

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 _____

*Mewbourne Oil
 Marathon Road 15NC Fed #1 H
 SL: 180 ft FSL/1800 ft FWL
 Unit N; Sec. 15 | 20S | 34E
 API 30-025-Pending*

[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.

David Catanach
 Print or Type Name

David Catanach
 Signature

Agent for Mewbourne Oil Company
 Title

11/13/13
 Date

drcatanach@netscape.com
 E-Mail Address

November 13, 2013

Hand Delivered

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG
Division Director

Re: Application for Unorthodox Well Location
Marathon Road 15 NC Federal No. 1H
API No. (N/A)
Surface Location: 180' FSL & 1800' FWL (Unit N)
First Take Point: 630' FSL & 1800' FWL (Unit N)
BHL: 330' FNL & 1800' FWL (Unit C)
Section 15, T-20 South, R-34 East, NMPM,
Lea County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13, Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of an unorthodox oil well location for its proposed Marathon Road 15 NC Federal Well No. 1H. This well will be drilled as a horizontal development oil well in the Lea-Bone Spring Pool (39691).

The Marathon Road 15 NC Federal Well No. 1H will be dedicated to a 160-acre spacing and proration unit ("project area") comprising the E/2 W/2 of Section 15. Within the proposed project area, there is currently one active vertical well producing from the Lea-Bone Spring Pool. This well is the Caza Operating, LLC Mud Slide Slim15 Federal Well No. 1 (API No. 30-025-38469) located 1980 feet from the North line and 1980 feet from the West line (Unit F) of Section 15. This well is currently dedicated to a standard 80-acre spacing and proration unit comprising the S/2 NW/4 of Section 15. Mewbourne currently has no plans to bring this well into the proposed project area.

The Lea-Bone Spring Pool is currently governed by "The Special Rules and Regulations for the Lea-Bone Spring Pool" as established by Division Order No. R-1827 dated December 8, 1960. These rules require standard 80-acre spacing and proration units comprising the N/2, S/2, E/2 or W/2 of a governmental quarter section with wells to be located within 150 feet of the center of a governmental quarter-quarter section.

Pursuant to these rules, a well in the Lea-Bone Spring Pool cannot be located closer than 510 feet to a direct offset tract, and cannot be located closer than 783 feet to a diagonal offset tract.

The proposed unorthodox location is necessary in order to maximize the recovery of oil and gas reserves from the Lea-Bone Spring Pool underlying the E/2 W/2 of Section 15.

The affected offset tracts are described as follows:

Tract 1: SW/4 of Section 10-20S-34E. This tract is currently undeveloped in the Lea-Bone Spring Pool. The leasehold owner is Read & Stevens, Inc.; and

Tract 2: W/2 W/2 Section 15-20S-34E. With the exception of the SE/4 NW/4 of Section 15, which is currently dedicated to the aforesaid Caza Operating, LLC Mud Slide Slim 15 Federal No. 1, this tract is currently undeveloped in the Lea-Bone Spring Pool. Please note that by virtue of a JOA that designates Mewbourne as Bone Spring operator within all of Section 15, the interest ownership between the E/2 W/2 of Section 15 (drill tract) and the W/2 W/2 of Section 15 is common. Consequently, notice of this application is not required to be provided to the interest owners within this tract (**Note: Notice of this application is being provided to Caza Operating, LLC as an offset operator, even though this operator is a party to the JOA described above**).

Pursuant to Division rules, notice of this application is being provided to Read & Stevens, Inc. and to Caza Operating, LLC.

Attached is a map showing the surface location, first take location and bottomhole location for the Marathon Road 15 NC Federal No. 1H. Also shown is the proposed project area and affected offset acreage. Also attached is an offset operator/leasehold notice letter and notice list.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Lea-Bone Spring Pool underlying the E/2 W/2 of Section 15 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at (505) 690-9453.

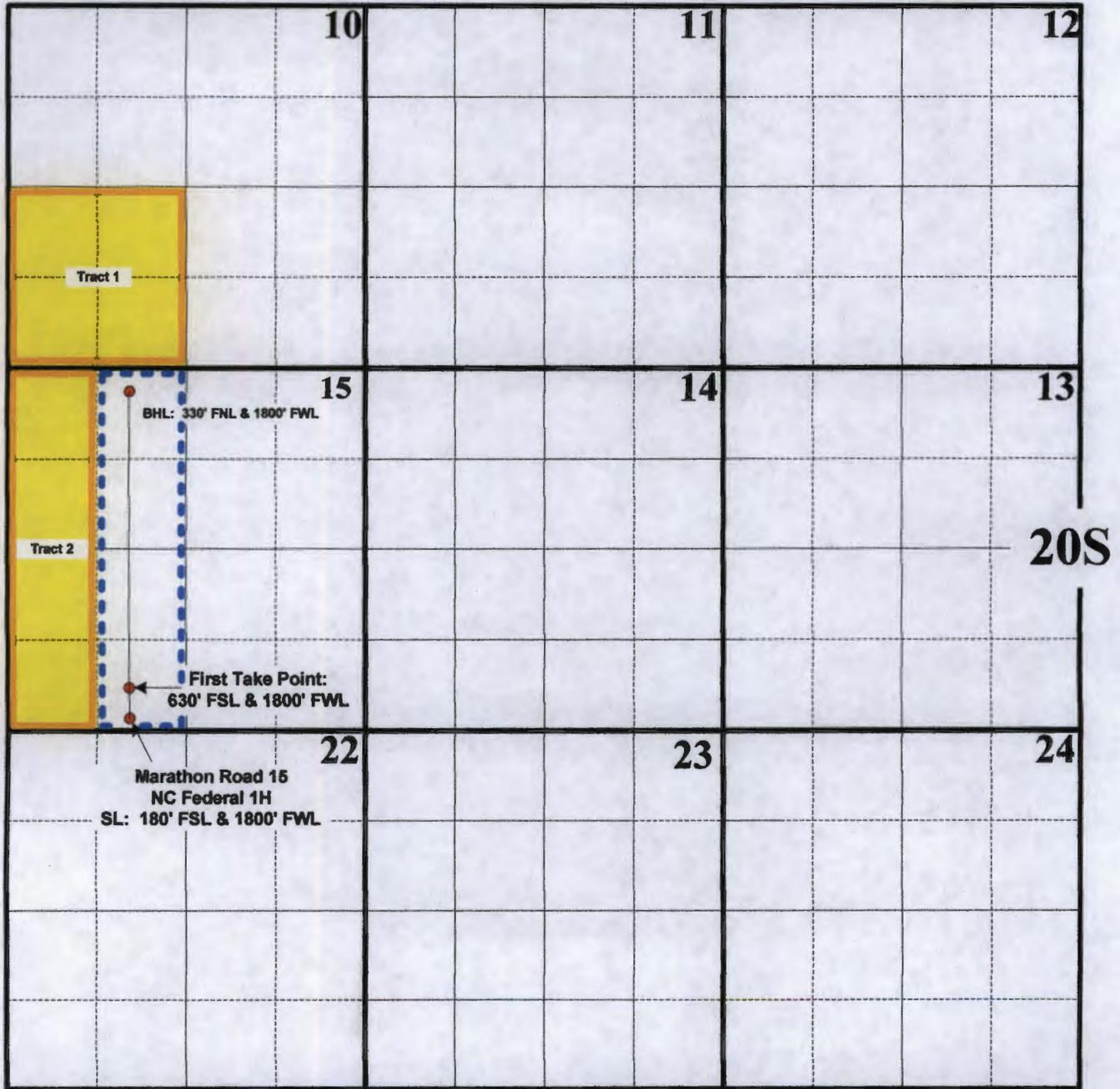
Sincerely,



David Catanach, Agent
Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Xc: OCD-Hobbs

34E



— 160-Acre Project Area

■ Affected Offset Acreage/Tracts

Mewbourne Oil Company
Application for Unorthodox Well Location
Marathon Road 15 NC Federal No. 1H
Affected Offset Acreage

November 13, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: (SEE ATTACHED NOTICE LIST)

Re: Mewbourne Oil Company
Unorthodox Oil Well Location
Marathon Road 15 NC Federal No. 1H (API No. N/A)
Surface Location: 180' FSL & 1800' FWL (Unit N)
First Take Point: 630' FSL & 1800' FWL (Unit N)
Bottomhole Location: 330' FNL & 1800' FWL (Unit C)
Section 15, T-20 South, R-34 East, NMPM,
Lea-Bone Spring Pool
Lea County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Mewbourne Oil Company ("Mewbourne") for approval of an unorthodox oil well location for its proposed Marathon Road 15 NC Federal No. 1H located at the surface, first take point and bottomhole locations described above. The well will test the Lea-Bone Spring Pool and will be dedicated to a 160-acre spacing and proration unit ("project area") comprising the E/2 W/2 of Section 15, Township 20 South, Range 34 East, NMPM. The unorthodox location is necessary in order to maximize the recovery of oil and gas reserves underlying the E/2 W/2 of Section 15.

As the owner of an interest that may be affected by the proposed unorthodox oil well location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach, Agent
Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Enclosure

**Application for Unorthodox Location
Mewbourne Oil Company
Marathon Road 15 NC Federal Well No. 1H
Notice List**

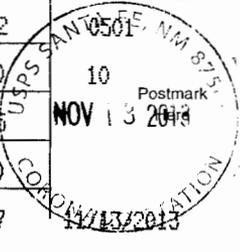
**Read & Stevens, Inc.
P.O. Box 1518
Roswell, New Mexico 88202**

**Caza Operating, LLC
200 N. Lorraine
Suite 1550
Midland, Texas 79701**

7012 2920 0002 1384 7587

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com
MIDLAND TX 79701

Postage	\$	\$1.12	
Certified Fee		\$3.10	
Return Receipt Fee (Endorsement Required)		\$2.55	
Restricted Delivery Fee (Endorsement Required)		\$0.00	
Total Postage & Fees	\$	\$6.77	

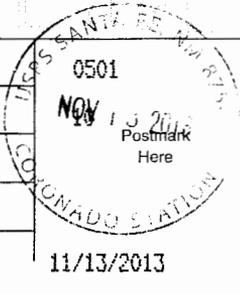
Caza Operating, LLC
 Sent **200 N. Loraine**
 Suite 1550
 Midland, Texas 79701

PS Instructions

7012 2920 0002 1384 7570

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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ROSWELL NM 88202

Postage	\$	\$1.12	
Certified Fee		\$3.10	
Return Receipt Fee (Endorsement Required)		\$2.55	
Restricted Delivery Fee (Endorsement Required)		\$0.00	
Total	\$	\$6.77	

Read & Stevens, Inc.
 Sent **P.O. Box 1518**
 Roswell, New Mexico 88202

PS Form 3800, August 2008 Instructions

DISTRICT I
1625 N. French Dr. Bldg. NM 87210
Phone: (505) 793-6181 Fax: (505) 733-0720

DISTRICT II
211 S. First St. Santa Fe NM 87501
Phone: (505) 748-1295 Fax: (505) 748-0720

DISTRICT III
1020 New Plaza, Bldg. 3100, Santa Fe NM 87501
Phone: (505) 734-6178 Fax: (505) 734-6179

DISTRICT IV
1229 S. St. Francis Dr. Santa Fe NM 87505
Phone: (505) 750-3463 Fax: (505) 475-5462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office
 AMENDED REPORT

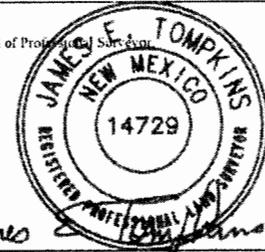
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 396913570	Pool Name LEA-BONE SPRING
Property Code	Property Name MARATHON ROAD 15 NC FEDERAL	Well Number 1H
OGRID No 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3646'

Surface Location									
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	15	20 S	34 E		180	SOUTH	1800	WEST	LEA

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
C	15	20 S	34 E		330	NORTH	1800	WEST	
Dedicated Acres 160	Joint or Infill	Consolidated 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.

<p>NW COR SEC 15 NMSP-E (NAD 27) N (Y) = 575678.4' E (X) = 739389.6'</p> <p>NE COR SEC 15 NMSP-E (NAD 27) N (Y) = 575733.8' E (X) = 744677.8'</p> <p>N 89°25'58" E 2644.4'</p> <p>N 89°22'12" E 2644.1'</p> <p>N 00°25'13" W 5278.7'</p> <p>S 00°25'39" E 2642.3'</p> <p>S 00°15'13" E 2640.6'</p> <p>MARATHON ROAD 15 NC FEDERAL 1H SHL NMSP-E (NAD 27) Y = 570659.0' X = 782402.6' LAT. = 32°33'59.00"N. LONG. = 103°33'03.01"W.</p> <p>NMSP-E (NAD 27) Y = 570596.5' X = 741221.5' LAT. = 32.56627706° LONG. = 103.56346392'</p> <p>SW COR SEC 15 NMSP-E (NAD 27) N (Y) = 570400.0' E (X) = 739428.1'</p> <p>SE COR SEC 15 NMSP-E (NAD 27) N (Y) = 570451.0' E (X) = 744708.0'</p> <p>1800'</p> <p>180'</p> <p>S 89°27'37" W 2644.0'</p> <p>S 89°25'53" W 2637.2'</p>	<p>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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Print Name _____</p> <p>E-mail Address _____</p> <p>SURVEYORS 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.</p> <p>June 4, 2013 Date of Survey</p> <p>Signature and Seal of Professional Surveyor </p> <p>Job No. WTC48972 JAMES E. TOMPKINS 14729 Certificate Number</p>
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