

DATE IN 3-14-11	SUSPENSE	ENGINEER DB	LOGGED IN	TYPE NSL	APP NO. 1107540053
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~~NSP~~ ~~1107540053~~

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Newbourne 14744
Bradley 29 Fed Com #3H
6363

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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- [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

3/14/11
Date

wcarr@hollandhart.com
e-mail Address



March 11, 2011

HAND-DELIVERED

Daniel Sanchez
Acting 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 and a non-standard spacing and proration unit for its Bradley "29" Federal Com Well No. #3H, a horizontal well to be drilled from an unorthodox surface location 1620 feet from the North line and 25 feet from the West line (Unit E) to an unorthodox bottom hole location 1650 feet from the North line and 330 feet from the West line on a non-standard spacing and proration unit comprised of the S/2 N/2 of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Sanchez:

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 "29" Federal Com Well No. 3H to be drilled as a horizontal well at a point 1620 feet from the North Line and 25 feet from the West line to a true vertical depth of approximately 8216 feet with a measured depth of approximately 12,946 feet and then in an westerly direction with a lateral length in The Bone Spring formation of approximately 440 feet to an unorthodox bottom hole location 1650 feet from the North line and 330 feet from the West line of Section 29, 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 non-standard spacing and proration unit/project area comprised of the S/2 N/2 of Section 29 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 Pool which provide for oil wells to be located on standard spacing units containing 80-acres 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 to the North,



March 14, 2011

Page 2

East and West because its surface and bottom hole locations are less than 510 feet from the project area boundary – thereby closer than permitted by the applicable rules.

This unorthodox oil well location is required for topographic reasons. (Topographic Map attached as Exhibit D) The well was originally staked at a location 1650 feet from the North line and 150 feet from the West line of Section 29 which was in a large sand dune feature and was denied by the Bureau of Land Management. The BLM required Mewbourne to find a surface location on the East side of Section 29. The proposed unorthodox location has been BLM approved and arc cleared.

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,

William F. Carr

Attorney for Mewbourne Oil Company

cc: New Mexico Oil Conservation Division – Artesia

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artec, 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 15, 2009

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 30-015-38660	Pool Code	Pool Name Santo Nino Bone Spring
Property Code	Property Name BRADLEY "29" FEDERAL COM.	Well Number 3H
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3410'

Surface Location

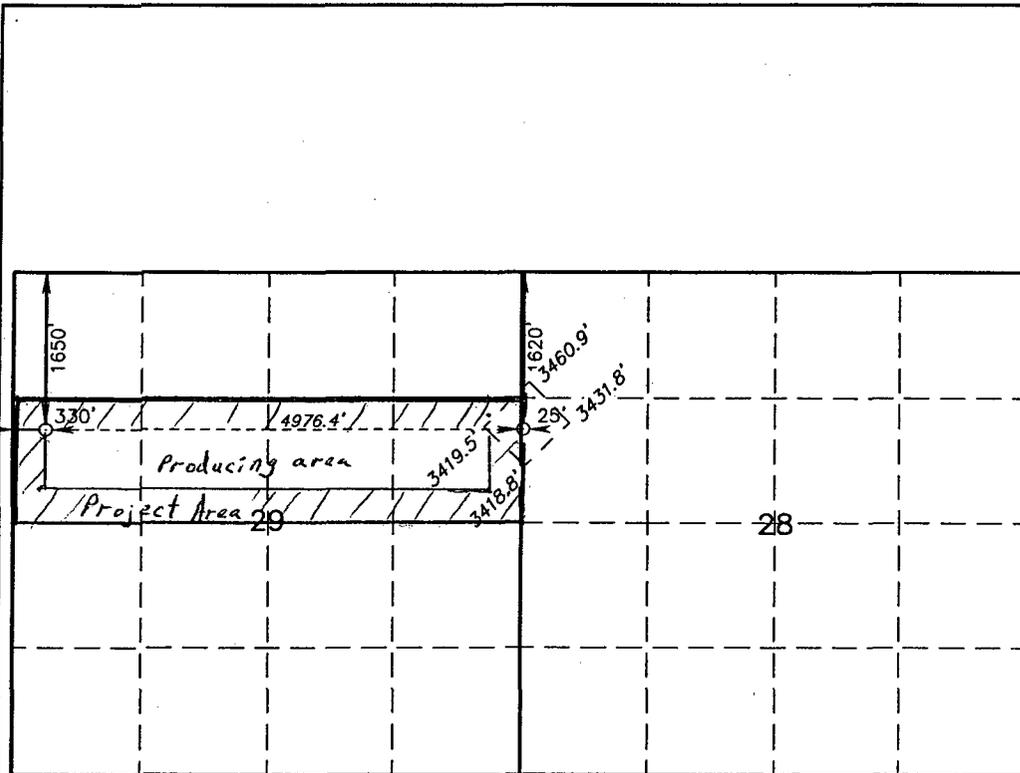
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	28	18 S	30 E		1620	NORTH	25	WEST	EDDY

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
E	29	18 S	30 E		1650	NORTH	330	WEST	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] **1/5/11**
Signature Date

N. M. Young
Printed Name

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.

APRIL 30 2010
Date Surveyed
Signature of Professional Surveyor
7977
Certificate No. **Gary L. Jones 7977**

PROPOSED BOTTOM HOLE LOCATION

Lat - N 32°43'16.36"
Long - W 104°00'05.90"
NMSPC- N 626267.265
E 643345.924
(NAD-27)

SURFACE LOCATION

Lat - N 32°43'16.12"
Long - W 103°59'05.84"
NMSPC- N 626239.384
E 607141.784
(NAD-27)

EXHIBIT B

Basin Surveys

EXHIBIT C

Application of Mewbourne Oil Company
for Administrative Approval of an Unorthodox Well Location
for its Bradley "29" Federal Com Well No. 3H,
Section 29, Township 18 South, Range 30 East, N.M.P.M.,
Eddy County, New Mexico.

NOTICE LIST

Section 28, All
T-18-S, R-30 E, NMPM

Mewbourne Oil Company, Operator

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, Oklahoma 73154
Attn: Craig Barnard

Section 29, N/2 N/2 and S/2
T-18-S, R-30 E, NMPM

Mewbourne Oil Company, Operator

**Non-operating interest owners in
the N/2 N/2 of Section 29:**

Tritex Energy A, LP
15455 North Dallas Parkway, Suite 600
Addison, Texas 75001
Attn: Don Ritter

Whiting Oil and Gas Corporation
400 West Illinois Suite 1300
Midland, Texas 79701
Attn: Paul Colwell

OXY Y-1 Company
Post Office Box 4294
Houston, Texas 77210-4294
Attn: Katie Almeida

Hanagan Petroleum Corporation
Post Office Box 1737
Roswell, New Mexico 88202
Attn: Mike Hanagan

Myco Industries, Inc.
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Chuck Moran

Sacramento Partners
A Limited Partnership
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Chuck Moran

John A. Yates, Individually and as Trustee of the Trust Q created
u/w/o Peggy A. Yates, deceased
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Chuck Moran

New Tex Oil Company
Post Office Box 297
Hobbs, New Mexico 88240
Attn: Hal Brunson

**Non-operating interest owners in
the N/2 S/2 of Section 29:**

Chisos LTD.
670 Dona Ana Road, SW
Deming, New Mexico 88030
Attn: Sue Ann Craddock

Pure Energy Group, Inc.
22610 U. S. Hwy.281, Suite 218
San Antonio, Texas 78258
Attn: Larry Risley

Section 30, E/2 and W/2 NW/4
T-18-S, R-30-E, NMPM

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, Oklahoma 73154
Attn: Craig Barnard

**Non-operating interest owners in
the E/2 NE/4 of Section 30:**

Myco Industries, Inc.
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Chuck Moran

John A. Yates, Individually
and as Trustee of the Trust Q
created u/w/o Peggy A. Yates, deceased
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Chuck Moran

Sacramento Partners
A Limited Partnership
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Chuck Moran

Charles H. Robinson, Jr
3021 Bryn Mawr Dr.
Dallas, Texas 75225-7819

Pure Energy Group, Inc.
22610 U. S. Hwy.281, Suite 218
San Antonio, Texas 78258
Attn: Larry Risley

Permian Hunter Corporation
Long, LLC
275 East South Temple , Suite 250
Salt Lake City, Utah 84111
Attn: Larry Lunt

Permian Investment Corporation
1451 S. Miami Ave., No. 405
Miami, Florida 33130
Attn: Anna S. Mitchell

OXY-Y-1
Post Office Box 4295
Houston, Texas 77210-4294
Attn: Permian Basin- Land Manager

New Tex Oil Company
Post Office Box 297
Hobbs, New Mexico 88240
Attn: Mr. Hal Brunson

Monarch Oil & Gas, Inc.
Ron J. Green and Amie A. Green
110 West Country Club, Suite 6
Roswell, New Mexico 88201

Apache Corporation
303 Veterans Airpark, Suite 3000
Midland, Texas 79705

Stephen E. Kessler,
Trustee of the Kessler Family Trust
5316 E. Calle Del Media
Phoenix, Arizona 85018

Hutchings Oil Company
Post Office Box 1216
Albuquerque, New Mexico 87103-1216
Attn: Sealy H. Cavin, Jr.

Hanagan Petroleum Corporation
Post Office Box 1737
Roswell, New Mexico 88202

Richard Escobedo
7088 S. Garrison St.
Littleton, Colorado 80128

Chesapeake Operating, Inc.
P.O. Box 18496

Jerry Wilbanks
Post Office Box 160
Artesia, New Mexico 88211

Charles I. Wellborn and J. D. Wellborn
Trustees of the Charles I Wellborn and
J. D. Wellborn Revocable Trust
3819 La Hacienda, NE
Albuquerque, New Mexico 87110

Warren, Inc.
Post Office Box 10400
Albuquerque, New Mexico 87104

George L. Scott, III
Post Office Box 40
Cedar Crest, New Mexico 87008

**Non-operating interest owners in
the E/2 SE/4 of Section 30:**

Myco Industries, Inc.
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Chuck Moran

John A. Yates, Individually
and as Trustee of the Trust Q
created u/w/o Peggy A. Yates, deceased
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Pure Energy Group, Inc.
22610 U. S. Hwy.281, Suite 218
San Antonio, Texas 78258
Attn: Larry Risley

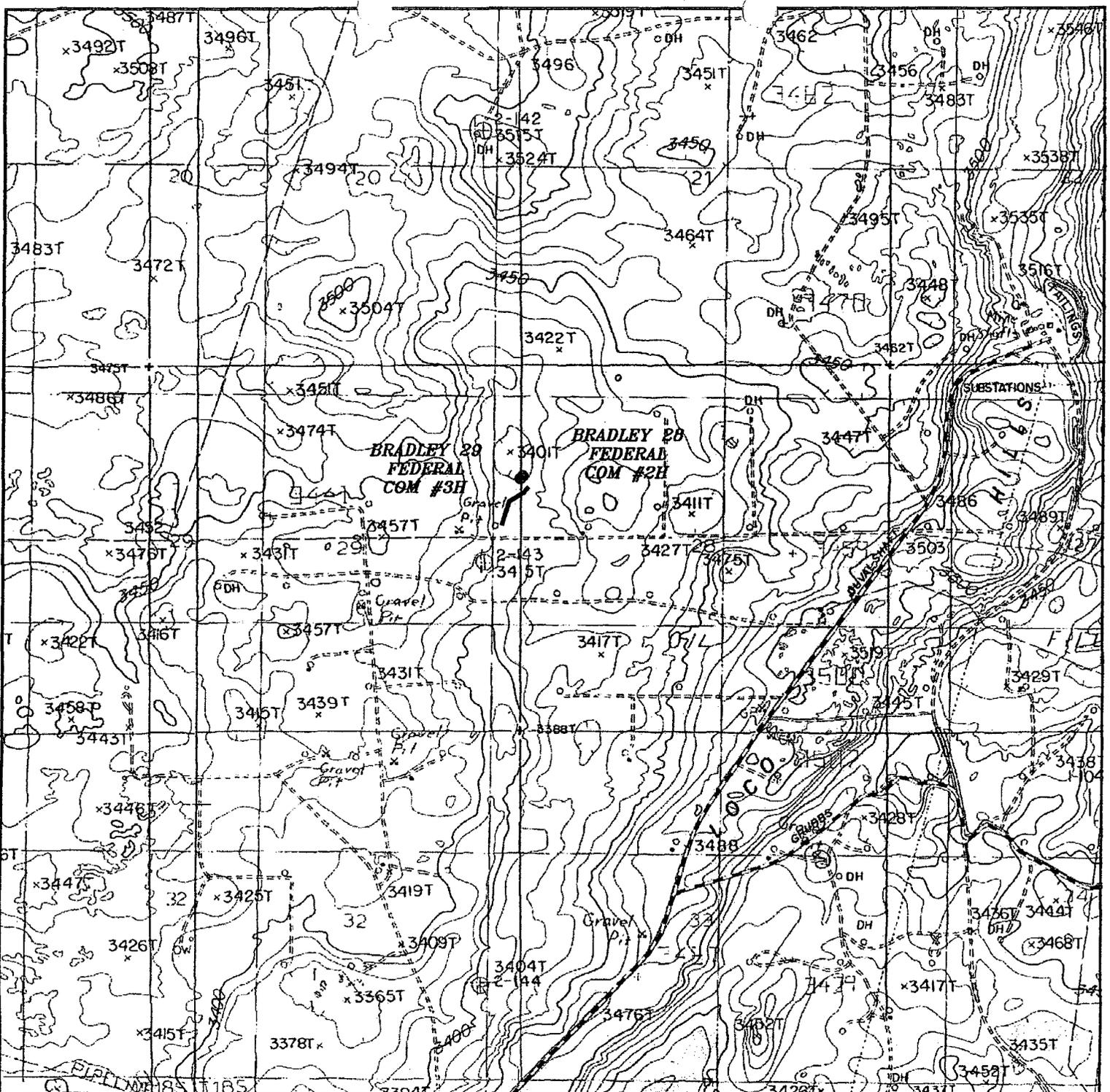
OXY-Y-1
Post Office Box 4295
Houston, Texas 77210-4294
Attn: Permian Basin- Land Manager

New Tex Oil Company
Post Office Box 297
Hobbs, New Mexico 88240
Attn: Mr. Hal Brunson

Chisos LTD.
670 Dona Ana Road, SW
Deming, New Mexico 88030

Section 30, E/2 NW/4 and SW/4
T-18-S, R-30-E, NMPM

Mewbourne Oil Company



BRADLEY "29" FEDERAL COM #3H Exhibit 3A
 Located 1620' FNL and 25' FWL
 Section 28, Township 18 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

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 22652

Survey Date: 04-30-2010

Scale: 1" = 2000'

Date: 05-03-2010

MEWBOURNE
OIL COMPANY

EXHIBIT D