

NSP Initial Application

Received: 10/26/20

RECEIVED: 10/26/20	REVIEWER: LRL	TYPE: NSP	APP NO: pLEL2030151883
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: Mewbourne Oil Company **OGRID Number:** 14744
Well Name: 4 Armstrong Wells **API:** _____
Pool: Purple Sage Wolfcamp (Gas) **Pool Code:** 98220

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

3) **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.

Cy Shook

Print or Type Name

Signature

10/27/2020
 Date

432-682-3715
 Phone Number

cshook@mewbourne.com
 e-mail Address

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020
Midland, Texas 79701
Phone (432) 682-3715
Fax (432) 685-4170

October 20, 2020

Via Certified Mail

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

Re: Application for Non-Standard Proration Unit
NW/4 of Section
SW/4 and S/2NW/4 of Section 23
T-25-S, R-31-E, NMPM
Eddy County, New Mexico

Dear Mr. Lowe:

Pursuant to the Division Rules, Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of non-standard proration unit for its Armstrong 26/23 W0EE Fed Com #4H, API # 30-015-46304, the Armstrong 26/23 W1EE Federal Com #1H, API #30-015-46307, the Armstrong 26/23 W0FF Federal Com #2H, API# 30-015-46351, and the Armstrong 26/23 W1FF Federal Com #1H, the ("Armstrong 26/23 Wells"). The Armstrong 26/23 Wells will be drilled as a horizontal gas wells in the Purple Sage Wolfcamp (Gas) Pool (98220).

The Armstrong 26/23 Wells will be dedicated to a non-standard 400-acre gas spacing and proration unit comprising the NW/4 of Section 26 and the SW/4 and S/2NW/4 of Section 23. There are currently no other existing Wolfcamp Gas wells producing from within the proposed spacing unit.

The Purple Sage Wolfcamp (Gas) Pool is currently governed by Special Pool Rules, Hearing Order No. R-14262 which requires standard 320-acre gas spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit, nor closer than 10 feet to any interior quarter-quarter section line or subdivision inner boundary, or in the case of a horizontal well, no closer than 330 feet to the outer boundary of the producing area.

The non-standard proration unit is necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying the NW/4 of Section 26 and the SW/4 and S/2NW/4 of Section 23. Mewbourne Oil Company ("Mewbourne") and Devon Energy Production Company ("Devon") have agreed to codevelop the N/2 of Section 23 with

Mewbourne developing the S2N2 of Section 23 from the south and Devon developing the N2N2 of Section 23. This agreement was reached in order to avoid contested hearings at the NMOCD. This agreement and the approval of this application will not cause there to be any stranded acreage as a result of these non-standard proration units.

The affected offset acreage comprises the N/2NW/4 of Sections 23 and the SW/4 of Section 14, T25S- R31E NMPM (See Attached Map). There is currently no Wolfcamp production within the offset acreage. Consequently, notice of this application is being provided to Devon and XTO Energy, Inc.

Attached is the Form C-102s showing the surface, first take point, and bottomhole locations for the Armstrong 26/23 Wells. Also, attached is a map showing the affected offset acreage, a horizontal well plan, notice list and offset notice letter.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Purple Sage Wolfcamp (Gas) Pool underlying Sections 23 and 26 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

Should you have any questions regarding the above, please email me at cshook@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Cy Shook
Landman

Xc: OCD-Hobbs



Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

Verl Brown, Landman
405 228 8804 Phone
www.devonenergy.com

October 19, 2020

Mewbourne Oil Company
Attn: Cy Shook
500 W. Texas, Suite 1020
Midland, Texas 79701

Re: NSP Waiver - Wolfcamp Formation Section
23-25S-31E, Eddy County, New Mexico

Dear Mr. Shook:

Devon Energy Production Company, L.P. ("Devon") is the operator of the Wolfcamp Formation in the N/2 N/2 of Section 23, Township 25 South, Range 31 East, Eddy County, New Mexico ("Devon Operated Tract") and, pursuant to the May 13, 2019 amendment of that certain Operating Agreement dated September 1, 2015 by and between Mewbourne Oil Company ("Mewbourne"), as Operator and V-F Petroleum Inc., et al, as Non-Operator, Mewbourne is the operator of the Wolfcamp Formation in the S/2 N/2 of Section 23, Township 25 South, Range 31 East, Eddy County, New Mexico ("Mewbourne Operated Tract").

Pursuant to our recent conversation, Devon and Mewbourne agree to grant the other party a waiver and not to protest any non-standard proration unit application filed with the New Mexico Oil Conservation Division for wells with a portion of the wellbore in the N/2 of Section 23, Township 25 South, Range 31 East, Eddy County, New Mexico.

If the above meets your approval, please so indicate by signing in the space provided below and returning to the undersigned. If you have any questions or if you wish to discuss further, please don't hesitate to contact me at (405)-228-8804 or by email at verl.brown@dvn.com.

Sincerely,

Devon Energy Production Company, L.P.

Verl Brown
Senior Landman

AGREED TO AND ACCEPTED TO THIS 20th DAY OF OCTOBER, 2020.

Corey Mitchell
By: Corey Mitchell CS
Title: Attorney-In-Fact

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 Dr.
Santa Fe, NM 87505

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		2 Pool Code 98220		3 Pool Name Purple Sage Wolfcamp (Gas)					
4 Property Code		5 Property Name ARMSTRONG 26/23 WIEE FED COM			6 Well Number 1H				
7 GRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3329'				
10 Surface Location									
UL or lot no. E	Section 26	Township 25S	Range 31E	Lot Idn	Feet from the 2500	North/South line NORTH	Feet From the 900	East/West line WEST	County EDDY
11 Bottom Hole Location If Different From Surface									
UL or lot no. E	Section 23	Township 25S	Range 31E	Lot Idn	Feet from the 1420	North/South line NORTH	Feet from the 840	East/West line WEST	County EDDY
12 Dedicated Acres 400		13 Joint or Infill		14 Consolidation Code		15 Order No.			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

17 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 _____
Printed Name _____
E-mail Address _____

18 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.

12-11-18
Date of Survey
Signature and Seal of Professional Surveyor

19680
Certificate Number
REV. 9/16/19 NAME/BHL

LS18121327D

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 Dr.
Santa Fe, NM 87505

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		² Pool Code 98220	³ Pool Name Purple Sage Wellcamp (Gas)	
⁴ Property Code	⁵ Property Name ARMSTRONG 26/23 WOFF FED COM			⁶ Well Number 2H
⁷ GRID NO. 14744	⁸ Operator Name MEWBOURNE OIL COMPANY			⁹ Elevation 3332'

¹⁰ Surface Location

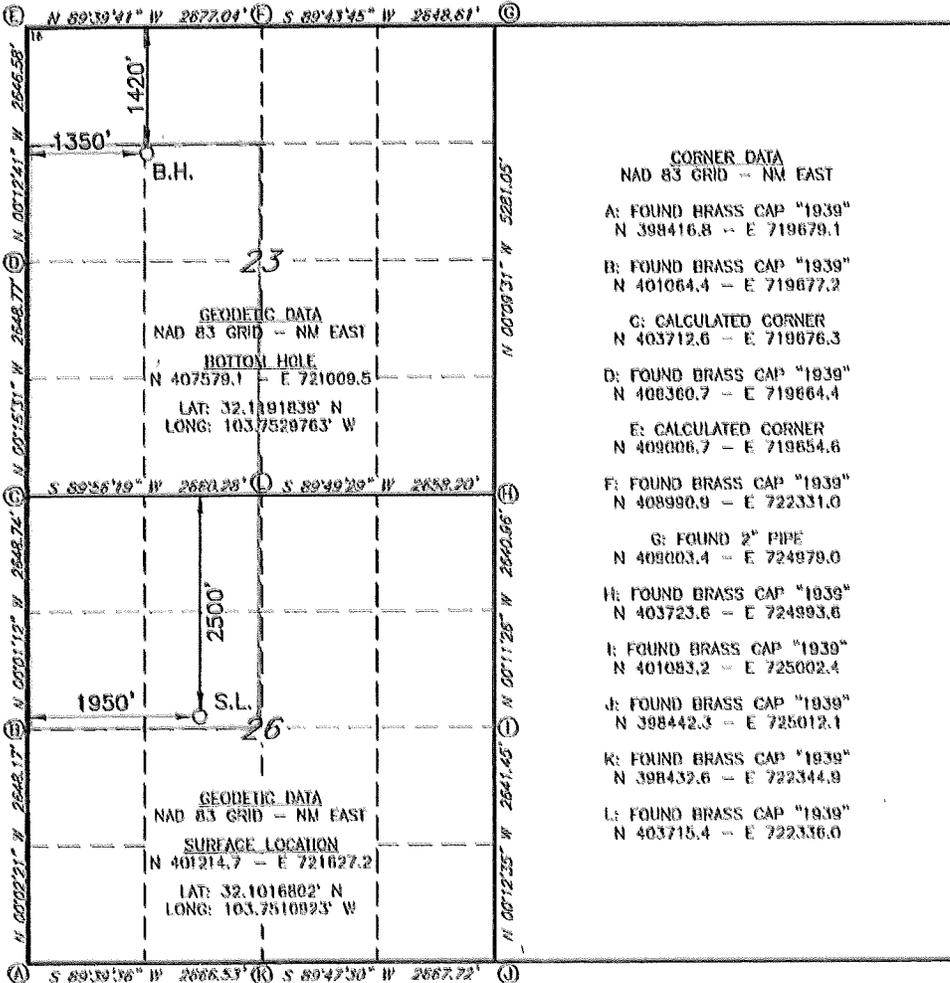
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	26	25S	31E		2500	NORTH	1950	WEST	EDDY

¹¹ 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
F	23	25S	31E		1420	NORTH	1350	WEST	EDDY

¹² Dedicated Acres 400	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

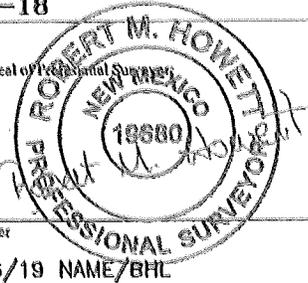


¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to 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 _____
Printed Name _____
E-mail Address _____

¹⁸ 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.

12-05-18
Date of Survey
Signature and Seal of Professional Surveyor
19680
Certificate Number
REV: 9/16/19 NAME/BHL



LS18121328D

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 Dr.
Santa Fe, NM 87505

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		² Pool Code	³ Pool Name
		98220	Purple Sage Wellcamp (Gns)
⁴ Property Code	⁵ Property Name		⁶ Well Number
	ARMSTRONG 26/23 WOEIE FED COM		4H
⁷ GRID NO.	⁸ Operator Name		⁹ Elevation
14744	MEWBOURNE OIL COMPANY		3330'

¹⁰ Surface Location

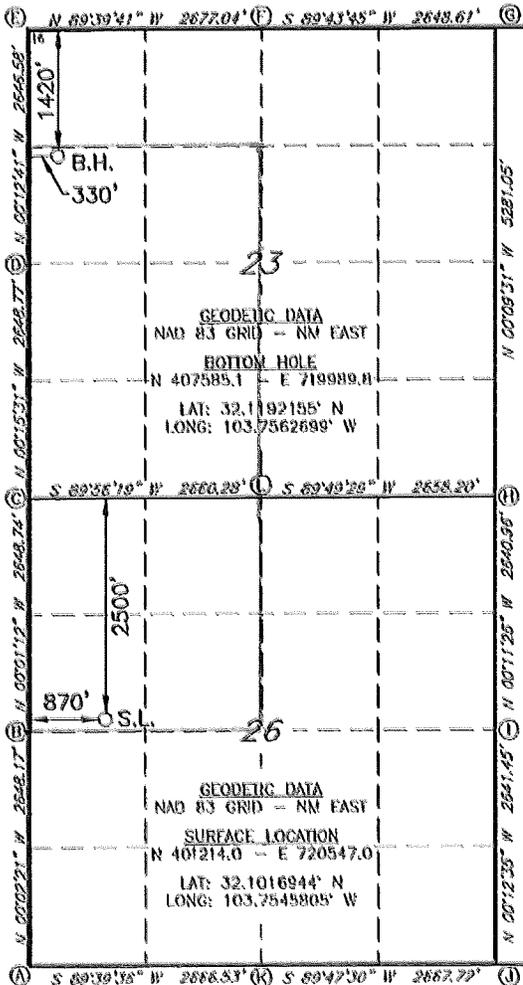
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	26	25S	31E		2500	NORTH	870	WEST	EDDY

¹¹ 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
E	23	25S	31E		1420	NORTH	330	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
400			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



¹⁶ 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 covering the land.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁷ 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.

12-11-18

Date of Survey _____

Signature and Seal of Professional Surveyor _____



19680

Certificate Number

REV. 9/16/19 NAME/BHL

LS18121326D

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
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1220 S. St. Francis Dr., Santa Fe, NM 87505
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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 August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220	³ Pool Name Purple Sage Wolfcamp (Gas)
⁴ Property Code	⁵ Property Name ARMSTRONG 26/23 WIFF FED COM		⁶ Well Number 1H
⁷ GRID NO. 1471044	⁸ Operator Name MEWBOURNE OIL COMPANY		⁹ Elevation 3332'

¹⁰ Surface Location

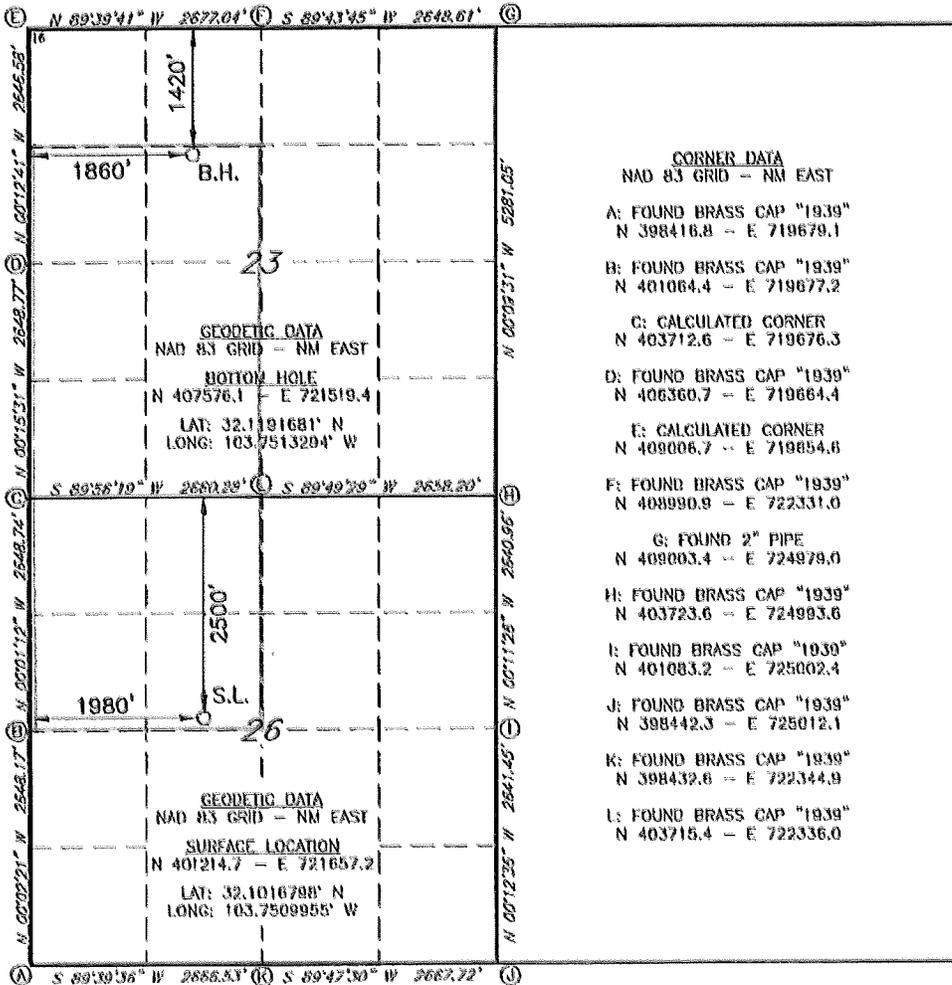
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	26	25S	31E		2500	NORTH	1980	WEST	EDDY

¹¹ 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
F	23	25S	31E		1420	NORTH	1860	WEST	EDDY

¹² Dedicated Acres 400	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



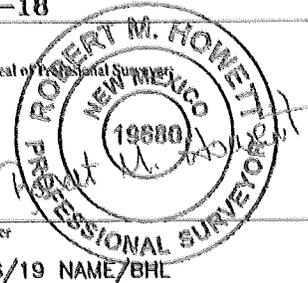
¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to 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 _____
Printed Name _____
E-mail Address _____

¹⁸ 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.

12-05-18
Date of Survey _____
Signature and Seal of Professional Surveyor _____

19680
Certificate Number
REV: 9/16/19 NAME/BHL



LS18121329D

Cy Shook

From: TrackingUpdates@fedex.com
Sent: Thursday, November 7, 2019 10:38 AM
To: Cy Shook
Subject: [EXT] FedEx Shipment 776919607019 Delivered

Your package has been delivered

Tracking # 776919607019

Ship date:
Wed, 11/6/2019

Cy Shook
Mewbourne Oil Company
Midland, TX 79701
US

Delivery date:
Thu, 11/7/2019 10:24
am

Perlan Land Manager
XTO Energy Inc.
22777 Springwoods Village
Pkwy
SPRING, TX 77389
US



FedEx®

Shipment Facts

Our records indicate that the following package has been delivered.

Tracking number: 776919607019

Status: Delivered: 11/07/2019 10:24
AM Signed for By:
L.FRANKLIN

Reference: W1EE, W0EE, W1FF, W0FF
NSP Noti

Signed for by: L.FRANKLIN

Delivery location: SPRING, TX

Delivered to: Shipping/Receiving

Service type: FedEx Standard Overnight®

Packaging type: FedEx® Envelope

Number of pieces: 1

Weight: 0.50 lb.

Special handling/Services: Deliver Weekday

Standard transit: 11/7/2019 by 3:00 pm

 Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 10:38 AM CST on 11/07/2019.

All weights are estimated.

To track the latest status of your shipment, click on the tracking number above.

Standard transit is the date and time the package is scheduled to be delivered by, based on the selected service, destination and ship date. Limitations and exceptions may apply. Please see the FedEx Service Guide for terms and conditions of service, including the FedEx Money-Back Guarantee, or contact your FedEx Customer Support representative.

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Thank you for your business.

Cy Shook

From: TrackingUpdates@fedex.com
Sent: Thursday, November 7, 2019 10:18 AM
To: Cy Shook
Subject: [EXT] FedEx Shipment 776919642775 Delivered

Your package has been delivered

Tracking # 776919642775

Ship date:
Wed, 11/6/2019
Cy Shook
Mewbourne Oil Company
Midland, TX 79701
US



Delivered

Delivery date:
Thu, 11/7/2019 10:13
am
Permian Land Manager
Devon Energy Production
Company, LP
333 W. Sheridan Ave.
OKLAHOMA CITY, OK 73102
US



Shipment Facts

Our records indicate that the following package has been delivered.

Tracking number:	<u>776919642775</u>
Status:	Delivered: 11/07/2019 10:13 AM Signed for By: F.WELLS
Reference:	W1EE,W0EE,W1FF W0FF NSP Notice
Signed for by:	F.WELLS
Delivery location:	OKLAHOMA CITY, OK
Delivered to:	Shipping/Receiving
Service type:	FedEx Standard Overnight®
Packaging type:	FedEx® Envelope
Number of pieces:	1
Weight:	0.50 lb.
Special handling/Services:	Deliver Weekday
Standard transit:	11/7/2019 by 3:00 pm

 Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 10:18 AM CST on 11/07/2019.

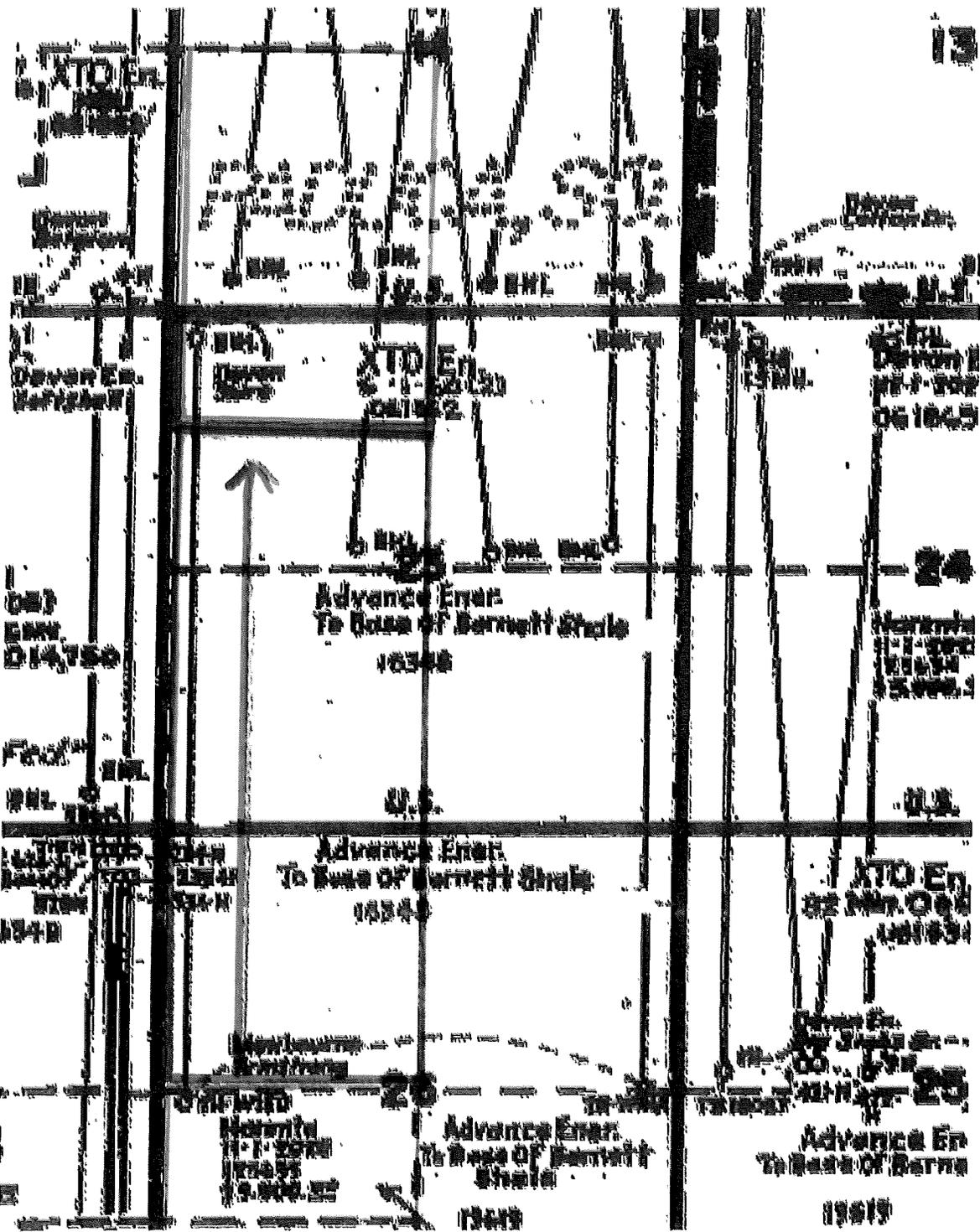
All weights are estimated.

To track the latest status of your shipment, click on the tracking number above.

Standard transit is the date and time the package is scheduled to be delivered by, based on the selected service, destination and ship date. Limitations and exceptions may apply. Please see the FedEx Service Guide for terms and conditions of service, including the FedEx Money-Back Guarantee, or contact your FedEx Customer Support representative.

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Thank you for your business.



From: [Cy Shook](#)
To: [Lowe, Leonard, EMNRD](#)
Cc: [Cox, Scott, EMNRD](#)
Subject: [EXT] RE: NSP Armstrong Wells
Date: Tuesday, October 27, 2020 3:20:32 PM
Attachments: [image001.png](#)

Sorry about that.

30-015-46304	ARMSTRONG 26 23 W0EE FEDERAL COM	#004H
30-015-46351	ARMSTRONG 26 23 W0FF FEDERAL COM	#002H
30-015-46307	ARMSTRONG 26 23 W1EE FEDERAL COM	#001H
30-015-46305	ARMSTRONG 26 23 W1FF FEDERAL COM	#001H

Cy Shook

Landman
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701
(432)682-3715

From: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Sent: Tuesday, October 27, 2020 3:49 PM
To: Cy Shook <cshook@Mewbourne.com>
Cc: Cox, Scott, EMNRD <Scott.Cox@state.nm.us>
Subject: FW: NSP Armstrong Wells
Importance: High

Cy Shook,

Send me an e-mail indicating the Well Name, associated API number.

Your statement letter below, has 4 wells noted, but only 3 API's referenced.

Please be more precise and accurate in your requests.

Reminder, Mewbourne is asking to the EXCEPTION to the RULES. For this exception all information needs to be precise and accurate for permission to tear off the rule.

Just send me an e-mail for the specifics on the Wells.

Pursuant to the Division Rules, Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of non-standard proration unit for its Armstrong 26/23 W0EE Fed Com #4H, API # 30-015-46304, the Armstrong 26/23 W1EE Federal Com #1H, API #30-015-46307, the Armstrong 26/23 W0FF Federal Com #2H, API# 30-015-46351, and the Armstrong 26/23 W1FF Federal Com #1H, the ("Armstrong 26/23 Wells"). The Armstrong 26/23 Wells will be drilled as a horizontal gas wells in the Purple Sage Wolfcamp (Gas) Pool (98220).

Leonard R. Lowe
Engineering Bureau
OCD - EMNRD
5200 Oakland Ave. NE
Albuquerque, N.M. 87113

C: 505-930-6717
<http://www.emnrd.state.nm.us/ocd/>

From: Lowe, Leonard, EMNRD
Sent: Tuesday, October 27, 2020 2:07 PM
To: 'Cy Shook' <cshook@Mewbourne.com>
Subject: RE: NSP Armstrong Wells
Importance: High

Cy Shook,

Can you send in another Administrative Application checklist.

Change the Well Name: category to say

“4 Armstrong wells” only.

What you have is the following;

Applicant: Mewbourne Oil Company	O
Name: <i>Armstrong 26/23 WIFE Fed Com #111</i>	AI
Location: Purple Sage Wolfcamp (Gas)	Pc

We are dictated by the OCD Forms and if the form shows only one well, then the NSP is for only one well.

Send that as soon as you can.

Leonard R. Lowe

Engineering Bureau
OCD - EMNRD
5200 Oakland Ave. NE
Albuquerque, N.M. 87113
C: 505-930-6717
<http://www.emnrd.state.nm.us/ocd/>

From: Cy Shook <cshook@Mewbourne.com>
Sent: Monday, October 26, 2020 3:29 PM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Subject: [EXT] FW: NSP Armstrong Wells

Leonard,

Great news on the Armstrong 26/23 NSLs! Thank you for your help.

Do you know the status of the NSP application? Was the attached letter sufficient to explain the reason why we're seeking the NSP? Do I need to submit it again?

Thanks,

Cy Shook

Landman
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701
(432)682-3715

From: Cy Shook
Sent: Tuesday, October 20, 2020 8:27 AM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Cc: James Bruce <jamesbruc@aol.com>
Subject: RE: NSP Armstrong Wells

Leonard,

I've attached a new application letter. In the 4th paragraph I've added two sentences that detail the agreement between Devon and Mewbourne that cause the need for this NSP approval. I've also included a wavier letter from Devon, signed by Mewbourne, where both parties agree not to protest NSP applications for the splitting of the N2 of Section 23.

What steps do I need to take in order to get his application approved?
Thanks,

Cy Shook

Landman
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701
(432)682-3715

From: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Sent: Thursday, October 15, 2020 4:42 PM
To: Cy Shook <cshook@Mewbourne.com>
Cc: James Bruce <jamesbruc@aol.com>
Subject: NSP Armstrong Wells
Importance: High

Mr. Cy Shook,

Your NSP submitted has been denied.

Your NSP application the Armstrong wells did not give a reason you are excluding acreage. The NSP application you had submitted pertaining to the Armstrong wells did not give any reason to exclude the N/2 NW/4 of Section 23.

As mentioned an NSP can be used for multiple wells. Several wells = One Administrative Application Checklist. You have submitted 4 separate Administrative Application checklist.

A reason needs to be given for why you are excluding the acreage in your HSU.

Leonard R. Lowe

Engineering Bureau
OCD - EMNRD
5200 Oakland Ave. NE
Albuquerque, N.M. 87113
C: 505-930-6717
<http://www.emnrd.state.nm.us/ocd/>

From: Lowe, Leonard, EMNRD
Sent: Monday, October 5, 2020 8:40 PM
To: 'Cy Shook' <cshook@Mewbourne.com>

Cc: James Bruce <jamesbruc@aol.com>

Subject: RE: [EXT] Armstrong Wells

Mr. Cy Shook,

Did you send out copies of the corrected information to all your affected parties? If not, then that needs to be sent out and verified.

Leonard R. Lowe

Engineering Bureau

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5200 Oakland Ave. NE

Albuquerque, N.M. 87113

C: 505-930-6717

<http://www.emnrd.state.nm.us/oed/>

From: Cy Shook <cshook@Mewbourne.com>

Sent: Monday, October 5, 2020 8:16 AM

To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>

Cc: James Bruce <jamesbruc@aol.com>

Subject: RE: [EXT] Armstrong Wells

Leonard,

We fixed the typo this morning. See attached. Let me know what else you need.

Thanks,

Cy Shook

Landman

Mewbourne Oil Company

500 West Texas, Suite 1020

Midland, Texas 79701

(432)682-3715

From: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>

Sent: Friday, October 2, 2020 3:43 PM

To: Cy Shook <cshook@Mewbourne.com>

Cc: James Bruce <jamesbruc@aol.com>

Subject: RE: [EXT] Armstrong Wells

Importance: High

Mr. Cy Shook,

The waiver you submitted for the wells pertaining to the NSL references **32E, NOT 31E**.

Devon Energy Production Company, L.P. ("Devon") is the operator of the Wolfcamp Formation in the N/2 N/2 of Section 23, Township 25 South, Range 32 East, Eddy County, New Mexico ("Devon Operated Tract") and, pursuant to the May 13, 2019 amendment of that certain Operating Agreement dated September 1, 2015 by and between Mewbourne Oil Company ("Mewbourne"), as Operator and V-F Petroleum Inc., et al, as Non-Operator, Mewbourne is the operator of the Wolfcamp Formation in the S/2 N/2 of Section 23, Township 25 South, Range 32 East, Eddy County, New Mexico ("Mewbourne Operated Tract").

Application for Unorthodox Well Location
Armstrong 26/23 W1FF Fed Com #1H
API No. Pending
Surface Location: 2500' FNL & 1980' FWL (Unit E) (Sec. 26)
Proposed First Perf: 2310' FNL and 1860' FWL (Unit E) (Sec. 26)
Bottomhole Location: 1420' FNL & 1860' FWL (Unit E) (Sec. 23)
Proposed Last Perf: 1420' FNL & 1860' FWL (Unit E)
Sections 23 & 26, T-25-S, R-31-E, NMPM
Eddy County, New Mexico

I will deny your 4 applications.

Proper notice was not given.

Leonard R. Lowe

Engineering Bureau
OCD - EMNRD
5200 Oakland Ave. NE
Albuquerque, N.M. 87113
C: 505-930-6717
<http://www.emnrd.state.nm.us/oed/>

From: Cy Shook <cshook@Mewbourne.com>
Sent: Friday, October 2, 2020 9:17 AM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Cc: James Bruce <jamesbruc@aol.com>
Subject: RE: [EXT] Armstrong Wells

Leonard,
Here's a waiver from the operator of the tract signed by MOC. What else do you need to get the NSLs approved?
Thanks,

Cy Shook

Landman
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701
(432)682-3715

From: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Sent: Friday, October 2, 2020 10:05 AM
To: Cy Shook <cshook@Mewbourne.com>
Cc: James Bruce <jamesbruc@aol.com>
Subject: RE: [EXT] Armstrong Wells
Importance: High

Cy Shook,

Good morning.

I shall review the NSP.

The OCD cannot assume anything for an application that is being reviewed. Please address all concerns pertaining to the public notice within the affected area in your application.

As for the information you provided for that area of concern.

The Operator in that area should have provided a waiver on behalf of your NSL application. Basically a written statement indicating what you referenced.

I shall place these applications on hold until that information is submitted.

Remember multiple wells can be addressed in ONE NSP application.

Leonard R. Lowe

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From: Cy Shook <cshook@Mewbourne.com>
Sent: Friday, October 2, 2020 6:32 AM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Cc: James Bruce <jamesbruc@aol.com>
Subject: RE: [EXT] Armstrong Wells

Leonard,
I've attached the NSP forms we meant to file. Jim, Will you please file these through the online system?

The S/2SW/4 of Section 14 are the same owners as the N/2NW/4 of Section 23. Further, they are aware of this application and we have agreed not to protest each other. If this is not sufficient please let me know what we need to do.

Cy Shook

Landman
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701
(432)682-3715

From: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Sent: Thursday, October 1, 2020 11:41 AM
To: Cy Shook <cshook@Mewbourne.com>
Subject: [EXT] Armstrong Wells
Importance: High

Mr. Cy Shook,

Good morning.

In review of your NSL applications for the Armstrong wells.

There are two concerns post review.

1. **An NSP is needed for approval.**

Your intended Horizontal Spacing Unit is seeking 400 acres.

The Purple Sage pool is designated as 320 acre with 160 acre building blocks. Your HSU is leaving out 80 acres, the N/2 NW/4 Section 23.

An NSP will need to be submitted for these wells. An NSP can cover multiple wells, as long as they are seeking the same pool/formation.

There is no fee for an NSP. Send an e-mail to the OCD Engineering e-mail. CC me on that e-mail.
ocd.engineer@state.nm.us

2. Public notice was not done accordingly.

You only noticed the N/2 NW/4 of Section 23.

For a gas pool there needs to be noticed given to the 160 acres within the affected area. You should have noticed an entire 160 acres in the affected tract, which includes the S/2 SW/4 of Section 14.

If you have questions you may contact me. Your applications will be discarded until all concerns are addressed.

Leonard R. Lowe

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Albuquerque, N.M. 87113

C: 505-930-6717

<http://www.emnrd.state.nm.us/ocd/>

From: [Cy Shook](#)
To: [Lowe, Leonard, EMNRD](#)
Subject: [EXT] FW: NSP Armstrong Wells
Date: Monday, October 26, 2020 3:29:37 PM
Attachments: [20201020081833804.pdf](#)

Leonard,
Great news on the Armstrong 26/23 NSLs! Thank you for your help.

Do you know the status of the NSP application? Was the attached letter sufficient to explain the reason why we're seeking the NSP? Do I need to submit it again?

Thanks,

Cy Shook

Landman
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701
(432)682-3715

From: Cy Shook
Sent: Tuesday, October 20, 2020 8:27 AM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Cc: James Bruce <jamesbruc@aol.com>
Subject: RE: NSP Armstrong Wells

Leonard,
I've attached a new application letter. In the 4th paragraph I've added two sentences that detail the agreement between Devon and Mewbourne that cause the need for this NSP approval. I've also included a wavier letter from Devon, signed by Mewbourne, where both parties agree not to protest NSP applications for the splitting of the N2 of Section 23.

What steps do I need to take in order to get his application approved?

Thanks,

Cy Shook

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Mewbourne Oil Company
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Midland, Texas 79701
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