

DATE IN <u>9.15.10</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>9.15.10</u>	TYPE <u>NSL</u>	APP NO <u>1025832300</u>
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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



Newbourne

Guns smoke "9" NM #1/H

ADMINISTRATIVE APPLICATION CHECKLIST *30-015-3811*

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

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[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

Attorney for Applicant
 Title Date

jamesbruc@aol.com
 e-mail Address

9/13/10

6282

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

September 13, 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>	Gunsmoke 9 NM Well No. 1
<u>Surface location:</u>	350 feet FSL & 2310 feet FEL
<u>Entry point in Yeso:</u>	350 feet FSL & 2590 feet FEL
<u>Beginning of producing interval:</u>	350 feet FSL & 2310 feet FWL
<u>Bottom hole location:</u>	350 feet FSL & 330 feet FWL
<u>Well unit (project area):</u>	S½SW¼ of Section 9, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico

The well will be drilled to a depth sufficient to test the North Seven Rivers Glorieta-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. A Form C-102 is attached as **Exhibit A**.

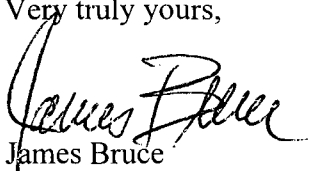
Although the well penetrates the top of the Yeso formation at an unorthodox location approximately 2590 feet from the east line of Section 9, in Unit O, the start of the productive (perforated) interval of the wellbore will be at an orthodox location in Unit N. Placing the surface location to the east of the well unit allows the operator to maximize the productive length of the wellbore.

Due to the well's directional plan, the entry point in the Yeso encroaches on the SE¼ of Section 9. That acreage is operated by Mewbourne. **Exhibits B and C**. Notice of the application has been given to Devon Energy Production Company, L.P., which does not own a working interest in the well unit. **Exhibit D**.

*adjoining
unit in
Cemetery*

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in black ink and is positioned above the printed name "James Bruce".

James Bruce

Attorney for Mewbourne Oil Company

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 July 16, 2010
Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name GUNSMOKE "9" NM		Well Number 1H
OGRID No.	Operator Name MEWBOURNE OIL COMPANY		Elevation 3452'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	9	20 S	25 E		350	SOUTH	2310	EAST	EDDY

Bottom Hole Location If Different From Surface

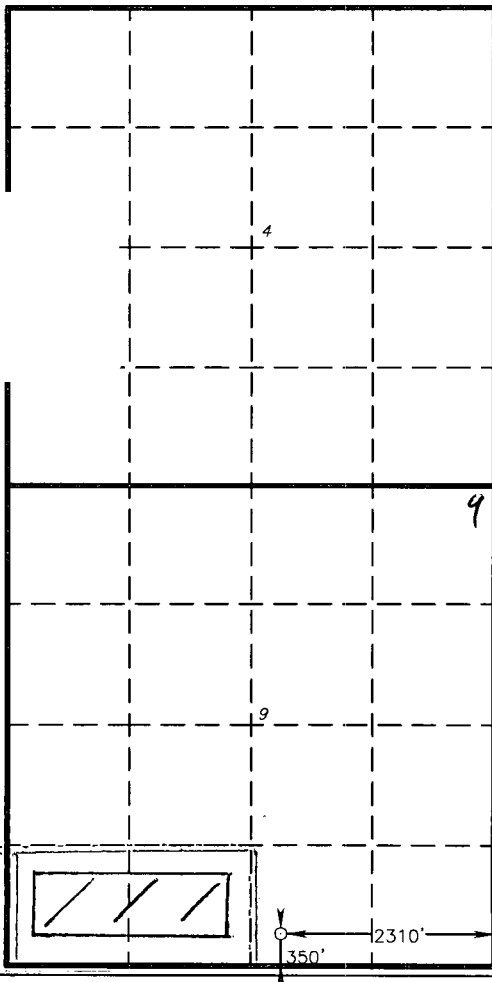
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	9	20S	25E		350	SOUTH	330	WEST	EDDY
Dedicated Acres		Joint or Infill	Consolidation Code	Order No.					

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

EXHIBIT

A

SURFACE LOCATION
Lat - N 32°34'53.76"
Long - W 104°29'17.87"
NMSPEC- N 575332.293
E 452267.889
(NAD-27)



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 _____ Date _____

Printed Name _____

Email Address _____

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

Certificate No. Gary L. Jones 7977

BASIN SURVEYS 23162

Offset Ownership
Gunsmoke 9 NM No. 1H
Section 9, T20S, R25E
Eddy County, New Mexico

W/2 of Section 9:

Mewbourne Oil Company – Operator

(Mewbourne Oil Company, Kaiser-Francis Oil Company, Merit Energy Company, Gunsight Limited Partnership, D2 Resources, LLC, Solis Energy, LLC and PAC Triple Crown, LLC are the working interest parties in the W/2 of Section 9; all subject to the W/2 of Section 9 JOA whereby Mewbourne Oil Company is Operator)

E/2 of Section 9:

Mewbourne Oil Company- Operator

(Mewbourne Oil Company, Kaiser-Francis Oil Company, Devon Energy Production Company, LP and Merit Energy Company are the working interest parties in the E/2 of Section 9; all subject to the E/2 of Section 9 JOA whereby Mewbourne Oil Company is Operator)

EXHIBIT

B

JAMES BRUCE
ATTORNEY AT LAW

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jamesbruc@aol.com

September 13, 2010

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Devon Energy Production Company, L.P.
P.O. Box 108838
Oklahoma City, Oklahoma 73101

Attention: Ken Gray
Land Department

Dear Sirs:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the S½SW¼ of Section 9, Township 20 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