

4/07/14 DATE IN	BUSPENSE	RE ENGINEER	4/07/2014 LOGGED IN	PC TYPE	PMAM1409744716 APP NO
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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

[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.

Joe Bryand
Print or Type Name

Signature

Title

Date

e-mail Address

- PC
- newbourne oil co
14744

Well
- San Lorenzo
9 PA Fee #1H
30-015-40401
- San Lorenzo 9
OB Fee #1H

30015-
41304

Pool
- San Lorenzo
B3600

- WC-015-
525281D
97449

3/19/14

jbryand@newbourne.com

April 7, 2014

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: Form C-107-B
Application for Surface Commingling
San Lorenzo 9 PA Fee No. 1H (30-015-40401)
San Lorenzo 9 OB Fee No. 1H (30-015-41304)
Section 9, T-25 South, R-28 East, NMPM,
Eddy County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.12.10, Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval to surface commingle production from the following described wells:

Well: San Lorenzo 9 PA Fee No 1H
Surface Location.: 170' FSL & 660' FEL (P); BHL: 348' FNL & 675' FEL (A)
Project Area: 160-Acres; E/2 E/2 of Section 9
Pool: San Lorenzo-Bone Spring Pool (53600)

Well: San Lorenzo 9 OB Fee No 1H
Surface Location.: 200' FSL & 2450' FEL (O); BHL: 330' FNL & 1980' FEL (B)
Project Area: 160-Acres; W/2 E/2 of Section 9
Pool: Wildcat Wolfcamp (WC-015 S252815D) (97949)

The project areas comprise a single fee lease, however, due to a difference in ownership in the wells after payout, the interest ownership between the wells is not common. Production will be separately metered prior to commingling and commingled production will be stored at the common tank battery located at the San Lorenzo 9 PA Fee No. 1H well location (**see attached schematic diagram**).

Notification is being provided to all interest owners in these wells as per Division rules.

All the information required for approval is attached. If you should have any questions, please call me at (505) 690-9453.

Mewbourne Oil Company
Application for Surface Commingling
San Lorenzo 9 OB Fee 1H & San Lorenzo 9 PA Fee 1H
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "David Catanach". The signature is fluid and cursive, with the first name "David" being more prominent and the last name "Catanach" written in a more compact, cursive style.

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

Xc: OCD-Artesia

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., 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-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION

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

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Newbourn oil company
OPERATOR ADDRESS: PO Box 5270, Hobbs, NM 88241
APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☒ Fee ☐ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☐ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify) _____
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved _____

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify) _____

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attach sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers

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

SIGNATURE: Joe Bryand

TITLE: Engineer

DATE: 3/14/2014

TYPE OR PRINT NAME: Joe Bryand

TELEPHONE NO: 575-393-5905

E-MAIL ADDRESS: jbryand@newbourn.com

San Lorenzo 9 PA Fee #1H & San Lorenzo 9 OB Fee #1H Surface Commingle

Commingle procedure for San Lorenzo 9 PA Fee #1H & San Lorenzo 9 OB Fee #1H Wells:

Mewbourne Oil Company is requesting approval for surface commingle for these two wells into one common battery located on the San Lorenzo 9 PA Fee #1H Battery.

<u>Well Name</u>	<u>Location</u>	<u>API#</u>	<u>Pool</u>	<u>Oil Gravity</u>	<u>Calculated Commingled Oil Gravity</u>	<u>BTU</u>	<u>Calculated Commingled BTU</u>	<u>Volumes</u>
San Lorenzo 9 PA Fee #1H	170' FSL & 660' FEL, Sec 9, T25S, R28E.	30-015-40401	53600 – San Lorenzo BS	46	59	1259	1291	250 MCF
*San Lorenzo 9 OB Fee #1H	200' FSL & 2450' FEL &, Sec 9, T25S, R28E,	30-015-41304	97949 – WC-015 S25281D Wolfcamp (Gas)	52		1292		4000 MCF (Est)

***Denotes well being drilled**

Oil & Gas metering:

Oil, gas, and water volumes from each well producing to this battery will be determined by using meter equipment on each separator (all wells measured separately daily). Production will be allocated on a daily basis based on each wells meter volumes for oil, water, & gas.

The commingling of production is in the interest of conservation and waste and will result in the most effective economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production.

Signed: 

Printed Name: Joe Bryand
Title: Production Engineer
Date: 3/19/2014

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

RECEIVED

DEC 09 2013

DEMOCRATIES

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-41304		2 Pool Code 97949		3 Pool Name WC-015 S 252815 D; Wolfcamp	
4 Property Code 32859		5 Property Name SAN LORENZO 9 OB FEE			6 Well Number 1H
7 Operator Name MEWBOURNE OIL COMPANY		8 Elevation 2971'			
9 Surface Location					
UL or lot no. 0	Section 9	Township 25-S	Range 28-E	Lot 14th	Feet from the 200
		North/South line SOUTH		Feet from the 2450	East/West line EAST
		County EDDY			
10 Bottom Hole Location If Different From Surface					
UL or lot no. B	Section 9	Township 25-S	Range 28-E	Lot 14th	Feet from the 330
		North/South line North		Feet from the 1980	East/West line East
		County EDDY			
12 Dedicated Acres 320/160		13 Joint or Infill		14 Consolidation Code	
				15 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>CORNER DATA NAD 27 GRID - NM EAST</p> <p>A: BRASS CAP "1940" N 413725.5 - E 572071.3</p> <p>B: BRASS CAP "1940" N 416371.1 - E 572047.7</p> <p>C: BRASS CAP "1940" N 419016.8 - E 572023.2</p> <p>D: BRASS CAP "1940" N 418988.3 - E 574700.6</p> <p>E: BRASS CAP "1940" N 418960.8 - E 577380.4</p> <p>F: BRASS CAP "1940" N 416349.2 - E 577394.9</p> <p>G: BRASS CAP "1940" N 413738.1 - E 577410.1</p> <p>H: BRASS CAP "1940" N 413734.7 - E 574737.3</p>		<p>GEODETIC DATA NAD 27 GRID - NM EAST</p> <p>SURFACE LOCATION N 413934.9 - E 574959.5</p> <p>LAT: 32°08'16.051172" N LONG: 104°05'28.182154" W</p>		<p>17 OPERATOR CERTIFICATION</p> <p>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 unless 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.</p> <p>Signature: <u>Bradley Bishop</u> Date: _____</p> <p>Printed Name: <u>BRADLEY BISHOP</u></p> <p>E-mail Address: _____</p>
<p>WELL DATA</p> <p>200'</p> <p>2450</p>		<p>18 SURVEYOR CERTIFICATION</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>3/18/13 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <u>Robert M. Howett</u></p> <p>19680 Certificate Number</p>		

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 993-8161 Fax: (575) 393-0720

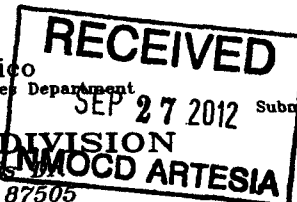
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 748-1253 Fax: (505) 748-0750

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1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-8480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis
Santa Fe, New Mexico 87505



Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-40401	Pool Code 53600	Pool Name San Lorenzo; Bone Spring
Property Code 39277	Property Name SAN LORENZO 9 PA FEE	Well Number 1H
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Elevation 2945'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	9	25 S	28 E		170'	SOUTH	660'	EAST	EDDY

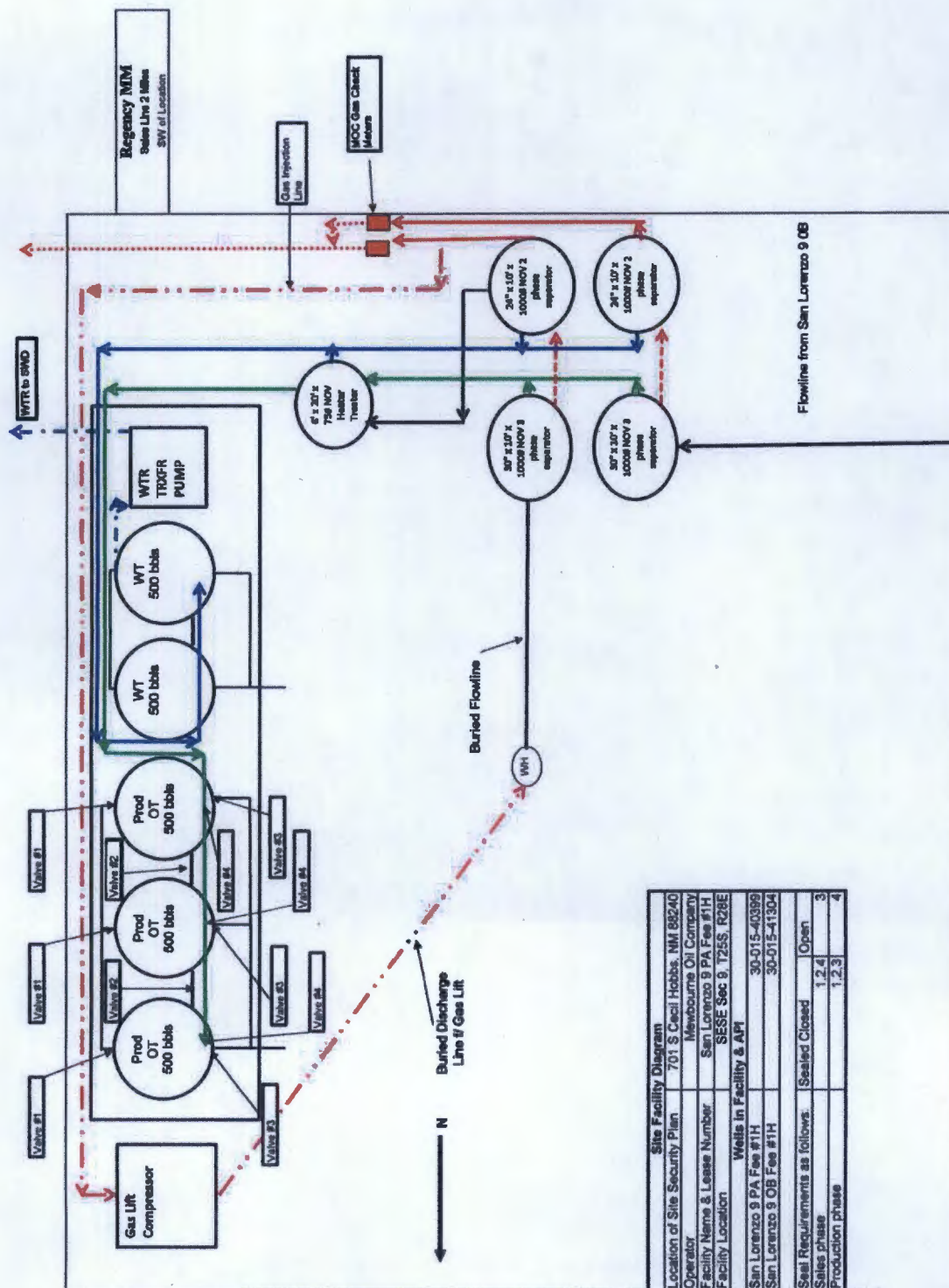
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	9	25 S	28 E		348	North	67.5	East	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**

<p>End of Well Bore</p> <p>Project Area</p> <p>Producing Area</p> <p>Well Path</p> <p>660'</p> <p>170'</p> <p>348'</p> <p>67.5'</p> <p>SURFACE LOCATION Lat - N 32°08'15.73\" Long - W 104°05'07.37\" NMSPCE - N 576749.14 (NAD-27)</p> <p>End of 7\" Ccg</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>[Signature]</i> 9/19/20 Signature Date</p> <p>N.M. Young Printed Name</p> <p>_____ Email Address</p>
	<p>SURVEYOR CERTIFICATION</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>J. Gary L. Jones Date Surveyed</p> <p>J. Gary L. Jones Signature & Seal of Professional Surveyor 7977</p> <p>W. Gary L. Jones Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 26940</p>



Site Facility Diagram	
Location of Site Security Plan	701 S Cecil Hobbs, NM 88240
Operator	Mewbourne Oil Company
Facility Name & Lease Number	San Lorenzo 9 PA Fee #1H
Facility Location	SESE Sec 9, T25S, R28E
Wells in Facility & API	
San Lorenzo 9 PA Fee #1H	30-015-40399
San Lorenzo 9 OB Fee #1H	30-015-41304
Seal Requirements as follows:	
Sales phase	Sealed Closed
Production phase	Open
	1,2,3
	4

April 7, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: INTEREST OWNERS (SEE ATTACHED NOICE LIST)

Re: Mewbourne Oil Company
Form C-107-B (Application for Surface Commingling)
San Lorenzo 9 OB Fee No. 1H (30-015-41304)
San Lorenzo 9 PA Fee No. 1H (30-015-40401)

Ladies and Gentlemen:

Enclosed please find a copy of Division Form C-107-B filed by Mewbourne Oil Company ("Mewbourne"). Mewbourne is seeking approval to surface commingle production from the San Lorenzo-Bone Spring Pool originating from Mewbourne's San Lorenzo 9 PA Fee No. 1H and Wildcat-Wolfcamp Pool production originating from Mewbourne's San Lorenzo 9 OB Fee No. 1H, both located in Section 9, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico. Production will be separately metered prior to commingling.

As an interest owner in the subject well(s), you are being provided notice of this application 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 20 days from the date this notice was sent to you, 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

Mewbourne Oil Company
Application for Surface Commingling
San Lorenzo 9 PA Fee No. 1H &
San Lorenzo 9 OB Fee No. 1H
Section 9, T-25S, R-28E, NMPM,
Eddy County, New Mexico
Notice List

McCombs Energy, Ltd.
5599 San Felipe, Suite 1200
Houston, Texas 77056
Attn: Mr. Ricky Haikin

Chevron U.S.A., Inc.
1400 Smith Road
Houston, Texas 77002
Attn: Mrs. Kelly Bass

Devon Energy Production Co., LP
333 W. Sheridan Ave.
Oklahoma City, OK 73102-5010
Attn: Mr. Samuel Walker

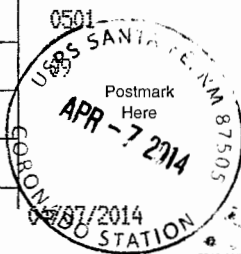
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Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$7.40



Sent **Chevron U.S.A., Inc.**
1400 Smith Road
Houston, Texas 77002
Attn: Mrs. Kelly Bass

PS Form 3800, August 2006

See Reverse for Instructions

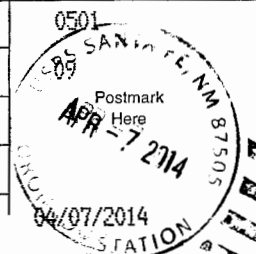
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OKLAHOMA CITY OK 73102

Postage	\$ 1.40
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$7.40



Sent To **Devon Energy Production Co., LP**
333 W. Sheridan Ave.
Oklahoma City, OK 73102-5010
Attn: Mr. Samuel Walker

PS Form 3800, August 2006

See Reverse for Instructions

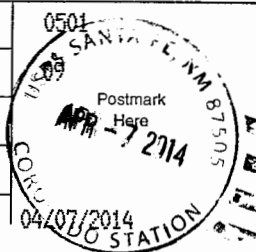
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HOUSTON TX 77056

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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$7.40



Sent To **McCombs Energy, Ltd.**
5599 San Felipe, Suite 1200
Houston, Texas 77056
Attn: Mr. Ricky Haikin

PS Form 3800, August 2006

See Reverse for Instructions

Well_Name:	SAN LORENZO 9 PA FEE # 001H	API:	3001540401
Operator Name:	MEWBOURNE OIL CO	County:	Eddy
Land Type:	Private	Well Type:	Gas

Year:	2013				
Pool Name:	SAN LORENZO;BONE SPRING				
Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced	
August	2050	11558	4980	31	
September	1686	9530	4048	28	
October	2026	8415	3739	31	
November	1405	5852	2204	23	
December	1483	5157	2313	25	
CUM	58968	206768			

Well_Name:	SAN LORENZO 9 OB FEE # 001H	API:
CUM	N/A	N/A