SCHARB,BONE SPRING
4. Property Code 39573	5. Property Name MERIT 6 EH STATE COM	6. Well No. 001H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3943

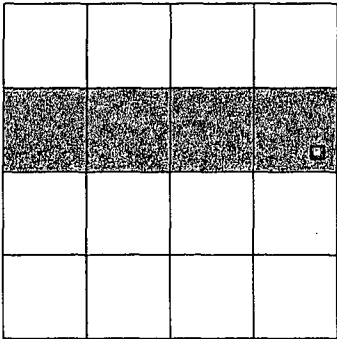
10. Surface Location

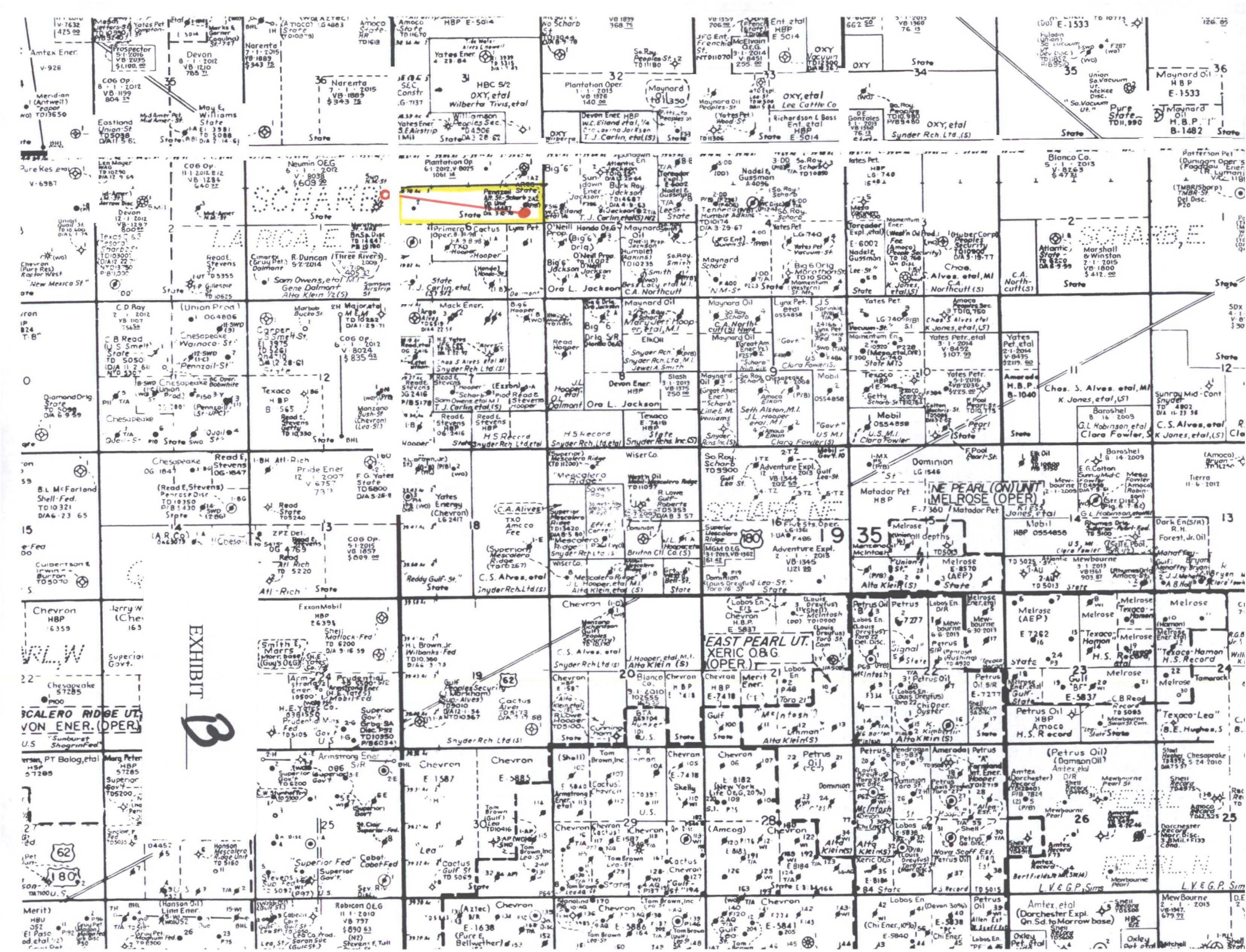
UL - Lot H	Section 1	Township 19S	Range 34E	Lot Idn	Feet From 1490	N/S Line N	Feet From 150	E/W Line E	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot H	Section 6	Township 19S	Range 35E	Lot Idn H	Feet From 2310	N/S Line N	Feet From 330	E/W Line E	County LEA
12. Dedicated Acres 159.78		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>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.</i> E-Signed By: Monty Whetstone Title: Vice President Operations Date: 12/5/2012
	SURVEYOR CERTIFICATION <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> Surveyed By: Gary Jones Date of Survey: 11/2/2012 Certificate Number: 7977



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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

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jamesbruc@aol.com

January 31, 2013

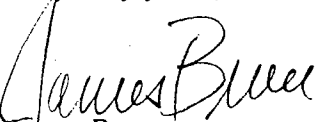
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the S½N½ of Section 6, Township 19 South, Range 35 East, N.M.P.M., Lea 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 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 at a later date.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT

C

Exhibit A

COG Operating LLC
One Concho Center
600 West Illinois
Midland, Texas 79701

O'Neil Properties, Ltd.
P.O. Box 2840
Midland, Texas 79702

Sundown Energy, LP
Suite 2000
13455 Noel Road
Dallas, Texas 75240

PGP Holdings I, LLC
104 Town Park Drive
Kennesaw, Georgia 30144

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, February 04, 2013 2:40 PM
To: jamesbruc@aol.com
Subject: Mewbourne - Merit 6EH St #1; NSL Application

Dear Jim

On this one, it seems I have everything I need except again, I need footages for the beginning point of the completed interval.

Sincerely

David

Brooks, David K., EMNRD

From: jamesbruc@aol.com
Sent: Wednesday, February 20, 2013 9:18 AM
To: Brooks, David K., EMNRD
Subject: Re: Mewbourne - Merit 6EH St #1; NSL Application

The producing interval begins at 1577 feet FNL and 330 feet FWL of Section 6.

-----Original Message-----

From: Brooks, David K., EMNRD, EMNRD <david.brooks@state.nm.us>
To: jamesbruc <jamesbruc@aol.com>
Sent: Mon, Feb 4, 2013 2:42 pm
Subject: Mewbourne - Merit 6EH St #1; NSL Application

Dear Jim

On this one, it seems I have everything I need except again, I need footages for the beginning point of the completed interval.

Sincerely

David