

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Newbourne
 Fabwood 34 Fed IP # 1
 (6187)*

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

RECEIVED OCD
 2010 APR - 1 P 3: 08

[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
 P.O. Box 1056
 Santa Fe, New Mexico 87504

Signature

James Bruce

Attorney for Applicant
 Title

Date

4/1/10

jamesbruc@aol.com
 e-mail Address

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) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

RECEIVED OOD
2010 APR -1 P 3: 08.

April 1, 2010

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

Dear Mr. Fesmire:

Pursuant to NMAC 19.15.15.13, Mewbourne Oil Company applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Lakewood 34 Fed. IP Well No. 1
<u>Surface location:</u>	2390 feet FNL & 370 feet FEL
<u>Entry Point in Producing Zone:</u>	2310 feet FSL & 370 feet FEL
<u>Bottom hole location:</u>	330 feet FSL & 370 feet FWL ^E
<u>Well unit (project area):</u>	E½SE¼ of Section 34, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico

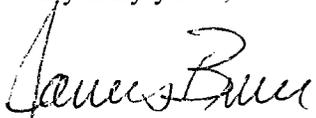
The well will be drilled to a depth sufficient to test the Seven Rivers-Yeso Pool. The pool is spaced on statewide rules, with 40 acre spacing, and wells to be located no closer than 330 feet to a quarter-quarter section line. An APD, with a Form C-102 included, is attached as **Exhibit A**. The directional drilling plan is attached as **Exhibit B**.

Although the well penetrates the top of the Yeso formation at an unorthodox location approximately 2325 feet from the south line of Section 34, in Unit P, the wellbore penetrates the productive zone at an orthodox location in Unit P. **Exhibits A and B**. The unorthodox surface location is due to engineering reasons: Placing it to the north of the well unit will increase the productive length of the wellbore.

Due to the well's directional plan, the entry point in the Yeso encroaches on the SE¼NE¼ of Section 34. That acreage is leased and operated (in the Yeso formation) by Unit Petroleum Company. **Exhibit C**. Thus, notice of the application has been sent to that operator. **Exhibit D**.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Mewbourne Oil Company

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

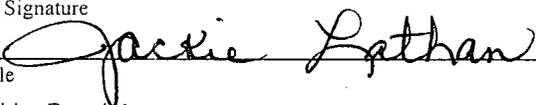
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM 31200
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Mewbourne Oil Company - 14744		7. If Unit or CA Agreement, Name and No.
3a. Address PO Box 5270 Hobbs, NM 88241		8. Lease Name and Well No. Lakewood 34 Fed IP #1H
3b. Phone No. (include area code) 575-393-5905		9. API Well No.
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface (SL) 2390' FNL & 370' FEL Unit H At proposed prod. zone (BHL) 330' FSL & 370' FEL Unit P		10. Field and Pool, or Exploratory Seven Rivers -Yeso 55670
14. Distance in miles and direction from nearest town or post office* 18 Miles NW of Carlsbad		11. Sec., T., R., M., or Blk. and Survey or Area Sec 34- T19S - R25E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 250'	16. No. of Acres in lease 120	12. County or Parish Eddy
17. Spacing Unit dedicated to this well 80	13. State NM	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A	19. Proposed Depth 4975' MD	20. BLM/BIA Bond No. on file NM1693, Nationwide
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3519' GL	22. Approximate date work will start* ASAP	23. Estimated duration 15

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Jackie Lathan	Date 02/08/10
Title Hobbs Regulatory		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

EXHIBIT 

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-37710	Pool Code 55670	Pool Name Seven Rivers Yeso
Property Code	Property Name LAKEWOOD "34" FEDERAL IP	Well Number 1H
OGRID No. 1474A	Operator Name MEWBOURNE OIL COMPANY	Elevation 3519'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	34	19 S	25 E		2390	NORTH	370	EAST	EDDY

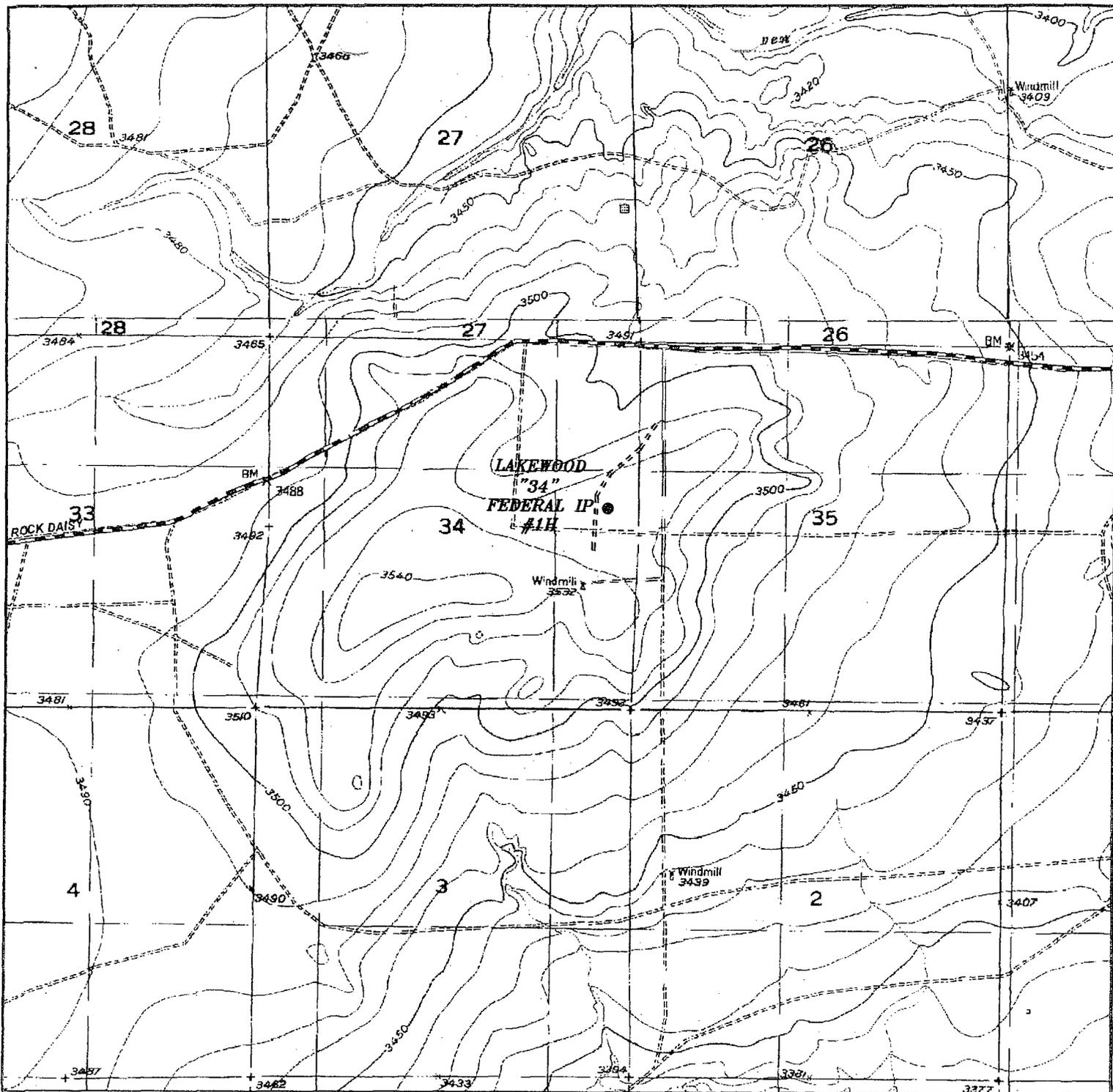
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	34	19 S	25 E		330'	South	370	EAST	Eddy

Dedicated Acres 80	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

<p>SURFACE LOCATION Lat - N 32°37'03.83" Long - W 104°27'53.12" NMSPCE- N 588466.345 E 459535.437 (NAD-27)</p> <p>Project Area Producing Area End of Well Handing Point</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, 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>Signature: <i>N.M. Young</i> Date: 2/8/10</p> <p>Printed Name: N.M. Young</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>Date Surveyed: JUN 2008</p> <p>Signature & Seal of Professional Surveyor: <i>Gary L. Jones</i></p> <p>Professional Surveyor No. 7977</p>
	<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>



LAKEWOOD "34" FEDERAL IP #1H Exhibit 3
 Located 2390' FNL and 370' FEL
 Section 34, Township 19 South, Range 25 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 21579

Survey Date: 07-24-2009

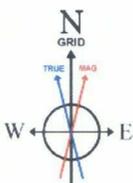
Scale: 1" = 2000'

Date: 07-27-2009

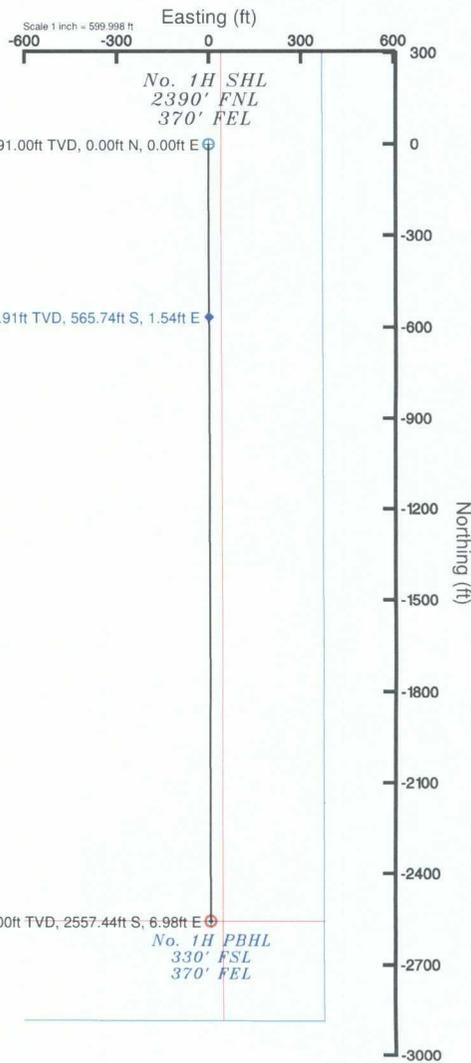
**MEWBOURNE
 OIL COMPANY**

Well Profile Data

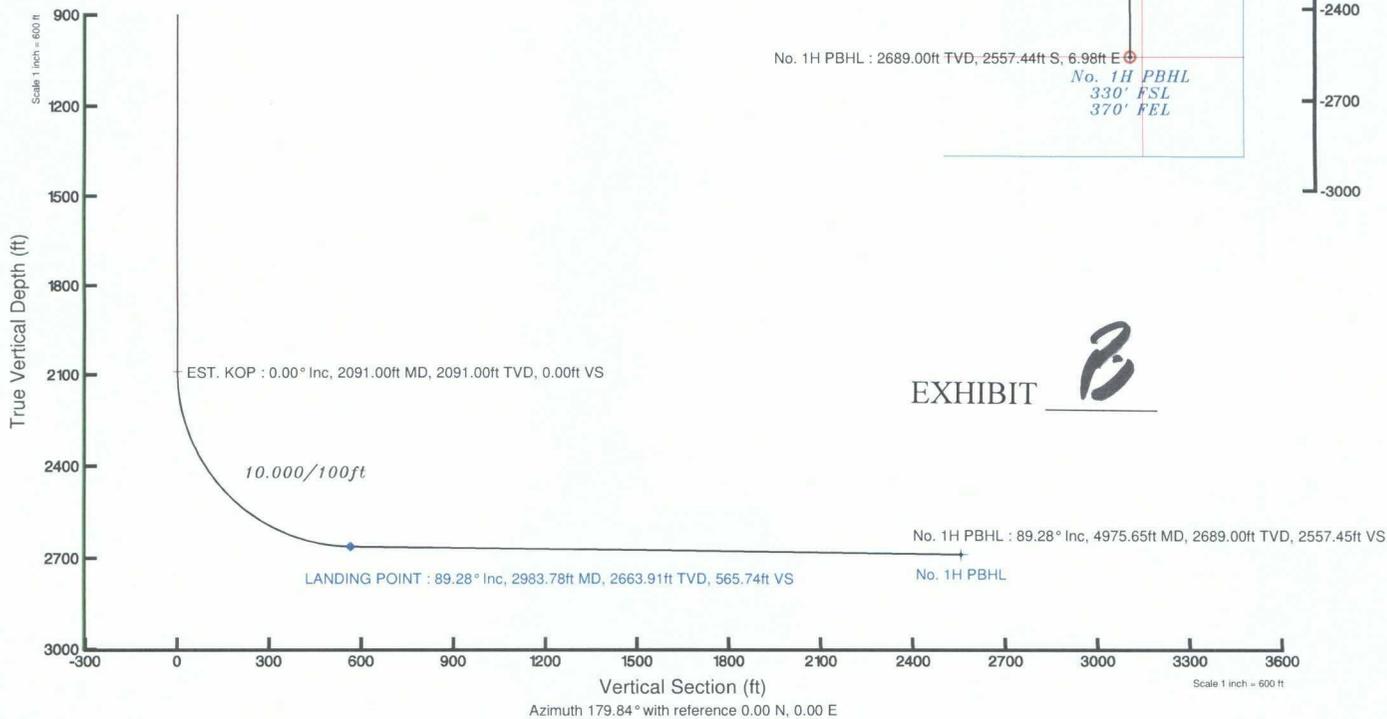
Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	0.00	0.000	179.844	0.00	0.00	0.00	0.00	0.00
EST. KOP	2091.00	0.000	179.844	2091.00	0.00	0.00	0.00	0.00
LANDING POINT	2983.78	89.278	179.844	2663.91	-565.74	1.54	10.00	565.74
No. 1H PBHL	4975.65	89.278	179.844	2689.00	-2557.44	6.98	0.00	2557.45



BGGM (1945.0 to 2011.0) Dip: 60.34° Field: 48881.5 nT
 Magnetic North is 6.60 degrees East of True North (at 1/14/2010)
 Grid North is 1.63 degrees East of True North
 To correct azimuth from True to Grid subtract 1.63 degrees
 To correct azimuth from Magnetic to Grid add 4.97 degrees
 For example: if the Magnetic North Azimuth = 90 degs, then the Grid North Azimuth = 90 + 4.97 = 94.97



Plot reference wellpath is Prelim.	
True vertical depths are referenced to Rig on No. 1H SHL (RT)	Grid System: NAD83 / TM New Mexico State Planes, Eastern Zone (3001), US feet
Measured depths are referenced to Rig on No. 1H SHL (RT)	North Reference: Grid north
Rig on No. 1H SHL (RT) to Mean Sea Level: 3533 feet	Scale: True distance
Mean Sea Level to Mud line (Facility: Lakewood 34 IP Fed No. 1H): 3519 feet	Depths are in feet
Coordinates are in feet referenced to Slot	Created by: Victor Hernandez on 1/14/2010



EXHIBIT

Planned Wellpath Report

 Mewbourne Oil Company

Prelim_1
Page 1 of 3



INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	Mewbourne Oil Company	Slot	No. 1H SHL
Area	Eddy County, NM	Well	No. 1H
Field	(Lakewood) Sec 34, T19S, R25E	Wellbore	No. 1H PWB
Facility	Lakewood 34 IP Fed No. 1H		

REPORT SETUP INFORMATION

Projection System	NAD83 / TM New Mexico State Planes, Eastern Zone (3001), US feet	Software System	WellArchitect@ 2.0
North Reference	Grid	User	Victor Hernandez
Scale	1.00095	Report Generated	1/14/2010 at 12:05:58 PM
Convergence at slot	1.63° East	Database/Source file	WA_Midland/No._1H_PWB.xml

WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	East[ft]	Easting[USft]	Northing[USft]	Latitude	Longitude
Slot Location	0.00	0.00	1495404.65	346546.98	31°54'55.858"N	101°15'32.582"W
Facility Reference Pt			1495404.65	346546.98	31°54'55.858"N	101°15'32.582"W
Field Reference Pt			1495404.65	346546.98	31°54'55.858"N	101°15'32.582"W

WELLPATH DATUM

Calculation method	Minimum curvature	Rig on No. 1H SHL (RT) to GL	14.00ft
Horizontal Reference Pt	Slot	Rig on No. 1H SHL (RT) to Mean Sea Level	3533.00ft
Vertical Reference Pt	Rig on No. 1H SHL (RT)	GL to Mud Line (Facility)	0.00ft
MD Reference Pt	Rig on No. 1H SHL (RT)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	179.84°

Planned Wellpath Report

Mewbourne Oil Company

Prelim_1
Page 2 of 3



INTEQ

REFERENCE WELLPATH IDENTIFICATION			
Operator	Mewbourne Oil Company	Slot	No. 1H SHL
Area	Eddy County, NM	Well	No. 1H
Field	(Lakewood) Sec 34, T19S, R25E	Wellbore	No. 1H PWB
Facility	Lakewood 34 IP Fed No. 1H		

WELLPATH DATA (32 stations) † = interpolated/extrapolated station								
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	DLS [°/100ft]	Comments
0.00	0.000	179.844	0.00	0.00	0.00	0.00	0.00	Tie On
2091.00	0.000	179.844	2091.00	0.00	0.00	0.00	0.00	EST. KOP
2191.00†	10.000	179.844	2190.49	8.70	-8.70	0.02	10.00	
2291.00†	20.000	179.844	2286.96	34.55	-34.55	0.09	10.00	
2391.00†	30.000	179.844	2377.48	76.76	-76.76	0.21	10.00	
2491.00†	40.000	179.844	2459.29	134.05	-134.05	0.37	10.00	
2591.00†	50.000	179.844	2529.91	204.67	-204.67	0.56	10.00	
2691.00†	60.000	179.844	2587.20	286.48	-286.48	0.78	10.00	
2791.00†	70.000	179.844	2629.40	376.99	-376.99	1.03	10.00	
2891.00†	80.000	179.844	2655.25	473.46	-473.46	1.29	10.00	
2983.78	89.278	179.844	2663.91	565.74	-565.74	1.54	10.00	LANDING POINT
2991.00†	89.278	179.844	2664.00	572.96	-572.96	1.56	0.00	
3091.00†	89.278	179.844	2665.26	672.95	-672.95	1.84	0.00	
3191.00†	89.278	179.844	2666.52	772.94	-772.94	2.11	0.00	
3291.00†	89.278	179.844	2667.78	872.93	-872.93	2.38	0.00	
3391.00†	89.278	179.844	2669.04	972.93	-972.92	2.66	0.00	
3491.00†	89.278	179.844	2670.30	1072.92	-1072.91	2.93	0.00	
3591.00†	89.278	179.844	2671.56	1172.91	-1172.91	3.20	0.00	
3691.00†	89.278	179.844	2672.82	1272.90	-1272.90	3.48	0.00	
3791.00†	89.278	179.844	2674.08	1372.89	-1372.89	3.75	0.00	
3891.00†	89.278	179.844	2675.34	1472.89	-1472.88	4.02	0.00	
3991.00†	89.278	179.844	2676.60	1572.88	-1572.87	4.30	0.00	
4091.00†	89.278	179.844	2677.86	1672.87	-1672.86	4.57	0.00	
4191.00†	89.278	179.844	2679.12	1772.86	-1772.86	4.84	0.00	
4291.00†	89.278	179.844	2680.38	1872.85	-1872.85	5.11	0.00	
4391.00†	89.278	179.844	2681.64	1972.85	-1972.84	5.39	0.00	
4491.00†	89.278	179.844	2682.90	2072.84	-2072.83	5.66	0.00	
4591.00†	89.278	179.844	2684.16	2172.83	-2172.82	5.93	0.00	
4691.00†	89.278	179.844	2685.41	2272.82	-2272.81	6.21	0.00	
4791.00†	89.278	179.844	2686.67	2372.81	-2372.81	6.48	0.00	

Planned Wellpath Report

Mewbourne Oil Company

Prelim_1
Page 3 of 3



INTEQ

REFERENCE WELLPATH IDENTIFICATION			
Operator	Mewbourne Oil Company	Slot	No. 1H SHL
Area	Eddy County, NM	Well	No. 1H
Field	(Lakewood) Sec 34, T19S, R25E	Wellbore	No. 1H PWB
Facility	Lakewood 34 IP Fed No. 1H		

WELLPATH DATA (32 stations) † = interpolated/extrapolated station								
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	DLS [°/100ft]	Comments
4891.00†	89.278	179.844	2687.93	2472.81	-2472.80	6.75	0.00	
4975.65	89.278	179.844	2689.00†	2557.45	-2557.44	6.98	0.00	No. 1H PBHL

TARGETS									
Name	MD [ft]	TVD [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	Shape
1) No. 1H PBHL	4975.65	2689.00	-2557.44	6.98	1495411.64	343987.11	31°54'30.559"N	101°15'33.343"W	point

SURVEY PROGRAM Ref Wellbore: No. 1H PWB Ref Wellpath: Prelim_1				
Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
14.00	4975.65	NaviTrak (Standard)		No. 1H PWB

IV) Box 1930, Hobbs, NM 88241-1930
 District II
 20 Drawer DD, Artesia, NM 88211-4719
 District III
 1808 Rio Brans Rd., Artes, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 5 Copies

JAN 19 '95 AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address Unit Petroleum Company P. O. Box 702500 Tulsa, OK 74170-2500		OGRID Number 115970
		Reason for Filing Code CH 1/1/95
API Number 30-015-247a1	Pool Name Seven Rivers (Yeso)	Pool Code 55670
Property Code 16442	Property Name Pan Canadian "A"	Well Number 2

II. Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
H	34	19S	25E		1980	N	660	E	Eddy

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
H	34	19S	25E		1980	N	660	E	Eddy

Lea Code F	Producing Method Code P	Gas Connection Date —	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date
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III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
15694	Navajo Refining Co. P.O. Drawer 159 Artesia, NM 88210	836610	0	

IV. Produced Water

POD 836650	POD ULSTR Location and Description
---------------	------------------------------------

V. Well Completion Data

Spud Date	Ready Date	TD	PSTD	Perforations
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement	
				Post ID-3
				3-3-95
				CHG-OP

VI. Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Tbg. Pressure	Csg. Pressure
Choke Size	Oil	Water	Gas	AOF	Test Method

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.
 Signature: *[Handwritten Signature]*

OIL CONSERVATION DIVISION

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) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

April 1, 2010

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Unit Petroleum Company
P.O. Box 702500
Tulsa, Oklahoma 74170

Dear Sirs:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 34, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT

D