

DATE IN 8.17.10	SUSPENSE	ENGINEER DB.	LOGGED IN 8.17.10	TYPE NSL	PTG W APP NO 1022956959
------------------------	----------	---------------------	--------------------------	-----------------	--

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Mewbourne Oil
 19744
Wyatt Draw N. 18/16 #1H

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

6256

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 _____

RECEIVED OGD
 AUG 17 P 2:10

- [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 *William F. Carr* ATTORNEY 8/17/10
 Print or Type Name Signature Title Date

wcarr@hollandhart.com
 e-mail Address

August 17, 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 Wyatt Draw North "18 / 19" LD Well No. 1 H, to be drilled from a surface location 2490 feet from the South line and 350 feet from the West line (Unit L) of Section 18 to a bottomhole location 990 feet from the North line and 350 feet from the West line (Unit D) of Section 19, both in Township 19 South, Range 26 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 Wyatt Draw North "18 / 19" LD Well No. 1 H to be drilled as a horizontal well at an unorthodox surface location 2490 feet from the South line and 350 feet from the West line (Unit L) of Section 18 to a true vertical depth of approximately 2,870 feet with a measured depth of approximately 6,100 feet and then in a southerly direction to a bottomhole location 990 feet from the North line and 350 feet from the West line (Unit D) of Section 19, both in Township 19 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. This well will evaluate the Undesignated Yeso formation for oil production. A 120-acre horizontal well project area comprised of the W/2 SW/4 of captioned Section 18 and the NW/4 NW/4 of captioned Section 19 will be dedicated to the well in the Yeso formation.

This well is governed by the General Rules and Regulations of the Oil Conservation Division which provide for oil wells to be located on spacing units consisting of approximately 40 contiguous surface acres with wells located no closer than 330 feet to a boundary of the unit. This well location is unorthodox in the Yeso



formation because it is 2490 feet from the Southline of Section 18 - or 180 feet closer to the project area boundary than permitted by the applicable rules.

This unorthodox oil well surface location is needed to enable Mewbourne to maximize the horizontal portion of the wellbore in the Yeso formation. The horizontal portion of the wellbore in the Yeso formation will be within the well's producing area. 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 surface 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

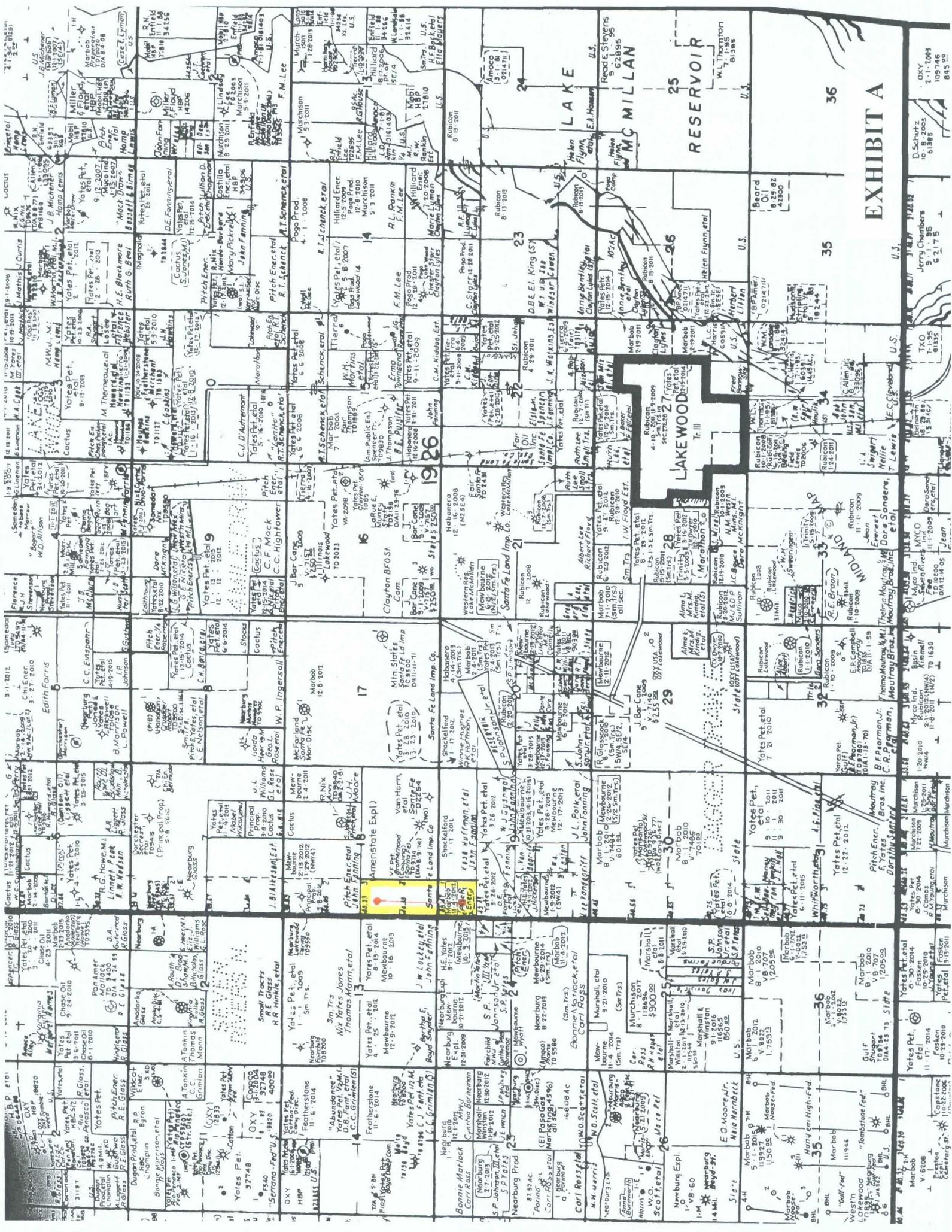


EXHIBIT A

D. Schutz
109746
61365
84535

Jerry Chambers
9-11-95
6-2175

TXO
7-1-95
81335

W. Thornton
1-1-95
61365

Vertical text on the left edge of the map, including names like 'Yates Pet. et al.', 'Marbabb', and 'Chase Oil'.

Main body of the map containing numerous land parcels with owner names, addresses, and acreage. Owners include Yates Pet. et al., Marbabb, Chase Oil, and many others. The map is divided into sections 13-36 and letters A-E.

Vertical text on the right edge of the map, including names like 'Yates Pet. et al.', 'Marbabb', and 'Chase Oil'.

C101A11

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 118235

38069
WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-2669	2. Pool Code	3. Pool Name Undesignated Yeso
4. Property Code	5. Property Name WYATT DRAW NORTH 18-19 LD	6. Well No. 001H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3401

10. Surface Location

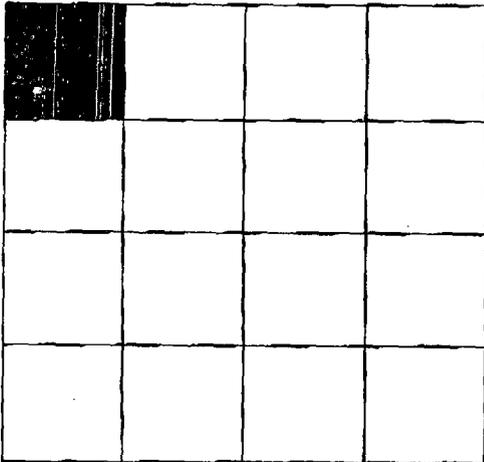
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
3	18	19S	26E		2490	S	350	W	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
1	19	19S	26E		990	N	350	W	EDDY

12. Dedicated Acres 120.00	13. Joint or Infill	14. Consolidation Code	15. 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



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(s) 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.

E-Signed By:
Title:
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.

Surveyed By: Gary Jones
Date of Survey: 7/21/2010
Certificate Number: 7977

EXHIBIT C

Application of Mewbourne Oil Company
for Administrative Approval of an Unorthodox Well Location
for its Wyatt Draw North "18 / 19" LD Well No. 1 H
Sections 18 and 19, Township 19 South, Range 26 East, N.M.P.M.,
Eddy County, New Mexico.

OWNERSHIP LIST - NOTICE LIST

Section 18, S/2 NW/4
T-19-S, R-26-E, NMPM

Mewbourne Oil Company
Working Interest Owner

Ernest Kroen
Mineral Interest Owner
Address Unknown

Murray Batterton
Mineral Interest Owner
Address Unknown

W. F. Robison
Mineral Interest Owner
Address Unknown

Section 18, E/2 SW/4, and E/2
T-19-S, R-26-E, NMPM

Mewbourne Oil Company
Operator

The E/2 SW/4 and the E/2 of Section 18 is operated by Mewbourne and the interests in this acreage are identical to the interest in this horizontal well project area..

Section 13, NE/4
T-19-S, R-25-E, NMPM

Yates Petroleum Corporation
Working Interest Owner

Section 13, SE/4
T-19-S, R-25-E, NMPM

Mewbourne Oil Company
Working Interest Owner

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Chuck Moran

September __, 2010

Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701

Attention: William F. Carr

Administrative Order NSL-_____

Dear Mr. Carr:

Reference is made to the following: **(i)** your application dated August __, 2010 on behalf of the operator, Mewbourne Oil Company (“Mewbourne”); and **(ii)** the records of the New Mexico Oil Conservation Division (“Division”) in Santa Fe: all concerning Mewbourne’s request for approval of a non-standard oil well surface location to be applicable to the Undesignated Yeso formation, which is governed by Oil Conservation Division General Rule 19.15.15.9 NMAC.

A horizontal well project area comprised of the W/2 SW/4 of Section 18, and the NW/4 NW/4 of Section 19, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico is dedicated to this well to form a non-standard 120-acre oil spacing and proration unit.

This application has been duly filed under the provisions of Rule 19.15.15.9 NMAC.

The data submitted with this application indicates that this unorthodox oil well surface location is required to maximize the horizontal portion of the well bore within the well’s Yeso formation horizontal well producing area. The producing portion of the wellbore will not be closer to the outer boundary of the project area than permitted by statewide rules.

By the authority granted me under the provisions of Rule 19.15.15.9 NMAC of the general rules of the Oil Conservation Division, the following described unorthodox oil well surface location within this 120-acre unit / project area is hereby approved:

Wyatt Draw North “18 / 19” LD Well No. 1 H
Surface Location: 2490’ FSL & 350’ FWL (Unit L)
Section 18, Township 19 South, Range 26 East, NMPM
Bottomhole Location: 990’ FNL & 350’ FWL (Unit D)
Section 19, Township 19 South, Range 26 East, NMPM
Eddy County, New Mexico.

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., J.D.
Director

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad April 22, 2010

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, August 18, 2010 3:45 PM
To: 'William Carr'
Subject: Mewbourne - Wyatt Draw North 18-19 #1H; NSL Application

Dear Bill

I have received the referenced NSL application for a horizontal well.

I will need to know the footage location of the "penetration point" of the Yeso formation, so I can include this information in the order.

Thanks

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

RECEIVED OOD
2010 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