

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Co., Division
311 S. 1st Street
Artesia, NM 88210-2894

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Mewbourne Oil Company

3a. Address
P. O. Box 7698, Tyler, TX 75711

3b. Phone No. (include area code)
(903) 561-2900

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Carlsbad "15" Federal Com. #1: 1980' FSL, 1850' FWL (Morrow)
Carlsbad "15" Federal Com. #2: 1780' FSL, 1850' FWL (Strawn)
Sec. 15, T21S, R26E

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
CANMNM101353
CANMNM101368

8. Well Name and No. #1 & #2 wells
Carlsbad "15" Federal Com.

9. API Well No. 30-015-29759
30-015-30471 ✓

10. Field and Pool, or Exploratory Area

Avalon Morrow, Avalon Strawn

11. County or Parish, State

Eddy Co., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Surface
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	commingling of gas
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	streams. Offlease sales.

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please see attached.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Ken M. Calvert

Signature

K. M. Calvert

Title

Engineering Manager

Date

6/6/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD. LES BABYAK)

PETROLEUM ENGINEER

Date

JUN 27 2000

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Attachment to Form 3160-5 (Sundry Notices and Reports on Wells)

Item No. 13

Mewbourne Oil Company

Carlsbad "15" Federal Com. #1 & #2 wells

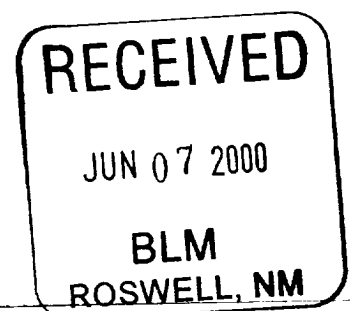
Sec. 15 T21S R26E

Eddy Co., New Mexico

Natural gas is now sold from Carlsbad "15" #1 (Avalon, Morrow) and Carlsbad "15" #2 (Avalon, Strawn) through a common line to El Paso Field Services at a Master Meter point in Sec 16-T21S-R26E. The gas was originally purchased by LG&E beginning March 12, 1998. However, LG&E restricted production of lean Morrow gas delivered into its gas plant. In order to maximize profit from the well and to generate a quick cash flow, Mewbourne had to build a line of its own to El Paso Field Services. Deliveries to LG&E ceased on June 1, 1998, and were switched on the same day to El Paso Field Services. Flow could then be stabilized at 15,000 MCFD. The line extends from the well pad site in the SW/4 of Section 15-T21S-R26E to the El Paso Master Meter in SW/4 of Section 16-T21S-R26E as shown on the attached plats of Sections 15 and 16.

In addition, in order to sell gas from both the Carlsbad "15" #1 and Carlsbad "15" #2 to El Paso and to utilize the same compressor by both wells, it was necessary to commingle both gas streams upstream of the compressor. This allows the use of a common line to El Paso. In addition to the capital and expense saved by the commingling, land was not disturbed by duplicate lines, and engine emissions are reduced by the use of a single compressor.

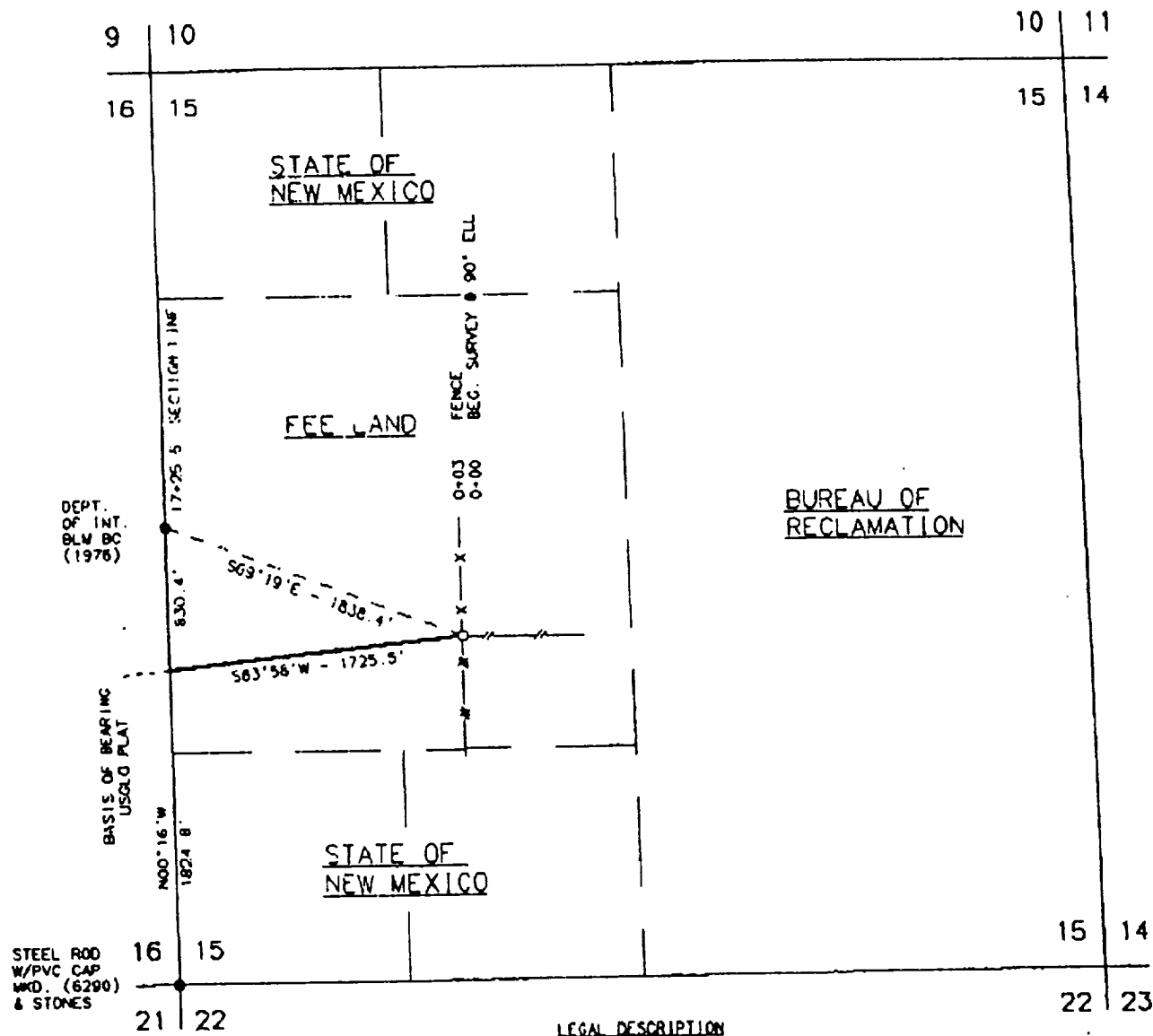
The gas is allocated back to each well on a BTU basis. Each well is metered separately, and the volume in MCF is adjusted to a BTU basis by applying the individual well's BTU factor. Finally, custody transfer is accomplished at the El Paso Master Meter No. 68456 with compressor fuel gas being used proportionately as to the BTU based throughput.



SECTION 15, TOWNSHIP 21 SOUTH, RANGE 26 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

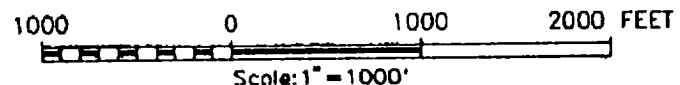
SECTION 15, TOWNSHIP 21 SOUTH, RANGE 26 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

SECTION 15, TOWNSHIP 21 SOUTH, RANGE 26 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



A PIPELINE CROSSING FEE LAND IN SECTION 15, TOWNSHIP 21 SOUTH, RANGE 26 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION WHICH LIES S89°19'E, 1838.4 FEET FROM A DEPT. OF INTERIOR BLW BRASS CAP (1976) FOUND FOR THE WEST QUARTER CORNER OF SAID SECTION; THENCE S83°58'W, 1725.5 FEET TO A POINT ON THE WEST LINE OF SAID SECTION WHICH LIES N00°16'W, 1824.8 FEET FROM A STEEL ROD W/PVC CAP MKD. (6290) & STONES FOUND FOR THE SOUTHWEST CORNER OF SAID SECTION. SAID STRIP OF LAND BEING 1725.5 FEET OR 104.58 RODS IN LENGTH.



I HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY. THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

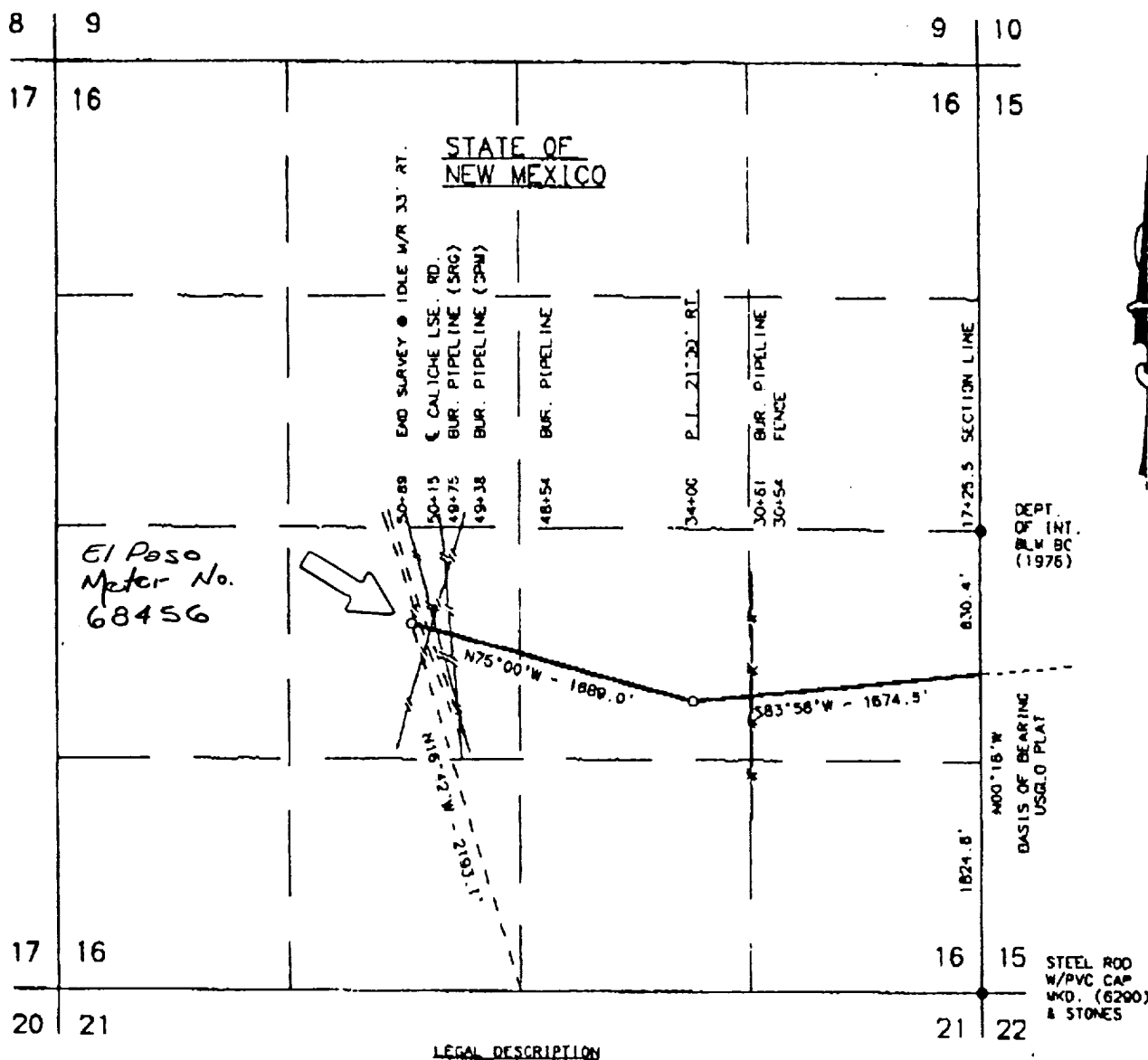
JOHN W. WEST ENGINEERING COMPANY
CONSULTING ENGINEERS & SURVEYORS - HOBBS, NEW MEXICO

MEWBOURNE OIL COMPANY

A PIPELINE CROSSING FEE LAND IN
SECTION 15,
TOWNSHIP 21 SOUTH,
RANGE 26 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Rev. 4/18/98.

Survey Date: 4/13/98	Sheet 1 of 1 Sheets
W.O. Number: 98-11-0591	Drawn By: D.McCARLEY
Date: 4/14/98	MEWBOURNE MEW0591 Scale: 1" = 1000'



LEGAL DESCRIPTION

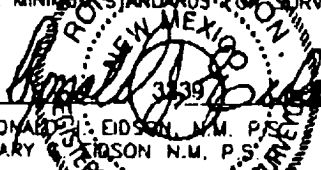
A STRIP OF LAND 30 FEET WIDE CROSSING STATE OF NEW MEXICO LAND IN SECTION 16, TOWNSHIP 21 SOUTH, RANGE 26 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT ON THE EAST LINE OF SAID SECTION WHICH LIES S00°16'E, 803.4 FEET FROM A DEPT. OF INTERIOR BLW BRASS CAP (1976) FOUND FOR THE EAST QUARTER CORNER OF SAID SECTION; THENCE S83°58'W, 1309.0 FEET; THENCE N75°00'W, 1689.0 FEET TO A POINT IN THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION WHICH LIES N16°42'W, 2193.1 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION. SAID STRIP OF LAND BEING 3363.6 FEET OR 203.85 RODS IN LENGTH AND CONTAINING 2.316 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

NE/4 SE/4 - - 81.44 RODS - - 0.925 ACRES
NW/4 SE/4 - - 83.32 RODS - - 0.947 ACRES
NE/4 SW/4 - - 39.09 RODS - - 0.444 ACRES



I HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THE SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.



JOHN WEST ENGINEERING COMPANY
CONSULTING ENGINEERS - SURVEYORS - HOBBS, NEW MEXICO

MEWBOURNE OIL COMPANY

A PIPELINE CROSSING STATE OF NEW MEXICO LAND
IN SECTION 16,
TOWNSHIP 21 SOUTH,
RANGE 26 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Rev. 4/16/98

Survey Date: 4/13/98	Sheet 1 of 1 Sheets
W.O. Number: 98-11-0591	Drawn By: D.McCARLEY
Date: 4/14/98	MEWBOURNE
MEWB0591	Scale: 1" = 1000'

4. Estimated monthly production (continued)

Carlsbad "15" #2 (Strawn)	(12/20/98)	540 MCFD 1240 BTU (14.73 Dry) 0.719 Sp. Gr.
	(5/1/00)	440 MCFD 1240 BTU (14.73 Dry) 0.719 Sp. Gr.

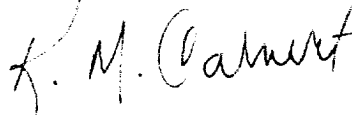
5. Details of proposed method for measuring and allocating production for each lease involved:

Measurement is being conducted in the manner indicated on the schematic diagram. Both wells are split connected to both El Paso (Mewbourne/Carlow Gas) and to Pinnacle (Devon Gas). Gas is sold to the respective pipelines on a BTU basis. The Mewbourne portion of the gas is allocated on a BTU basis to each of the two wells upstream of the El Paso Master Meter. Devon has individual sales meters to Pinnacle on the well pad location. "Beneficial use" volumes both on and off-lease are identical.

6. All working interest owners have been notified of this gas sales procedure through AFE's.
7. Royalties to Federal, State, and Fee owners are identical regardless of how the gas is allocated, sold, or split in that the ownership of the two wells is identical as shown on Exhibits "A" and "B" of the enclosed Communitization Agreements.
8. Detailed economic justification is not applicable.

Should you require more information, please call me at (903) 561-2900.

Yours sincerely,



Ken M. Calvert
Engineering Manager

KMC/jb

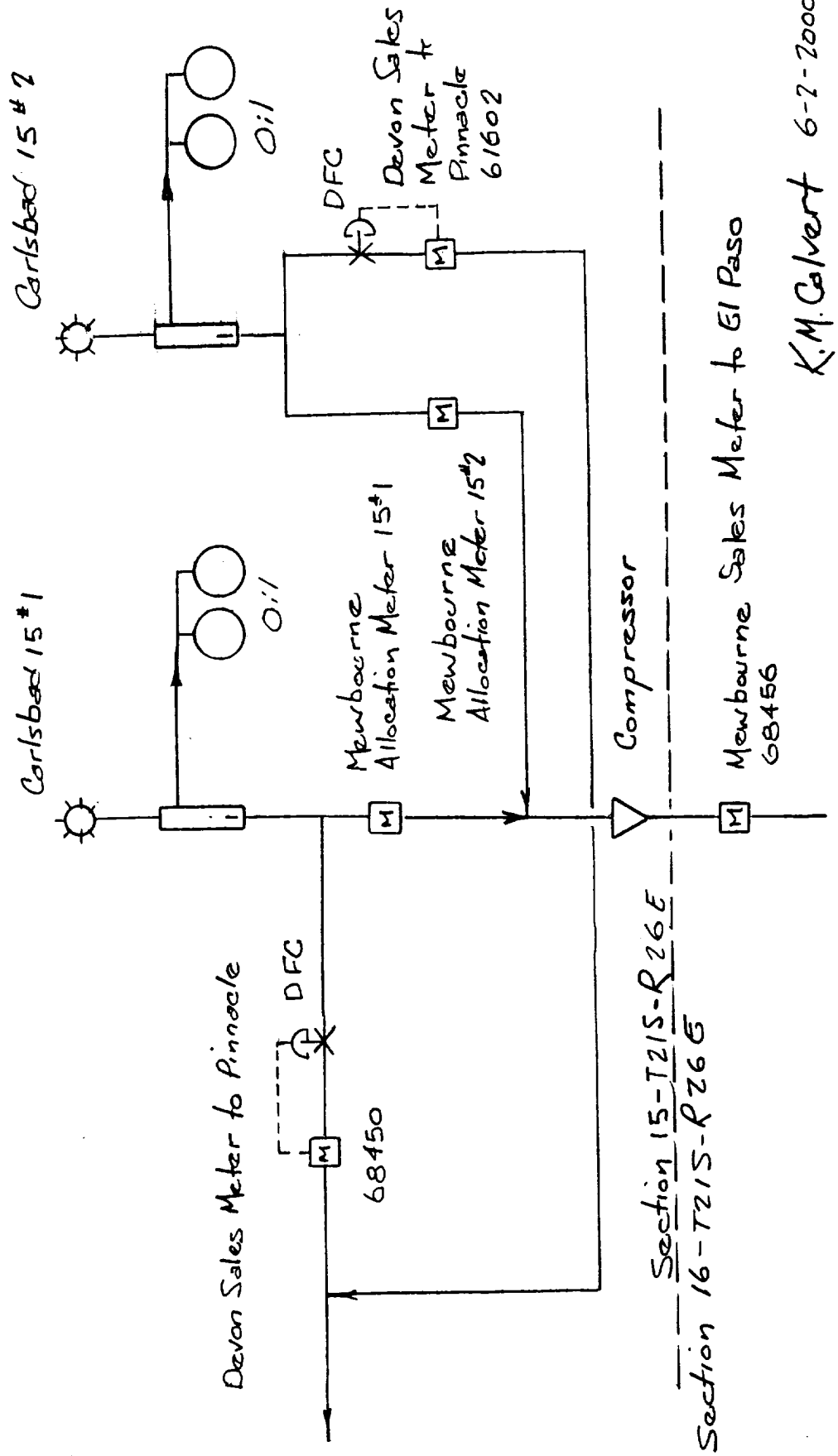
Enclosures

cc: Gene Hunt
Hobbs

Request to Commingle Gas Streams for Common Compression and off-lease Sales

MMNM 101353

Carlsbad 15#1, 15#2

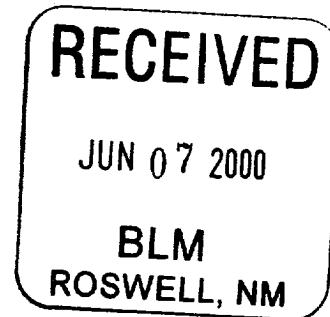


K.M. Calvert 6-2-2000

MEWBOURNE OIL COMPANY

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

June 6, 2000



UPS NEXT DAY AIR #N168 224 648 3

Mr. Armando Lopez
Bureau of Land Management
Division of Lands and Minerals
2909 W. Second Street
Roswell, NM 88201

Re: Application for surface commingling of gas streams and off-lease sales
Carlsbad "15" Federal Com. #1 & #2 wells
NMNM101353 and NMNM101368
Sec. 15 T21S R26E
Eddy Co., New Mexico

NMNM 3606A

Dear Mr. Lopez:

With reference to the Guidelines for Off-Lease Measurement, Storage, and Surface Commingling Approval, please find enclosed the following documents in support of our application for surface commingling of gas streams and off-lease sales of gas from the above-captioned wells:

1. Sundry Notice Form 3160-5 with attachment (Item #13)
2. Exhibit "A" and Exhibit "B" to Communitization Agreement dated 3/1/98 (#1 well)
Exhibit "A" and Exhibit "B" to Communitization Agreement dated 12/1/98 (#2 well)
3. Schematic diagram which clearly identifies and places all equipment to be utilized.
4. Estimated monthly production from each contributing well:

Carlsbad "15" #1	(6/2/98)	14,907 MCFD
(Morrow)		1028 BTU (14.73 Dry)
		0.583 Sp. Gr.
	(5/1/00)	1,903 MCFD
		1028 BTU (14.73 Dry)
		0.583 Sp. Gr.