

DATE IN 7/13/16	SUSPENSE	ENGINEER LRL	LOGGED IN 07/13/16	TYPE NSL	APP NO. PLEL 1619558942
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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] **NEWBOURNE OIL COMPANY**
 [A] Location - Spacing Unit - Simultaneous Dedication [# 14744]
☒ 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 _____
 API # 30-015-42852 EH
 WELL: WEST LOVING 12 W2 ME STATE
 COM # 1H
 POOL: BLACK RIVER;
 WOLF CAMP, EAST (G)
 [# 97442]
- [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.

Mitchell Robb
 Print or Type Name

Signature

Title

Date

e-mail Address

Landman

7/7/2016

mrobb@newbourne.com

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

July 19, 2016

Via Email

New Mexico Oil Conservation Division

1220 S. St. Francis Drive

Santa Fe, New Mexico 87505

Attn: Mr. Leonard Lowe

Re: Application for Unorthodox Well Location
West Loving 12 W2EH State Com #1H
Surface Location: 2310' FNL & 235' FWL (Unit E)
First Take Point: 2310' FNL & 330' FWL (Unit E)
Last Take Point: 2310' FNL & 330' FEL (Unit H)
Bottomhole Location: 2310' FNL & 330' FEL (Unit H)
Section 12, T-24-S, R-27-E, NMPM
Eddy County, New Mexico

Dear Mr. Lowe:

Please disregard Mewbourne Oil Company's Application for Unorthodox Well Location dated July 11, 2016 for the West Loving 12 W2EH State Com #1H well. Due to a change in surface location, I have provided you with this new Application for Unorthodox Well Location. *

Pursuant to Division Rule 19.15.15.13, Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of an unorthodox gas well location for its proposed West Loving 12 W2EH State Com #1H. This well will be drilled as a horizontal gas well in the Black River; Wolfcamp, East (Gas) Pool (97442).

The West Loving 12 W2EH State Com #1H will be dedicated to a standard 320-acre gas spacing and proration unit comprising the N/2 of Section 12. There are currently no other existing Wolfcamp producing wells within the proposed spacing unit.

Black River; Wolfcamp, East (Gas) Pool is currently governed by Division Rule 19.19.15.10 which requires standard 320-acre gas spacing and proration units with wells to be located no closer than 660 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 660 feet to the outer boundary of the producing area.

The unorthodox location is necessary in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying the N/2 of Section 12.

The affected offset acreage comprises ~~the~~ all of Section 1, all of Section 2, all of Section 11, S/2 of Section 12, Township 24 South, Range 27 East, NMPM, SW/4 of Section 6, all of Section 7, Township 24 South, Range 28 East, NMPM (See Attached Map). There are currently the following Wolfcamp producers within the offset acreage:

- Loving State #2 (API No: 3001524429), Section 1, T24S, R27E
- El Presidente State #3H (API No: 3001542769), Section 2, T24S, R27E
- Rustler Breaks 12 24 27 #1H (API No: 3001541775), Section 12, T24S, R27E

Consequently, notice of this application is being provided to Nadel and Gussman Permian LLC, COG Production LLC, Sydhan, LP, Judith A. West a/k/a Judy Reynolds West, as devisee under the Will of Sol West, III, and MRC Permian Company.

Attached is a Form C-102 showing the surface, first take point, last take point, and bottomhole locations for the West Loving 12 W2EH State Com #1H. Also, attached is a map showing the affected offset acreage, notice list and offset notice letter.

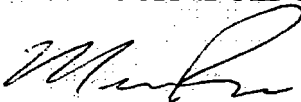
All owners noticed on the attached notice list were sent the Application for Unorthodox Well Location via certified mail on July 19, 2016.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Black River; Wolfcamp, East (Gas) Pool underlying the N/2 of Section 12 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 mrobb@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

Xc: OCD-Artesia

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone: (505) 793-6161 Fax: (505) 792-0720
 District II
 811 S. First St., Azusa, NM 88210
 Phone: (505) 749-2223 Fax: (505) 749-9720
 District III
 1000 Rio Grande Road, Azusa, NM 88210
 Phone: (505) 334-6178 Fax: (505) 334-6170
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-3463 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

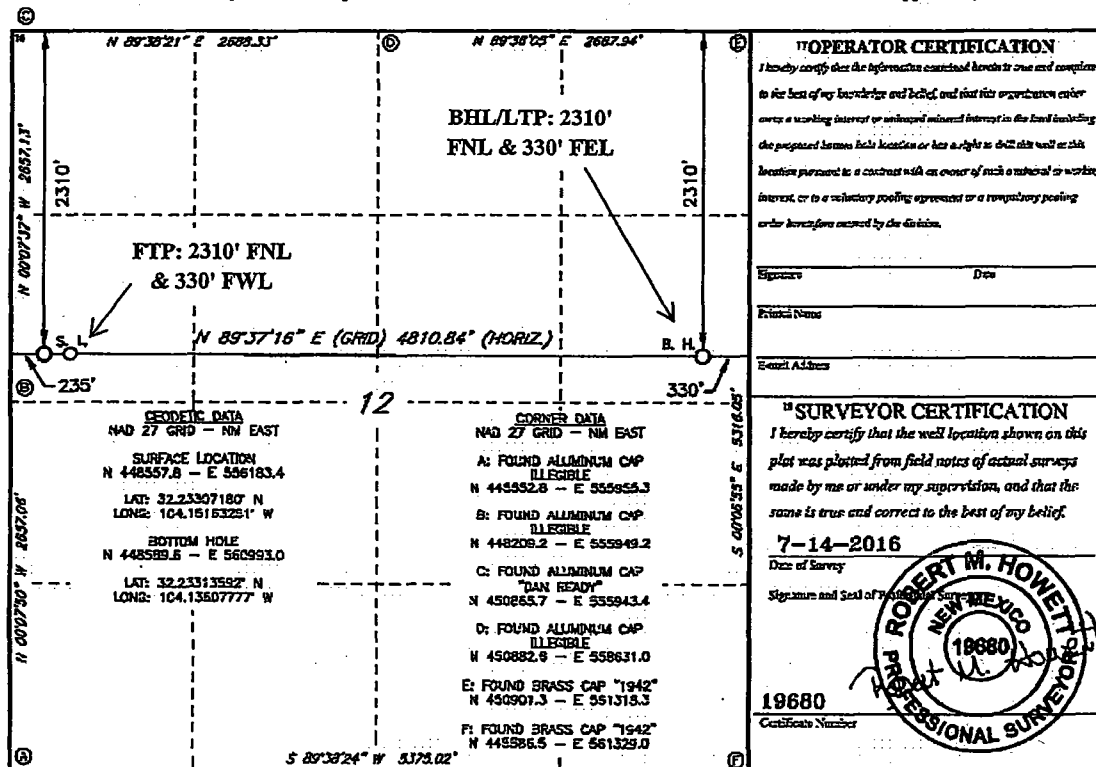
Form C-102
 Revised August 1, 2011
 Submit one copy to appropriate
 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name		
4 Property Code		5 Property Name WEST LOVING 12 W2EH STATE COM				6 Well Number 1H
7 GRID NO.		8 Operator Name MEWBOURNE OIL COMPANY				9 Elevation 3110'
10 Surface Location						
UL or lot no. E	Section 12	Township 24S	Range 27E	Lot No. 2310	North/South Line NORTH	East/West Line WEST
				Feet from the 235	County EDDY	
11 Bottom Hole Location If Different From Surface						
UL or lot no. H	Section 12	Township 24S	Range 27E	Lot No. 2310	North/South Line NORTH	East/West Line EAST
				Feet from the 330	County EDDY	
12 Dedicated Acres		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.



RRC - Firm No.: TX 10193838 NM 4655451 - Job No.: LS140459R

West Loving 12 W2EH State Com #1H
 S.L. 2310' FNL & 235' FWL

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) 748-0720
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone: (505) 334-6176 Fax: (505) 334-6170
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-3470 Fax: (505) 476-3462

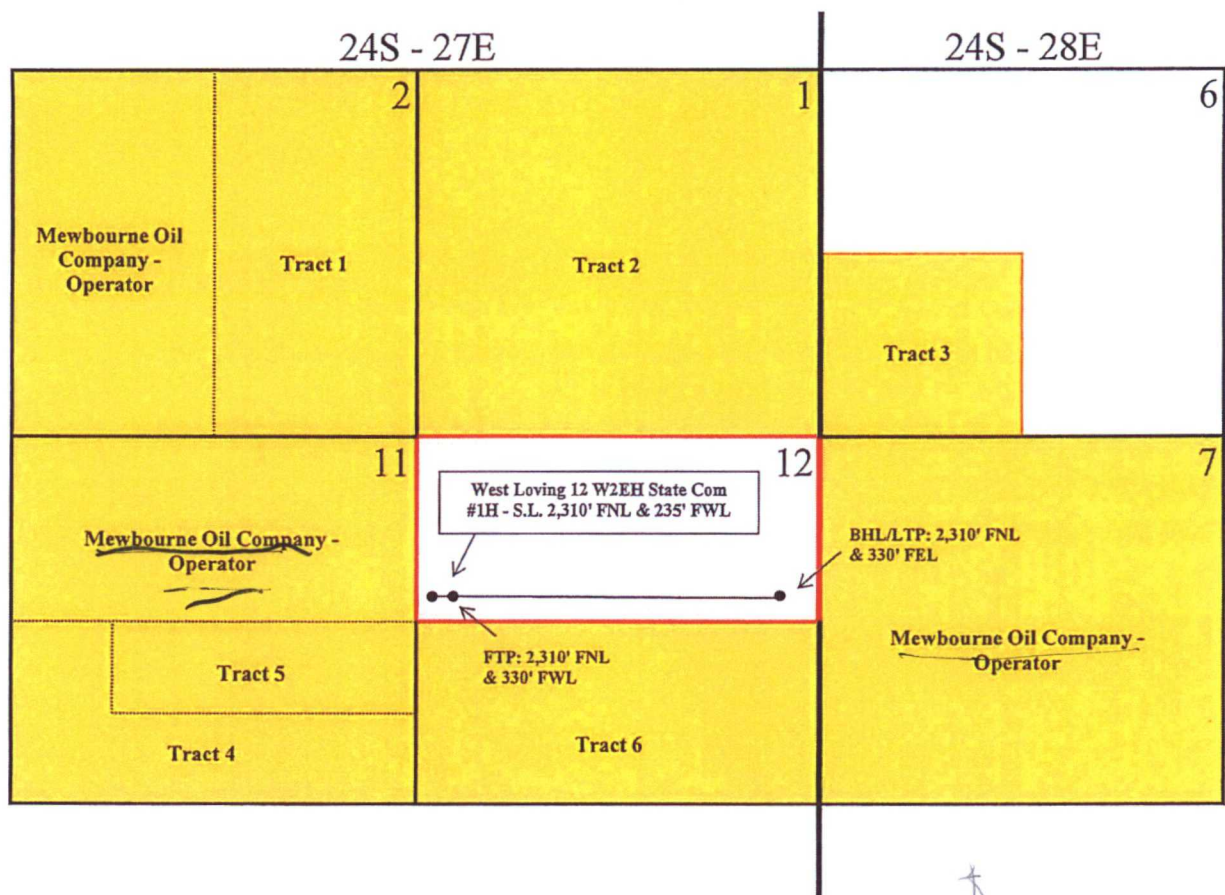
State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form APD Comments

Permit : 195242

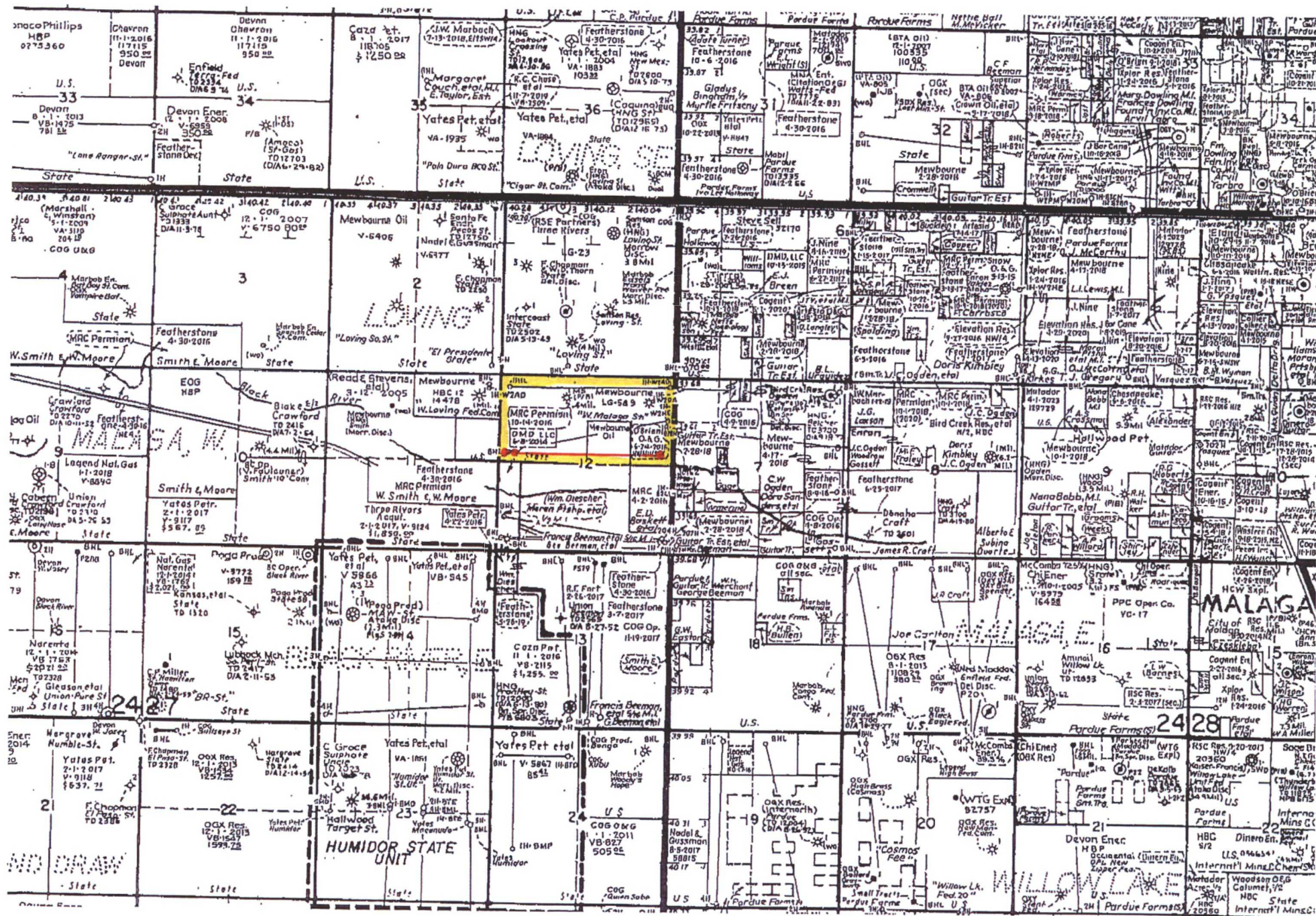
PERMIT COMMENTS

Operator Name and Address: MEWBOURNE OIL CO [14744] PO Box 5270 Hobbs, NM 88241		API Number: 30-015-42852
		Well: West Loving 12 W2HE State Com #001H
Created By CSHAPARD	Comment	Comment Date .11/7/2014



— 320-Acre Spacing Unit
 Affected Offset Acreage/Tracts

Mewbourne Oil Company
Application for Unorthodox Well Location
West Loving 12 W2EH State Com #1H
Affected Offset Acreage



Notice List

Mewbourne Oil Company

Application for Unorthodox Well Location

West Loving 12 W2EH State Com #1H, Section 12, T24S, R27E

Eddy County, New Mexico

Owners Noticed	Tract Numbers	Certified Tracking Number
Nadel and Gussman Permian LLC 601 North Marienfeld, Ste. 508 Midland, TX 79701 Attn: Land Department	1	9414810699945016627276
COG Production LLC 550 West Texas, Suite 100 Midland, Texas 79701 Attn: Mollie McAuliffe	2 & 4	9414810699945016627573
Sydhan, LP PO Box 92349 Austin, TX 78709	3	9414810699945016627634
Judith A. West a/k/a Judy Reynolds West, as devisee under the Will of Sol West, III 500 Main Ave. SW, #1948 Cullman, Alabama 35055	3	9414810699945016627764
MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240 Attn: Land Department	3 & 5 & 6	9414810699945016627795
NMOCD 811 S. First St. Artesia, NM 88210 Attn: Paul Kautz	N/A	9414810699945016627825

MEWBOURNE OIL COMPANY

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

July 19, 2016

Via Certified Mail

See Attached List

Re: Mewbourne Oil Company's Application for Unorthodox Well Location

West Loving 12 W2EH State Com #1H

Surface Location: 2310' FNL & 235' FWL (Unit E – Section 12, T24S, R27E)
First Take Point: 2310' FNL & 330' FWL (Unit E – Section 12, T24S, R27E)
Last Take Point: 2310' FNL & 330' FEL (Unit H – Section 12, T24S, R27E)
Bottomhole Location: 2310' FNL & 330' FEL (Unit H – Section 12, T24S, R27E)
Proration Unit: N/2 Section 12, T-24-S, R-27-E, NMPM, Eddy County, New Mexico
Pool: Black River; Wolfcamp, East (Gas) Pool (97442)

Ladies and Gentlemen:

Please disregard Mewbourne Oil Company's Application for Unorthodox Well Location dated July 11, 2016 for the West Loving 12 W2EH State Com #1H well. Due to a change in surface location, I have provided you with this new Application for Unorthodox Well Location.

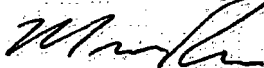
Enclosed please find a copy of the application filed by Mewbourne Oil Company ("Mewbourne") for approval of an unorthodox gas well location for West Loving 12 W2EH State Com #1H well located at the surface, first take point, last take point, and bottomhole locations described above. The well will test the Black River; Wolfcamp, East (Gas) Pool and will be dedicated to a standard 320-acre gas spacing and proration unit comprising the N/2 Section 12, T-24-S, R-27-E, NMPM, Eddy County, New Mexico. The unorthodox location is necessary in order to maximize the recovery of oil and gas reserves within the Wolfcamp formation underlying the N/2 of Section 12.

As the owner of an interest that may be affected by the proposed unorthodox gas 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.

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

Enclosure
Xc: OCD-Artesia

Lowe, Leonard, EMNRD

From: Mitchell Robb <mrobb@mewbourne.com>
Sent: Monday, August 15, 2016 9:55 AM
To: Lowe, Leonard, EMNRD
Subject: New Tracking Numbers: Application for Unorthodox Well Locations

Leonard,

Per our conversation today, I have provided new certified tracking numbers for (3) separate Application for Unorthodox Well Locations below:

Well Name	Party Noticed	Old Certified Tracking Number	New Certified Tracking Number
West Loving T2 W2EH State Com #1H	Nadel and Gussman Permian LLC	9414810699945016627276	9414810699945016900829
Journey 12 W0MP #3H	RKI Exploration and Production LLC	9414810699945016646949	9414810699945017103922
Journey 12 W2MP #2H	RKI Exploration and Production LLC	9414810699945016642941	9414810699945017104097

I am sending these because the initial Application was not delivered so, I sent it again to a correct address.

If you have any questions, please don't hesitate to ask.

Thanks,

Mitch Robb
Petroleum Landman
Mewbourne Oil Company
Office: (432) 682-3715
Cell : (405) 394-8583
Email: mrobb@mewbourne.com

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Tuesday, September 27, 2016 8:15 AM
To: 'Mitchell Robb'
Cc: Bayliss, Randolph, EMNRD; Sharp, Karen, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; 'lisa@rwbyram.com'; Holm, Anchor E.; Martin, Ed
Subject: NSL-7460 (West Loving 12 W2EH State Com Well No. 1H, Eddy County)_APPROVED
Importance: High

Mr. Mitchell Robb

The following permit has been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/imaging/WellFileCriteria.aspx>

NSL-7460

Mewbourne Oil Company

API #: 30-015-42852

WELL: West Loving 12 W2EH State Com Well No. 1H, Eddy County

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

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