

District I  
1625 N French Drive, Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, 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-107A  
Revised June 10, 2003

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

DEC 26 2007  
OCD-ARTESIA

APPLICATION TYPE  
☒ Single Well  
Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Mewbourne Oil Company P. O. Box 7698, Tyler, TX 75711  
Operator Address  
Henry "8" Federal Com #1 O - Sec 8, T20S, R29E Eddy  
Lease Well No Unit Letter-Section-Township-Range County  
OGRID No. 14744 Property Code 35784 API No. 30-015-34927 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Burton Flat; Atoka, East (Gas)		Burton Flat; Morrow, East (Gas)
Pool Code	73200		73320
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,666 - 10,850'		11,256 - 11,516'
Method of Production (Flowing or Artificial Lift)	Flowing		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)			
Producing, Shut-In or New Zone	Producing		SI below plug
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: 11/15/07  Rates: 150 MCFD 1 BO, 1 BW	Date:  Rates:	Date: 9/25/07  Rates: 230 MCFD 0 BO, 1 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 100 % 39 %	Oil Gas % %	Oil Gas 0 % 61 %

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 ☐  
NMOCD Reference Case No. applicable to this well. \_\_\_\_\_

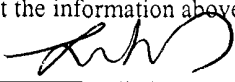
Attachments:  
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.  
Production curve for each zone for at least one year. (If not available, attach explanation.)  
For zones with no production history, estimated production rates and supporting data.  
Data to support 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 12/14/07  
TYPE OR PRINT NAME Janet Burns TELEPHONE NO. ( 903 ) 561-2900  
E-MAIL ADDRESS \_\_\_\_\_

DEC 26 2007  
OCD-ARTESIA

**Attachments to C-107A**

Mewbourne Oil Company  
Henry "8" Federal Com #1  
Unit Letter O, Sec 8 T20S R29E  
Burton Flat; Atoka, East (Gas) and Burton Flat; Morrow, East (Gas) Pools  
Eddy Co., NM

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

**Production curve is not attached** (new well)

**Estimated production rates and supporting data**

Test Data:

Morrow	9/25/07	230 MCFD, 0 BO, 1 BW: last recorded production
Atoka	11/15/07	150 MCFD, 1 BO, 1 BW: current 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.

DEC 26 2007

OCD-ARTESIA

Form C-102

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 & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-34927</b>	<sup>2</sup> Pool Code <b>732co</b>	<sup>3</sup> Pool Name <b>East Burton Flat Atoka</b>
<sup>4</sup> Property Code <b>3578/4</b>	<sup>5</sup> Property Name <b>Henry 8 Federal Com</b>	
<sup>7</sup> OGRID No. <b>14744</b>	<sup>8</sup> Operator Name <b>Mewbourne Oil Company</b>	
		<sup>6</sup> Well Number <b>1</b>
		<sup>9</sup> Elevation <b>3268</b>

<sup>10</sup> Surface Location

UL or lot no. <b>O</b>	Section <b>8</b>	Township <b>20S</b>	Range <b>29E</b>	Lot Idn	Feet from the <b>1218</b>	North/South line <b>South</b>	Feet from the <b>1820</b>	East/West line <b>East</b>	County <b>Eddy</b>
---------------------------	---------------------	------------------------	---------------------	---------	------------------------------	----------------------------------	------------------------------	-------------------------------	-----------------------

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<sup>16</sup> 	<sup>17</sup> 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 10/03/07 Kristi Green Printed Name			
	<sup>18</sup> 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. 07/20/066 Date of Survey Signature and Seal of Professional Surveyor Herschell Jones (REFER TO ORIGINAL PLAT) 7977 Certificate Number			

DEC 26 2007  
OCD-ARTESIA

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

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

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

# OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 73320	Pool Name East Burton Flat Morrow
Property Code	Property Name HENRY 8 FEDERAL COM#1	Well Number 1
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3268'

### 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	8	20 S	29 E		1218	SOUTH	1820	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

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><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kristi Green</i></p> <p>Signature Kristi Green</p> <p>Printed Name Hobbs Regulatory</p> <p>Title 04/25/06</p> <p>Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>MARCH 30, 2006</p> <p>Date Surveyed Signature Professional Surveyor</p> <p>GARY L. JONES</p> <p>W.O. No. 64</p> <p>Certificate No. 7977</p> <p>7977</p> <p>BASIN SURVEYS</p>

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



DEC 26 2007  
OCD-ARTESIA

## 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

### [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.

Monty Whetstone  
Print or Type Name

Signature

Vice-President Operations 12/14/07  
Title Date

e-mail Address