

RECEIVED: <u>3/4/2017</u>	REVIEWER: <u>MAM</u>	TYPE: <u>DHC</u>	APP NO: <u>DMAm1709440197</u>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: MEWBOURNE OIL COMPANYOGRID Number: 14744Well Name: CARTER #3API: 30-025-32876Pool: D-K ABO; D-K DRINKARD; TUBBPool Code: 15200/15390

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

DHC-4831) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☒ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐

Notice Complete

☐Application
Content
Complete

3) **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.

Monty Whetstone

Print or Type Name

Signature

3/31/17

Date

903-561-2900

Phone Number

e-mail Address

MEWBOURNE OIL COMPANY

**P. O. BOX 7698
TYLER, TX 75711
903 - 561-2900
FAX 903 - 561-1870**

April 4, 2017

BY EMAIL

Mr. Michael McMillan
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Form C-107A
Carter #3
Sec 30 T20S R39E
Lca Co., NM
D-K Abo; D-K Drinkard; Tubb Pools

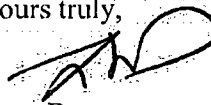
Dear Mr. McMillan,

Please find enclosed the following for the application to downhole commingle production from the Abo, Drinkard and Tubb zones in the referenced well:

Form C-107A
Attachments information
Administrative Application Checklist
Letter from landman certifying no uncommon interests

If you need further information, please call me at (903) 561-2900.

Yours truly,



Janet Burns
Reg. Tech.

cc: Hobbs
Midland
Jonathan White

Attachments to C-107A

Mewbourne Oil Company
Carter #3
Unit Letter D, Sec 30 T20S R39E
D-K Abo; D-K Drinkard; Tubb Pools
Lea Co., NM

C-102 for each zone to be commingled showing its spacing unit and acreage dedication

Production curve is attached

Estimated production rates and supporting data

Test Data:

D-K Abo	3/27/14	1 MCFD, 2.4 BO, 1 BW: last recorded production
D-K Drinkard	3/27/14	1 MCFD, 2.4 BO, 1 BW: last recorded production
Tubb	12/8/16	1 MCFD, 1.4 BO, 1 BW: current production

Data to support allocation method or formula

Test as shown above for both zones

Notification list of working, royalty and overriding royalty interests for uncommon interest cases

No uncommon interests.

Any additional statements, data or documents required to support commingling

The well is completed with 5 1/2" OD casing. In order to multiply complete the well to recover all economic reserves, the use of small diameter special clearance tubing would be required. Performing a multiple completion as described could not be economically justified for zones with limited deliverability. Commingling all three zones will prevent waste that would not otherwise be possible due to the increased cost to produce each individual zone. Commingling will prevent early abandonment of each production zone.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-32876		Pool Code 15200	Pool Name D-K Abo
Property Code 16457	Property Name CARTER		Well Number 3
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY		Elevation 3561

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	30	20 S	39 E		990	NORTH	990	WEST	LEA


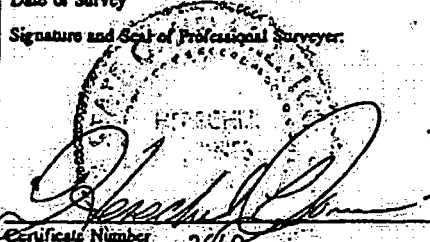
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill N	14 Consolidation Code	15 Order No.
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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>16</p>				<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Bill Pierce</i></p> <p>Signature</p> <p>Bill Pierce</p> <p>Printed Name</p> <p>Drilling Supt.</p> <p>Title</p> <p>March 9, 1995</p> <p>Date</p>
				<p>18 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>2/28/95</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>[Signature]</i></p> <p>Certificate Number 3640</p>

<div>16</div> <div>990'</div> <div>990'</div>				<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</div> <div></div> <div>Signature</div> <div>Janet Burns</div> <div>Printed Name</div> <div>Reg. Tech.</div> <div>Title</div> <div>3/31/17</div> <div>Date</div>
				<div>18 SURVEYOR CERTIFICATION</div> <div>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.</div> <div>2/28/95</div> <div>Date of Survey</div> <div>Signature and Seal of Professional Surveyor</div> <div></div> <div>Certificate Number 3640</div>

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PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-32876		Pool Code	Pool Name Tubb
Property Code 16457	Property Name CARTER		Well Number 3
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY		Elevation 3561

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	30	20 S	39 E		990	NORTH	990	WEST	LEA

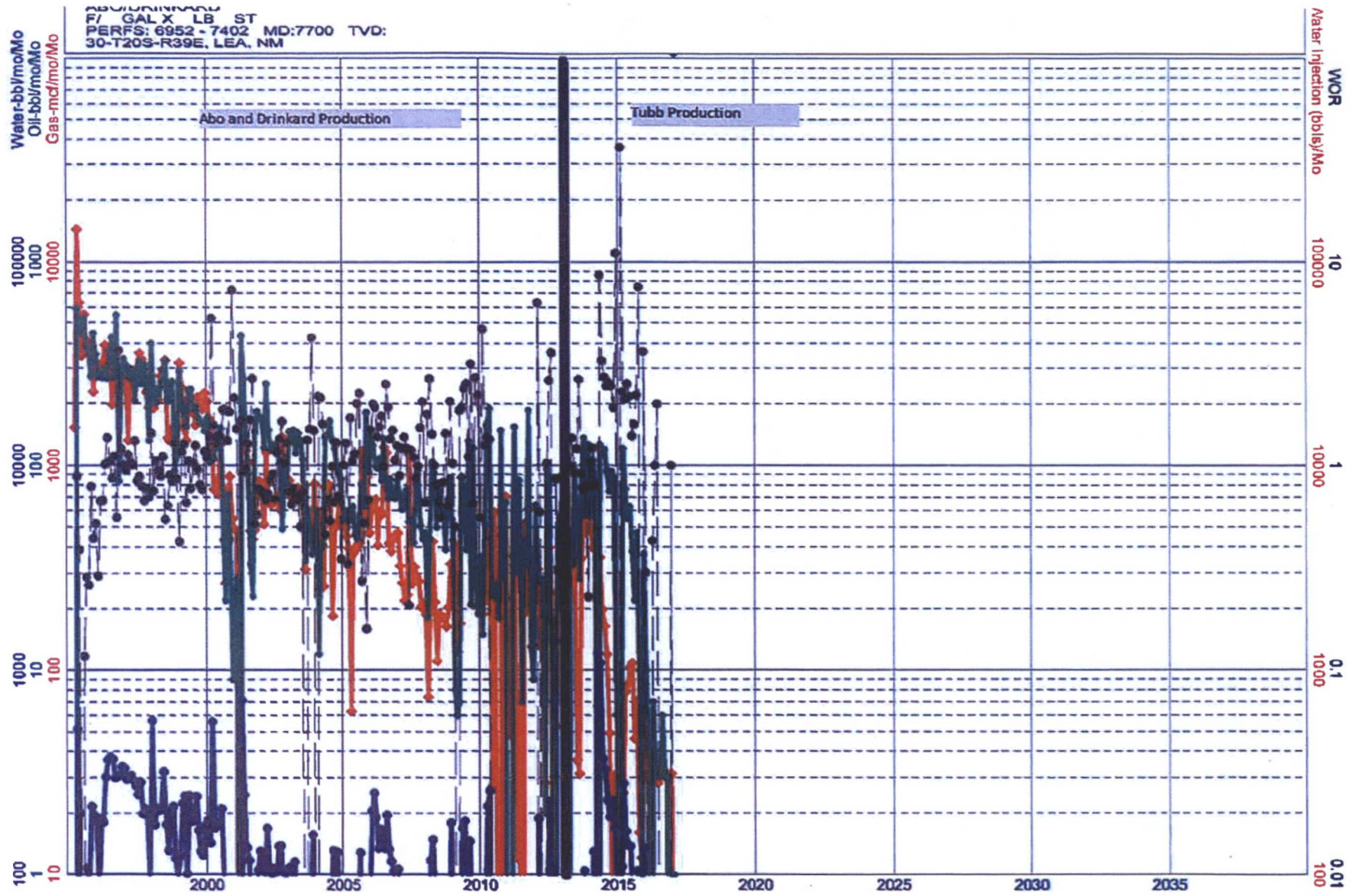
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40		Joint or Infill N		Consolidation Code		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

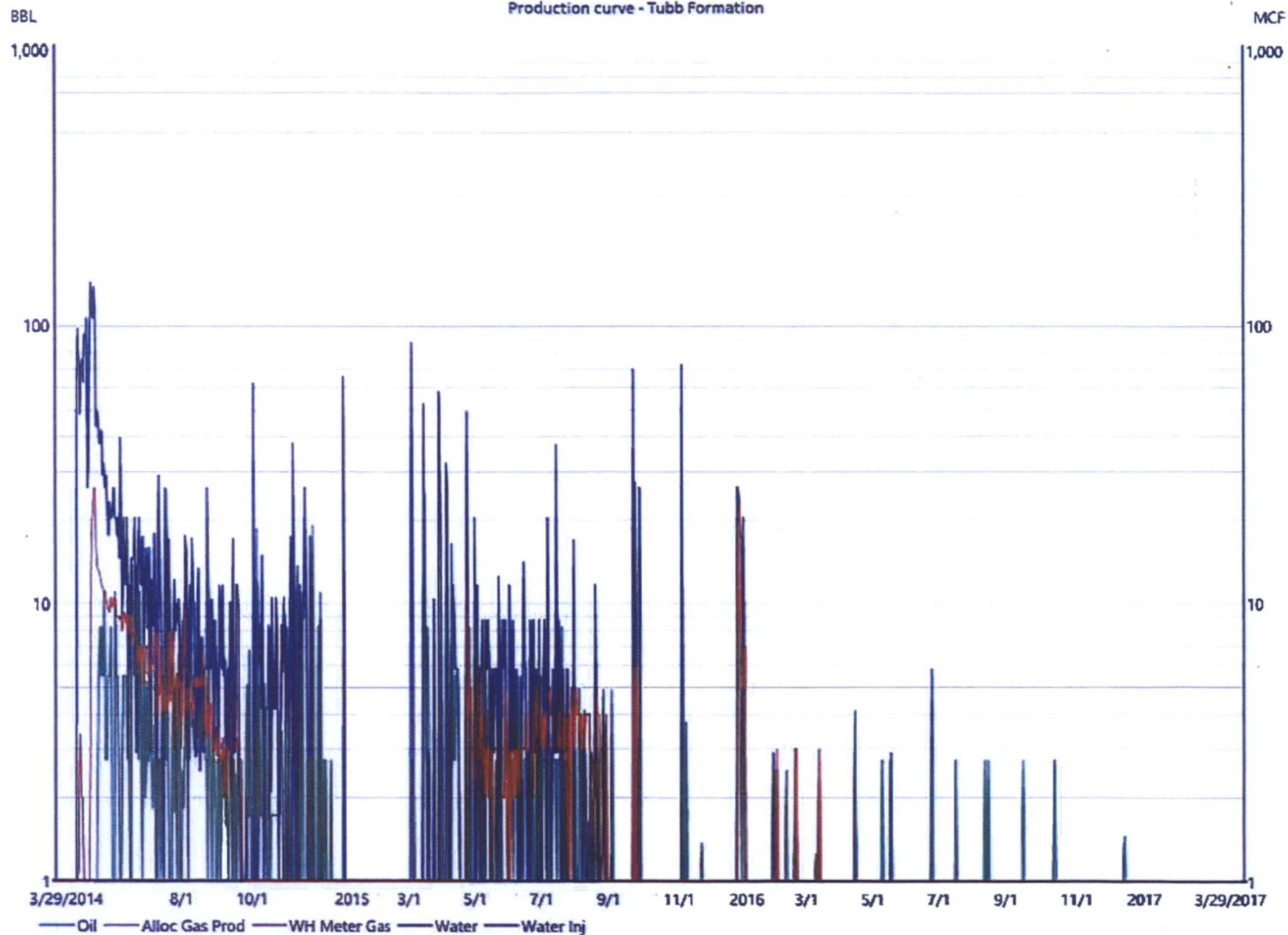
				<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature Janet Burns</p> <p>Printed Name Reg. Tech.</p> <p>Title</p> <p>Date 3/31/17</p>
				<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby 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>2/28/95</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p></p> <p>Certificate Number 3640</p>

ABO/DRINKARD
 F/ GAL X LB ST
 PERFS: 6952 - 7402 MD:7700 TVD:
 30-T20S-R39E, LEA, NM



Oil-bbl/mo	Gas-mcf/mo	Water-bbl/mo	Water Inject	WOR
Ref= 2/2017	Ref= 2/2017	Ref= 2/2017	Ref= 2/2017	
Cum= 30221	Cum= 245649	Cum= 31966	Cum= 0	

CARTER #3
Production curve - Tubb Formation



MEWBOURNE OIL COMPANY

P.O. BOX 7698
TYLER, TX 75711
(903) 561-2900
FAX (903) 561-8909

CERTIFIED MAIL

April 4, 2017

Oil Conservation Division
New Mexico Department of Energy
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
Attn: Michael McMillan

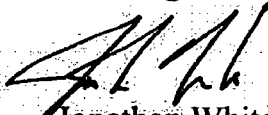
Re: Carter #3 Well
NW/4 NW/4 Section 30-T20S-R39E
Lea County, New Mexico

Gentlemen:

Regarding Mewbourne Oil Company's Application For Downhole Commingling, please be advised that the royalty, overriding royalty and working interest ownership in the captioned land is common as to all depths and zones of interest. The captioned land is comprised entirely of fee leases.

Should you have any questions regarding the above, please call me at (903) 561-2900 or my email address is jwhite@mewbourne.com.

Kind regards,



Jonathan White, RPL
Landman

Enclosures

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised August 1, 2011

☒ APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Mewbourne Oil Company P. O. Box 7698, Tyler, TX 75711
Operator Address
Carter 3 D-30-20S-39E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 14744 Property Code 16457 API No. 30-025-32876 Lease Type: ☐ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Tubb	D-K Drinkard	D-K Abo
Pool Code		15390	15200
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6652-6670'	6952-7072'	7312-7402'
Method of Production (Flowing or Artificial Lift)	Rod pump	Rod pump	Rod pump
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35.2	36	36
Producing, Shut-In or New Zone	Producing	SI	SI
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 12/8/16 Rates: 1 MCFD 1.4 BOPD	Date: 3/27/14 Rates: 1 MCFD 2.4 BOPD	Date: 3/27/14 Rates: 1 MCFD 2.4 BOPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 22 % Gas 33 %	Oil 39 % Gas 33 %	Oil 39 % Gas 34 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☐ No ☐
NMOCD Reference Case No. applicable to this well: _____

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Reg. Tech. DATE 4/4/17

TYPE OR PRINT NAME Janet Burns TELEPHONE NO. (903) 561-2900

E-MAIL ADDRESS jburns@mewbourne.com