

DATE 11/18/2016	SUSPENSE	LDL ENGINEER	LOGGED IN 11/18/2016	TYPE NSL	APP NO. 163233681
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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]

[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

Landman
 Title

11/15/2016
 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

November 16, 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

Styx 17 W2PA Fee Com #1H (API No. 3001543950)

Surface Location: 250' FNL & 305' FEL (Unit A – Section 20, T23S, R28E)

First Take Point: 330' FSL & 330' FEL (Unit P – Section 17, T23S, R28E)

Bottomhole Location: 330' FNL & 330' FEL (Unit A – Section 17, T24S, R28E)

Last Take Point: 330' FNL & 330' FEL (Unit A – Section 17, T24S, R28E)

Proration Unit: E/2 Section 17, T-23-S, R-28-E, NMPM, Eddy County, New Mexico

Pool: Culebra Bluff; Wolfcamp, South (Gas) Pool (75750)

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 Styx 17 W2PA Fee Com #1H well. This well will be drilled as a horizontal gas well in the Culebra Bluff; Wolfcamp, South (Gas) Pool (75750).

The Styx 17 W2PA Fee Com #1H will be dedicated to a standard 320-acre gas spacing and proration unit comprising the E/2 of Section 17. There are currently no other existing Wolfcamp producing wells within the proposed spacing unit.

Culebra Bluff; Wolfcamp, South (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 E/2 of Section 17.

Mewbourne Oil Company
Unorthodox Location Application
Styx 17 W2PA Fee Com #1H
Page 2 of 2

The affected offset acreage comprises the all of Section 8, W/2 of Section 9, W/2 of Section 16, W/2 of Section 17, N/2 of Section 20, NW/4 of Section 21, Township 23 South, Range 28 East, Eddy County, NMPM (See Attached Map). There are currently no Wolfcamp producers within the offset acreage:

Consequently, notice of this application is being provided to OXY USA WTP, Limited Partnership, OXY USA Inc., OXY Y-1 Company, Yates Petroleum Corporation, MRC Permian Company, Scratch Properties LLC, David Petroleum Corporation, BC Operating Inc., COG Operating LLC, Chevron Midcontinent, LP, and BNSF Railway Company.

Attached is a Form C-102 showing the surface, first take point, last take point, and bottomhole locations for the Styx 17 W2PA Fee Com #1H. 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 November 16, 2016.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Culebra Bluff; Wolfcamp, South (Gas) Pool underlying the E/2 of Section 17 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) 393-6164 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 Bravo Road, Artesia, NM 88210
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
ARTESIA DISTRICT
Submit one copy to appropriate
District Office

NOV 03 2016

☐ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-43950	2 Pool Code 75750	3 Pool Name Culebra Bluff; Wolfcamp, South (Gas)
4 Property Code 317080	5 Property Name STYX 17 W2PA FEE COM	6 Well Number 1H
7 GRID NO. 14744	8 Operator Name MEWBOURNE OIL COMPANY	9 Elevation 3037'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
A	20	23S	28E		250	NORTH	305	EAST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
A	17	23S	28E		330	NORTH	330	EAST	EDDY

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all in BHL/LTP: 330' or a non-standard unit has been approved by the division.

Project Area

Producing Area

Styx 17 W2PA Fee Com #1H
S.L. 250' FNL & 305' FEL

BHL/LTP: 330'
FNL & 330' FEL

FTP: 330' FSL
& 330' FEL

12 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 an undivided 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 customary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Bradley Bishop Date: 11-03-2016

Printed Name: Bradley Bishop

Email Address: _____

13 SURVEYOR CERTIFICATION

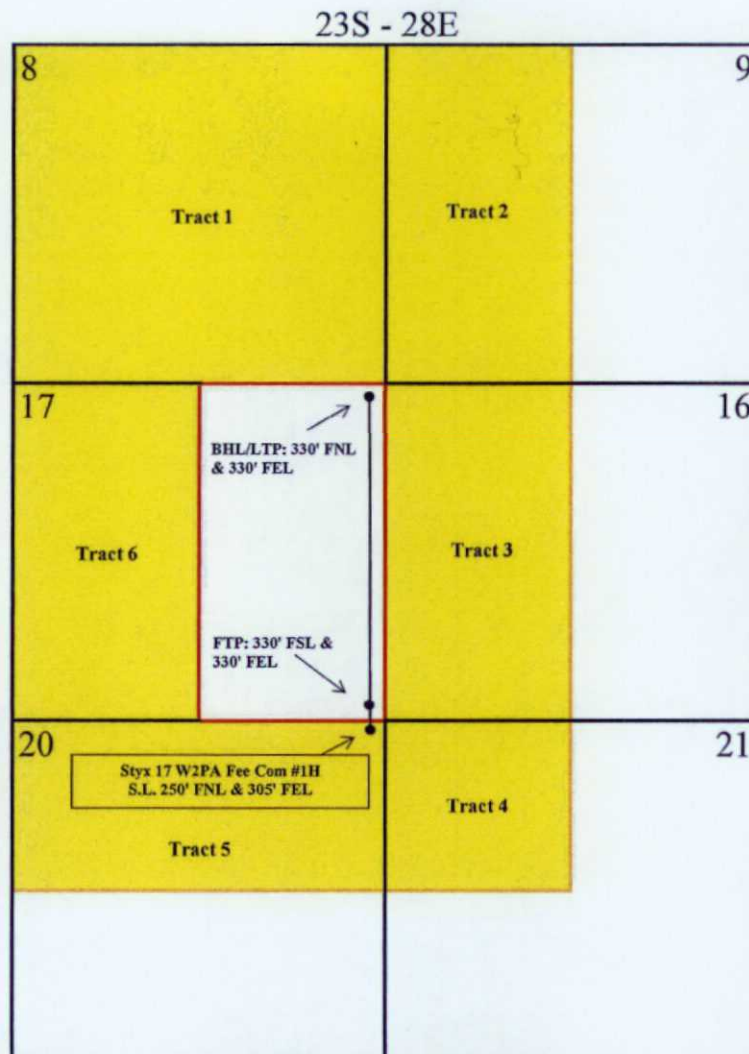
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 10-5-2016

Signature and Seal of ROBERT M. HOWETT

19680
Certificate Number

RRC - Firm No.: TX 10193838 NM 4655451 - Job No.: LS1609289



— 320-Acre Spacing Unit
 Affected Offset Acreage/Tracts

Mewbourne Oil Company
Application for Unorthodox Well Location
Styx 17 W2AP Fee Com #1H
Affected Offset Acreage

Notice List
Mewbourne Oil Company
Application for Unorthodox Well Location
Styx 17 W2PA Fee Com #1H, Section 17, T23S, R28E
Eddy County, New Mexico

Owners Noticed	Tract Numbers	Certified Tracking Number
OXY USA WTP, Limited Partnership PO Box 4294 Houston ,TX 77210 Attn: John Schneider	1, 6, 5	9414810699945019116876
OXY USA Inc. PO Box 4294 Houston ,TX 77210 Attn: John Schneider	2	9414810699945019116920
OXY Y-1 Company PO Box 4294 Houston ,TX 77210 Attn: John Schneider	2	9414810699945019116975
Yates Petroleum Corporation 105 S. Fourth St. Artesia, NM 88210 Attn: Janet Richardson	2, 3	9414810699945019117019
MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240 Attn: Nick Weeks	2, 4	9414810699945019117026
Scratch Properties LLC PO Box 1287 Artesia, NM 88221	2	9414810699945019117071

Owners Noticed	Tract Numbers	Certified Tracking Number
David Petroleum Corporation 116 W. First St. Roswell, NM 88201	3	9414810699945019117132
BC Operating Inc. PO Box 50820 Midland, TX 79710 Attn: Caleb Hopson	3, 6, 5	9414810699945019117187
COG Operating LLC 600 W. Illinois Avenue Midland, Texas 79701 Attn: Rita Buress	6	9414810699945019117200
Chevron Midcontinent, LP 1400 Smith St. Houston, TX 77002 Attn: Amber Delach	4	9414810699945019117255
BNSF Railway Company 2500 Lou Menk Drive, AOB-3 Fort Worth, TX 76131	4	9414810699945019117286
NMOCD 811 S. First St. Artesia, NM 88210 Attn: Paul Kautz	NA	9414810699945019117316

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

November 15, 2016

Via Certified Mail

See Attached List

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

Styx 17 W2PA Fee Com #1H (API No. 3001543950)

Surface Location:	250' FNL & 305' FEL (Unit A – Section 20, T23S, R28E)
First Take Point:	330' FSL & 330' FEL (Unit P – Section 17, T23S, R28E)
Bottomhole Location:	330' FNL & 330' FEL (Unit A – Section 17, T23S, R28E)
Last Take Point:	330' FNL & 330' FEL (Unit A – Section 17, T23S, R28E)
Proration Unit:	E/2 Section 17, T-23-S, R-28-E, NMPM, Eddy County, New Mexico
Pool:	Culebra Bluff; Wolfcamp, South (Gas) Pool (75750)

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 the Styx 17 W2PA Fee Com #1H well located at the surface, first take point, last take point, and bottomhole locations described above. The well will test Culebra Bluff; Wolfcamp, South (Gas) Pool and will be dedicated to a standard 320-acre gas spacing and proration unit comprising the E/2 Section 17, T-23-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 E/2 of Section 17.

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.

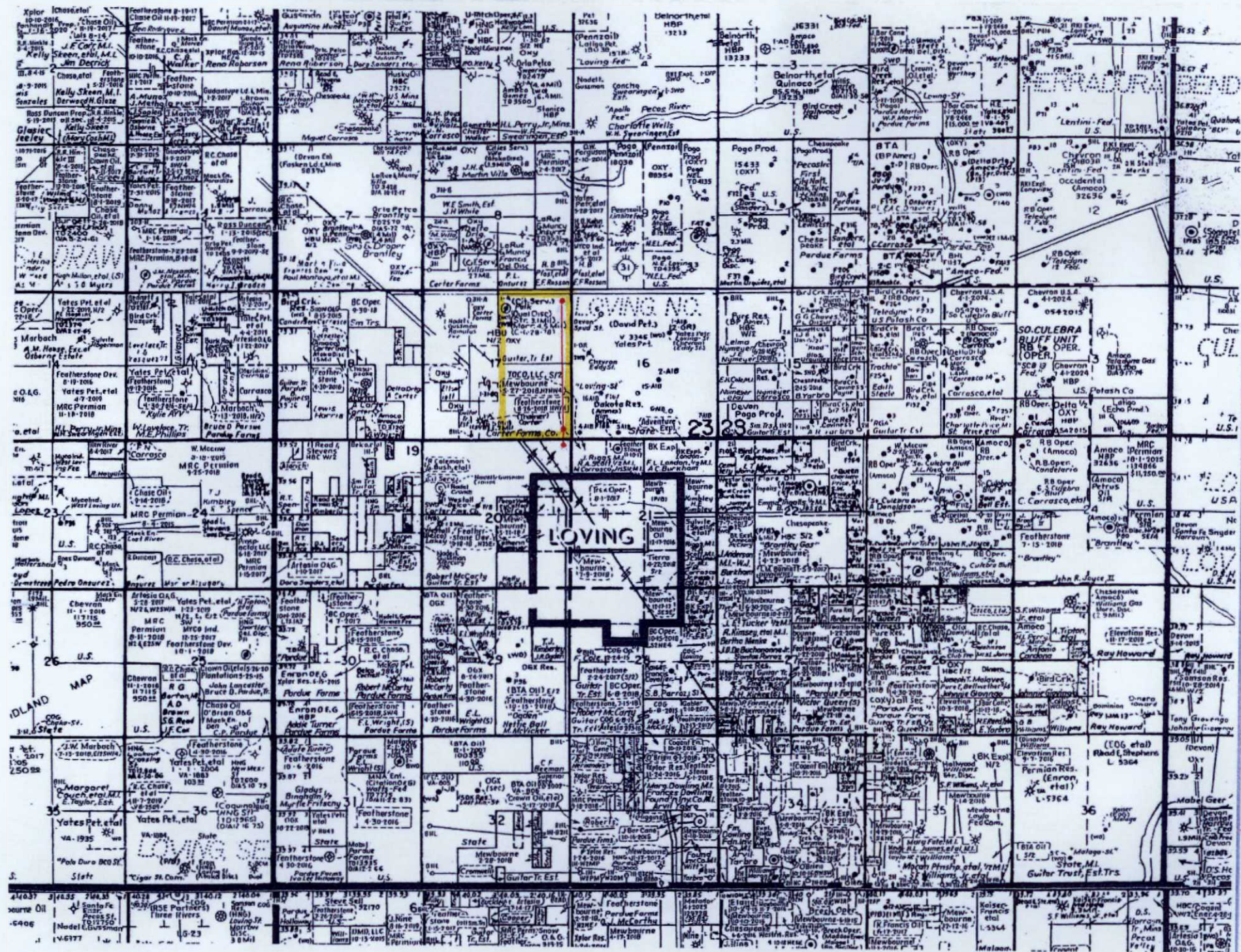
Should you have any questions regarding the above, please email me at mrobb@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Mitch Robb
Landman

Enclosure
Xc: OCD-Artesia



Lowe, Leonard, EMNRD

From: Mitchell Robb <mrobb@mewbourne.com>
Sent: Friday, November 18, 2016 9:25 AM
To: Lowe, Leonard, EMNRD
Subject: Application for Unorthodox Well Location
Attachments: NSL NMOCD - Styx 17 W2PA Fee Com #1H.pdf

Leonard,

I have attached our Application for Unorthodox Well Location for our Styx 17 W2PA Fee Com #1H well in Section 17-T23S-R28E, Eddy County, NM.

Please let me know if you have any questions or concerns.

Thank you,

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