

DATE IN <u>7/25/16</u>	SUSPENSE	ENGINEER <u>ARL</u>	LOGGED IN <u>7/26/16</u>	TYPE <u>NSL</u>	PIEL-1620863116 APP NO.
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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



NSL-7458

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]

MEWBOURNE OIL CO.
[#14744]

- [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.

Mitchell Robb
 Print or Type Name

[Signature]
 Signature

Leadman
 Title

7/11/16
 Date

mrobb@newbourne.com
 e-mail Address

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020
Midland, Texas 79701
Phone (432) 682-3715
Fax (432) 685-4170

July 25, 2016

Via Email

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
Attn: Mr. Leonard Lowe

Re: Application for Unorthodox Well Location
Journey 12 W2MP Fee Com #2H
API No. 3001543845
Surface Location: 270' FSL & 200' FWL (Unit M)
First Take Point: 330' FSL & 330' FWL (Unit M)
Last Take Point: 330' FSL & 330' FEL (Unit P)
Bottomhole Location: 330' FSL & 330' FEL (Unit P)
Section 12, T-24-S, R-28-E, NMPM
Eddy County, New Mexico

Dear Mr. Lowe:

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 Journey 12 W2MP Fee Com #2H well. This well will be drilled as a horizontal gas well in the Pierce Crossing; Wolfcamp, NW (Gas) Pool (96712)

The Journey 12 W2MP Fee Com #2H will be dedicated to a standard 320-acre gas spacing and proration unit comprising the S/2 of Section 12. There are currently no other existing Wolfcamp producing wells within the proposed spacing unit.

Pierce Crossing; Wolfcamp, NW (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 S/2 of Section 12.

Mewbourne Oil Company
Unorthodox Location Application
Journey 12 W2MP Fee Com #2H
Page 2 of 2

The affected offset acreage comprises the all of Section 11, N/2 of Section 12, N/2 of Section 14, N/2 of Section 13, Township 24 South, Range 28 East, NMPM, all of Section 7, N/2 of Section 8, Township 24 South, Range 29 East, NMPM (See Attached Map). There are currently the following Wolfcamp producers within the offset acreage:

- Marra #1 (API No: 3001523752), Section 14, T24S, R28E, Eddy County, NM

Consequently, notice of this application is being provided to COG Production LLC, RKI Exploration & Production, LLC, Kaiser Francis Oil Company, and MRC Permian Company.

Attached is a Form C-102 showing the surface, first take point, last take point, and bottomhole locations for the Journey 12 W2MP Fee-Com #2H. Also, attached is a map showing the affected offset acreage, notice list and offset notice letter.

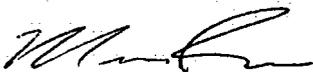
All owners noticed on the attached notice list were sent the Application for Unorthodox Well Location via certified mail on July 20, 2016.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Pierce Crossing; Wolfcamp, NW (Gas) Pool underlying the S/2 of Section 12 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

Should you have any questions regarding the above, please email me at mrobb@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

Xc: OCD-Artesia

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 592-0161 Fax: (575) 592-0720

District II
511 S. First St., Artesia, NM 88212
Phone: (575) 745-1282 Fax: (575) 745-0720

District III
1000 Rio Grande Rd., Acton, NM 87410
Phone: (505) 334-0173 Fax: (505) 334-5170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone: (505) 478-3470 Fax: (505) 478-3462

**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 232206

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-43845	2. Pool Code 56712	3. Pool Name PIERCE CROSSING, WOLF CAMP, NW (GAS)
4. Property Code 316478	5. Property Name JOURNEY 12, W2MP FEE COM	6. Well No. 002H
7. OGRID No. 14744	8. Operator Name MEWBURNE OIL CO	9. Elevation 2975

10. Surface Location

U/L - Lot M	Section 12	Township 24S	Range 28E	Lot No. M	Feet From 270	N/S Line S	Feet From 200	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

U/L - Lot P	Section 12	Township 24S	Range 28E	Lot No. P	Feet From 330	N/S Line S	Feet From 330	E/W Line E	County Eddy
12. Dedicated Acres 330.00			13. Joint or Infill			14. Consideration 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

	<p align="center">OPERATOR CERTIFICATION</p> <p>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 undivided 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.</p> <p>Signed By: Monty Whatstone Title: Vice President Operations Date: 7/1/2016</p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p>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>Surveyed By: Robert Howett Date of Survey: 6/30/2016 Certificate Number: 19880</p>

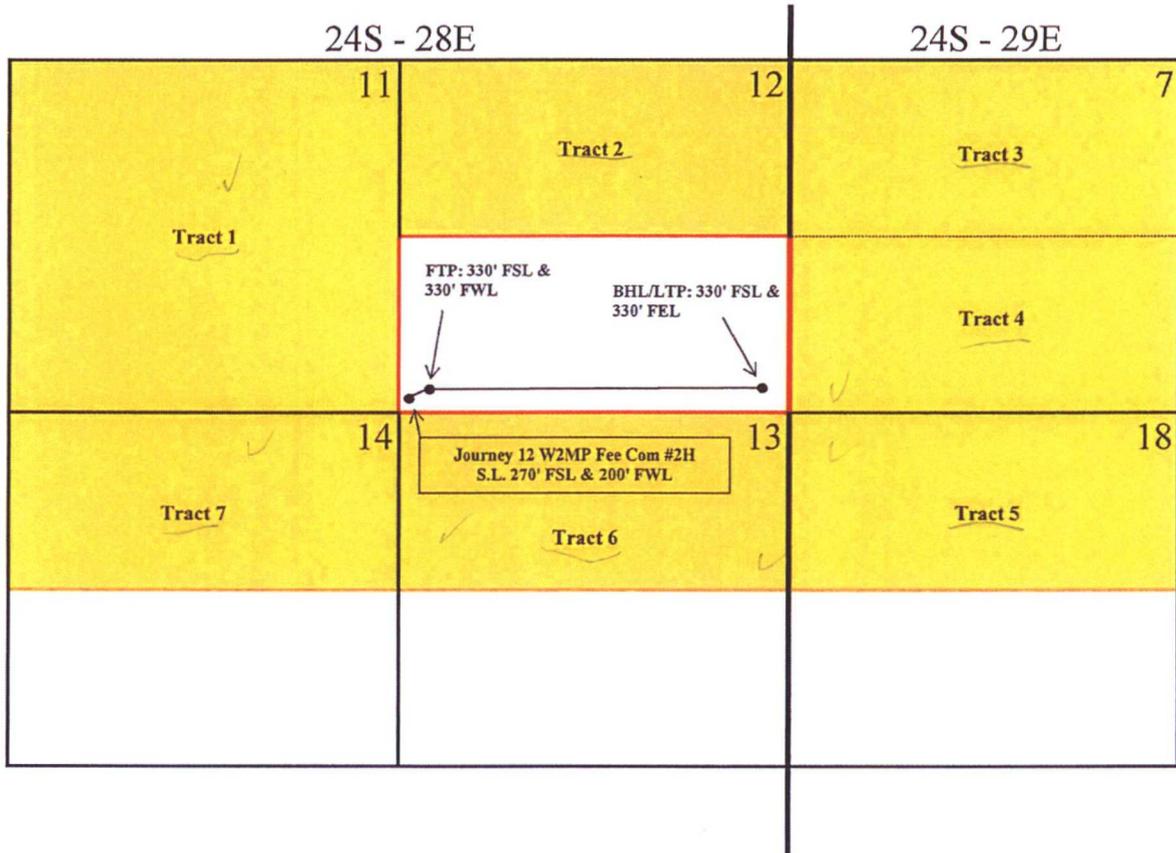
FTP: 330' FSL
& 330' FWL

BHL/LTP: 330'
FSL & 330' FWL

Journey 12 W2MP Fee Com #2H
S.L. 270' FSL & 200' FWL

Notice List
Mewbourne Oil Company
Application for Unorthodox Well Location
Journey 12 W2MP Fee Com #2H, Section 12, T24S, R28E
Eddy County, New Mexico

Owners Noticed	Tract Numbers	Certified Tracking Number
COG Production LLC 550 West Texas, Suite 100 Midland, Texas 79701 Attn: Mollie McAuliffe	1, 2, 5	9414810699945016632768
RKI Exploration & Production, LLC 3817 NW Expressway, Ste. 950 Oklahoma City, OK 73112 Attn: Land Department	3	9414810699945016642941
Kaiser Francis Oil Company 6733 South Yale Avenue Tulsa, OK 74136 Attn: Land Department	4	9414810699945016643009
MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240 Attn: Land Department	6 & 7	9414810699945016643061
NMOCD 811 S. First St. Artesia, NM 88210 Attn: Paul Kautz	N/A	9414810699945016643092



— 320-Acre Spacing Unit
 Affected Offset Acreage/Tracts

Mewbourne Oil Company
Application for Unorthodox Well Location
Journey 12 W2MP Fee Com #2H
Affected Offset Acreage

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

July 19, 2016

Via Certified Mail

See Attached List

Re: Mewbourne Oil Company's Application for Unorthodox Well Location

Journey 12 W2MP Fee Com #2H (API No. 3001543845)

Surface Location: 270' FSL & 200' FWL (Unit M – Section 12, T24S, R28E)

First Take Point: 330' FSL & 330' FWL (Unit M – Section 12, T24S, R28E)

Bottomhole Location: 330' FSL & 330' FEL (Unit P – Section 12, T24S, R28E)

Last Take Point: 330' FSL & 330' FEL (Unit P – Section 12, T24S, R28E)

Proration Unit: S/2 Section 12, T-24-S, R-28-E, NMPM, Eddy County, New Mexico

Pool: Pierce Crossing; Wolfcamp, NW (Gas) Pool (96712)

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 Journey 12 W2MP Fee Com #2H well located at the surface, first take point, last take point, and bottomhole locations described above. The well will test Pierce Crossing; Wolfcamp, NW (Gas) Pool and will be dedicated to a standard 320-acre gas spacing and proration unit comprising the S/2 Section 12, T-24-S, R-28-E, NMPM, Eddy County, New Mexico. The unorthodox location is necessary in order to maximize the recovery of oil and gas reserves within the Wolfcamp formation underlying the S/2 of Section 12.

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.

Should you have any questions regarding the above, please email me at mrobb@mewbourne.com or call me at (432) 682-3715.

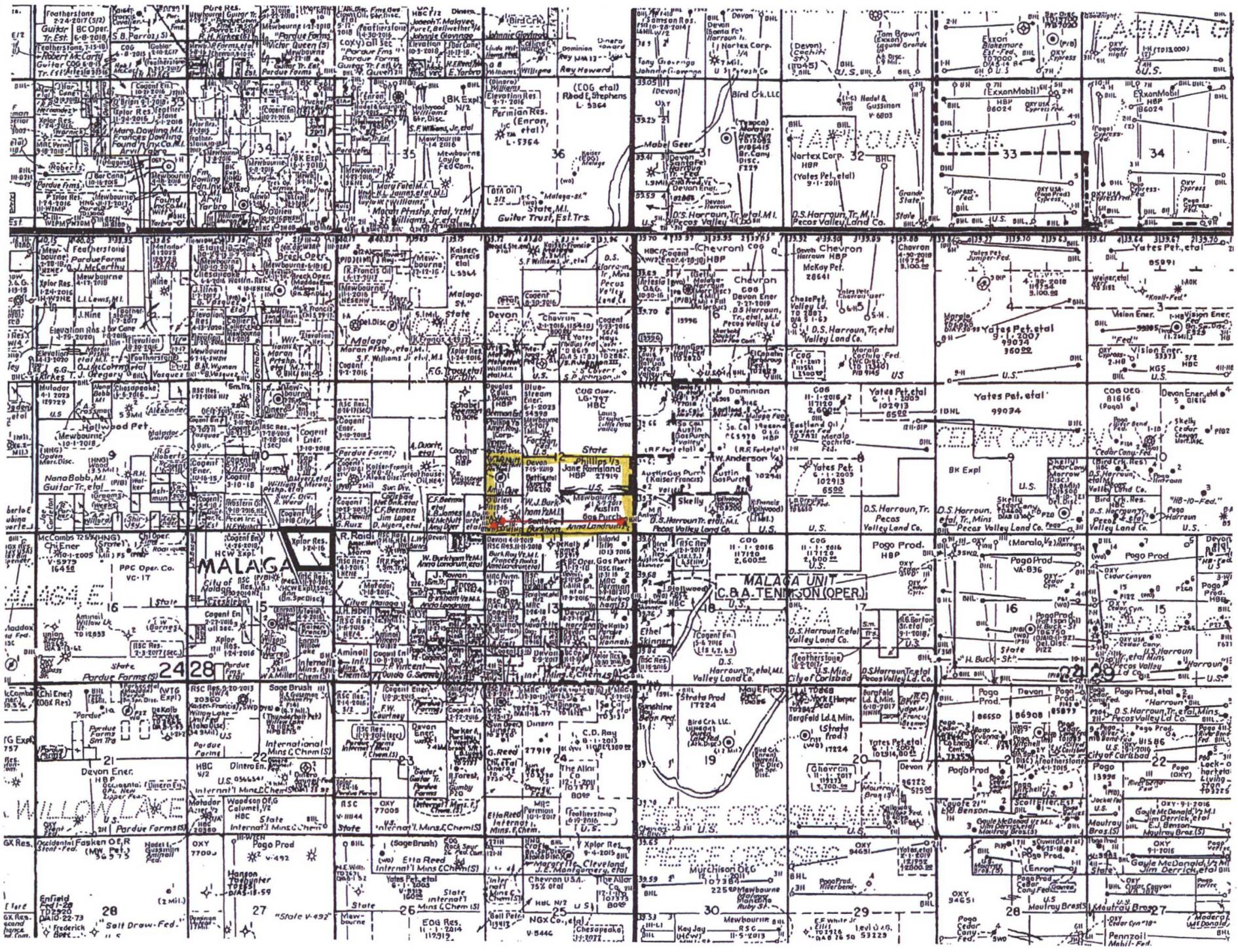
Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

Enclosure
Xc: OCD-Artesia



MALAGA UNIT

**MALAGA UNIT
C.B.A. TENNISON (OPER)**

WILLOW UNIT

Map containing numerous text labels for land tracts, including owner names (e.g., Chevron, Pogo Prod, Yates Pet. et al), acreage (e.g., 1.2, 0.5, 10.0), and tract numbers (e.g., 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34). Other labels include 'State', 'City of', and 'County of'.

Lowe, Leonard, EMNRD

From: Mitchell Robb <mrobb@mewbourne.com>
Sent: Monday, July 25, 2016 1:46 PM
To: Lowe, Leonard, EMNRD
Subject: Application for Unorthodox Well Location - Journey 12 W2MP Fee Com #2H
Attachments: NMOCD - NSL - Journey 12 W2MP Fee Com #2H.pdf

Leonard,

Attached is Mewbourne Oil Company's Application for Unorthodox Well Location for our Journey 12 W2MP Fee Com #2H well located in Section 12-T24S-R28E, Eddy County, NM.

When you get a chance, could please respond to this email to let me know that you have received it.

If you have any questions, please don't hesitate to ask.

Thanks,

Mitch Robb
Petroleum Landman
Mewbourne Oil Company
Office: (432) 682-3715
Cell : (405) 394-8583
Email: mrobb@mewbourne.com

Lowe, Leonard, EMNRD

From: Mitchell Robb <mrobb@mewbourne.com>
Sent: Monday, August 15, 2016 9:55 AM
To: Lowe, Leonard, EMNRD
Subject: New Tracking Numbers: Application for Unorthodox Well Locations

Leonard,

Per our conversation today, I have provided new certified tracking numbers for (3) separate Application for Unorthodox Well Locations below:

Well Name	Party Noticed	Old Certified Tracking Number	New Certified Tracking Number
West Loving 12 W2EH State Com #1H	Nadel and Gussman Permian LLC	9414810699945016627276	9414810699945016900829
Journey 12 WOMP #3H	RKI Exploration and Production LLC	9414810699945016646949	9414810699945017103922
Journey 12 WOMP #2H	RKI Exploration and Production LLC	9414810699945016642941	9414810699945017104097

I am sending these because the initial Application was not delivered so, I sent it again to a correct address.

If you have any questions, please don't hesitate to ask.

Thanks,

Mitch Robb
Petroleum Landman
Mewbourne Oil Company
Office: (432) 682-3715
Cell : (405) 394-8583
Email: mrobb@mewbourne.com



Lowe, Leonard, EMNRD

From: Mitchell Robb <mrobb@mewbourne.com>
Sent: Wednesday, September 21, 2016 2:28 PM
To: Lowe, Leonard, EMNRD
Subject: Journey 12 W2MP Fee Com well No. 2H NSL Application
Attachments: Journey 12 Unorthodox Well Locations_OCD Letter_9-16-16.pdf

Leonard,

MRC is designated as the operator of Wolfcamp wells in the N/2 of Section 13, which they surfaced in Section 14. So, that is what I have them listed instead of Devon.

I have attached the signed letter that Mike McMillan requested for the #3 well. This letter references the Journey 12 W2MP Fee Com #2H as well.

Please let me know if you need anything else.

Thanks,

Mitch Robb
Petroleum Landman
Mewbourne Oil Company
Office: (432) 682-3715
Cell : (405) 394-8583
Email: mrobb@mewbourne.com

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

September 16, 2016

Via email michael.mcmillan@state.nm.us

Oil Conservation Division
Engineering Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Attn: Michael A. McMillan

Re: Journey "12" W0MP Fee Com #3H	AND	Journey "12" W2MP Fee Com #2H
API # 30-015-43846		API # 30-015-43845
250' FSL & 200' FWL (SL)		270' FSL & 200' FWL (SL)
330' FSL & 330' FEL (BHL)		330' FSL & 330' FEL (BHL)
Section 12, T24S, R28E		Section 12, T24S, R28E
Eddy County, New Mexico		Eddy County, New Mexico

Ladies and Gentlemen:

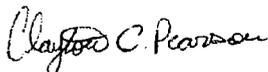
Mewbourne Oil Company ("Mewbourne") as Operator has recently applied for Unorthodox Well Locations for the above captioned Journey "12" W0MP Fee Com #3H and Journey "12" W2MP Fee Com #2H wells in the S/2 of the captioned Section 12. In reference to your email inquiry sent to us earlier today, we respectfully submit the following information:

To the best of our knowledge, MRC Permian Company ("Matador") is the designated operator of the Wolfcamp Formation in the N/2 of Section 13, T24S, R28E, Eddy County, New Mexico. Evidence of this can be found by referring to the enclosed C-105 Form naming Matador as operator of the JANIE CONNER 13 24S 28E RB No. 224H well with a proration unit comprising all of the N/2 of Section 13.

Should you have any questions regarding the above, please email me at cpearson@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Clayton Pearson
Landman

Submit To Appropriate District Office Two Copies District I 1623 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., 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 and Natural Resources	Form C-105 Revised August 1, 2011
	Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	1. WELL API NO. 30-015-43037
	2. Type of Lease <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN	3. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4. Reason for filing: <input checked="" type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input type="checkbox"/> C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)	5. Lease Name or Unit Agreement Name JANIE CONNER 13 24S 28E RB
7. Type of Completion: <input checked="" type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input checked="" type="checkbox"/> PLUGBACK <input checked="" type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER	6. Well Number: 224H

8. Name of Operator MATADOR PRODUCTION COMPANY	9. OGRID 228937
10. Address of Operator 5400 LBJ Freeway, Ste. 1500, Dallas, TX 75240	11. Pool name or Wildcat Pierce Crossing; Wolfcamp, NW (GAS)

12. Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:	P	14	24S	28E		445	S	255	E	Eddy
BH:	P	13	24S	28E		360	S	245	E	Eddy
13. Date Spudded 08/13/2015	14. Date T.D. Reached 09/27/2015	15. Date Rig Released 10/01/2015		16. Date Completed (Ready to Produce) 11/09/2015		17. Elevations (DF and RKB, RT, GR, etc.) 2978' GR				
18. Total Measured Depth of Well 15,490'		19. Plug Back Measured Depth 15,485'		20. Was Directional Survey Made? Y		21. Type Electric and Other Logs Run Gamma Ray				
22. Producing Interval(s), of this completion - Top, Bottom, Name 10,885 - 15,340', Wolfcamp										

23. CASING RECORD (Report all strings set in well)						
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED	
13.375	54.5	630'	17.5	579	0	
9.625	40	2698'	12.25	812	0	
7	29	10730'	8.75	980	0	
4.5	13.5	15485'	6.125	523	0	

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
26. Perforation record (interval, size, and number) 10,885 - 15,340' OA, 22 stages, 6 clusters/6 holes @ 0.40".				27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.			
				DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED		
				10,885 - 15,340'	13,293,100 lbs sand (fracture)		

28. PRODUCTION							
Date First Production 11/09/2015		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing			Well Status (Prod. or Shut-in) PROD		
Date of Test 11/22/2015	Hours Tested 24	Choke Size 30/64	Prod'n For Test Period	Oil - Bbl 1007	Gas - MCF 4173	Water - Bbl 2799	Gas - Oil Ratio 4144
Flow Tubing Press.	Casing Pressure 3000	Calculated 24-Hour Rate	Oil - Bbl 1007	Gas - MCF 4173	Water - Bbl 2799	Oil Gravity - API - (Corr.) 46.1	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold	30. Test Witnessed By Marlon McFarlain
31. List Attachments LOG, DIRECTIONAL SVYS, PLAT	
32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.	
33. If an on-site burial was used at the well, report the exact location of the on-site burial.	
Latitude	Longitude

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature *Ava Monroe* Printed Name Ava Monroe Title Sr. Engineering Technician Date 12/30/2015

E-mail Address amonroe@matadorresources.com

NM OIL CONSERVA
ARTESIA DISTRICT
JAN 04 2016
RECEIVED

AB

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, September 23, 2016 8:32 AM
To: 'Mitchell Robb'
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'; 'stovall@blm.gov'
Subject: NSL-7458 (Journey 12 W2MP Fee Com Well No. 2H_12 24S 28E_Eddy County)_APPROVED

Importance: High

Mr. Mitchell Robb

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

NSL-7458

Mewbourne Oil Company

API #: 30-015-43845

WELL: Journey 12 W2MP Fee Com Well No. 2H, 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/>