

11/27/06 DATE IN	SUSPENSE	DAVID CATANACH ENGINEER	11/28/06 LOGGED IN	NSL TYPE	APP NO. PTD50633236827
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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.

JAMES BRUCE
 P.O. BOX 1056
 SANTA FE, NM 87504
 Print or Type Name

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Signature

Attorney for Applicant

Title

Date

jamesbruc@aol.com
 e-mail Address

2006 NOV 27 PM 2 06

JAMES BRUCE
ATTORNEY AT LAW

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2006 NOV 27 PM 2 06

November 27, 2006

Hand delivered

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to Division Rule 104.F(2), Mewbourne Oil Company applies for approval of an unorthodox gas well location for the following well:

<u>Well:</u>	Pheasant Ridge "6" State Com. Well No. 1
<u>Location:</u>	990 feet FSL & 2310 feet FEL
<u>Well Unit:</u>	Lots 17, 18, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$ (the S $\frac{1}{2}$) of irregular Section 6, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico

The well will be drilled to a depth sufficient to test the Morrow formation (Osudo-Morrow Gas Pool), which is spaced on statewide regulations (320 acre well units, with wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line). The S $\frac{1}{2}$ of Section 6 comprises a non-standard 310.75 acre unit.

The well's location is based upon geologic reasons. Isopachs for the Middle Morrow Green Sand and Middle Morrow Orange sand (the two primary zones) are attached as Exhibits A and B. While an orthodox location was acceptable in the Middle Morrow Green Sand, moving the well to the west of an orthodox location will increase the chances of success in the Middle Morrow Orange Sand. Applicant desires to stack potential zones to increase the chances of drilling a commercial well. **In addition**, while it appears that the SW $\frac{1}{4}$ of Section 6 has better sand thickness and would provide a better location, applicant does not want to drill in that quarter section due to massive faults nearby.

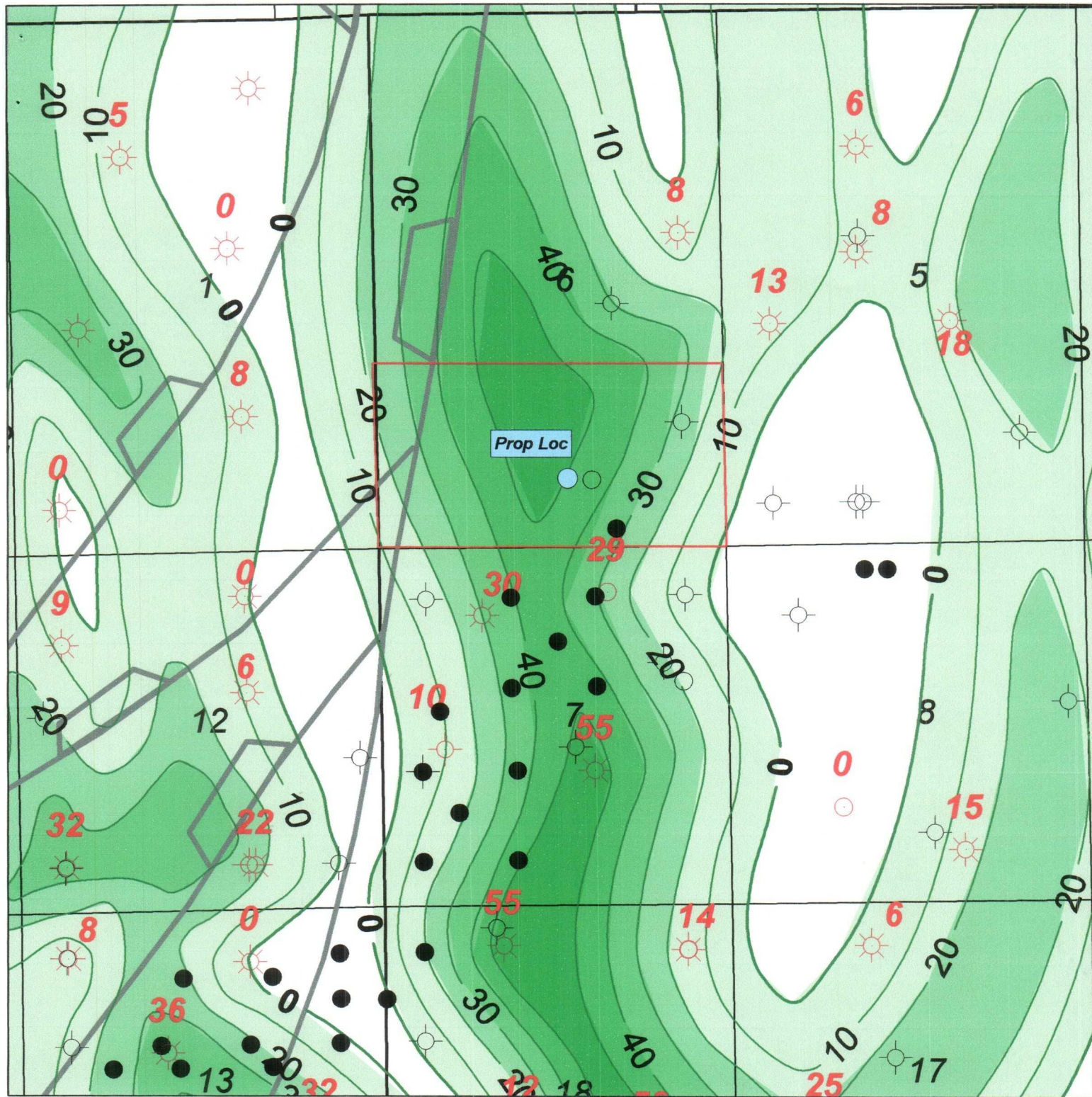
A land plat is attached as Exhibit C. The S½ of Section 6 is covered by two state leases (Lease B-1398-37 in the SW¼, and Lease V-6950 in the SE¼). The well location is internal to the well unit, and does not encroach on any offset acreage. Therefore, there is no adversely affected offset, and notice of this application has not been given to anyone. (The only working interest owner in the well unit other than applicant (Nearburg Exploration Company, L.L.C.) has waived objection to the location. See Exhibit D.)

Please contact me if you need any further information.

Very truly yours,


James Bruce


Attorney for Mewbourne Oil Company



EXHIBIT

A



 Mewbourne Oil Company		
<p align="center">Pheasant Ridge "6" State Com #1 Lea County, NM</p> <p align="center">Middle Morrow Green Sand Isopach CI = 10'</p> <p align="center">Wells > 9000'</p>		
Author: R. Townsend	Scale: 1 in. = 2000 ft.	Date: 11/14/2006

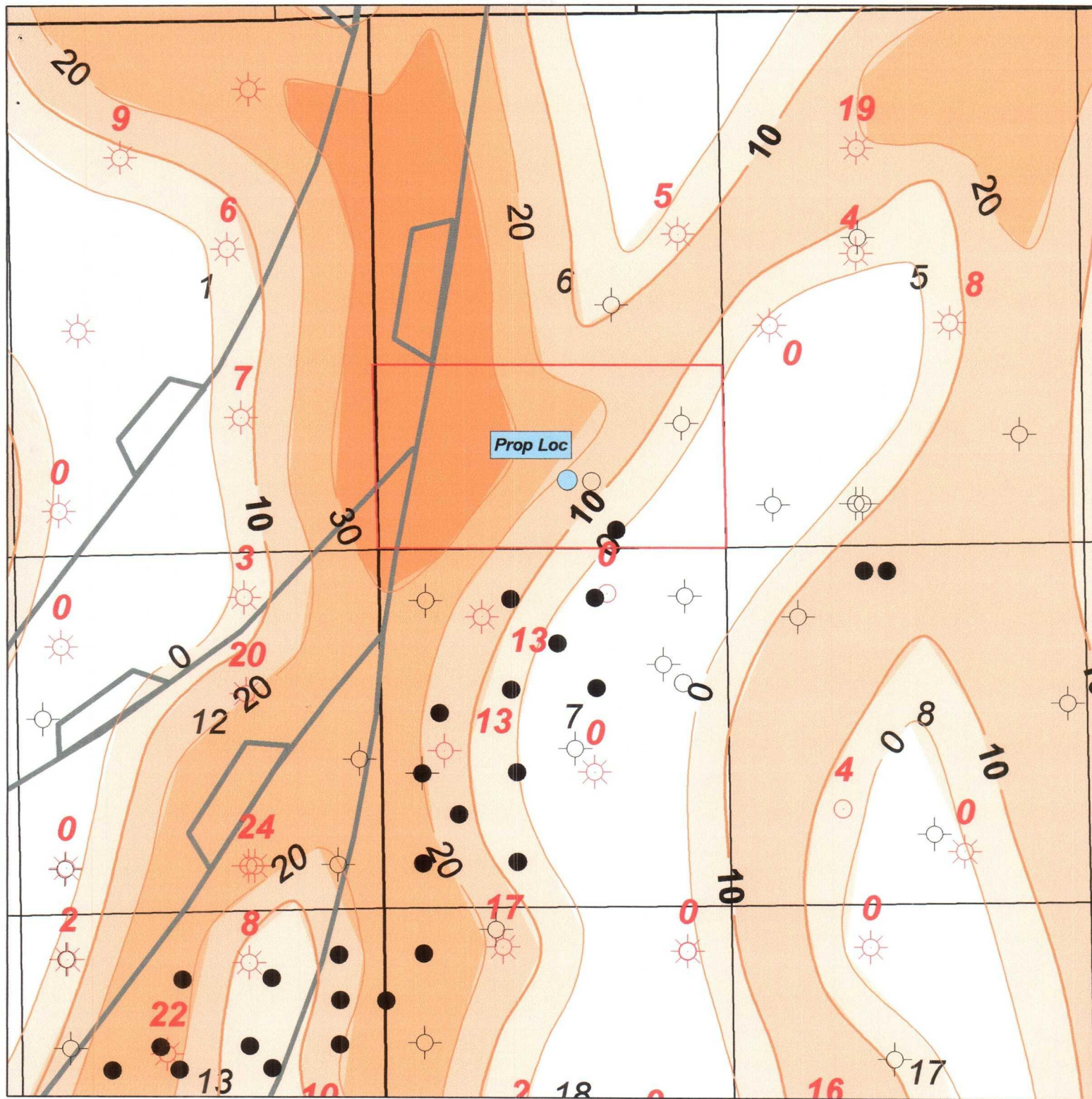



EXHIBIT B



 Mewbourne Oil Company		
<p align="center">Pheasant Ridge "6" State Com #1 Lea County, NM</p> <p align="center">Middle Morrow Orange Sand Isopach CI = 10'</p> <p align="center">Wells > 9000'</p>		
Author:		Date:
R. Townsend		11/14/2006
Scale:		
1 in. = 2000 ft.		

399 inc 4 St. Sims 104380 L.V. Wilson Op. L.V. Sims et al (S) 5/2

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MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

VIA FAX AND U.S. MAIL

November 14, 2006

Nearburg Exploration Company, L.L.C.
3300 North "A" St., Building 2, Suite 120
Midland, TX 79705
Attn: Mrs. Linda Hicks

Re: Request for Waiver for Unorthodox Location Application
Pheasant Ridge "6" State COM #1 well
990' FSL & 2,310' FEL, Section 6, T-21-S, R-35-E
Lea County, New Mexico

Ladies and Gentlemen:

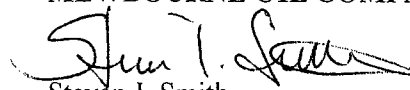
Mewbourne Oil Company is planning to drill a 12,300 foot Morrow test at an unorthodox location 990' FSL & 2,310' FEL of Section 6, T-21-S, R-35-E, Lea County, New Mexico. Our plans are to commit the S/2 of said Section 6 to the spacing unit assuming a successful completion requiring 320 acre spacing. The location for this well is unorthodox because it is governed by the Osudo Morrow Gas Pool Rules which provide for 320-acre spacing units and requires that wells be located no closer than 660' from the outer boundary line of the quarter section on which the well is located. As planned, the Pheasant Ridge "6" State COM #1 well will be 330' from the outer boundary of the quarter section on which it is located and will only encroach upon the interior of the anticipated spacing unit.

We are planning to seek administrative approval of the location for this well pursuant to the provisions of New Mexico Oil Conservation Division Rule 104.F (2)-(4). If you have no objection to the location of this well, please so indicate by executing and returning to the undersigned one copy of this letter.

Thank you for your cooperation. Call me at (432) 682-3715 if there are any questions.

Sincerely,

MEWBOURNE OIL COMPANY


Steven J. Smith
Senior Landman

We hereby waive any objection to the drilling of the subject well at the above described location.

NEARBURG EXPLORATION COMPANY, LLC

By: Linda H. Hicks

Date: 11/16/06

EXHIBIT

D