

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

APPLICATION TYPE

District III  
1000 Rio Brazos Road, Aztec, NM 87410

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

Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE

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

APPLICATION FOR DOWNHOLE COMMINGLING

Yes  No

DHC-3960

Mewbourne Oil Company P. O. Box 7698, Tyler, TX 75711  
Operator Address  
Forty Niner Ridge Unit #102 G - Sec 16 T23S R30E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 14744 Property Code 35090 API No. 30-015-35033 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat; Strawn <del>602</del>		Undes. Nash Draw; Atoka
Pool Code			81560
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	12,676 - 12,790'		12,816 - 12,826'
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		Producing
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.)	<i>ESTIMATED</i> Date: 10/1/07 Rates: 20 MCF, 1 BO, 1 BW	Date: Rates:	<i>ESTIMATED</i> Date: 10/1/07 Rates: 20 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 50% Gas 50%	Oil Gas <i>Sand Later</i>	Oil 50% Gas 50%

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:

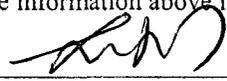
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation 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 10/11/07

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

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

ABOVE THIS LINE FOR DIVISION USE ONLY

3960

**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.

Print or Type Name	Signature	Title	Date
e-mail Address			

**MEWBOURNE OIL COMPANY**

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

October 11, 2007

UPS NEXT DAY AIR #1Z F69 8E8 01 9182 6218

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

RE: Form C-107A  
Forty Niner Ridge Unit #102  
Sec 16 T23S R30E  
Eddy Co., NM  
Wildcat; Strawn(Gas) and Undes. Nash Draw; Atoka (Gas) Pools

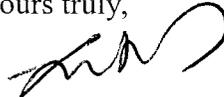
Dear Mr. Jones:

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

Form C-107A  
Attachments information  
Form C-102 for both zones  
Administrative Application Checklist  
Administrative Orders #NSL-5435-A and #NSL-5435-B

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 - Artesia  
State Land Office  
Hobbs  
Midland  
Allen Brinson  
Wayne Jones

2007 OCT 12 AM 9 48  
RECEIVED

## **Attachments to C-107A**

Mewbourne Oil Company  
Forty Niner Ridge Unit #102  
Unit Letter G, Sec 16 T23S R30E  
Wildcat; Strawn and Undes. Nash Draw; Atoka Pools  
Eddy Co., NM

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

**Production curve is not attached** (new well)

**Estimated production rates and supporting data**

Test Data:

Strawn	10/1/07	20 MCFD, 1 BO, 1 BW: current production
Atoka	10/1/07	20 MCFD, 1 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 began producing on 7/17/07 from assumed Atoka perforations 12,676 - 12,826'. Per NMOCD evaluation, the top of Strawn is at 12,458', and the top of Atoka at 12,807'. Perforations from 12,676 - 12,790' are to be designated as Strawn, and perforations from 12,816 - 12,826' are to be designated as Atoka. Attached are copies of Administration Orders NSL-5435-A and NSL-5435-B concerning unorthodox gas well locations for Atoka and Strawn respectively.

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

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

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

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-1  
Revised October 12, 2006

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015-35033</b>	Pool Code	Pool Name <b>Wildcat; Strawn</b>
Property Code <b>35090</b>	Property Name <b>FORTY-NINER RIDGE UNIT</b>	
OGRID No. <b>14744</b>	Operator Name <b>MEWBOURNE OIL COMPANY</b>	Well Number <b>102</b>
		Elevation <b>3140'</b>

**Surface Location**

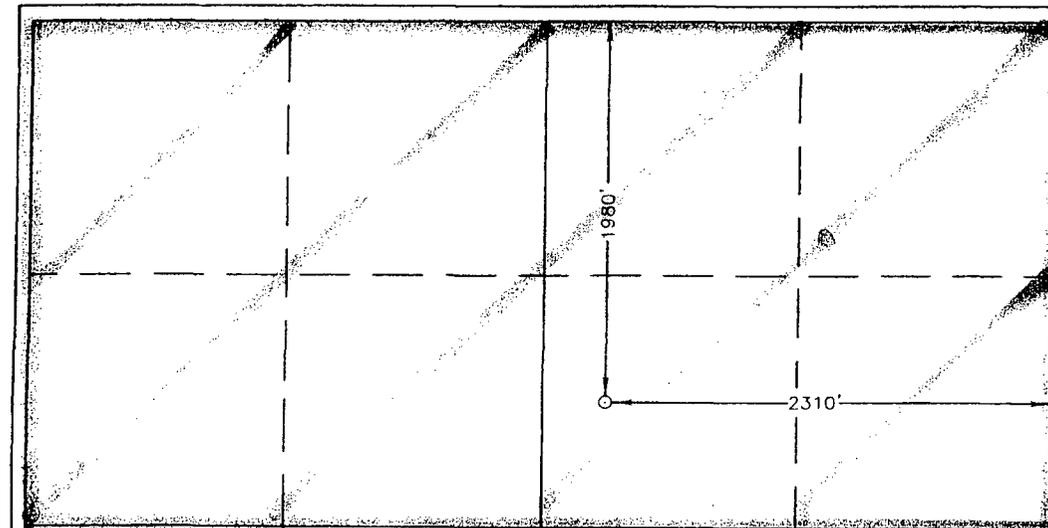
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	Count
G	16	23 S	30 E		1980	NORTH	2310	EAST	EDGE

**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	Count

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>330</b>			

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 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 unleased mineral interest in the land including the proposed bottom hole 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 to the division.

*Kristi Green* 5/25/07  
Signature Date

**Kristi Green**  
Printed Name

**SURVEYOR CERTIFICATION**

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

Date Surveyed: **JUNE 14, 2006**  
Signature & Seal of Professional Surveyor  
**GARY L. JONES**  
Professional Surveyor No. **6786**

Certificate No. **Gary L. Jones 797**

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

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

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

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 81-560	Pool Name Under Nash Draw; A To/ka
Property Code	Property Name FORTY-NINER RIDGE UNIT	Well Number 102
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3140'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	16	23 S	30 E		1980	NORTH	2310	EAST	EDDY

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.
------------------------	-----------------	--------------------	-----------

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>Lot.: N32°18'24.5" Long.: W103°53'04.7" N.: 475621.619 E.: 638630.318 (NAD-27)</p>	<p><b>OPERATOR CERTIFICATION</b></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 unleased mineral interest in the land including the proposed bottom hole 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><i>Kristi Green</i> 06/29/06 Signature Date</p> <p>Kristi Green Printed Name</p>
		<p><b>SURVEYOR CERTIFICATION</b></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>JUNE 11 2006 Date Surveyed</p> <p><i>[Signature]</i> Signature &amp; Seal of Professional Surveyor 7977</p> <p>6786 Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

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  
 Print or Type Name

*Monty Whetstone*  
 Signature

Vice-President Operations  
 Title

10/11/07  
 Date

\_\_\_\_\_  
 e-mail Address



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

January 23, 2007

Steven J. Smith  
Mewbourne Oil Company  
500 W. Texas, Suite 1020  
Midland, TX 79701



**RE: Forty-Niner Ridge Unit Well No. 102 (API No 30-015-35033)**  
1980 feet from the North Line, 2310 feet from the East line, Unit G  
Section 16, Township 23 South, Range 30 East, NMPM, Eddy County  
320 Acres, N/2 of Section 16 Dedication

## Administrative Order NSL-5435-A

Dear Mr. Smith:

Reference is made to the following:

- (a) your application (administrative application reference No. pTDS0702252793 for non-standard location [NSL]) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 22, 2006, on behalf of Mewbourne Oil Company, OGRD 14744 ("Mewbourne"); and
- (b) the Division's records pertinent to Mewbourne's request.

Mewbourne proposes to re-complete the above referenced well at the above referenced unorthodox gas well location within Section 16 and requests to produce from the Atoka within a 320-acre spacing unit consisting of the N/2 of Section 16. The proposed well would be the first well in this spacing unit and would be a Wildcat since it is further than 1 mile from any existing Atoka gas pool or previous Atoka production.

Division Rule 104.C(2) requires deep gas wells located in southeast New Mexico to be located no closer than 660 feet from any quarter section line within any standard 320 acre spacing unit. This well location is un-orthodox because it is located 330 feet from the western boundary of the NE/4 of Section 16.

Your application states this well location was first approved by the Division with NSL-5435 on August 15, 2006 as a Morrow formation gas well completion, after being moved west from a standard location at the request of Mosaic Potash Carlsbad, Inc. Since that approval, the Morrow has not proved to be producible and Mewbourne now wishes to attempt a completion in

the Atoka. All of Section 16 is included in State Lease E-5229-9. Also royalty, and working interest ownership in the Atoka formation is common throughout all of Section 16 and all working interest owners have elected to participate in this re-completion attempt.

Division Rule 104.F allows the Division director to grant location exceptions in order to prevent waste and protect correlative rights. Your application on behalf of Mewbourne has been duly filed and notice has been provided as required under the provisions of Division Rules 104.F and 1210.A. In order to prevent waste and protect correlative rights, the above-described non-standard Wildcat Atoka gas well location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P.E.  
Director

MEF/wvjj

cc: New Mexico Oil Conservation Division – Artesia  
State Land Office – Oil, Gas, and Minerals Division



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

September 25, 2007

Mewbourne Oil Company  
c/o Mr. James Bruce  
P.O. Box 1056  
Santa Fe, NM 87504

## Administrative Order NSL-5435-B

Re: Forty Niner Ridge Unit Well No. 102  
30-015-35033  
G-16-23S-30E  
Eddy County

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pDKB07-26856551**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 17, 2007, on behalf of Mewbourne Oil Company (Mewbourne); and

(b) the Division's records pertinent to Mewbourne's request, including the Division's records in connection with Administrative Orders NSL 5435 and NSL 5435-A.

Mewbourne has requested to complete its Forty Niner Ridge Unit Well No. 102 at an unorthodox Strawn gas well location, 1980 feet from the North line and 2310 feet from the East line (Unit G) of Section 16, Township 23 South, Range 30 East, N.M.P.M., in Eddy County, New Mexico. The N/2 of Section 16 will be dedicated to this well in order to form a standard 320-acre wildcat Strawn spacing unit. This request is governed by statewide Rule 104.C(2), which provides that wells may be located no closer than 660 feet to a quarter section boundary. The proposed location is approximately 330 feet from the western boundary of the NE/4 of Section 16.

Your application on behalf of Mewbourne has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that this location was selected to utilize an existing wellbore originally drilled to a deeper formation.

The encroachment in this case is internal to the unit. Accordingly, there are no "affected persons" who must be notified of this application.

Pursuant to Division Rule 104.F(2) the above-described non-standard location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", is written over a horizontal line.

Mark E. Fesmire, P.E.  
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia