

DATE IN 4.13.05	SUSPENSE 5/3/05	ENGINEER Catanach	LOGGED IN 4.14.04	TYPE CTB	APP NO. PSEMOS10448938
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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 Surface Commingling

96210

2005 APR 13 PM 3 08

[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.

James Bruce
 Print or Type Name

James Bruce
 Signature

Attorney for Applicant
 Title

4/11/05
 Date

jamesbruc@aol.com
 e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

April 11, 2005

David Catanach
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Catanach:

Pursuant to Division Rule 303.B, Mewbourne Oil Company applies for approval of surface commingling of Yeso production from the following wells, all located in Section 18, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico:

Empire 18 State Well No. 7:	Unit I
Empire 18 State Well No. 8:	Unit J
Empire 18 State Well No. 3:	Unit P
Empire 18 State Well No. 6:	Unit P

Attached in support of the application are:

<u>Exhibit A:</u>	Form C-107-B
<u>Exhibit B:</u>	Land plat, highlighting the acreage
<u>Exhibit C:</u>	Listing of non-royalty interest owners in the wells
<u>Exhibit D:</u>	Waivers from all interest owners
<u>Exhibit E:</u>	Printouts regarding leases on the the three wells units (all state minerals)

By copy of this letter I am requesting approval of surface commingling from the Commissioner of Public Lands.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce". The signature is written in a cursive style with a large initial "J" and "B".

James Bruce

Attorney for Mewbourne Oil Company

Cc. Jami Bailey
State Land Office

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, 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 June 10, 2003

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: Mewbourne Oil Company

OPERATOR ADDRESS: PO Box 5270 Hobbs, NM 88240

APPLICATION TYPE:

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

LEASE TYPE: Fed 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. Empire Yeso 96610
 (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 attached 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. Notice to all interest owners has been sent.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

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

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

SIGNATURE: Kristi Green

TITLE: Hobbs Regulatory

DATE: 02/28/05

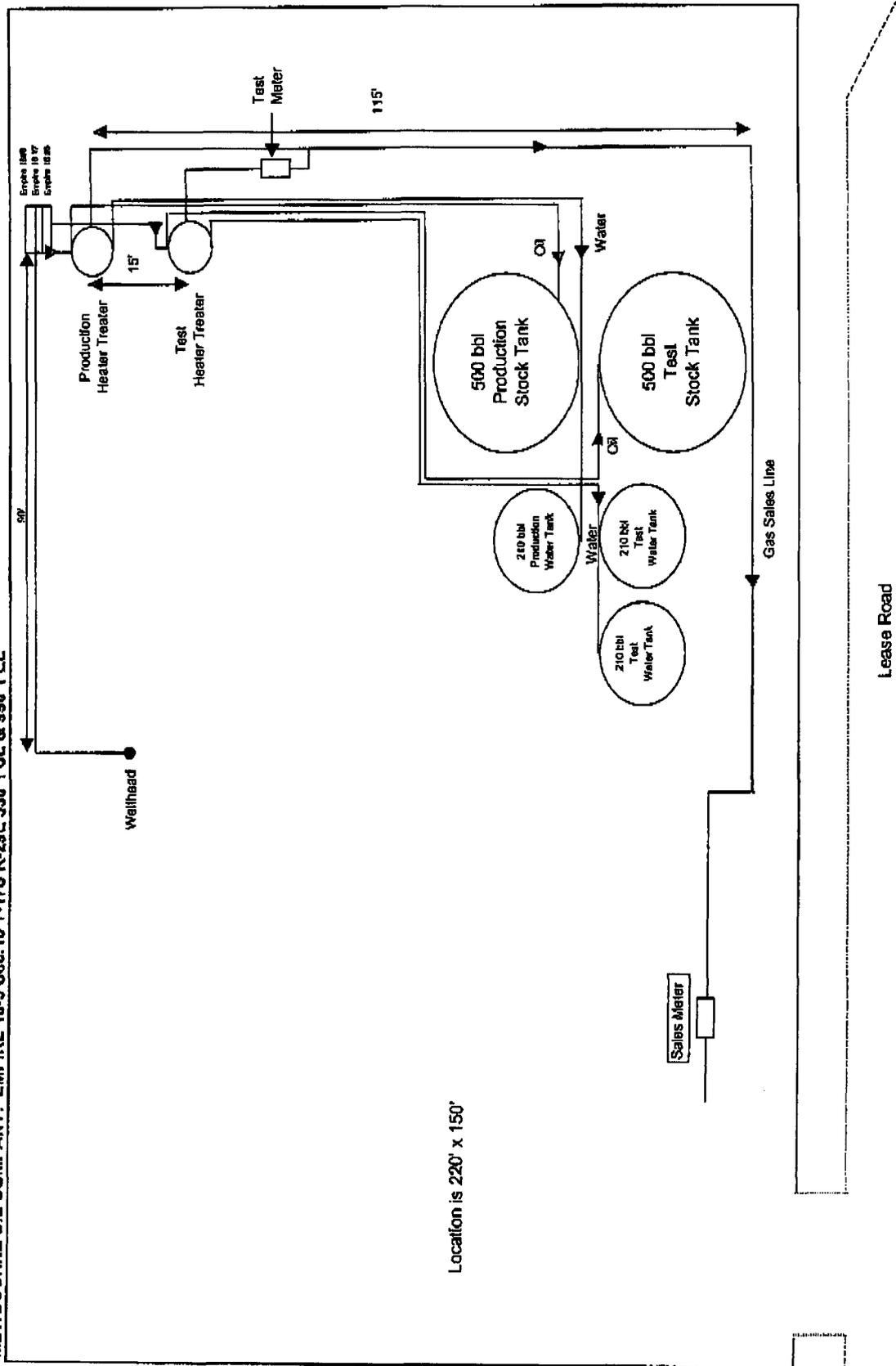
TYPE OR PRINT NAME Kristi Green

TELEPHONE NO.: 505-393-5905

E-MAIL ADDRESS: kgreen@mewbourne.com



MEWBOURNE OIL COMPANY: EMPIRE 18-3 Sec. 18 T-17S R-28E 330' F-SL & 990' FEL

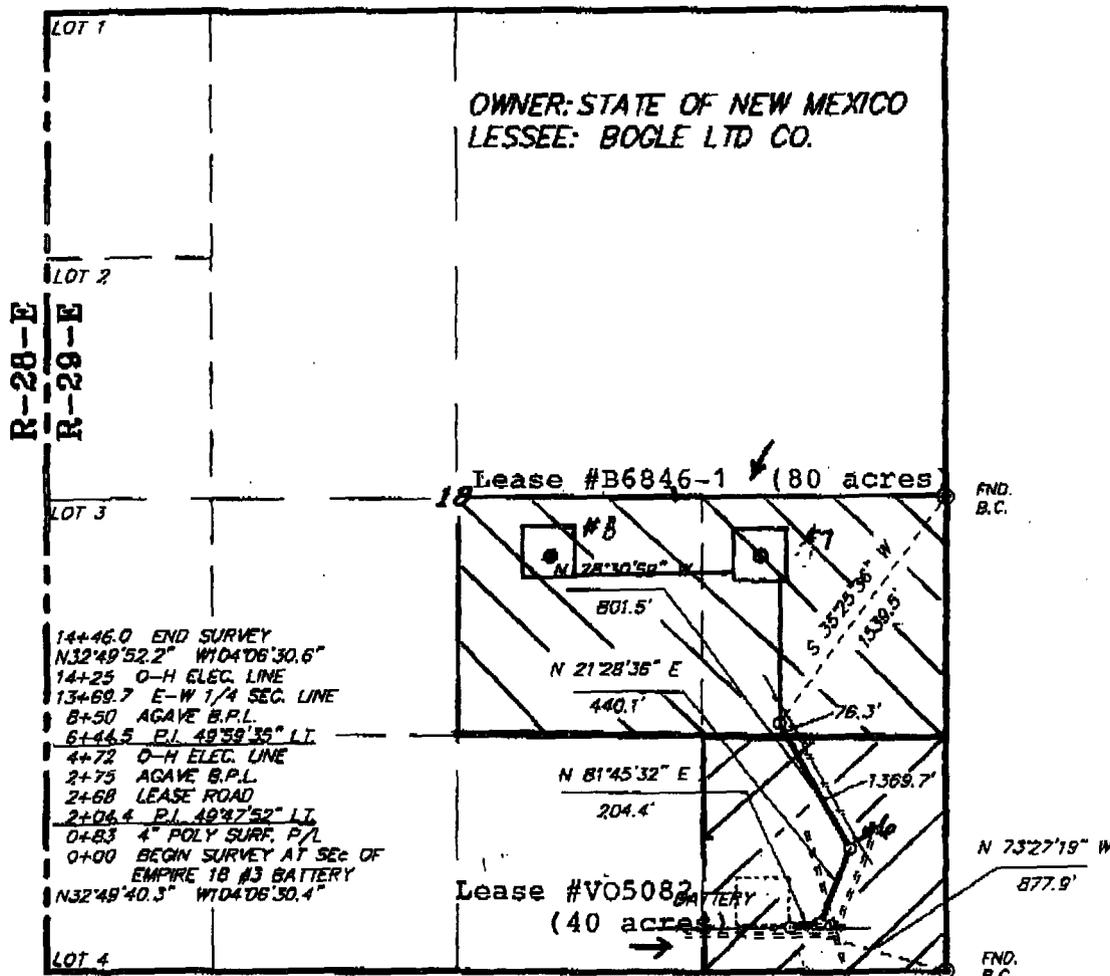


Location is 220' x 150'

Lease Road

E. #2

SECTION 18, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 18, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT WHICH LIES N.73°27'19"W, 877.9 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 18; THENCE N.81°45'32"E, 204.4 FEET; THENCE N.21°28'36"E, 440.1 FEET; THENCE N.28°30'59"W, 801.5 FEET TO THE END OF THIS LINE WHICH LIES S.35°25'36"W, 1539.5 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 18. SAID STRIP OF LAND BEING 1446.0 FEET OR 87.64 RODS IN LENGTH AND CONTAINING 1.00 ACRES MORE OR LESS AND BEING ALLOCATED BY PORTIES AS FOLLOWS:

SE/4 SE/4	83.02 RODS	0.84 ACRES
NE/4 SE/4	4.62 RODS	0.06 ACRES

TOTAL 1446.0 FEET = 87.64 RODS = 1.00 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND ONES MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S. TEXAS P.L.S.

1000 0 1000 2000 FEET

MEWBOURNE OIL COMPANY

REF: PROPOSED 3" PIPELINE TO MEWBOURNE-EMPIRE #7 & #8

A PIPELINE CROSSING STATE LAND IN SECTION 18, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1785 - HOBBS, NEW MEXICO

W.O. Number: 5098 Drawn By: James Presley

Date: 02/14/05 Disk: JLP #1 - MEW5098

Survey Date: 02/09/05 Sheet 1 of 1 Sheets

Mewbourne Oil Company

PO Box 5270
Hobbs, NM 88240
(505) 393-5905 office
(505) 397-6252 fax

February 28, 2005

Oil and Gas Division
New Mexico State Land Office
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Re: Lease Commingle for the Empire Sec 18 Wells

(E) #3. Battery is located at the Empire 18 St #3.

(Empire 18 St #3 and #6 are on lease, Empire 18 #7 and #8 are off lease)

Empire 18 State #3	Sec 18-T17S-R29E	330' FSL & 990' FEL	Lease #VO-5082	API #30-015-31353
Empire 18 State #6	Sec 18-T17S-R29E	990' FSL & 330' FEL	Lease #VO-5082	API #30-015-33773
Empire 18 State #7	Sec 18-T17S-R29E	2310' FSL & 990' FEL	Lease #B6846-1	API #30-015-33769
Empire 18 State #8	Sec 18-T17S-R29E	2310' FSL & 2130' FEL	Lease #B6846-1	API #30-015-33771

Kristi Green, Hobbs Regulatory
Mewbourne Oil Company



Mewbourne Oil Company

Midland, Texas

INTEROFFICE MEMORANDUM

DATE: March 16, 2005

TO: Cody Owens

FROM: Paul Haden 

SUBJECT: Surface Commingling
 Empire "18" State #6,
 #7 and #8 Wells
 Section 18, T17S, R29E
 Eddy County, New Mexico

Empire "18" State #3 and #6 Wells - SE/4SE/4 Section 18:

<u>WI Owner</u>	<u>WT%</u>
MOC	27.214600
Clayton Williams Energy, Inc.	50.971552
Viersen Oil & Gas Co.	20.506869
Mark B. Heinen	<u>1.306979</u>
	100.000000

Empire "18" #7 and #8 Wells - N/2SE/4 Section 18:

<u>WI Owner</u>	<u>WT%</u>
MOC	27.214600
Clayton Williams Energy, Inc.	26.534200
Viersen Oil & Gas Co.	45.570820
Mark B. Heinen	<u>0.680380</u>
	100.000000



MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

February 28, 2005

Certified Mail-Return Receipt No. 6437

Clayton Williams Energy, Inc.
Six Dosta Drive, Suite 6500
Midland, Texas 79705
Attn: Mr. T. Mark Tisdale

Re: Surface Commingling;
Empire "18" State #7 (Unit "I") and
Empire "18" State #8 (Unit "J") Wells
Section 18, T17S, R29E
Eddy County, New Mexico

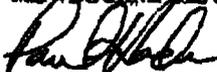
Gentlemen:

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes to commingle the production attributable from the referenced jointly owned wells with Mewbourne's production facilities associated with the Empire "18" State #3 Well and Empire "18" State #6 Wells located in Unit "P" (SE/4SR/4) of the captioned Section 18. This will enable the joint interest owners to save expenditures associated with having separate production facilities for the referenced #7 and #8 wells.

Please acknowledge your agreement to the above proposal by signing and returning the copy of this letter to the undersigned within fifteen (15) days of receipt of this letter. Failure to return same within said time period shall be deemed as an election to surface commingle the production from the #7 and #8 wells with the production facility located in Unit "P" in the captioned Section 18.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/ph

The undersigned agrees to surface commingle the production associated with the Empire "18" State #7 and #8 Wells as proposed.

CLAYTON WILLIAMS ENERGY, INC.

By: T. Mark Tisdale

Dated signed 3-18-05

TOTAL P. 01

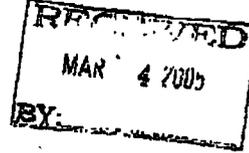
TOTAL P. 02



MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 682-4170



February 28, 2005

Certified Mail-Return Receipt No. 6420

Viersen Oil & Gas Co.
P.O. Box 702708
Tulsa, Oklahoma 74170
Attn: Mr. Chris Thompson

Re: Surface Commingling,
Empire "18" State #7 (Unit "T") and
Empire "18" State #8 (Unit "J") Wells
Section 18, T17S, R29E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes to commingle the production attributable from the referenced jointly owned wells with Mewbourne's production facilities associated with the Empire "18" State #3 Well and Empire "18" State #6 Wells located in Unit "P" (SE/4SE/4) of the captioned Section 18. This will enable the joint interest owners to save expenditures associated with having separate production facilities for the referenced #7 and #8 wells.

Please acknowledge your agreement to the above proposal by signing and returning the copy of this letter to the undersigned within fifteen (15) days of receipt of this letter. Failure to return same within said time period shall be deemed as an election to surface commingle the production from the #7 and #8 wells with the production facility located in Unit "P" in the captioned Section 18.

Sincerely yours,

MEWBOURNE OIL COMPANY

D. Paul Haden
Senior Landman

DPH/eb

The undersigned agrees to surface commingle the production associated with the Empire "18" State #7 and #8 Wells as proposed.

VIERSEN OIL & GAS CO.

By:

Dated signed 3-7-05

11 Records found.

Lease Number:

B0-6846-0001

Company name: CLAYTON WILLIAMS ENERGY INC
 Company ID: 25706
 Assigned from: B0-6846-0000
 Total acres: 440.00
 Prod stat: N/A

Lease term:

Lease term: 10 year lease terms 1/8th roy
 Issue date: 1/11/1937
 Termination date: Active
 Termination reason: N/A
 Current term: Extended Primary Term

Billing information:

Bill to: CLAYTON WILLIAMS ENERGY INC
 Rent per acre: 0.25
 Billing frequency: Annual
 Minimum annual rent: 110.00
 Last bill date: 12/16/2004
 Next bill date: 1/11/2006
 Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
18	17S	29E	I			40.00
			J			40.00
20	17S	29E	A			40.00
			B			40.00
			G			40.00
			H			40.00
			O			40.00
2	18S	29E	I			40.00
			J			40.00
			O			40.00
			P			40.00



1 Record found.

Lease Number:

V0-5082-0000

Company name: SOUTHWEST ROYALTIES INC
 Company ID: 109937
 Assigned from: N/A
 Total acres: 40.00
 Prod stat: N/A

Lease term:

Lease term: FIVE(5) YEAR TERM, 1/6th ROYALTY
 Issue date: 5/1/1997
 Termination date: Active
 Termination reason: N/A
 Current term: Extended Primary Term

Billing information:

Bill to: SOUTHWEST ROYALTIES INC
 Rent per acre: 1.00
 Billing frequency: Annual
 Minimum annual rent: 40.00
 Last bill date: 4/7/2005
 Next bill date: 5/1/2006
 Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
18	17S	29E	P			40.00