

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
811 South First Street, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Mewbourne Oil Company P. O. Box 7698 Tyler, TX 75711  
Address  
Lease Winchester "36" State #1 Well No. K - Sec 36 T19S R28E Unit Letter-Section-Township-Range Eddy County  
OGRID No. 14744 Property Code 32522 API No. 30-015-32845 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Burton Flat; Atoka, East (Gas)		Winchester; Morrow (Gas)
Pool Code	73200		87600
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,540 - 10,564'	RECEIVED	10,751 - 11,366'
Method of Production (Flowing or Artificial Lift)	Flowing	SEP 1 6 2004 <del>DOB-ARTESIA</del>	Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	N/A		.6400
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Estimated rate Rates: 1000 MCF, 0 BO, 0 BW	Date: Rates:	Date: 8/17/04 Rates: 800 MCF, 2 BO, 0 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0 % 56 %	Oil Gas % %	Oil Gas 100 % 44 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐  
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐  
Will commingling decrease the value of production? Yes ☐ No ☒  
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐  
NMOC Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:


- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE \_\_\_\_\_ Reg. Tech. \_\_\_\_\_ DATE 9/10/04  
TYPE OR PRINT NAME Janet Burns TELEPHONE NO. (903) 561-2900

**MEWBOURNE OIL COMPANY**

P.O. BOX 7698  
TYLER, TEXAS 75711  
903 - 561-2900  
FAX 903 - 561-1870

September 10, 2004

UPS NEXT DAY AIR #N454 762 411 1

Mr. David Catanach  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

RECEIVED

SEP 16 2004

MOCD-ARTESIA

RE: Form C-107A  
Winchester "36" State #1  
Sec 36 T19S R28E  
Burton Flat, Atoka, East (Gas) and Winchester; Morrow (Gas) Pools  
Eddy Co., NM *Winchester; Atoka*

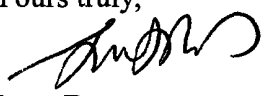
Dear Mr. Catanach:

Please find enclosed the following for the application to downhole commingle production from the Atoka and Morrow zones in the referenced well:

Form C-107A  
Attachments information  
Form C-102 for both zones  
Production curve (Morrow only)  
Administrative Application Checklist

A copy of Form C-107A is being mailed today to the New Mexico State Land Office in Santa Fe. If you need further information, please call me at (903) 561-2900.

Yours truly,

  
Janet Burns  
Reg. Tech.

cc: *✓* NMOCD - Artesia  
Hobbs  
Midland  
Allen Brinson  
Wayne Jones  
Don Russell

**Attachments to C-107A**

Mewbourne Oil Company  
Winchester "36" State #1  
Unit Letter K, Sec 36 T19S R28E  
Burton Flat; Atoka, East (Gas) and Winchester; Morrow (Gas) Pools  
Eddy Co., NM

**C-102 for each zone to be commingled showing its spacing unit and acreage dedication**

**Production curve is attached (Morrow only)**

RECEIVED

**Estimated production rates and supporting data**

SEP 16 2004

ODD-ARTESIA

Test Data:

Morrow	8/17/04	800 MCFD, 2 BO, 0 BW: current production
Atoka		1,000 MCFD, 0 BO, 0 BW: estimated production.

**Data to support allocation method or formula**

Test as shown above for both zones

**Notification list of working, royalty and overriding royalty interests for uncommon interest cases**

No uncommon interests.

**Any additional statements, data or documents required to support commingling**

The well is completed with 5 1/2" OD casing. In order to dually complete the well to recover all economic reserves, the use of small diameter special clearance tubing would be required. Performing a dual completion as described could not be economically justified for a zone with limited deliverability. To produce the Atoka interval (upper zone) up the annulus (5 1/2" - 2 7/8") is not recommended due to liquid loading and insufficient velocity to lift produced fluids with the estimated gas rates listed above. The addition of the Atoka as a commingled zone will prevent waste that would not otherwise be possible due to the increased cost to produce each individual zone. Commingling will prevent early abandonment of each production zone.

DISTRICT II  
811 South First, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-32845	Pool Code 73200	Pool Name Burton Flat; Atoka, East
Property Code 32522	Property Name WINCHESTER "36" STATE	Well Number 1
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3293

Surface Location

UL or lot No. K	Section 36	Township 19S	Range 28E	Lot Idn	Feet from the 1880	North/South line SOUTH	Feet from the 1980	East/West line WEST	County 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
Dedicated Acres 320	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

	<b>OPERATOR CERTIFICATION</b>  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature  Janet Burns Printed Name  Reg. Tech. Title  9/10/04 Date	
	<b>SURVEYOR CERTIFICATION</b>  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.  6/10/2003 Date Surveyed   Signature & Seal of Professional Surveyor   Certificate No. Herschel L. Jones RLS 3640 WINCHESTER 36-19S-28E GENERAL SURVEYING COMPANY	

330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

Energy, Minerals and Natural Resources Department

Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

# OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-32845	Pool Code 73200	Pool Name Winchester Morrow
Property Code 32522	Property Name WINCHESTER "36" STATE	Well Number 1
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3293

### Surface Location

UL or lot No.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
K	36	19S	28E		1880	SOUTH	1980	WEST	EDDY

### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

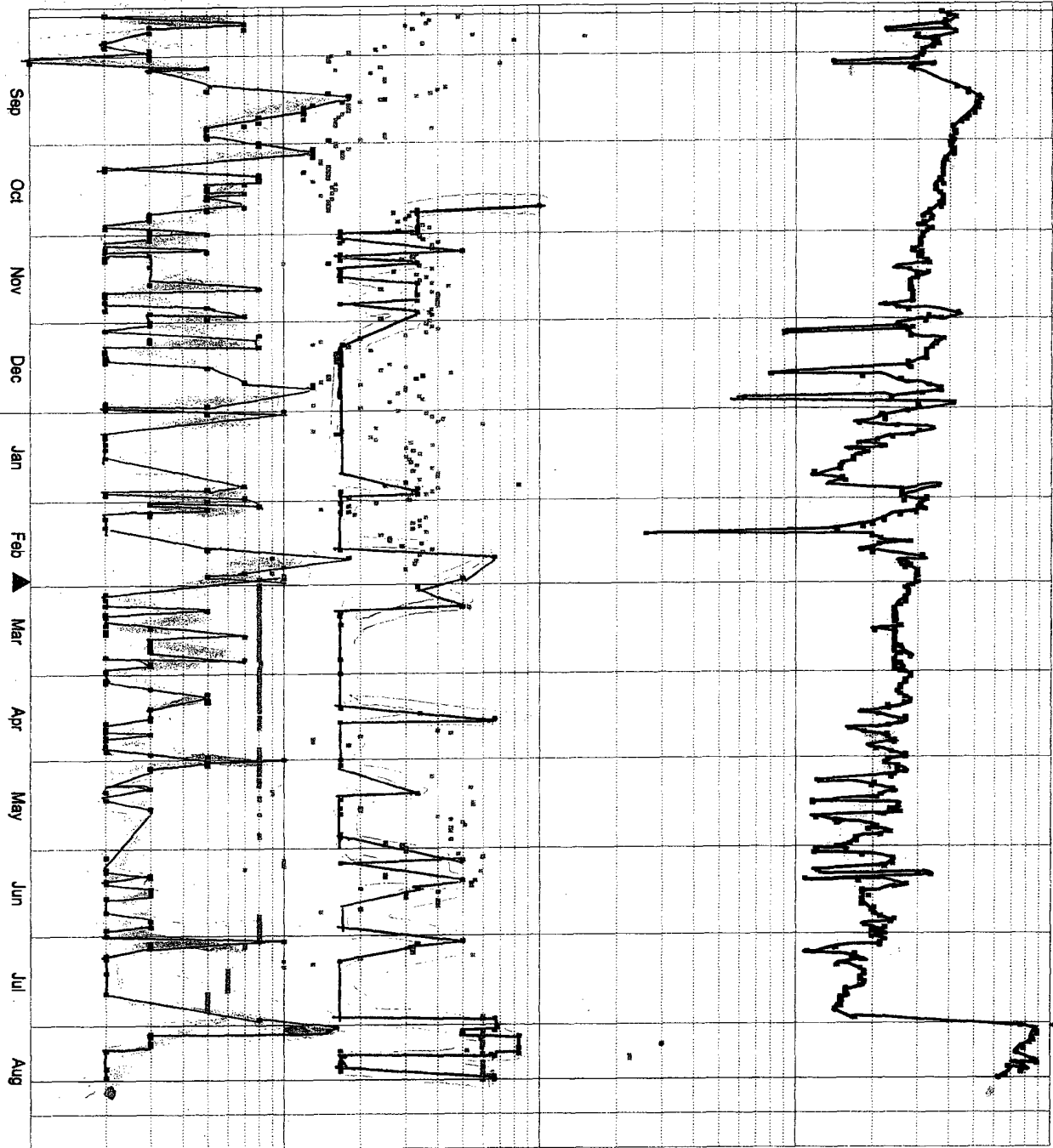
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>RECEIVED SEP 16 2004 ODD-ARTERIA</p>	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  <u>F.C. Lathan</u> Signature <u>F.C. Lathan</u> Printed Name <u>Drilling Foreman</u> Title <u>06/16/2003</u> Date
		<b>SURVEYOR CERTIFICATION</b>  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.  <u>6/10/2003</u> Date Surveyed <u>[Signature]</u> Signature & Seal of Professional Surveyor  Certificate No. <u>Herschel L. Jones</u> RLS 3640 <u>WINCHESTER 36</u> GENERAL SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

**Lease: WINCHESTER 36 STATE #1**  
 Location: 38-20S-29E  
 Reservoir: U & M MORROW  
 Field: WINCHESTER  
 Cty/St: EDDY, NM  
 Operator: MEMBOURNE OIL COMPANY

1	10	100	1000	Water, Bbl/day
0.1	1	10	100	Oil, Bbl/day
0.1	1	10	100	Gas, Mcf/day



2003

2004

RECEIVED  
 SEP 16 2004

CCP-ARTESIA

Gas, Mcf/day	8/2004	80442
Ref=	8/2004	80189
Cum=	8/2004	178
Oil, Bbl/day	8/2004	1088
Ref=	8/2004	1088
Cum=	8/2004	80442
Water, Bbl/day	8/2004	80442
Ref=	8/2004	80442
Cum=	8/2004	80442

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



**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**

SEP 16 2004

**OSP-ARTESIA**

**[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.**

Ken M. Calvert  
 Print or Type Name

Signature

*K.M. Calvert*

Engineering Manager  
 Title

9/10/04  
 Date

\_\_\_\_\_  
 e-mail Address