

Revised March 23, 2017

RECEIVED <u>5/10/17</u> <u>5/31/17</u>	REVIEWER <u>LRL</u>	TYPE <u>NSL</u>	APP NO <u>1713051828</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



NSL-7537

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 Company

OGRID Number: 14744

Well Name: Salado Draw 10 WIPA Fed Cont #2H

API: 025-428307

Pool: Red Hills Wolfcamp Gas

Pool Code: 83600

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

1) **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

☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

A. ☒ Offset operators or lease holders

B. ☐ Royalty, overriding royalty owners, revenue owners

C. ☐ Application requires published notice

D. ☐ Notification and/or concurrent approval by SLO

E. ☐ Notification and/or concurrent approval by BLM

F. ☐ Surface owner

G. ☒ 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.

Tyler Jolly

Print or Type Name

Signature

5/3/2017

Date

432-682-3715

Phone Number

tjolly@mewbourne.com

e-mail Address

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

May 3, 2017

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
Salado Draw 10 W1PA Fed Com #2H
API No Pending
Surface Location 250' FNL & 530' FEL (Unit A in Section 15)
First Take Point 330' FSL & 330' FEL (Unit P in Section 10)
Last Take Point 330' FNL & 330' FEL (Unit A in Section 10)
Bottomhole Location 330' FNL & 330' FEL (Unit A in Section 10)
Section 10, T-26-S, R-33-E, NMPM
Lea 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 Salado Draw 10 W1PA Fed Com #2H well. This well will be drilled as a horizontal gas well in the Red Hills Wolfcamp, (Gas) Pool (83600).

The Salado Draw 10 W1PA Fed Com #2H well will be dedicated to a standard 640-acre gas spacing and proration unit comprising all of Section 10. There is currently one other existing Wolfcamp producing well within the proposed spacing unit, the Salado Draw 10 W1DM Fed Com #2H (API# 30-025-43361).

The Red Hills, Wolfcamp (Gas) Pool is currently governed by Division Rule 19 ¹⁵ 15 10 which requires standard 640-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 Section 10.

The affected offset acreage comprises the Sections 2, 3, 4, 9, 11, 14, 15, and 16 T26S- R33E NMPM (See Attached Map). There are currently the following Wolfcamp producers within the offset acreage:

Operator	Name	Number	API	Section
EOG	BRASWELL 16 STATE	707H	300254340200	16
EOG	BRASWELL 16 STATE	708H	300254340300	16
EOG	BRASWELL 16 STATE	709H	300254340400	16
EOG	WHIRLING WIND 11 FEDERAL COM	703H	300254322500	11/2
EOG	WHIRLING WIND 11 FEDERAL COM	704H	300254322600	11/2
EOG	WHIRLING WIND 14 FEDERAL COM	701H	300254288601	11/2
EOG	WHIRLING WIND 11 FEDERAL COM	702H	300254293400	11/2

Notice of this application is being provided to ☒ COG Operating LLC, ☒ Cimarex Energy Co, ☒ EOG Resources, Inc, ConocoPhillips Company, Endeavor Energy Resources, L.P, Axis Energy Corporation, Bradley S. Bates, Newkument Exploration, Inc., Chad and Marci Barbe, Bill Fenn, Trustee and Individually, William and Karen Hardie, Warrior Exploration, LLC, Energex, LLC, Petras Energy, LP, Broughton Petroleum, Inc, Coyote Oil and Gas, LLC, Shanley-Montana Petroleum Company, Georgetown Exploration, Inc., Black Mountain Operating, LLC, and Boedeker Energy Investments, LLC

Attached is a Form C-102 showing the surface, first take point, last take point, and bottomhole locations for the Salado Draw 10 WIPA Fed Com #2H Also, attached is a map showing the affected offset acreage, notice list, and offset notice letter

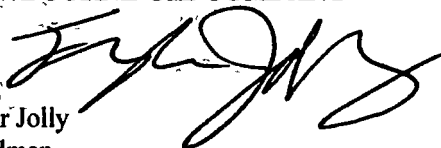
All owners noticed on the attached notice list were sent the Application for Unorthodox Well Location via certified mail on May 3, 2017

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Red Hills, Wolfcamp (Gas) Pool underlying Section 10 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 tjolly@mewbourne.com or call me at (432) 682-3715

Very truly yours,

MEWBOURNE OIL COMPANY


Tyler Jolly
Landman

Xc OCD-Artesia

District I
1623 N Freoch Dr., Hobbs, NM 88240
Phone (575) 393-6161 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 Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 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

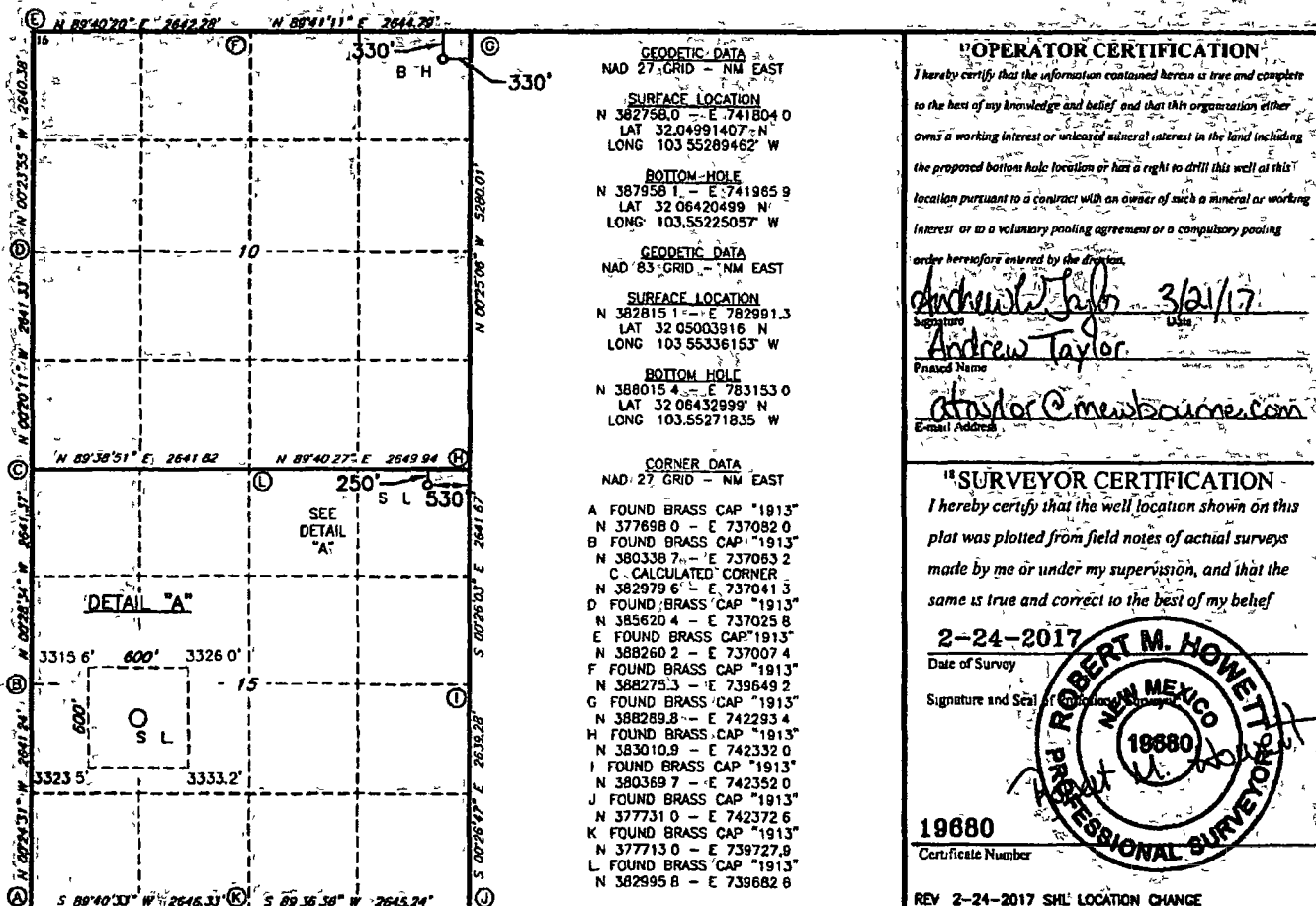
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-42.837		2 Pool Code 83600		3 Pool Name Red Hills Wolfcamp (Gas)	
4 Property Code 317772		5 Property Name SALADO DRAW 10 WIPA FEDERAL COM			6 Well Number 2H
7 OGRID NO 14744		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3328'
10 Surface Location					
UL or lot no A	Section 15	Township 26S	Range 33E	Lot Idn 250	Feet from the 250
		North/South line NORTH		Feet from the 530	East/West line EAST
				County LEA	
11 Bottom Hole Location If Different From Surface					
UL or lot no A	Section 10	Township 26S	Range 33E	Lot Idn 330	Feet from the 330
		North/South line NORTH		Feet from the 330	East/West line EAST
				County LEA	
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code	
				15 Order No.	

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division



District
 1025 N. French Dr., Santa Fe, NM 87505
 Phone: (505) 933-6161 Fax: (505) 933-6120
 TDD: (505) 933-6120
 401 S. French Ave., Santa Fe, NM 87505
 Phone: (505) 933-6120 Fax: (505) 933-6120
 District
 1001 Rio Hondo Road, Santa Fe, NM 87505
 Phone: (505) 933-6120 Fax: (505) 933-6120
 District
 1230 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 933-6120 Fax: (505) 933-6120

State of New Mexico
 Energy, Minerals & Natural Resources Department
 OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

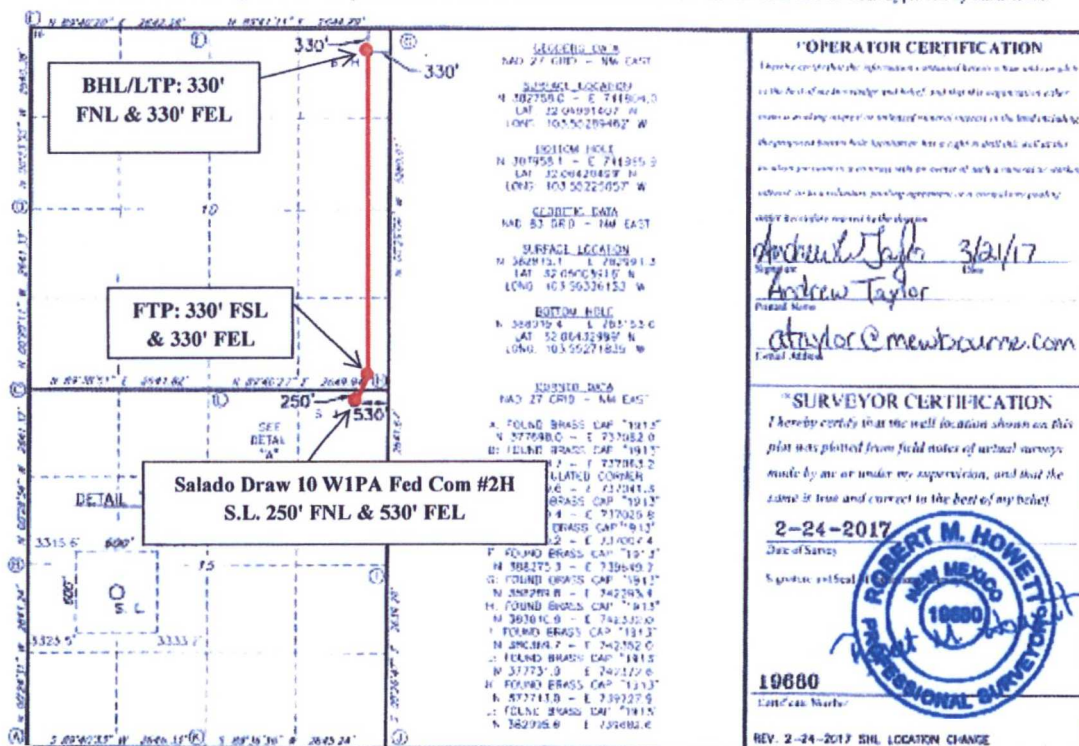
Form C-102
 Revised August 1, 2011
 Submit one copy to appropriate
 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Well Name	
Property Code		Property Name SALADO DRAW 10 WIPA FEDERAL COM			
TODRID NO.		Operator Name MEWBOURNE OIL COMPANY			
Well Number 2H					
ST/Section 3320'					
" Surface Location					
UL or Int. in	Range	Township	Range	Lot	Section
A	15	28S	33E	250	530
" Bottom Hole Location If Different From Surface					
UL or Int. in	Range	Township	Range	Lot	Section
A	10	28S	33E	330	530
D. Dedication Area					
D. Section No.					

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division



RRC - Firm No.: TX 10193838 NM 4655451 - Job No.: LS1505223

Notice List

Mewbourne Oil Company

Application for Unorthodox Well Location

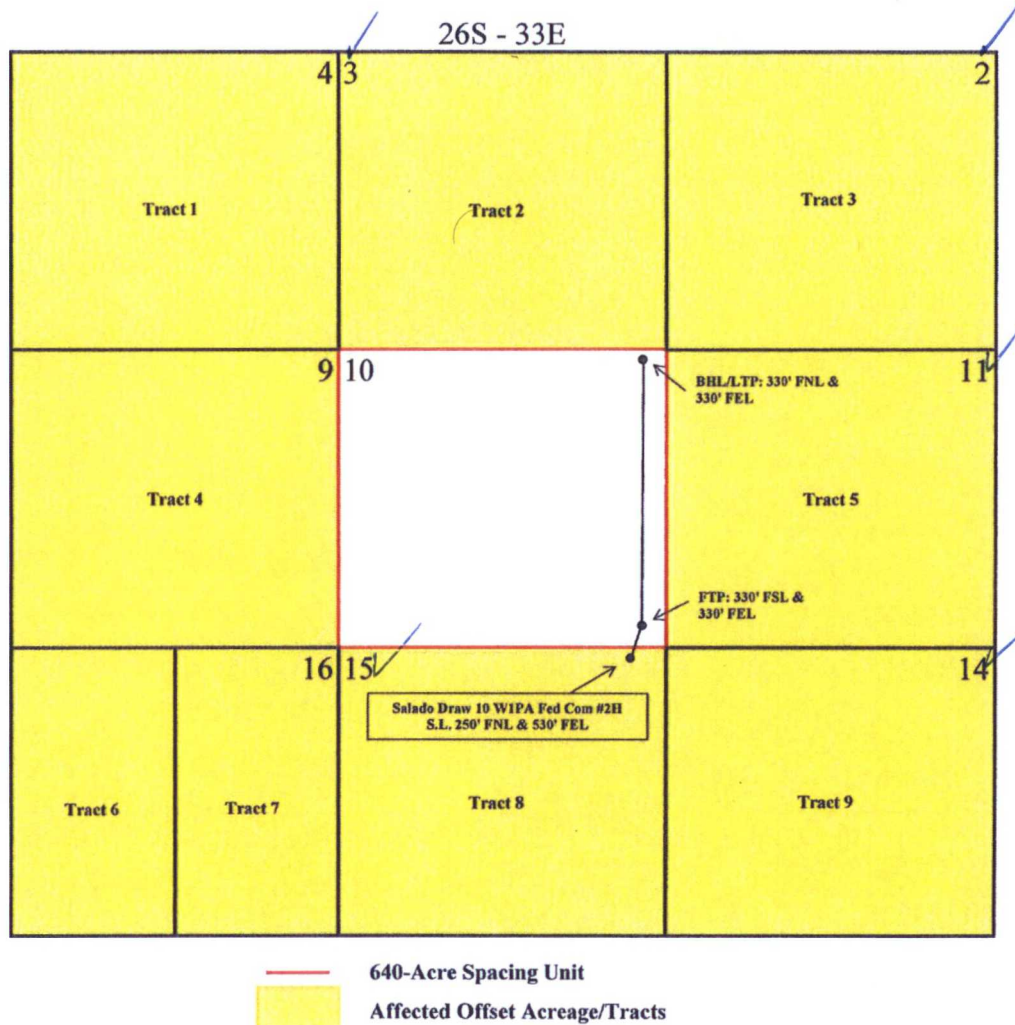
Salado Draw 10 W1PA Fed Com #2H

Lea County, New Mexico

Owners Noticed	Tract Numbers	Certified Tracking Number
COG Operating LLC 500 West Texas, Suite 100 Midland, Texas 79701 Attn Land Manager	Tract 2,3, and 6 and 7	9414810699945022835597
Cimarex Energy Co 600 N Marienfeld Ave , Suite 600 Midland, Texas 79701 Attn Land Manager	Tract 1	9414810699945022835627
EOG Resources, Inc., 5509 Champions Dr Midland, Texas 79706 Attn Land Manager	Tracts 5,6,8, and 9	<u>9414810699945022835641</u>
ConocoPhillips Company P O Box 2197 Houston, Texas 77252-2197 Attn Renaldo Works	Tract 4	9414810699945022835658
Endeavor Energy Resources, L P. 110 N Marienfeld, Suite 200 Midland, Texas 79701-4412 Attn Land Manager	Tract 4	9414810699945022835665
Axis Energy Corporation P O Box 2107 Roswell, New Mexico 88202 Attn Mr Ken Barbe, Jr	Tract 4	9414810699945022835672
Mr Bradley S. Bates 101 Blackberry Court Midland, Texas 79705	Tract 4	9414810699945022835689

Newkumet Exploration, Inc P O Box 11330 Midland, Texas 79702 Attn Mr Wayne Newkumet	Tract 4	9414810699945022855168
Chad and Marci Barbe 121 W 3rd Street Roswell, New Mexico 88201-4774	Tract 4	9414810699945022855274
Bill Fenn, Individually and as Trustee U/W/O Joe Glenn Fenn P O Box 1757 Roswell, NM 88202	Tract 4	9414810699945022855366
William and Karen Hardie 400 N Marienfeld, Suite 109 Midland, TX 79701	Tract 4	9414810699945022855403
Warrior Exploration, Inc 310 W Wall St Midland, Texas 79701	Tract 4	9414810699945022855465
Energex, LLC 4425 98th Street, Suite 200 Lubbock, Texas 79424	Tract 4	9414810699945022855540
Petrus Energy, LP P O. Box 4127 Midland, Texas 79704	Tract 4	9414810699945022855588
Broughton Petroleum, Inc 1205 Silliman Street Sealy, Texas 77474	Tract 6 and 7	9414810699945022855656
Coyote Oil and Gas, LLC 2906 Douglas Avenue Midland, Texas 79701	Tract 6 and 7	9414810699945022855687
Shanley-Montana Petroleum Company Attn Scott Bryan 5944 Luther Ln., Suite 950 Dallas, Texas 75225	Tract 6 and 7	9414810699945022855700

Georgetown Exploration, Inc 712 Main St , Suite 1700 Houston, Texas 77002	Tract 6 and 7	9414810699945022855793
Black Mountain Operating, LLC 500 Main Street, Suite 1200 Fort Worth, Texas 76102	Tract 6 and 7	9414810699945022855854
Boedeker Energy Investments, LLC 80 Hoyt Street Lakewood, CO 80226	Tract 6 and 7	9414810699945022855922
NMOCD 811 S 1st Street Artesia, NM 88210 Attn: Paul Kautz	NA	9414810699945022856080



Mewbourne Oil Company
Application for Unorthodox Well Location
Salado Draw 10 W1PA Fed Com #2H
Affected Offset Acreage

MEWBOURNE OIL COMPANY

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

May 3, 2017

Via Certified Mail

See Attached List

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

Salado Draw 10 WIPA Fed Com #2H

Surface Location:	250' FNL & 530' FEL (Unit A in Section 15)
First Take Point:	330' FSL & 330' FEL (Unit P Section 10)
Last Take Point:	330' FNL & 330' FEL (Unit A in Section 10)
Bottomhole Location:	330' FNL & 330' FEL (Unit A in Section 10)
Proration Unit:	Section 10, T-26-S, R-33-E, NMPM, Lea County, New Mexico
Pool	Red Hills, Wolfcamp (Gas) Pool (83600)

Ladies and Gentlemen.

Please find the enclosed copy of the application filed by Mewbourne Oil Company ("Mewbourne") for approval of an unorthodox gas well location for Salado Draw 10 WIPA Fed Com #2H well located at the surface, first take point, last take point, and bottomhole locations described above. The well will test Red Hills, Wolfcamp, (Gas) Pool and will be dedicated to a standard 640-acre gas spacing and proration unit comprising Section 10, T-26-S, R-33-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 Section 10.

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.

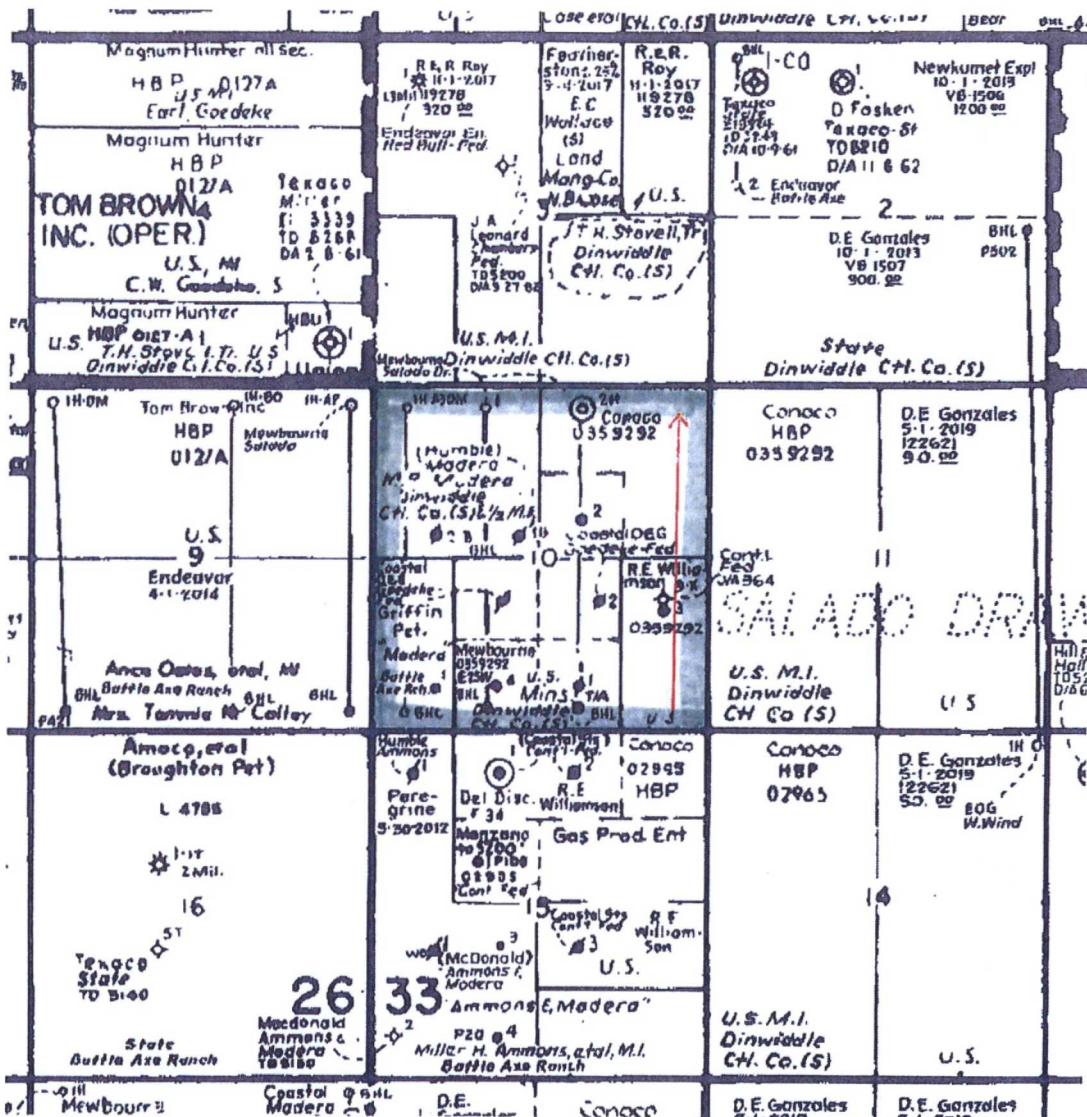
Should you have any questions regarding the above, please email me at tjolly@mewbourne.com or call me at (432) 682-3715.

Very truly yours,

MEWBOURNE OIL COMPANY


Tyler Jolly
Landman

Enclosure
Xc: OCD-Artesia



Lowe, Leonard, EMNRD

From: Tyler Jolly <tjolly@mewbourne.com>
Sent: Wednesday, May 10, 2017 7:31 AM
To: Lowe, Leonard, EMNRD
Subject: NMOCD Application for Unorthodox Well Locations
Attachments: NMOCD - NSL - Salado Draw 10 W1PA Fed Com #2H pdf, NMOCD - NSL - Salado Draw 10 W0PA Fed Com #3H pdf

Mr. Lowe,

I have attached our Applications for Unorthodox Well Locations for our Salado Draw 10 W1PA Fed Com #2H and Salado Draw 10 W0PA Fed Com #3H wells.

Both wells will be located in Section 10, T26S, R33E, Lea County, New Mexico.

Please contact me if you have any questions or need additional information.

Thank you,

Tyler Jolly
Mewbourne Oil Company
Land Department
500 West Texas, Suite 1020,
Midland, TX 79701
Ph 432-682-3715 / Fax: 432-685-4170