

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 \_\_\_\_\_

- NSC 7117  
- Mewbourne oil company  
14744  
Well  
- Marathon Road  
B30B Federal #1H  
30-025 PENDING  
4145  
Pool  
- Leas, Bone  
Spring

**[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

6/19/14  
Date

drcatanach@netscape.com  
E-Mail Address

June 19, 2014

**Hand Delivered**

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

Attention: Ms. Jami Bailey  
Division Director

Re: Application for Unorthodox Well Location  
Marathon Road 15 B3OB Federal No. 1H  
API No. (N/A)  
Surface Location: 150' FSL & 2610' FEL (Unit O)  
First Take Point: 330' FSL & 2610' FEL (Unit O)  
BHL: 330' FNL & 2310' FEL (Unit B)  
All in 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 B3OB Federal Well No. 1H. This well will be drilled as a horizontal development oil well in the Lea-Bone Spring Pool (37570).

The Marathon Road 15 B3OB Federal Well No. 1H will be dedicated to a 160-acre spacing and proration unit ("project area") comprising the W/2 E/2 of Section 15. There are currently no other existing Bone Spring producing wells within the 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 W/2 E/2 of Section 15.

The affected offset tracts are described as follows:

Tract 1: E/2 W/2 of Section 22-20S-34E. This existing 160-acre Bone Spring horizontal project area is operated by Cimarex Energy Company. The well to which this tract is dedicated has not yet been drilled;

Tract 2: W/2 E/2 of Section 22-20S-34E. This existing 160-acre Bone Spring horizontal project area is operated by Cimarex Energy Company. The well to which this tract is dedicated has not yet been drilled;

Tract 3: N/2 NW/4 of Section 15-20S-34E. This existing standard 80-acre Bone Spring spacing unit is currently operated by Caza Operating, LLC. The well to which this tract is dedicated has not yet been drilled;

Tract 4: S/2 NW/4 of Section 15-20S-34E. This existing standard 80-acre Bone Spring spacing unit is currently operated by Caza Operating, LLC. The well to which this tract is dedicated is currently active;

Tract 5: E/2 W/2 of Section 15-20S-34E. This existing 160-acre Bone Spring horizontal project area is operated by Mewbourne Oil Company. The well to which this tract is dedicated has not yet been drilled. **(Please note that the working interest ownership between the drill tract (W/2 E/2 of Section 15) and Tract 5 is common; and**

Tract 6: S/2 S/2, NE/4 SW/4 & NW/4 SE/4 of Section 10-20S-34E: This tract is currently undeveloped in the Bone Spring formation. The leasehold owner of this tract is Read & Stevens, Inc.

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

Attached is a Form C-102 showing the proposed well and proposed project area. Also attached is a map showing the affected offset acreage and an offset leasehold notice letter.

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 W/2 E/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.

*Mewbourne Oil Company  
Unorthodox Location Application  
Marathon Road 15 B3OB Federal Well No. 1H  
Page 3*

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Sincerely,

A handwritten signature in black ink that reads "David Catanach". The signature is written in a cursive style with a large, stylized 'D' and a long, sweeping tail on the 'h'.

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

Xc: OCD-Hobbs

**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

Form C-102  
Revised July 16, 2010  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>N/A</b>	Pool Code <b>37570</b>	Pool Name <b>Lea-Bone Spring Pool</b>
Property Code	Property Name <b>Marathon Road B3OB Federal</b>	Well Number <b>1H</b>
OGRID No. <b>14744</b>	Operator Name <b>Mewbourne Oil Company</b>	Elevation

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>O</b>	<b>15</b>	<b>20 South</b>	<b>34 East</b>		<b>150</b>	<b>South</b>	<b>2610</b>	<b>East</b>	<b>Eddy</b>

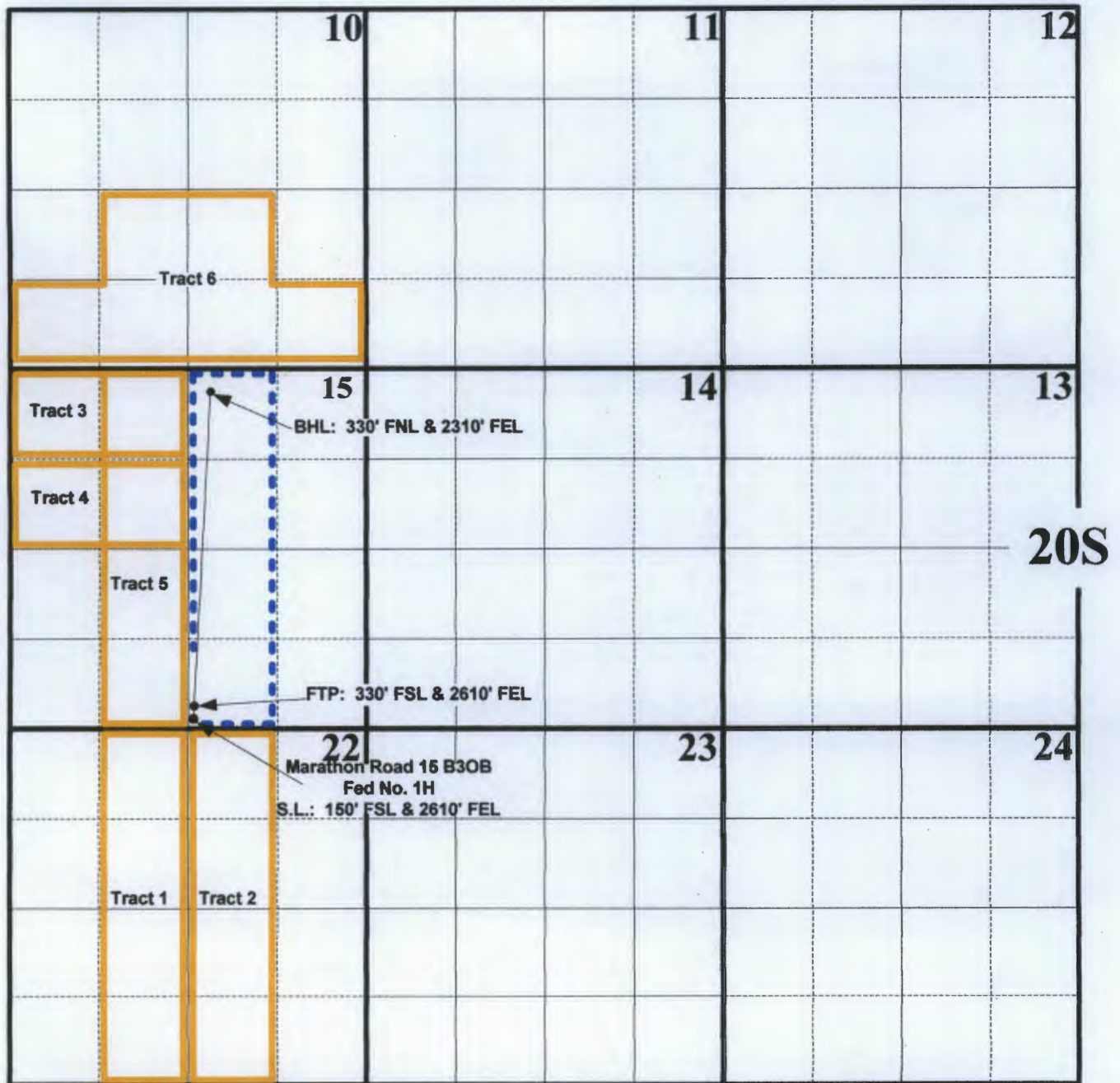
**Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>B</b>	<b>15</b>	<b>20 South</b>	<b>34 East</b>		<b>330</b>	<b>North</b>	<b>2310</b>	<b>East</b>	<b>Eddy</b>
Dedicated Acres <b>160</b>	Joint or Infill	Consolidate 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>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 bottomhole 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 heretofor entered by the Division.</i>	
	Signature	Date
	Printed Name	
	E-mail Address	
	<b>SURVEYOR CERTIFICATION</b> <i>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.</i>	
	Date of Survey	
	Signature and Seal of Professional Surveyor:	
	Certificate Number	

**34E**



— 160-Acre Project Area

□ Affected Offset Acreage/Tracts

**Mewbourne Oil Company**  
**Application for Unorthodox Well Location**  
**Marathon Road 15 B3OB Federal No. 1H**  
**Affected Offset Acreage**

June 19, 2014

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO: (SEE ATTACHED NOTICE LIST)

Re: Mewbourne Oil Company  
Unorthodox Oil Well Location  
Marathon Road 15 B3OB Federal No. 1H (API No. N/A)  
Surface Location: 150' FSL & 2610' FEL (Unit O)  
First Take Point: 330' FSL & 2610' FEL (Unit O)  
Bottomhole Location: 330' FNL & 2310' FEL (Unit B)  
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 B3OB 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 W/2 E/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 W/2 E/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  
550 W. Texas, Suite 1020  
Midland, Texas 79701

Enclosure

**Application for Unorthodox Location  
Mewbourne Oil Company  
Marathon Road 15 B3OB Well No. 1H  
Notice List**

Read & Stevens, Inc.  
P. O. Box 1518  
Roswell, New Mexico 88202-1518  
Attn: Mr. James Reedy

Caza Operating, LLC  
10077 Grogan's Mill Road, #200  
The Woodlands, Texas 77380  
Attn: Mr. Rich Albro

Cimarex Energy Company  
600 N. Marienfeld, Suite 600  
Midland, Texas 79701



7012 3050 0000 6819 7155

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
SPRING TX 77380	
Postage	\$ 1.40
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$7.40
Postmark Here JUN 19 2014	
Sent To Caza Operating, LLC 10077 Grogan's Mill Rd. # 200 The Woodlands, Texas 77380 Attn: Mr. Rich Albro	
PS Form 3800, August 2006 See Reverse for Instructions	

7012 3050 0000 6819 6769

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
ROSWELL NM 88202	
Postage	\$ 1.40
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$7.40
Postmark Here JUN 19 2014	
Sent To Read & Stevens, Inc. P.O. Box 1518 Roswell, New Mexico 88202-1518 Attn: Mr. James Reedy	
PS Form 3800, August 2006 See Reverse for Instructions	

7012 3050 0000 6819 6745

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
MIDLAND TX 79701	
Postage	\$ 1.40
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$7.40
Postmark Here JUN 19 2014	
Sent To Cimarex Energy Company 600 N. Marienfeld, Suite 600 Midland, Texas 79701	
PS Form 3800, August 2006 See Reverse for Instructions	

DISTRICT I  
8225 N. French Dr., Hobbs, NM 88240  
Phone: (505) 399-4761 Fax: (505) 399-4770

DISTRICT II  
111 E. First St., Alamogordo, NM 88310  
Phone: (505) 748-1283 Fax: (505) 748-9720

DISTRICT III  
1000 Rio Grande Blvd., Alamogordo, NM 87411  
Phone: (505) 334-4170 Fax: (505) 334-4170

DISTRICT IV  
1200 E. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3480 Fax: (505) 476-3482

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 <b>30-025-41945</b>	Pool Code <b>37570</b>	Pool Name <b>LEA BONE SPRING</b>
Property Code <b>313443</b>	Property Name <b>MARATHON ROAD 15 B30B FEDERAL</b>	Well Number <b>1H</b>
OGRID No. <b>14744</b>	Operator Name <b>MEWBOURNE OIL COMPANY</b>	Elevation <b>3649'</b>

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	15	20 S	34 E		150	SOUTH	2610	EAST	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
B	15	20 S	34 E		330	NORTH	2310	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidated Code	Order No
160			

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>SW COR SEC 15 NMSP-E (NAD 27) N (Y) = 570400.0' E (X) = 739428.1'</p>	<p>MARATHON ROAD 15 B30B FEDERAL 1H SHL NMSP-E (NAD 83) N (Y) = 570637.6' E (X) = 783279.5' LAT. = 32°33'58.62"N LONG. = 103°32'52.77"W</p> <p>NMSP-E (NAD 27) N (Y) = 570575.1' E (X) = 742098.4' LAT. = 32.5661611°N LONG. = 103.5475008°W</p> <p>SE COR SEC 15 NMSP-E (NAD 27) N (Y) = 570451.0' E (X) = 744709.0'</p>	<p><b>OPERATOR CERTIFICATION</b> 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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Bradley Bishop</i> 1-21-14 Signature Date</p> <p><b>BRADLEY BISHOP</b> Print Name</p> <p>E-mail Address</p> <p><b>SURVEYORS 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.</p> <p>June 4, 2013 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>James E. Tompkins</i> James E. Tompkins 14729</p> <p>Job No. WTC48972 JAMES E TOMPKINS 14729 Certificate Number</p>
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JUL 08 2014