

| | | | | | |
|--------------------|----------|-----------------|----------------------|-----------------|---------------------------|
| DATE IN 5/18/17 | SUSPENSE | ENGINEER LRL | LOGGED IN 5/22/17 | TYPE NSL/NSP | APP NO PTEL 1714257286 |
|--------------------|----------|-----------------|----------------------|-----------------|---------------------------|

29
6/9/17

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St Francis Drive, Santa Fe, NM 87505



NSL-
NSP- N/A

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 _____

(# 14744)
MEWBOURNE OIL COMPANY
ROSCOE 6 B3AD FED COM
NO 7.11
API # 30-015-43168
POOL: AVALON Lower
BONE SPRING
70860

[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

3714

[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

Raymond R. Winkeljohn
Print or Type Name

Raymond R. Winkeljohn
Signature

Landman
Title

5/18/17
Date

rwinkeljohn@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 19, 2017

Via Certified Mail

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 and Non-Standard Proration Unit

Roscoe 6 B3AD Fed Com #1H

API No 3001543168

Surface Location 1270' FNL & 265' FEL (Unit H (Lot 8) – Section 6, T21S, R27E)

First Take Point 975' FNL & 760' FEL (Unit A (Lot 1) – Section 6, T21S, R27E)

Last Take Point 330' FNL & 330' FWL (Unit D (Lot 4) – Section 6, T21S, R27E)

Bottomhole Location 330' FNL & 330' FWL (Unit D (Lot 4) – Section 6, T21S, R27E)

Lots 1-4 Section 6, T-21-S, R-27-E, NMPM, Eddy County, New Mexico

Dear Mr. Lowe

Pursuant to Division Rule 19.15 4 12 A 3 and 19 15 15.13, Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of an unorthodox oil well location and non-standard proration unit for its proposed Roscoe 6 B3AD Fed Com #1H. This well will be drilled as a horizontal oil well in the Avalon, Bone Spring, (Oil) Pool (70860).

The Roscoe 6 B3AD Fed Com #1H will be dedicated to a 119 20-acre oil spacing and proration unit comprising Lots 1-4 of Section 6. There are currently no other existing Bone Spring producing wells within the proposed spacing unit.

The Avalon; Bone Spring, (Oil) Pool is currently governed by Division Rule 19 15 15 09 which requires standard 160-acre oil spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit, or in the case of a horizontal well, no closer than 330 feet to the outer boundary of the producing area.

The unorthodox location and non-standard proration unit are necessary in order to maximize the recovery of oil and oil reserves from the Bone Spring formation underlying Lots 1-4 of Section 6.

The affected offset acreage comprises Lots 5-8 of Section 6, Lots 1-8 of Section 5, Lots 1-8 of Section 1, Township 21 South, Range 26 East, NMPM, S/2S/2 of Section 31, Township 20 South, Range 28 East, NMPM, and the S/2S/2 of Section 36, Township 20 South, Range 27, NMPM (See Attached Map). There are currently no Bone Spring producers within the offset acreage.

Consequently, notice of this application is being provided to XTO Energy Inc, Chevron U.S.A. Inc, Fasken Land and Minerals Ltd, Rubicon Oil and Gas II LP, NMOCD, EOG M Resources Inc, EOG Resources Assets LLC, John A Yates, John L Schlagal, Sigmar Inc, Judson Operations LTD, Robert B Anderson, Santo Legado LLC, Richard M. Yates, Mari Gold LLLP, and Magic Dog Oil & Gas LTD

Attached is a Form C-102 showing the surface, first take point, last take point, and bottomhole locations for the Roscoe 6 B3AD Fed Com #1H. Also, attached is a map showing the affected offset acreage, a horizontal well plan, notice list and offset notice letter.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and oil reserves from the Avalon; Bone Spring, (Oil) Pool underlying Lots 1-4 of Section 6 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 rwinkeljohn@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman

(Hatched)
 1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 793-6140 Fax: (575) 393-0720
 (Hatched)
 811 N. First St., Artesia, NM 88210
 Phone: (575) 748-1203 Fax: (575) 748-9720
 (Hatched)
 1000 Rm Dragoon Road, Aztec, NM 87410
 Phone: (505) 334-6171 Fax: (505) 334-6170
 (Hatched)
 1229 S. St. Francis Dr. Santa Fe, NM 87505
 Phone: (505) 476-3400 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

NM OIL CONSERVATION
 ARTESIA DISTRICT

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

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|---------|-----------------------|-------|--------------------|---------------|
| 30-00-4316E | | 70860 | | AVALON BONE SPRING | |
| 314887 | | ROSCOE 6 B3AD FED COM | | 1H | |
| 14744 | | MEWBORNE OIL COMPANY | | 3228' | |
| 10 Surface Location | | | | | |
| UL or lot no. | Section | Township | Range | Lot Ids | Feet from the |
| 8/A | 6 | 21S | 27E | 1270 | NORTH |
| | | | | 265 | EAST |
| | | | | EDDY | |
| 11 Bottom Hole Location If Different From Surface | | | | | |
| UL or lot no. | Section | Township | Range | Lot Ids | Feet from the |
| 4/D | 6 | 21S | 27E | 330 | NORTH |
| | | | | 330 | WEST |
| | | | | EDDY | |
| 12 Dedicated Acres | | 13 Area or Infill | | 14 Contingent Code | |
| 119.20 | | BHL/LTP. 330' | | 15 Order No. | |
| | | FNL & 330' FWL | | | |

No allowable

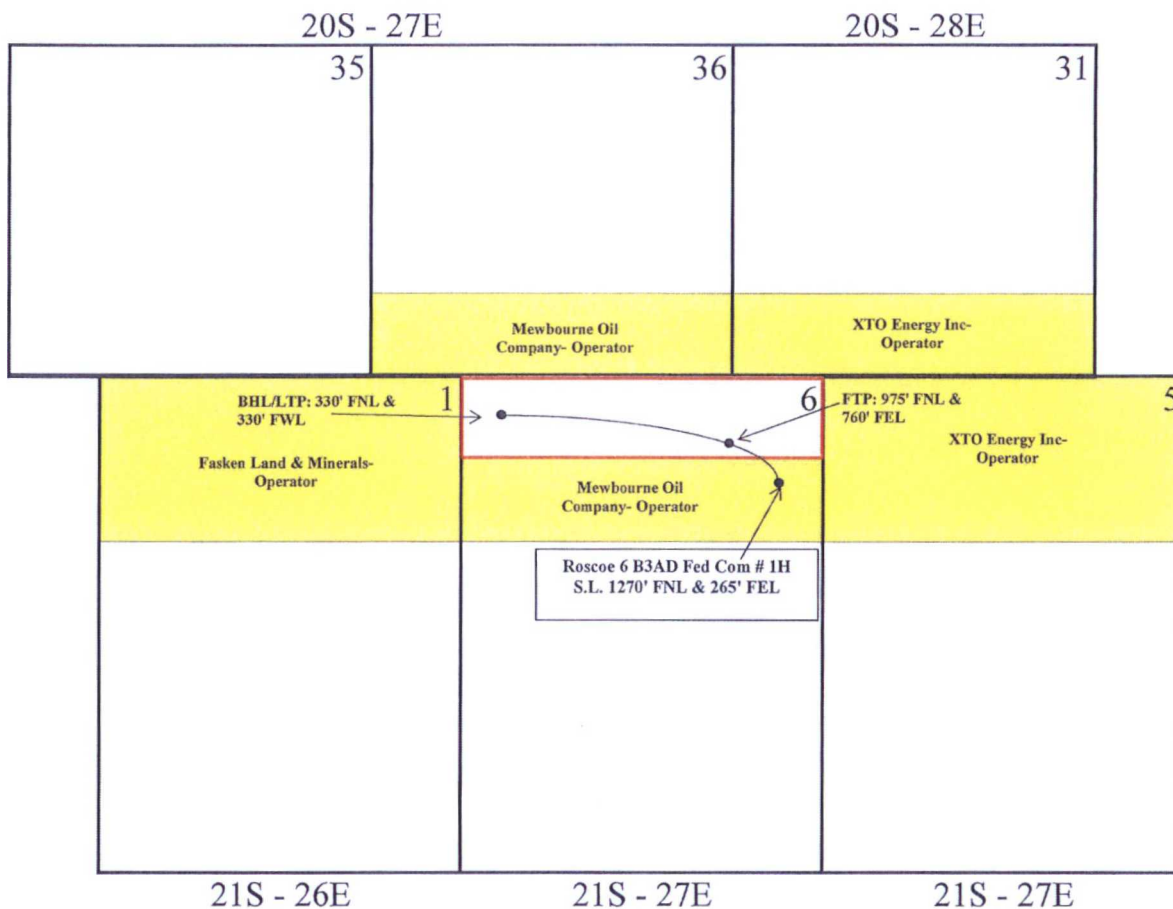
until all interest have been consolidated

FTP: 975' FNL
& 460' FEL

has been approved by the division

| | | |
|--|--|---|
| | | <p>11 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 or has a right to drill this well as this bottom hole location is a contract with an owner of such a mineral or working interest, or as a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Bracey Bishop</i> 11-20-14 Signature BRACEY BISHOP Printed Name</p> <p>_____ Elected Address</p> |
| <p>12 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>10-10-2014 Date of Survey</p> <p>_____ Signature and Seal of Professional Surveyor</p> <p>19680 Certificate Number</p> | | |

RRC - Firm No.: TX 10193838 NM 4655451 - Job No.: LST40456



— 119.20-Acre Spacing Unit

■ Affected Offset Acreage/Tracts

Mewbourne Oil Company
Application for Unorthodox Well Location
Roscoe 6 B3AD Fed Com #1H
Affected Offset Acreage

Notice List

Mewbourne Oil Company

Application for Unorthodox Well Location and Non-Standard Proration Unit

Roscoe 6 B3AD Fed Com #1H, Section 6, T21S, R27E

Eddy County, New Mexico

| Owners Noticed | Tract Number | Certified Tracking Number |
|--|----------------------------|----------------------------------|
| XTO Energy Inc 810 Houston Street, Suite 2000 Fort Worth, TX 76102-6298 Attn Ms Angie Repka | See Attached Plat 5, 31 | 9414810699945023182126 |
| Chevron USA Inc 1400 Smith St Houston, TX 77002 Attn Ms Amber Delach | See Attached Plat 6 | 9414810699945023182171 |
| Fasken Land and Minerals, Ltd 6101 Holiday Hill Road Midland, TX 79707-1631 Attn Ms Linda Hicks | See Attached Plat 1 | 9414810699945023182201 |
| Rubicon Oil and Gas II, LP 508 West Wall, Suite 500 Midland, TX 79701 Attn Mr Crawford Smith | See Attached Plat 6 | 9414810699945023182270 |
| NMOCD 811 S First St Artesia, NM 88210 Attn Mr Paul Kautz | See Attached Plat N/A | 9414810699945023182317 |
| EOG M Resources, Inc 5509 Champions Drive Midland, TX 79706 Attn Wendy Dalton | See Attached Plat 36 | 9414810699945023182348 |
| EOG Resources Assets LLC 5509 Champions Drive Midland, TX 79706 Attn Wendy Dalton | See Attached Plat 36 | 9414810699945023182416 |

| | | |
|--|-------------------------|------------------------|
| John A Yates P O Box 900 Artesia, NM 88211-0900 | See Attached Plat 36 | 9414810699945023182461 |
| John L Schlagal 5700 South County Road 1200 Midland, TX 79706 | See Attached Plat 36 | 9414810699945023182508 |
| Sigmar Inc 400 North Marienfeld Suite 100 Midland, TX 79701 Attn Land Manager | See Attached Plat 36 | 9414810699945023182560 |
| Judson Operations LTD P O Box 3340 Midland, TX 79702-3340 Attn Land Manager | See Attached Plat 36 | 9414810699945023182577 |
| Robert B Anderson P O Box 1000 Roswell, NM 88202-1000 | See Attached Plat 36 | 9414810699945023182607 |
| Santo Legado LLC P O Box 1020 Artesia, NM 88211-1020 Attn Land Manager | See Attached Plat 36 | 9414810699945023182621 |
| Richard M Yates DBA Tulipan LLC 428 Sandoval, Suite 200 Santa Fe, NM 87501 | See Attached Plat 36 | 9414810699945023182799 |
| Mari Gold LLLP P O Box 1290 Artesia, NM 88211-1290 Attn Land Manager | See Attached Plat 36 | 9414810699945023182874 |
| Magic Dog Oil & Gas LTD P O Box 10708 Midland, TX 79702 Attn Land Manager | See Attached Plat 36 | 9414810699945023182959 |

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

May 19, 2017

Via Certified Mail

See Attached List

Re Mewbourne Oil Company's Application for Unorthodox Well Location
and Non-Standard Proration Unit

Roscoe 6 B3AD Fed Com #1H (API No. 3001543168)

| | |
|---------------------|---|
| Surface Location | 1270' FNL & 265' FEL (Unit H (Lot 8) – Section 6, T21S, R27E) |
| First Take Point | 975' FNL & 760' FEL (Unit A (Lot 1) – Section 6, T21S, R27E) |
| Last Take Point | 330' FNL & 330' FWL (Unit D (Lot 4) – Section 6, T21S, R27E) |
| Bottomhole Location | 330' FNL & 330' FWL (Unit D (Lot 4) – Section 6, T21S, R27E) |
| Proration Unit | Lots 1-4 Section 6, T-21-S, R-27-E, NMPM, Eddy County, New Mexico |
| Pool | Avalon, Bone Spring, (Oil) Pool (70860) |

Ladies and Gentlemen

Enclosed please find a copy of the application filed by Mewbourne Oil Company ("Mewbourne") for approval of an unorthodox oil well location and non-standard proration unit for its Roscoe 6 B3AD Fed Com #1H located at the surface, first take point, last take point, and bottomhole locations described above. The well will test the Avalon; Bone Spring, (Oil) Pool and will be dedicated to a non-standard 1.19 20-acre oil spacing and proration unit comprising lots 1-4 of Section 6, T-21-S, R-27-E, NMPM, Eddy County, New Mexico. The unorthodox location and non-standard proration unit are necessary in order to maximize the recovery of oil and gas reserves within the Bone Spring formation underlying lots 1-4 of Section 6.

As the owner of an interest that may be affected by the proposed unorthodox oil well location and Non-Standard Proration Unit, 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 rwinkeljohn@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Ray Winkeljohn
Landman



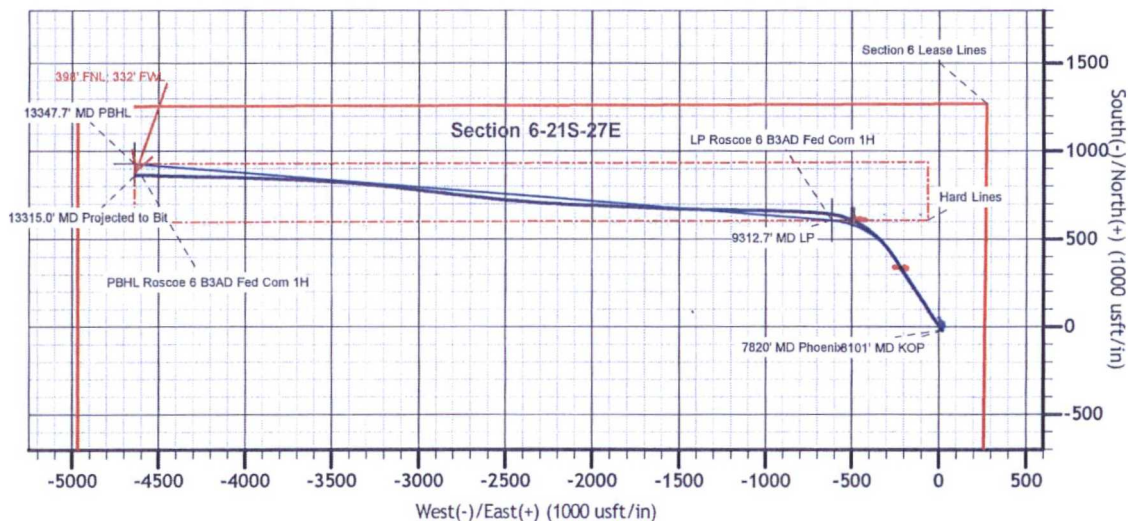
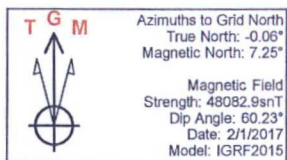
COMPANY: Mewbourne Oil Company
WELL: Roscoe 6 B3AD Fed Com 1H
COUNTY: Eddy County, New Mexico
DATUM: NAD 1927 (NADCON CONUS)
RIG: Patterson Patterson 242



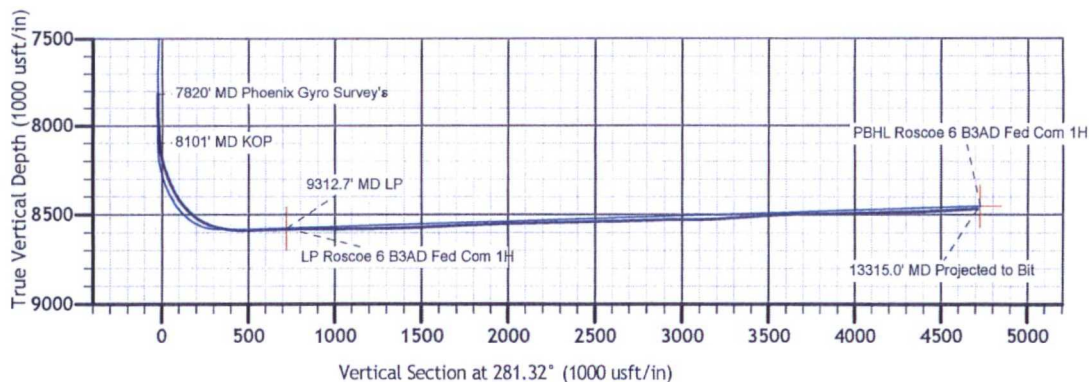
GRID CORRECTION: To convert a Magnetic Direction to a Grid Direction, Add 7.26°

OFFICE: 936.582.7296

| GEODETIC ZONE: New Mexico East 3001 3228 + 27 @ 3255.0usft (Patterson 242) GROUND ELEVATION: 3228.0 | | | | | | | | | | | Slot |
|---|---------|-------|--------|-----------|-----------|-----------------|-------------------|--------|--------|-------------------------------|------|
| | | +N-S | +E-W | Northing | Easting | Latitude | Longitude | | | | |
| | | 0.0 | 0.0 | 552539.40 | 534698.60 | 32° 31' 8.364 N | 104° 13' 14.742 W | | | | |
| PLAN SECTIONS | | | | | | | | | | | |
| Sec | MD | Inc | Azi | TVD | +N-S | +E-W | Dleg | TFace | VSeet | Target | |
| 1 | 7820.0 | 2.57 | 175.95 | 7815.4 | -15.5 | 21.1 | 0.00 | 0.00 | -23.7 | | |
| 2 | 7948.5 | 0.00 | 0.00 | 7943.8 | -18.3 | 21.3 | 2.00 | 180.00 | -24.5 | | |
| 3 | 8101.0 | 0.00 | 0.00 | 8096.3 | -18.3 | 21.3 | 0.00 | 0.00 | -24.5 | | |
| 4 | 8867.8 | 90.00 | 326.75 | 8594.4 | 389.9 | -246.4 | 11.74 | 326.75 | 318.1 | | |
| 5 | 9312.7 | 91.78 | 274.54 | 8577.0 | 608.9 | -616.0 | 11.74 | -67.76 | 723.5 | LP Roscoe 6 B3AD Fed Com 1H | |
| 6 | 13347.7 | 91.78 | 274.54 | 8452.0 | 928.1 | -4636.4 | 0.00 | 0.00 | 4728.4 | PBHL Roscoe 6 B3AD Fed Com 1H | |



SHL 1270' FNL; 265' FEL
Section 6-21S-27E
PBHL 330' FNL; 330' FWL
Section 6-21S-27E



Lowe, Leonard, EMNRD

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Friday, May 19, 2017 4 10 PM
To: Lowe, Leonard, EMNRD
Subject: NSL & NSP Roscoe 6 B3AD Fed Com #1H
Attachments: NSL & NSP NMOCD pdf

Hi Leonard,

I have attached our Application for Unorthodox Well Location and Non-Standard Proration Unit for our Roscoe 6 B3AD Fed Com #1H well in Section 6-T21S-R27E, Eddy County, NM

Please let me know if you have any questions or concerns

Thank you,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020,
Phone (432)-682-3715
Email rwinkeljohn@mewbourne.com

U.S. DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

General Land Office Records

BLM



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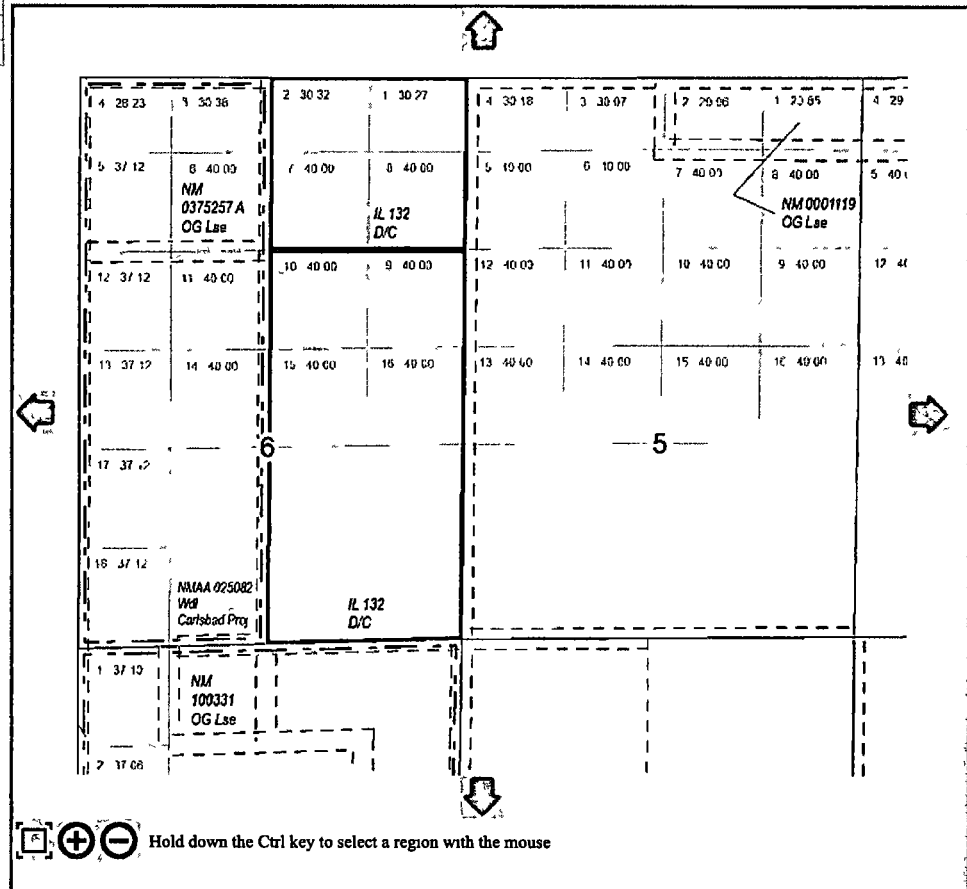
DM ID: 40162 Document Type Oil and Gas State New Mexico Posted Date 10/3/2016

Land Status Record Details

Related Documents

| | |
|------------------|-------------------------|
| Township / Range | 021 05 - 027 0E |
| Meridian | New Mexico Pm |
| State Office | New Mexico State Office |
| Pages | 1 |

Sheet 1



Hold down the Ctrl key to select a region with the mouse

Basic Viewer



Note You can download our LSR images directly by clicking one of the icons above
Check out our [Viewing And Printing Images Guide](#) for more information

NM OIL CONSERVATION
ARTESIA DISTRICT

FEB 24 2017

Form C-102

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

Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

District I
1625 N French 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|---------------------|---|---------------------|--|--|
| 1 API Number 30-015-44076 | | 2 Pool Code 70860 | | 3 Pool Name AVALON BONE SPRING | |
| 4 Property Code 317466 | | 5 Property Name ROSCOE & B3HE FED COM | | | 6 Well Number 1H |
| 7 GRID NO 14744 | | 8 Operator Name MEWBOURNE OIL COMPANY | | | 9 Elevation 3225' |
| 10 Surface Location | | | | | |
| UL or lot no 8 | Section 6 | Township 21S | Range 27E | Lot Idn 2100 | Feet from the North/South line NORTH |
| | | | | Feet from the East/West line 295 | County EDDY |
| 11 Bottom Hole Location If Different From Surface | | | | | |
| UL or lot no 5 | Section 6 | Township 21S | Range 27E | Lot Idn 2100 | Feet from the North/South line NORTH |
| | | | | Feet from the East/West line 330 | County EDDY |
| 12 Dedicated Acres 160 | | 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

| | | | |
|--|--|---|--|
| <p>16</p> <p>N 89°53'14" E 2574.46'</p> <p>LOT 3</p> <p>LOT 2</p> <p>LOT 1</p> <p>LOT 4</p> <p>2100'</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 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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</p> <p>Signature: <i>Bradley Bishop</i> Date: <i>6-2-15</i></p> <p>Printed Name: BRADLEY BISHOP</p> <p>E-mail Address:</p> | |
| <p>LOT 5</p> <p>LOT 6</p> <p>LOT 7</p> <p>LOT 8</p> <p>LOT 9</p> <p>LOT 10</p> <p>LOT 11</p> <p>LOT 12</p> <p>LOT 13</p> <p>LOT 14</p> <p>LOT 15</p> <p>LOT 16</p> <p>LOT 17</p> <p>LOT 18</p> <p>330'</p> <p>295'</p> <p>4916.37'</p> <p>PROTECT AREA</p> <p>PRODUCING AREA</p> | | <p>18</p> <p>10-10-2014</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680</p> <p>Certificate Number</p> <p>ROBERT M. HOWETT</p> <p>NEW MEXICO</p> <p>PROFESSIONAL SURVEYOR</p> | |
| <p>19</p> <p>GEODETIC DATA</p> <p>NAD 27 GRID - NM EAST</p> <p>SURFACE LOCATION</p> <p>N 551709.5' - E 534662.4'</p> <p>LAT. 32.51870896° N</p> <p>LONG. 104°22'08.9195" W</p> <p>BOTTOM HOLE</p> <p>N 551697.4' - E 530062.4'</p> <p>LOT 18</p> <p>S 88°25'27" W 2548.94'</p> | | <p>20</p> <p>CORNER DATA</p> <p>NAD 27 GRID - NM EAST</p> <p>A FOUND BRASS CAP "1943"</p> <p>N 546136.2' - E 529732.4'</p> <p>B FOUND BRASS CAP "1943"</p> <p>N 548799.0' - E 529732.5'</p> <p>C FOUND BRASS CAP "1942"</p> <p>N 553796.8' - E 529732.2'</p> <p>D FOUND BRASS CAP "1943"</p> <p>N 553801.8' - E 532306.1'</p> <p>E FOUND BRASS CAP "1942"</p> <p>N 553809.8' - E 534973.1'</p> <p>F FOUND BRASS CAP "1943"</p> <p>N 548894.8' - E 534936.0'</p> <p>G FOUND BRASS CAP "1943"</p> <p>N 548279.0' - E 534921.9'</p> <p>H FOUND BRASS CAP "1943"</p> <p>N 546206.3' - E 532279.7'</p> <p>S 88°25'24" W 2643.78'</p> | |

RRC = Firm No. TX 10193838 NM 4655451 - Job No.: LS140457

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

June 26, 2017

Via e-mail

Michael McMillan

Oil Conservation Division

1220 South St Francis Drive

Santa Fe, New Mexico 87505

Re: NSL application
Roscoe 6 B3AD Fed Com Well No 1H
Lots 1-4 §6-21S-27E

Dear Mr McMillan

Mewbourne requests approval of an unorthodox location for the above well from a point beginning 975 feet FNL (15 feet from the south line of the well unit) of Section 6, to a point 660 feet FNL of Section 6. The reasons for this request are as follows.

1 If the request is not granted, and the well cannot produce until the wellbore is 660 feet FNL of Section 6, the well will lose approximately 475 feet (10%) of productive wellbore, thus causing waste of reserves and making the well less economic

2. State Lease K-4097-1 covers Lots 1, 2, 7, and 8 of Section 6, and it has common ownership. Federal Lease NM 037527(a) covers Lots 3-6 of Section 6, and it has common ownership.

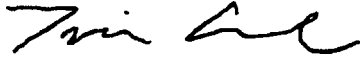
The well unit for the subject well is being communitized (the Land Office has approved the agreement, and Mewbourne is waiting for BLM approval). Mewbourne has a proposed well in Lots 5-8 of Section 6. The well unit for that well will also be communitized.

The interest owners in the well unit comprising Lots 5-8 of Section 6 will not be adversely affected by the unorthodox location because of common ownership and communitized production.

3 The proposed Roscoe 6 B3HE Fed Com Well No 1H is located in the southern portion of its well unit. See Exhibit A. The two wells nearest approach to each other is 1125 feet, and there will be no interference between wells.

Although the requested location is quite unorthodox, it will the result in optimal development of the 3rd Bone Spring reservoir in the N1/3 of Section 6 As a result, Mewbourne requests that its application be approved

Very truly yours,

A handwritten signature in black ink, appearing to read "Travis Cude", written in a cursive style.

Travis Cude
Engineer