

| | | | | | |
|------------------|------------------|--------------|---------------|----------|-------------------|
| DATE IN 10-17-03 | SUSPENSE 11-6-03 | ENGINEER MFS | LOGGED IN MFS | TYPE NSL | APP NO. 330035983 |
|------------------|------------------|--------------|---------------|----------|-------------------|

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 _____

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Oil Conservation Division

[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.

James Bruce

Print or Type Name

Signature

Attorney for Applicant

Title

jamesbruc@aol.com

e-mail Address

Date

10/17/03

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)
(505) 982-2151 (FAX)

jamesbruc@aol.com

October 17, 2003

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Hand Delivered

Oil Conservation Division

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

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

| | | |
|------------------|---|--------------|
| <u>Well:</u> | SF "22" Fed. Com. Well No. 1 | 30-025-36347 |
| <u>Location:</u> | 660 feet FSL & 1090 feet FEL | |
| <u>Unit:</u> | SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 22, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico | |

The well will be drilled to a depth sufficient to test the Morrow formation, and the location is orthodox in that zone (Undesignated North Lusk-Morrow Gas Pool). However, if the Wolfcamp and Strawn formations appear prospective, those zones may be tested. The well is in the Undesignated-Young-Wolfcamp Pool and the Undesignated-Querecho-Plains-Strawn Pool. Both are oil pools developed on statewide 40 acre spacing. Attached as Exhibit A is the Form C-102 for the well.

The location is based on topographical and geologic reasons. The well's original location was 990 feet FEL, but it was moved west 90 feet to avoid pipelines, making the location unorthodox as to oil zones. See Exhibit B. In addition, there are several existing wells in the S $\frac{1}{4}$ SE $\frac{1}{4}$, which also restrict a well's location. See Exhibit C.

The primary zones of interest in the well are the Middle Morrow and Strawn formations. The proposed location allows both the Middle Morrow blue sand and Middle Morrow green sand to be tested. If the well is moved to the east, the Morrow sands thin and become non-


prospective. If the well is moved to the west, it would be too near a fault. A location in the NW¼SE¼ would be prospective in the Morrow. However, a location in that quarter-quarter section moves the well out of the thickest part of the Strawn, and too near the Strawn well in the NE¼SW¼, which produced 546,000 BO. Thus, a location in the NW¼SE¼ may be depleted.

Working interest ownership in the E½ of Section 22 below the top of the Wolfcamp formation is governed by an operating agreement, and all working interest owners will share in production from the Wolfcamp and Strawn formations. In addition, the royalty interest in both the SW¼SE¼ and SE¼SE¼ of Section 22 is owned by the United States. Therefore, those parties have not been notified of this application.

There are overriding royalty owners in the SW¼SE¼ of Section 22, and they have been notified of this application. See Exhibit D.

Please call me if you need any further information on this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Mewbourne Oil Company

TRICT I
N French Dr., Hobbs, NM 88240

TRICT II
South First, Artesia, NM 88210

TRICT III
0 Rio Brazos Rd., Aztec, NM 87410

TRICT IV
1 South Panheon, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form O-102
Revised March 17, 1999

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---------------|-----------------------|-------------------|
| API Number | Pool Code | Pool Name |
| | | NORTH Lusk MORROW |
| Property Code | Property Name | Well Number |
| | SF "22" FEDERAL COM. | 1 |
| OGRID No. | Operator Name | Elevation |
| 14744 | MEWBOURNE OIL COMPANY | 3760' |

Surface Location

| TL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 22 | 18 S | 32 E | | 660' | SOUTH | 1090' | EAST | LEA |

Bottom Hole Location If Different From Surface

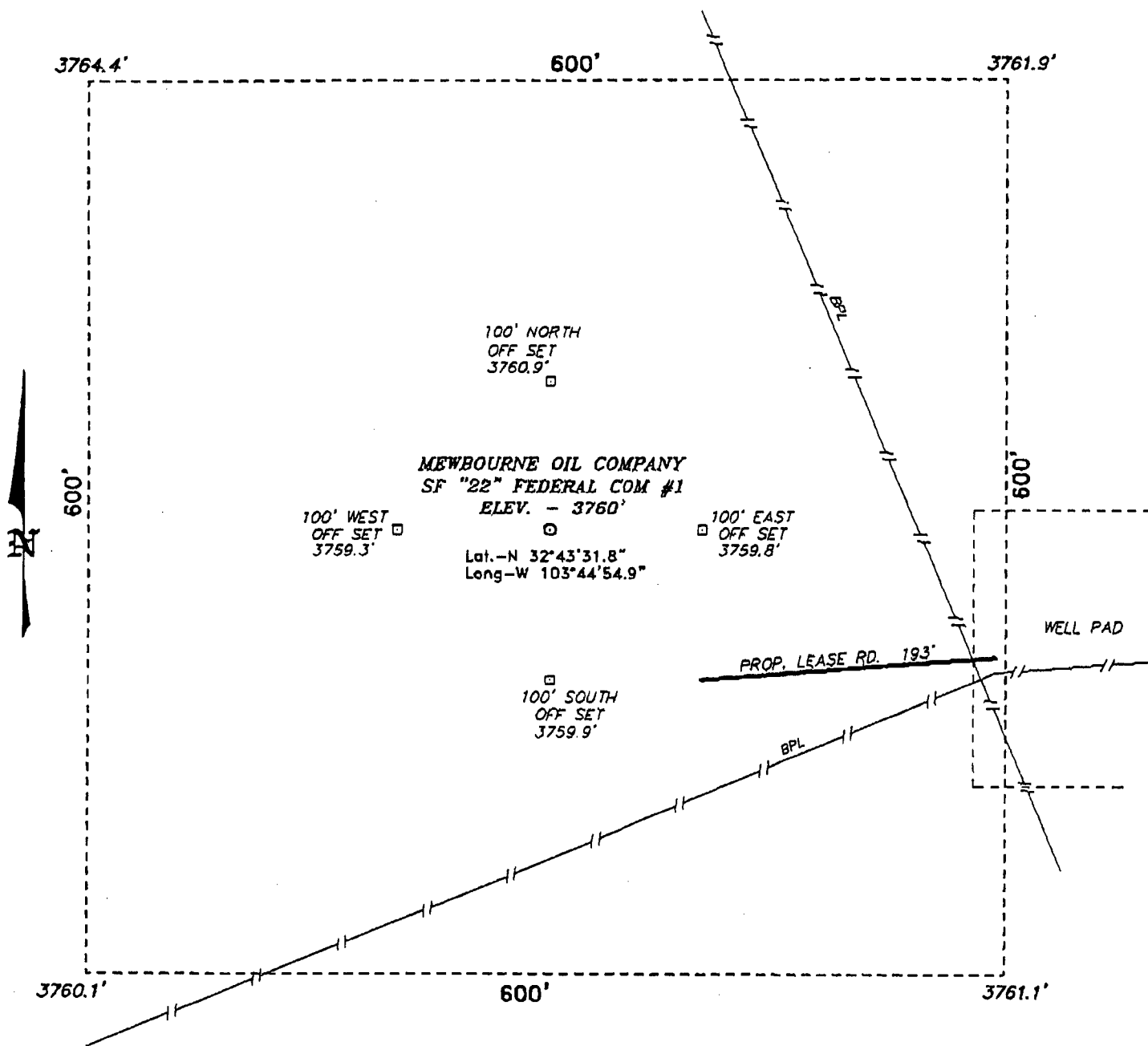
| TL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-----------------|-----------------|--------------------|-----------|
| 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

| | |
|---|--|
| <p>Standard 640-acre Section</p> <p>EXHIBIT A</p> <p>Lease NMM-865</p> <p>Lat: N32°43'31.8" Long: W103°44'54.9"</p> <p>1090'</p> <p>660'</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature</p> <p>MICKY YOUNG Printed Name</p> <p>DISTRICT MANAGER Title</p> <p>06/12/2003 Date</p> |
| | <p>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>June 6, 2003</p> <p>Date Surveyed</p> <p><i>[Signature]</i> Signature of Professional Surveyor</p> <p>7977</p> <p>W.S. No. 333</p> <p>Certified No. Copy 7977</p> <p>JLP</p> <p>BASIN SURVEYS</p> |

SECTION 22, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



100 0 100 200 FEET
SCALE: 1" = 100'

EXHIBIT



BASIN SURVEYS P.O. BOX 1788 - HOBBS, NEW MEXICO

W.O. Number: 3511 Drawn By: K. GOAD

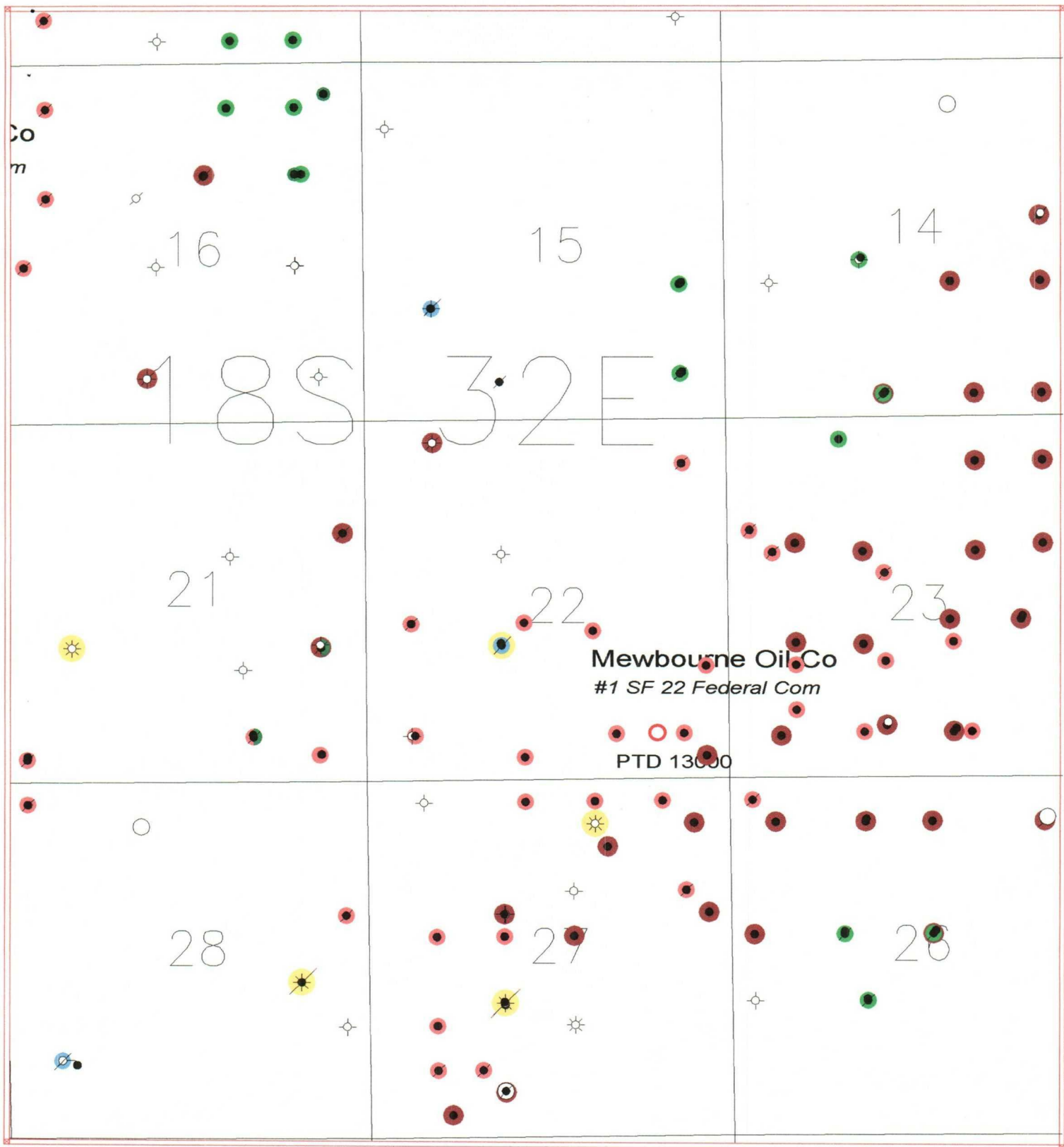
Date: 07-30-2003 Disk: KJG CD#7 - 3511A.DWG

MEWBOURNE OIL COMPANY

REF: SF "22" FED. COM No. 1 / Well Pad Topo

THE SF "22" FED. COM No. 1 LOCATED 660' FROM
THE SOUTH LINE AND 1090' FROM THE EAST LINE OF
SECTION 22, TOWNSHIP 18 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 07-28-2003 Sheet 1 of 1 Sheets



EXHIBIT

C

LEGEND

- Morrow Prod
- Atoka Prod
- Strawn Prod
- Queen / Grayburg Prod
- Bone Spring Prod
- Delaware Prod
- Prod Wolfcamp

Scale 1:24000



Mewbourne Oil Company

SF 22 Federal Com #1
Production Map

Ralph Nelson

9/19/2003

Scale 1:24000

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)
(505) 982-2151 (FAX)

jamesbruc@aol.com

October 17, 2003

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and Gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, requesting administrative approval of an unorthodox oil well location in the Wolfcamp and Strawn formations in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 22, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico. You own an interest in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 22. If you object to the well's location, you must notify the Division in writing no later than Thursday, November 6, 2003 (1220 South St. Francis Drive, Santa Fe, New Mexico 87505; attention: Michael E. Stogner). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney Mewbourne Oil Company

EXHIBIT D

EXHIBIT A

Bank of America N.A., Trustee
under will of David B. Trammell
500 West 7th Street
Fort Worth, Texas 76102

Bank of America N.A., Trustee
under will of Mildred M. Trammell
500 West 7th Street
Fort Worth, Texas 76102

Carol David Trammell
P.O. Box 5081
Walnut Creek, California 94596

Gladys Shannon
1101 Clara Street
Fort Worth, Texas 76110

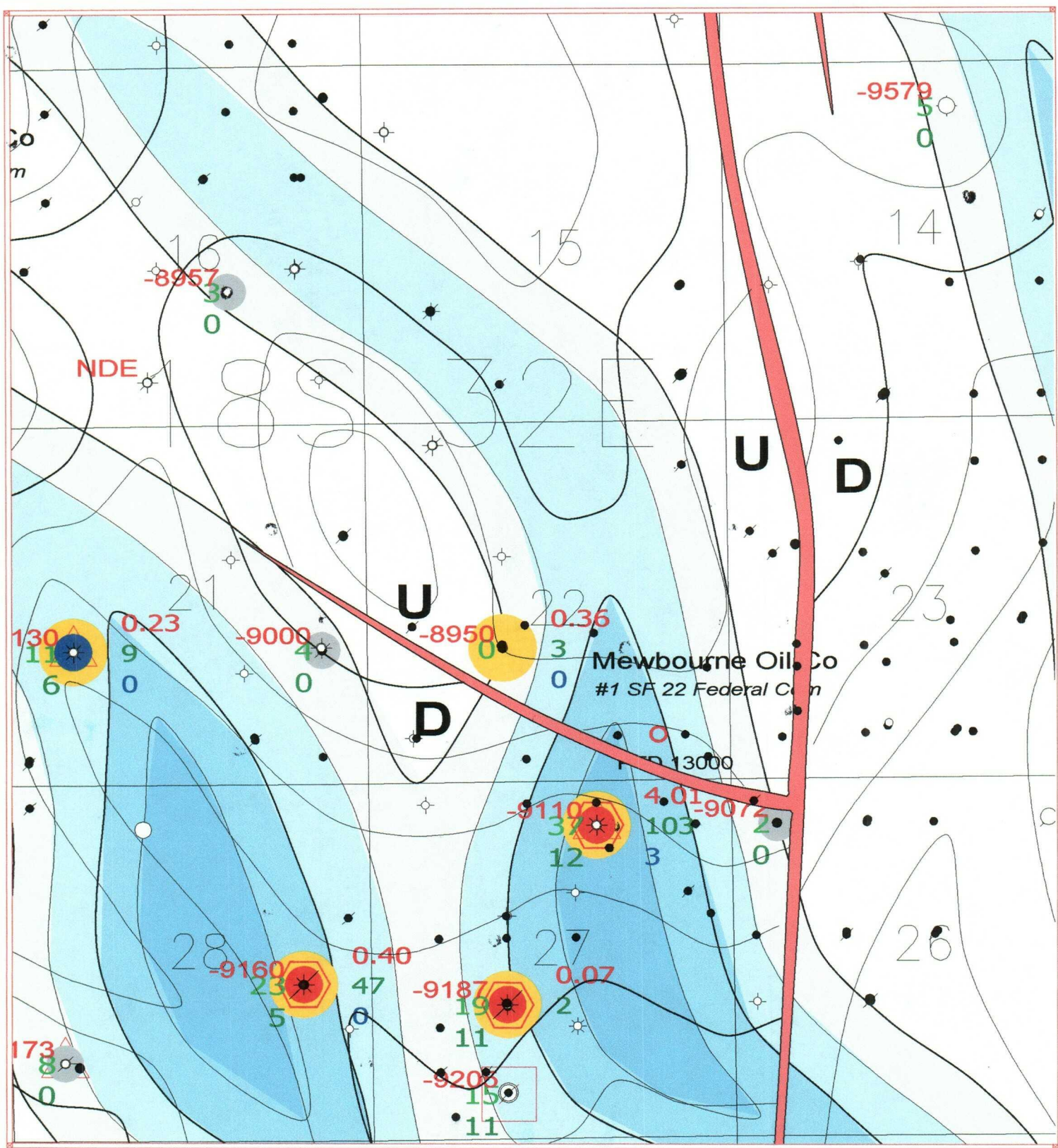
Richard D. Borgaard
P.O. Box 9220
Bend, Oregon 97708

Margaret McCurdy Family Partnership, Ltd.
Room 300
2525 Ridgemark Boulevard
Fort Worth, Texas 76116

Global Natural Resources
Corporation of Nevada
P.O. Box 4682
Houston, Texas 77210

William J. Casey
address unknown

Gary L. Bennett and wife
Candace Bennett
P.O. Box 16844
Lubbock, Texas 79490



LEGEND

- Zone Productive
- Zone Calculates Productive
- Zone Tight
- Zone Wet
- Zone Commingled w/other Morrow
- Zone Production Tested
- △ Zone Drillstem Tested
- Morrow Producing Well

KEY

Scale 1:24000.

1000 2000 3000 4000 5000 Feet

Nature of Zone (Groundwater, light, etc.)
 Ocean Energy (Groundwater, light, etc.)
 Gross Capex (\$M) (-100 to 100)
 Net Capex (\$M) (-100 to 100)

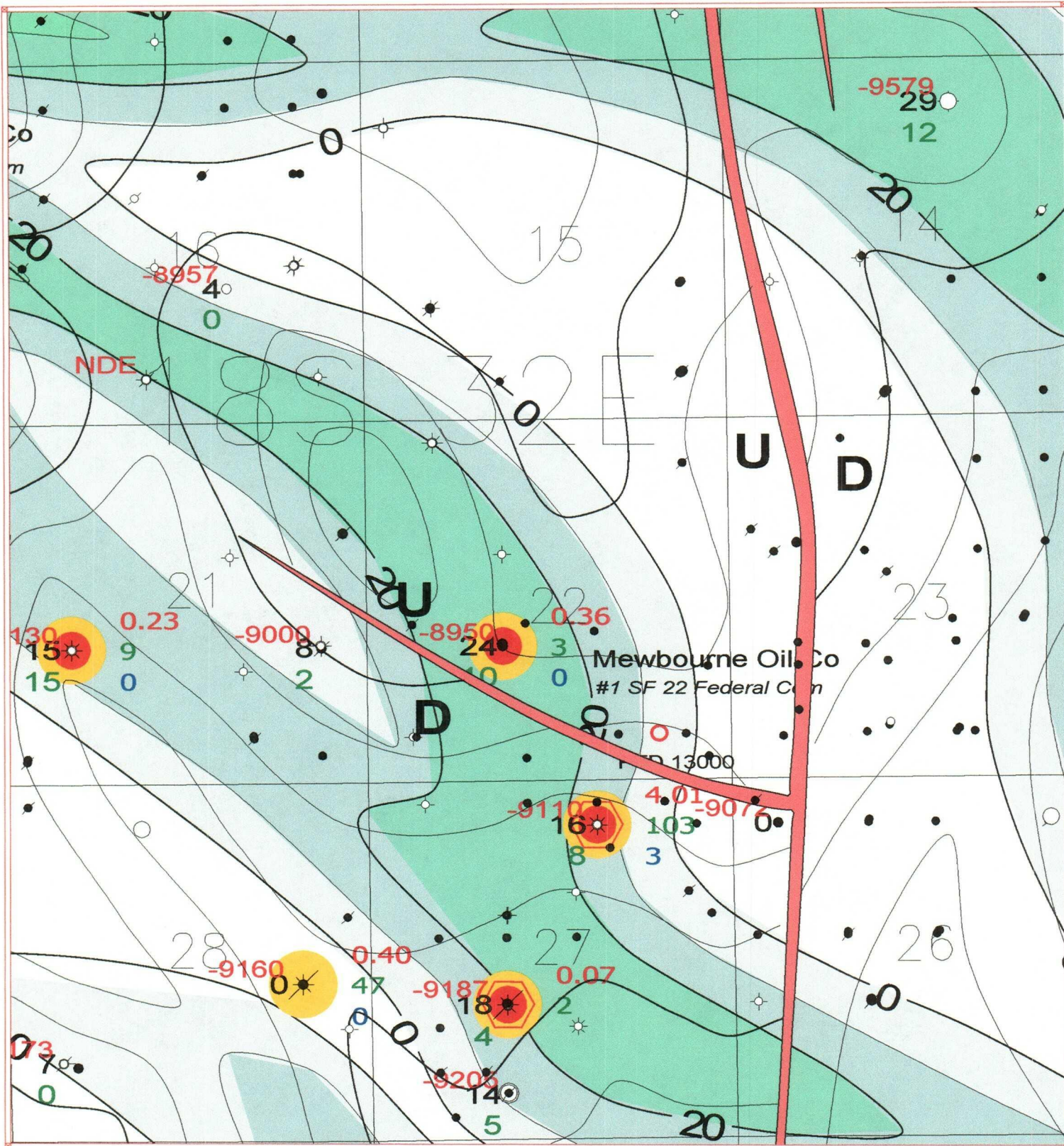
Zone Type (Gas, oil, etc.)
 Ocean Energy (Groundwater, light, etc.)
 Gross Capex (\$M) (-100 to 100)
 Net Capex (\$M) (-100 to 100)

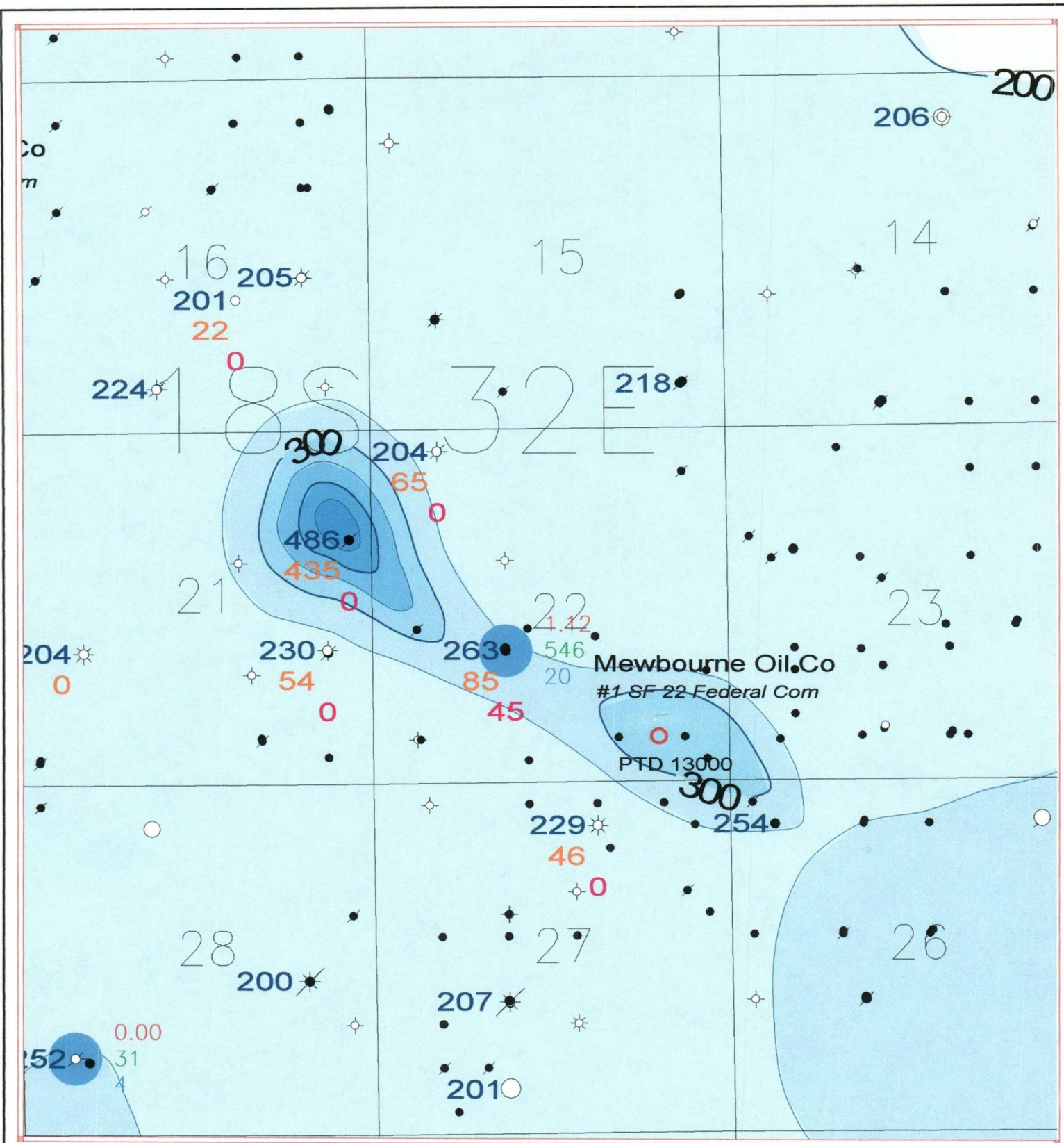
1.84 Cum Morrow Gas (BCF)
 15 Cum Morrow Oil (MMBBL)
 7 Cum Morrow Water (MMW)

Mewbourne Oil Company

Shell Federal Area
Isopach Middle Morrow Blue Sand
Structure Top of Lower Morrow

| | | |
|----------------|---------------|-----------|
| Ralph Nelson | Ci=10' Ci=50' | 9/18/2003 |
| Scale 1:24000. | | |





KEY

Datum Value -7709
 Gross Strawn Interval 263
 Clean Lime <30 API GR 85
 Net Porosity > 3% 45

Cum Strawn Gas (BCF) 1.12
 Cum Strawn Oil (MBBL) 546
 Cum Strawn Water (MBWL) 20



| | | |
|-----------------------|-------|-----------|
| Mewbourne Oil Company | | |
| SF 22 Federal Com #1 | | |
| Isopach | | |
| Strawn Lime | | |
| Ralph Nelson | 01-50 | 9/19/2003 |
| Scale 1:24000 | | |