

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.**

Monty Whetstone		Vice-Pres. Operations	5/15/07
Print or Type Name	Signature	Title	Date
_____			
e-mail Address			

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

District II  
1301 W. Grand Avenue, Artesia, NM 88210

**Oil Conservation Division**

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

APPLICATION TYPE

Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

Yes  No

District III  
1000 Rio Brazos Road, Aztec, NM 87410

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

**APPLICATION FOR DOWNHOLE COMMINGLING**

*DAC-3890*

Mewbourne Oil Company P. O. Box 7698, Tyler, TX 75711  
Operator Address

Osudo South "20" State Com #1 C - Sec 20, T21S, R35E Lea  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 14744 Property Code 35232 API No. 30-025-37560 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE <i>UNDES</i>	INTERMEDIATE ZONE	LOWER ZONE <input checked="" type="checkbox"/>
Pool Name	Osudo; Strawn South (Gas)		Osudo; Morrow (Gas)
Pool Code	97396		82120 <input checked="" type="checkbox"/>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	11,005 - 11,045'		12,124 - 12,256'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
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)			
Producing, Shut-In or New Zone	Producing		SI below plug
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: 5/6/07 Rates: 100 MCF, 3 BO, 1 BW	Date: Rates:	Date: 11/6/06 Rates: 200 MCF, 1 BO, 1 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 75 % 33 %	Oil Gas % %	Oil Gas 25 % 67 %

**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 *Janet Burns* TITLE Reg. Tech. DATE 5/15/07

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

E-MAIL ADDRESS \_\_\_\_\_

**MEWBOURNE OIL COMPANY**

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

May 15, 2007

UPS NEXT DAY AIR #1Z F69 8E8 01 9012 4728

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

RE: Form C-107A  
Osudo South "20" State Com #1  
Sec 20 T21S R35E  
Lea Co., NM  
Osudo; Strawn, South (Gas) and Osudo; Morrow (Gas) Pools

2007 MAY 16 AM 9 55

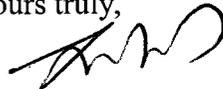
Dear Mr. Jones:

Please find enclosed the following for the application to downhole commingle production from the Strawn and Morrow zones in the referenced well:

Form C-107A  
Attachments information  
Form C-102 for both zones  
Production curves  
Administrative Application Checklist

A copy of Form C-107A is being mailed today to the State Land Office. If you need further information, please call me at (903) 561-2900.

Yours truly,



Janet Burns  
Reg. Tech.

cc: NMOCD - Hobbs  
State Land Office  
Hobbs  
Midland  
Allen Brinson  
Wayne Jones

**Attachments to C-107A**

Mewbourne Oil Company  
Osudo South "20" State Com #1  
Unit Letter C, Sec 20 T21S R35E  
Osudo; Strawn South (Gas) and Osudo; Morrow (Gas) 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:

Morrow	11/6/06	200 MCFD, 1 BO, 1 BW: last recorded production
Strawn	5/6/07	100 MCFD, 3 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 dually complete the well to recover all economic reserves, the use of small diameter special clearance tubing would be required. Performing a dual completion as described could not be economically justified for a zone with limited deliverability. To produce the Strawn interval (upper zone) up the annulus (5 1/2" - 2 7/8") is not recommended due to liquid loading and insufficient velocity to lift produced fluids with the estimated gas rates listed above. The addition of the Strawn as a commingled zone 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  
1825 N. French Dr., Hobbs, NM 88340

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pecheo, Santa Fe, NM 87506

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-3756D	Pool Code 47580 97796	Pool Name OSUDO SOUTH "20" STATE COM.
Property Code 35232	Property Name OSUDO SOUTH "20" STATE COM.	Well Number 1
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3649

Surface Location

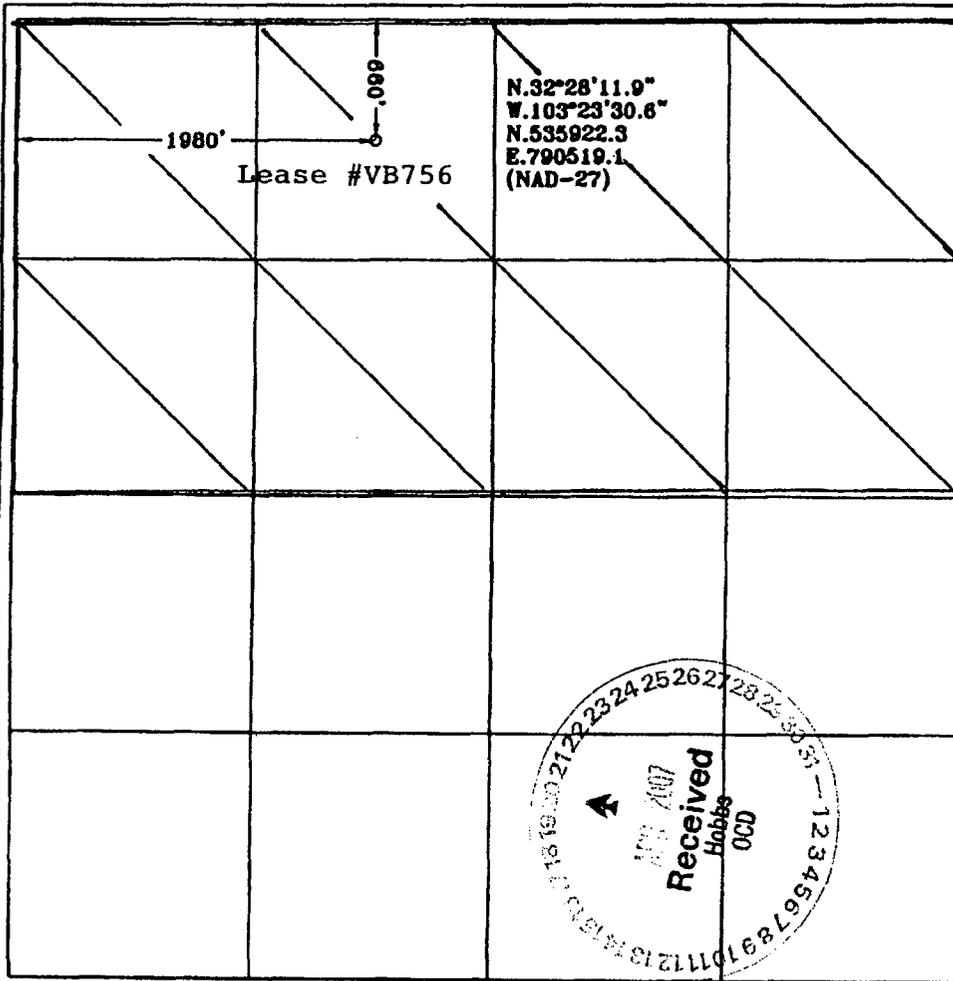
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	20	21S	35E		660	NORTH	1980	WEST	LEA

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 320	Joint or Infill	Consolidation Code	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



**OPERATOR CERTIFICATION**

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

*Kristi Green*  
Signature

Kristi Green  
Printed Name

Hobbs Regulatory  
Title

1/15/07  
Date

**SURVEYOR CERTIFICATION**

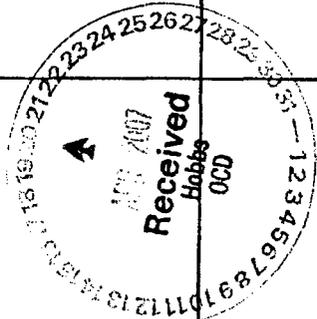
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

8/22/2005  
Date Surveyed

Signature & Seal of Professional Surveyor

*Merschell L. Jones*  
Merschell L. Jones  
Professional Surveyor

OSUDO SOUTH "20" STATE COM.  
Certificate No. Merschell L. Jones RLS 3640  
GENERAL SURVEYING COMPANY  
PROFESSIONAL SURVEYOR



0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

DISTRICT I  
25 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37560	Pool Code 82120	Pool Name Osudo Morrow
Property Code 35232	Property Name OSUDO SOUTH "20" STATE COM.	Well Number 1
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3649

Surface Location

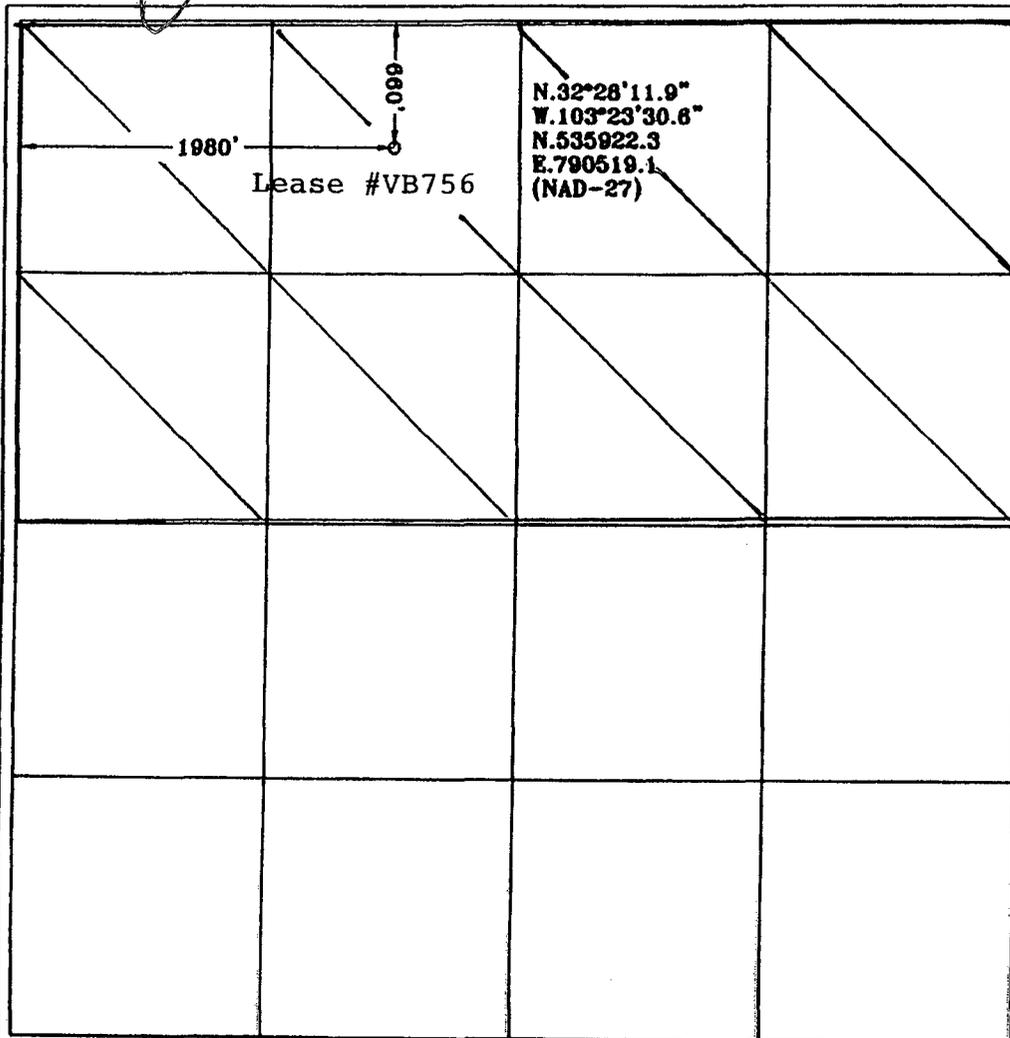
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	20	21S	35E		660	NORTH	1980	WEST	LEA

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	Joint or Infill	Consolidation Code	Order No.
320			

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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein to be true and complete to the best of my knowledge and belief.

*Kristi Green*  
Signature

Kristi Green  
Printed Name  
Hobbs Regulatory  
Title

11/15/05  
Date

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.

8/22/2005

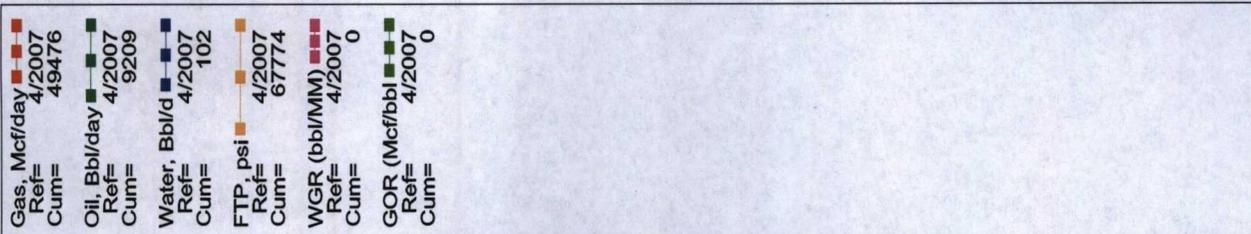
Date Surveyed  
Signature & Seal of  
Professional Surveyor

Professional Surveyor Seal: W. HERSHELL L. JONES, NEW MEXICO, License No. 3040, Expires 8/2008. Certificate No. Hershell Jones RLS 3640. OSUDO SOUTH 20-1. GENERAL SURVEYING COMPANY, PROFESSIONAL LAND SURVEYOR.

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

**Lease: OSUDO SOUTH 20 ST COM #1**

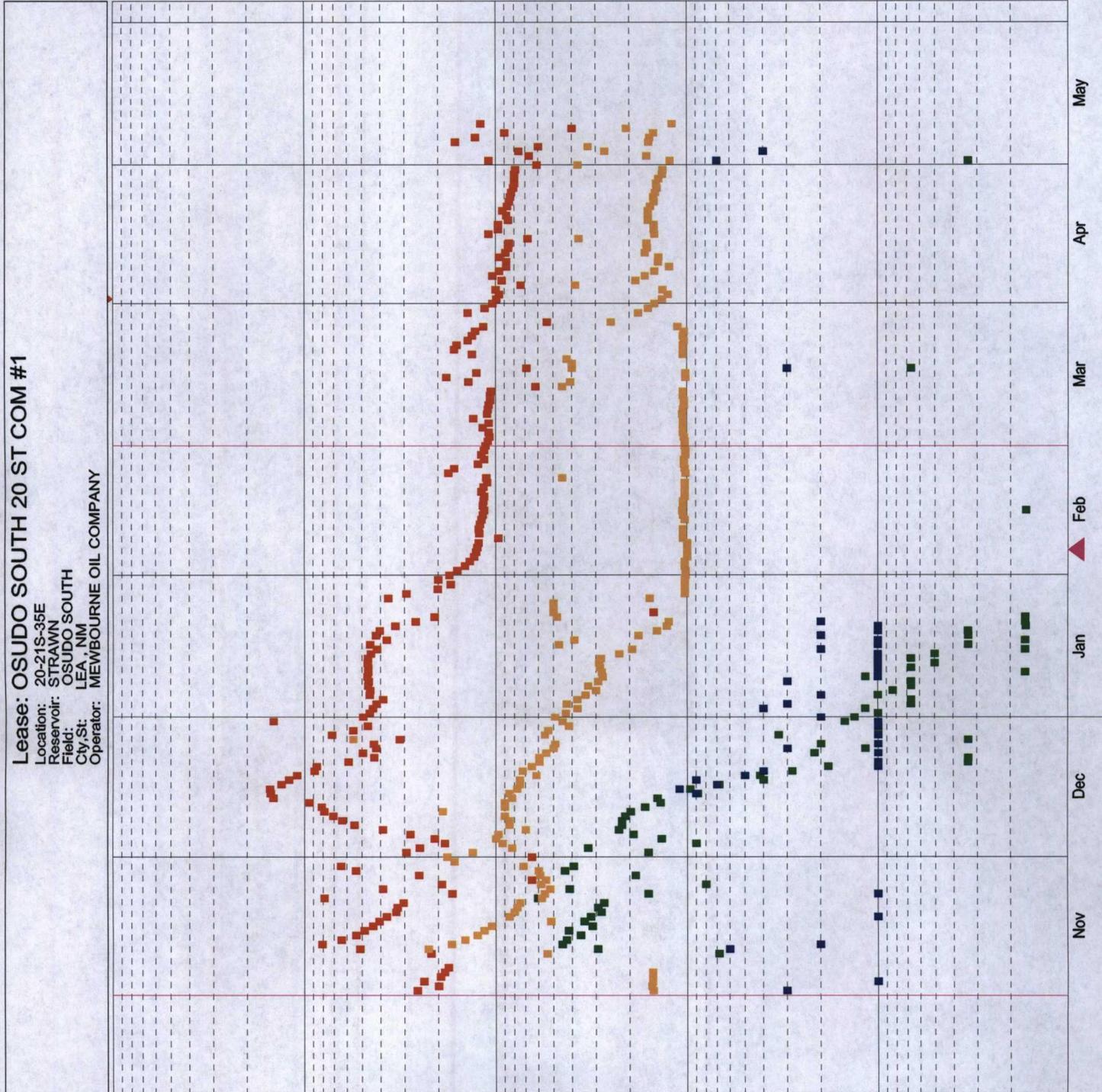
Location: 20-21S-35E  
 Reservoir: STRAWN  
 Field: OSUDO SOUTH  
 City/State: LEA, NM  
 Operator: MEWBOURNE OIL COMPANY



GOR (Mcf/bbl) 1e+07 1e+06 100000 10000 1000

WGR (bbl/MM) 1e+06 100000 10000 1000 100

FTP, psi 10000 1000 100 10 1



Gas, Mcf/day 1000 100 10 1 0.1

Oil, Bbl/day 10000 1000 100 10 1

Water, Bbl/d 1000 100 10 1 0.1

**Lease: OSUDO SOUTH 20 ST COM #1**

Location: 20-21S-35E  
 Reservoir: MIDDLE MORROW  
 Field: OSUDO SOUTH  
 City/St: LEA, NM  
 Operator: MEWBOURNE OIL COMPANY

