

DATE IN 7-29-10	SUSPENSE	ENGINEER DB.	LOGGED IN 7-29-10	TYPE NSL	PTGW APP NO. 1021029447
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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



Mewbourne
Bradley "28" Fed Com #74

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

6252

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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[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.

William F. Carr
Print or Type Name

William F. Carr
Signature

Attorney
Title

7-28-10
Date

wcarr@holandhart.com
e-mail Address



July 28, 2010

HAND-DELIVERED

Mark E. Fesmire, P.E., J.D.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Mewbourne Oil Company for Administrative Approval of an Unorthodox Well Location for its Bradley "28" Federal Com Well No. 2H, to be drilled from an unorthodox surface location 1580 feet from the North line and 65 feet from the West line (Unit E) to an unorthodox bottomhole location 1580 feet from the North line and 330 feet from the East line (Unit H) of Section 28, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Fesmire:

Pursuant to the provisions of Oil Conservation Division General Rule 19.15.15.13 NMAC, Mewbourne Oil Company hereby seeks administrative approval of an unorthodox oil well location for its Bradley "28" Federal Com Well No. 2H to be drilled as a horizontal well at a point 1580 feet from the North Line and 65 feet from the West line to a true vertical depth of approximately 8278 feet with a measured depth of approximately 12869.63 feet and then in an easterly direction with a lateral length of approximately 4882.28 feet to a bottomhole location 1580 feet from the North line and 330 feet from the East line of Section 28, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. This well will evaluate the Second Bone Sand interval in the Bone Spring formation which is the principal objective in the well. A 160-acre spacing and proration unit comprised of the S/2 N/2 of Section 28 will be dedicated to the well in the Bone Spring formation.

This well is governed by the Special Rules and Regulations for the Santo Nino-Bone Spring Pool¹ which provide for oil wells to be located on standard spacing units containing 80-acres

¹ Mewbourne has requested that this well be placed in the South Leo-Bone Spring Pool that is governed by the General Rules and Regulations of the Oil Conservation Division which provide for oil wells to be located on standard spacing units containing 40-acres with wells to be located no closer than 330 feet to from the outer boundary of the spacing unit (19.15.15.9 NMAC). If this request is granted, the well, as proposed, will remain unorthodox toward the north and west lines of the dedicated horizontal well project area. Copies of Mewbourne's Notice of Intent – Federal Form OMB Nos. 1004-0135 and 0136 are attached hereto as Exhibits D and E.



with wells to be located within 150 feet of the center of a governmental quarter-quarter section or lot [Order No. R-8546]. This well location is unorthodox in the Bone Spring formation because it is 65 feet from the West line of the project area boundary which is closer to than permitted by the applicable rules. The location is also unorthodox because it is 260 feet from the North line of the project area – or 250 feet closer than allowed.

This unorthodox oil well location is required for topographic reasons. [Topographic Map attached as Exhibit F] The well was originally staked at a standard location 1780 feet from the North line and 330 feet from the West line of Section 28 which was in a large sand dune feature and was denied by the Bureau of Land Management. The proposed unorthodox location is in smaller sand dune feature and has been approved by the BLM. Attached hereto as Exhibit A is a plat showing the location of the subject spacing unit, the proposed unorthodox well location and adjoining spacing units and wells. Exhibit B is a copy of the Acreage Dedication Plat for the well (Division Form C-102) that shows the survey location of the well.

Exhibit C is a list of affected persons as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC. A copy of this application, including all attachments, has been mailed to each of these offset operators/affected persons by certified mail-return receipt requested in accordance with Rule 19.15.4.12 A (2) (a). Each owner has been advised that if it has an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date this notice was sent.

Your attention to this application is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr".

William F. Carr

Attorney for Mewbourne Oil Company

Enclosures

cc: New Mexico Oil Conservation Division – Artesia

EXHIBIT A

DISTRICT I
1626 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 15, 2009

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 52600	Pool Name Santa Nino Bone Spring
Property Code	Property Name BRADLEY "28" FEDERAL COM	Well Number 2H
OGRID No. 1A744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3410'

Surface Location

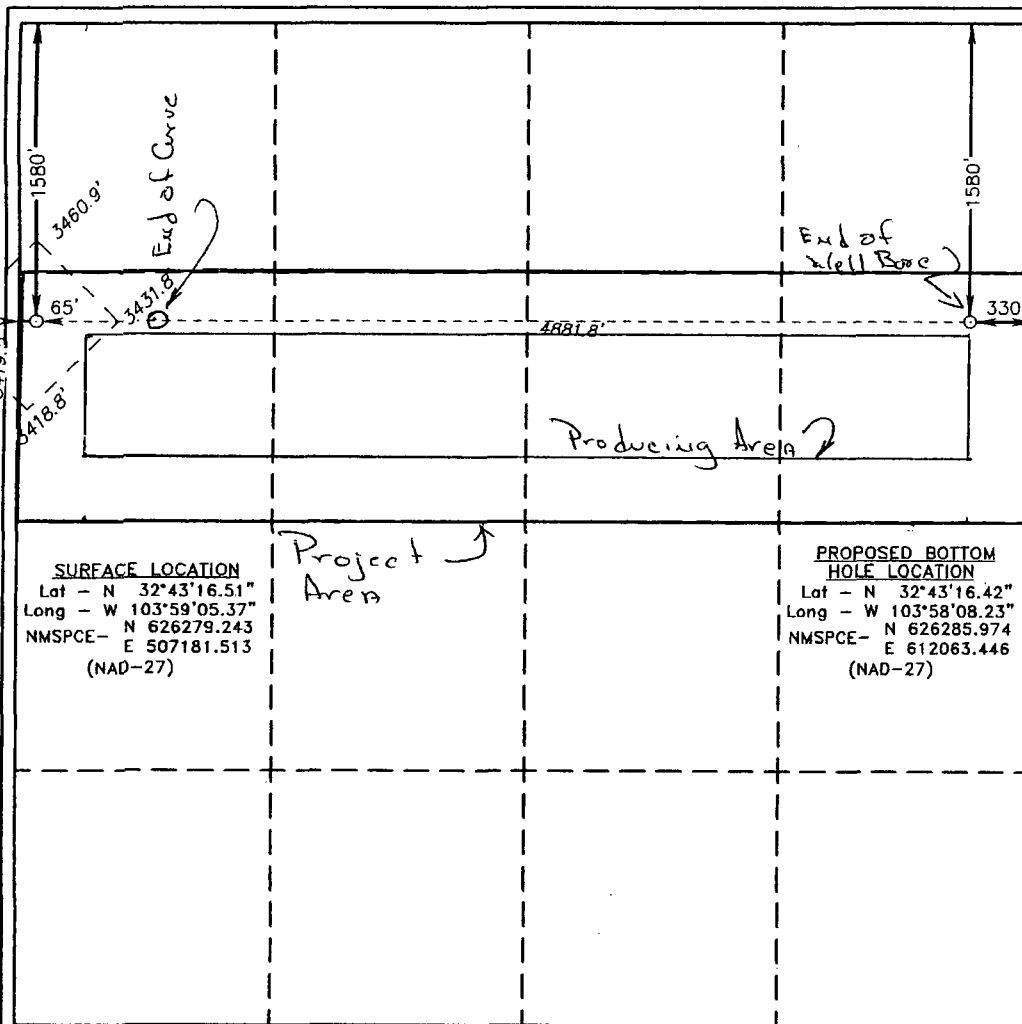
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	28	18 S	30 E		1580	NORTH	65	WEST	EDDY

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
H	28	18 S	30 E		1580	NORTH	330	EAST	EDDY

Dedicated Acres 160	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 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 or has a right to drill this well at this 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.

Signature *[Signature]* Date 5/31/10
Printed Name N. M. Young

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.

Date Surveyed
Signature & Seal of Professional Surveyor
[Seal of Gary L. Jones, Professional Surveyor, No. 2084]

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

EXHIBIT B

EXHIBIT C

Application of Mewbourne Oil Company
for Administrative Approval of an Unorthodox Well Location
for its Bradley "28" Federal Com Well No. 2H,
Section 28, Township 18 South, Range 30 East, N.M.P.M.,
Eddy County, New Mexico.

NOTICE LIST

Section 29, S/2 NE/4
T-18-S, R-30-E, NMPM

John A. Yates, Individually and as Trustee of the
Trust Q u/w/o Peggy A. Yates, Deceased;
Yates Drilling Company; Myco Industries, Inc,
and Sacramento Partners Limited Partnership
105 South Fourth Street
Artesia, New Mexico 88210

Mewbourne Oil Company

Section 29, NE/4 NE/4
T-18-S, R-30-E, NMPM

Marilyn J. Cone, Trustee of the D. C. Trust
Post Office Box 64244
Lubbock, Texas 79464

Kenneth G. Cone , Individually and as
Trustee of the Trusts created u/w/o &
Codicil of Kathleen Cone, Deceased
fbo the children of Kenneth Cone
Post Office Box 11310
Midland, Texas 79702

Clifford Cone , Individually and as
Trustee of the Trusts created u/w/o &
Codicil of Kathleen Cone, Deceased
fbo the children of Clifford Cone
Address Unknown

Mewbourne Oil Company

Section 29, N/2 SE/4, NW/4 NE/4
T-18-S, R-30-E, NMPM

Mewbourne Oil Company

Section 28, N/2 N/2
T-18-S, R-30-E, NMPM

The N/2 N/2 of Section 28 is operated by Mewbourne and the interests in this acreage is identical to the interest in the subject project area.

Section 27, NW/4
T-18-S, R-30-E, NMPM

Chevron North America E&P
15 Smith Road
Midland, Texas 79705.

Form 3160-5
(September 2001)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

5. Lease Serial No.

NM-27279

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Bradley 28 Federal Com #2H

9. API Well No.

10. Field and Pool, or Exploratory Area

Santo Nino Bone Spring

11. County or Parish, State

Eddy County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Change of Pool</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Mewbourne Oil Company sent in an APD for the above captioned well. After further geological review, we would like to place this in the Leo Bone Spring South Pool 37920.

If you have any questions please call Mickey Young @ 575-393-5905.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Jackie Lathan

Title Hobbs Regulatory

Signature



Date 06/25/10

Approved by (Signature)

Name
(Printed/Typed)

Title

Office

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

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.

(Continued on next page)

EXHIBIT D

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

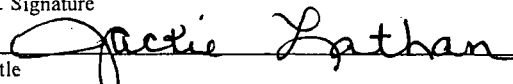
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-27279
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	3b. Phone No. (include area code) 575-393-5905	8. Lease Name and Well No. Bradley 28 Federal Com #2H
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1580' FNL & 65' FWL Unit E At proposed prod. zone 1580' FNL & 330' FEL Unit H		9. API Well No.
14. Distance in miles and direction from nearest town or post office* 7 miles S of Loco Hills, NM		10. Field and Pool, or Exploratory Santo Nino Bone Springs
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 65'	16. No. of Acres in lease 40	11. Sec., T., R., M., or Blk. and Survey or Area Sec 28 - T18S - R30E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A	19. Proposed Depth 12869'	12. County or Parish Eddy
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3410' GL	20. BLM/BIA Bond No. on file NM1693, Nationwide	13. State NM
22. Approximate date work will start* ASAP		23. Estimated duration 45

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 05/29/10
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 E

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, August 18, 2010 9:41 AM
To: 'William Carr'
Subject: Mewbourne - Bradley 28 Fed Com #2H; NSL application

Dear Bill

I do not find in this application the footages for the "penetration point" for this horizontal well.

Please supply that information, as I will need to state it in the order.

Sincerely

David



August 31, 2010

VIA HAND DELIVERY

David K. Brooks
Assistant General Counsel
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

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200 AUG 31 P 4:13

Re: Mewbourne Oil Company Applications

Dear David:

Mewbourne Oil Company has advised that the penetration points in the Bone Spring formation for the following wells are their surface locations:

✓ Bradley 28 Federal Com Well # 2H:	1580' FNL & 65' FWL Section 28, T-18-S, R-30-E
Bradley 29 Federal Com Well #2H:	2150' FSL & 260' FEL Section 29, T-18-S, R-30-E
Wyatt Draw North 18/19 LD Well # 1H:	2490' FSL & 350' FWL Section 18, T-19-S, R-26-E
Spyglass 17 Federal Well # 1 H:	2135' FNL & 330' FWL Section 17, T-19-S, R-33-E

Very truly yours,

William F. Carr