

MEWBOURNE OIL COMPANY

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

September 26, 2016

Via Certified Mail

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
Devon 8 W2PM Fee No. 1H
API No. 3001543879
Surface Location: 530' FSL & 185' FWL (Unit M) (Section 9, T25S, R28E)
First Take Point: 330' FSL & 330' FEL (Unit P) (Section 8, T25S, R28E)
Last Take Point: 330' FSL & 330' FWL (Unit M) (Section 8, T25S, R28E)
Bottomhole Location: 330' FSL & 330' FWL (Unit M) (Section 8, T25S, R28E)
Section 8, T-25-S, R-28-E, NMPM, Eddy County, New Mexico
Eddy County, New Mexico

Dear Mr. Lowe:

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 Devon 8 W2PM Fee No. 1H. This well will be drilled as a horizontal gas well in the Sulphate Draw; Wolfcamp (Gas) Pool (85780).

The Devon 8 W2PM Fee No. 1H will be dedicated to a standard 320-acre gas spacing and proration unit comprising the S/2 of Section 8. There are currently no other existing Wolfcamp producing wells within the proposed spacing unit.

The Sulphate Draw; Wolfcamp (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 S/2 of Section 8.

Mewbourne Oil Company
Unorthodox Location Application
Devon 8 W2PM Fee No. 1H
Page 2 of 2

The affected offset acreage comprises all of Section 7, N/2 of Section 8, all of Section 9, all of Section 16, all of Section 17 and all of Section 18, Township 25 South, Range 28 East, NMPM, (See Attached Map). There are currently the following Wolfcamp producers within the offset acreage:

- San Lorenzo 9 OB Fee No. 1H (API No. 3001541304), Section 9, T25S, R28E

Consequently, notice of this application is being provided to Occidental Permian Limited Partnership, Devon Energy Production Company, L.P., COG Operating LLC, Chevron U.S.A. Inc. and McCombs Energy, Ltd..

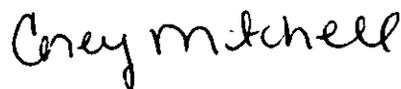
Attached is a Form C-102 showing the surface, first take point, last take point and bottomhole locations for the Devon 8 W2PM Fee No. 1H. Also, attached is a map showing the affected offset acreage, notice list and offset notice letter.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Sulphate Draw; Wolfcamp (Gas) Pool underlying the S/2 of Section 8 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 cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Corey Mitchell
Landman

Xc: OCD-Artesia

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

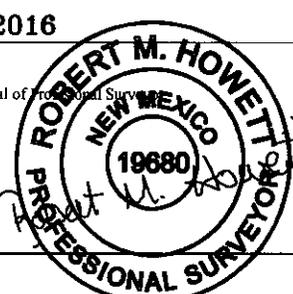
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-43879		² Pool Code 85780		³ Pool Name Sulphate Draw; Wolfcamp (GAS)					
⁴ Property Code		⁵ Property Name DEVON 8 W2PM FEE			⁶ Well Number 1H				
⁷ OGRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY			⁹ Elevation 3002'				
¹⁰ Surface Location									
UL or lot no. M	Section 9	Township 25S	Range 28E	Lot Idn	Feet from the 530	North/South line SOUTH	Feet from the 185	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. M	Section 8	Township 25S	Range 28E	Lot Idn	Feet from the 330	North/South line SOUTH	Feet from the 330	East/West line WEST	County EDDY
¹² Dedicated Acres 320	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.

<p>¹⁶</p> <p>GEODETIC DATA NAD 27 GRID - NM EAST</p> <p>SURFACE LOCATION N: 414256.0 - E: 572251.5 LAT: 32.13869117° N LONG: 104.09990815° W</p> <p>BOTTOM HOLE N: 414046.0 - E: 567059.2 LAT: 32.13814377° N LONG: 104.11668445° W</p>	<p>CORNER DATA NAD 27 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1940" N: 413715.4 - E: 566733.5</p> <p>B: FOUND BRASS CAP "1940" N: 416346.7 - E: 566699.6</p> <p>C: FOUND BRASS CAP "1940" N: 418978.1 - E: 566665.0</p> <p>D: FOUND BRASS CAP "1940" N: 418997.6 - E: 569346.4</p> <p>E: FOUND BRASS CAP "1940" N: 419016.9 - E: 572023.2</p> <p>F: FOUND BRASS CAP "1940" N: 418988.3 - E: 574700.6</p> <p>G: FOUND BRASS CAP "1940" N: 418960.8 - E: 577380.4</p> <p>H: FOUND BRASS CAP "1940" N: 416349.2 - E: 577394.9</p> <p>I: FOUND BRASS CAP "1940" N: 413738.1 - E: 577410.1</p> <p>J: FOUND BRASS CAP "1940" N: 413734.7 - E: 574737.3</p> <p>K: FOUND BRASS CAP "1940" N: 413725.5 - E: 572071.3</p> <p>L: FOUND BRASS CAP "1940" N: 413721.3 - E: 569402.8</p> <p>M: FOUND BRASS CAP "1940" N: 416371.1 - E: 572047.7</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 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>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</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>7-07-2016 Date of Survey</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>19880 Certificate Number</p>		
<p>⑥ N 89°35'02" E 2682.03' ⑦ N 89°35'15" E 2677.43' ⑧ S 89°23'24" E 2678.19' ⑨ S 89°24'39" E 2680.59' ⑩</p> <p>N 00°45'06" W 2632.23' N 00°44'21" W 2632.10' N 00°11'07" W 2640.79' S 00°19'02" E 2612.23' S 00°20'00" E 2611.71'</p> <p>330' B.H. S 87°41'03" W (GRID) 5,197.74' (HORIZ.) S.L. 185' 530'</p> <p>N 89°54'31" E 2669.13' N 89°48'13" E 2666.59' N 89°55'34" E 2673.43'</p> <p>N 89°52'26" E 2669.85' RRC - Firm No.: TX 10193838 NM 4655451 - Job No.: LS1606236</p> <p>Last Take Point 330' FSL : 330' FEL First Take Point</p>		

MEWBOURNE OIL COMPANY

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

September 26, 2016

Via Certified Mail

See Attached List

Re: Mewbourne Oil Company's Application for Unorthodox Well Location
Devon 8 W2PM Fee No. 1H (API No. 3001543879)
Surface Location: 530' FSL & 185' FWL (Unit M) (Section 9, T25S, R28E)
First Take Point: 330' FSL & 330' FEL (Unit P) (Section 8, T25S, R28E)
Last Take Point: 330' FSL & 330' FWL (Unit M) (Section 8, T25S, R28E)
Bottomhole Location: 330' FSL & 330' FWL (Unit M) (Section 8, T25S, R28E)
Section 8, T-25-S, R-28-E, NMPM, Eddy County, New Mexico
Sulphate Draw; Wolfcamp (Gas) Pool (85780)

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Mewbourne Oil Company ("Mewbourne") for approval of an unorthodox gas well location for its proposed Devon 8 W2PM Fee No. 1H located at the surface, first take point, last take point and bottomhole locations described above. The well will test the Sulphate Draw; Wolfcamp (Gas) Pool and will be dedicated to a standard 320-acre gas spacing and proration unit comprising the S/2 of Section 8, Township 25 South, Range 28 East, NMPM. The unorthodox location is necessary in order to maximize the recovery of oil and gas reserves within the Wolfcamp formation underlying the S/2 of Section 8.

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 cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY


Corey Mitchell
Landman

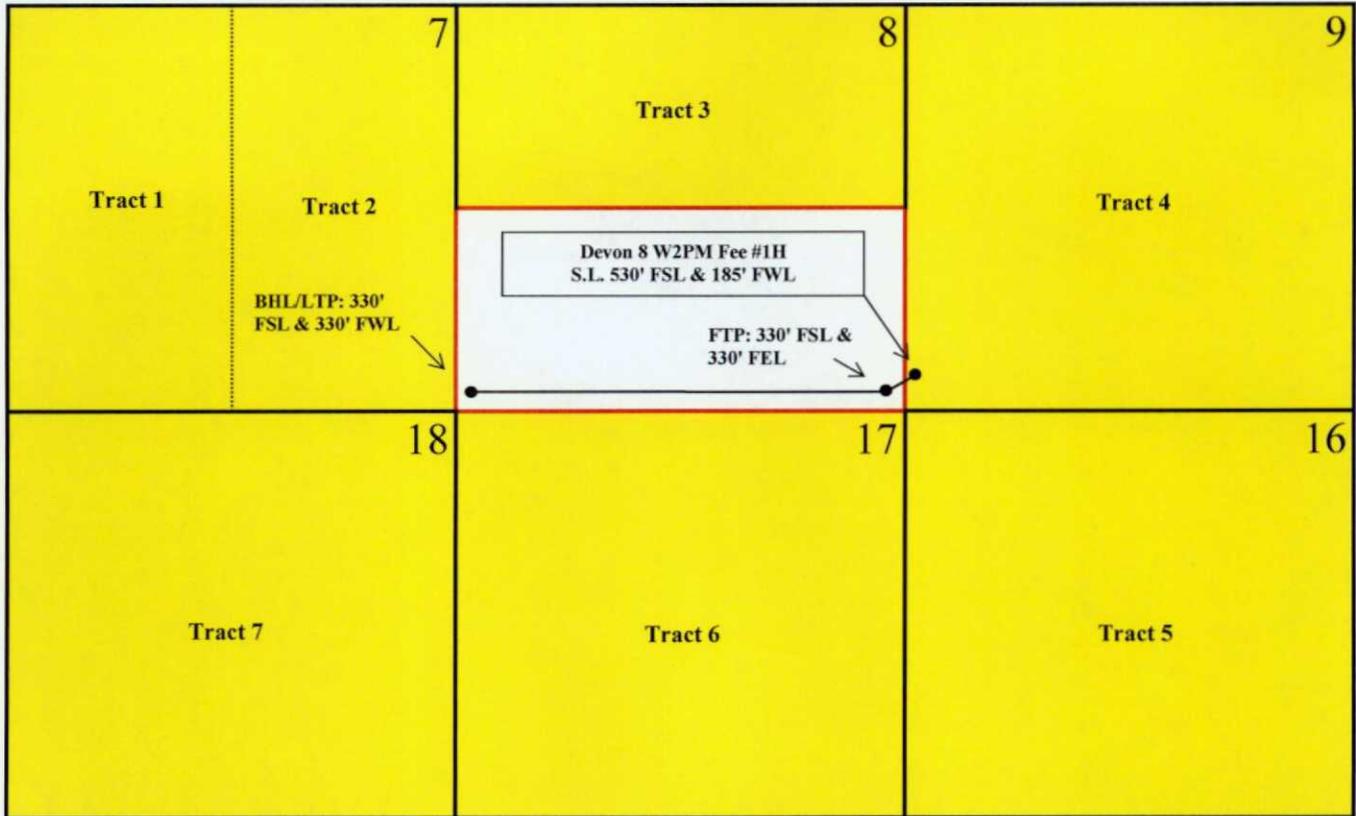
Enclosure

Xc: OCD-Artesia

Notice List
Mewbourne Oil Company
Application for Unorthodox Well Location
Devon 8 W2PM Fee #1H, Section 8, T25S, R28E
Eddy County, New Mexico

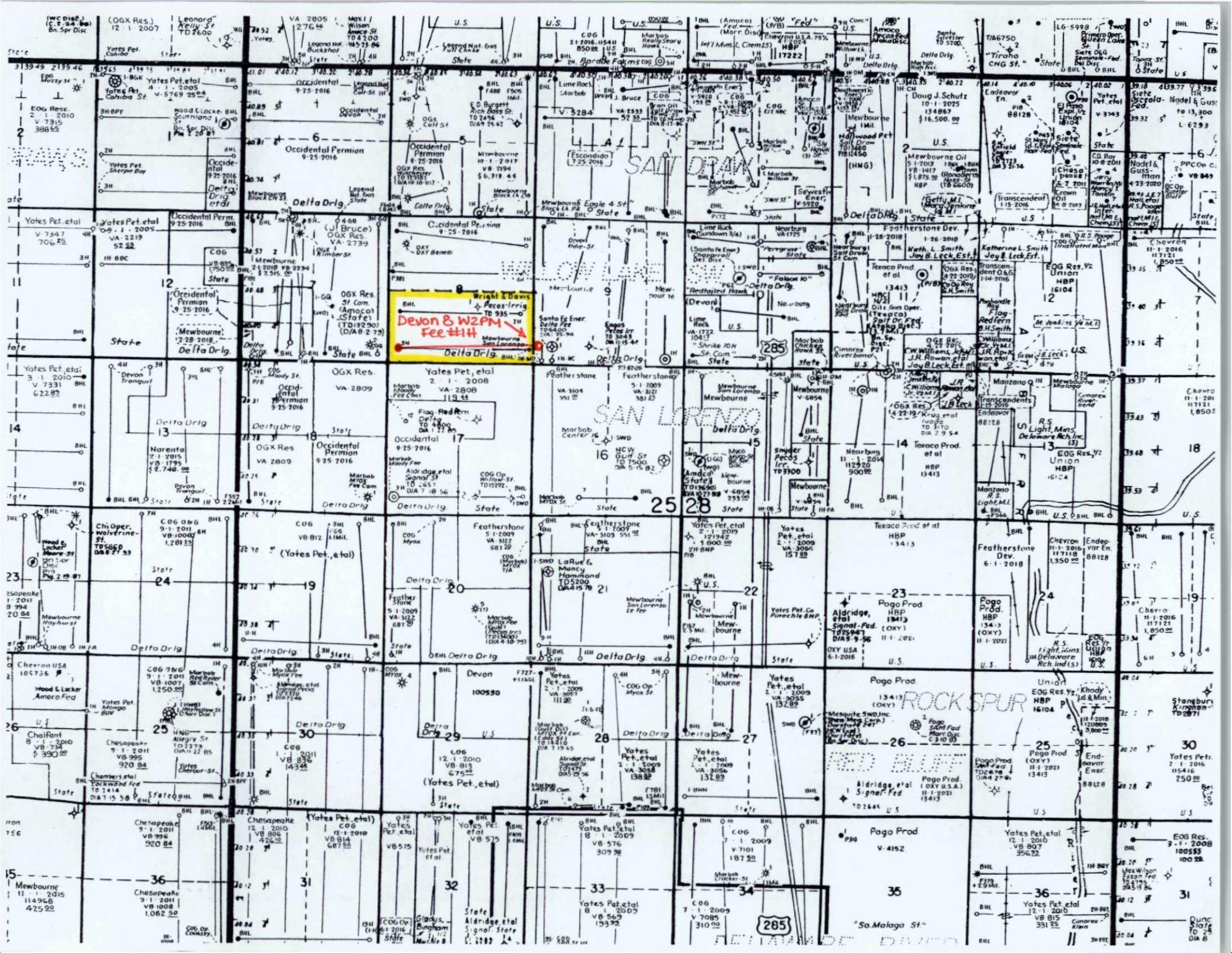
Owners Noticed	Tract Numbers	Certified Tracking Number
Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102 Attn: Mr. Zach Graham	1 & 3	9414810699945018053547
Occidental Permian Limited Partnership 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attn: Mr. Jeremy D. Murphrey	3	9414810699945018053622
COG Operating, LLC 600 W. Illinois Avenue One Concho Center Midland, Texas 79701 Attn: Mrs. Rita Bures	2, 3, 5, 6, 7	9414810699945018053677
Chevron U.S.A. Inc. P.O. Box 2100 Houston, Texas 77252 Attn: Mrs. Amber Delach	4	9414810699945018053707
McCombs Energy, Ltd 5599 San Felipe, Suite 1200 Houston, Texas 77056 Attn: Mr. Larry Wyont	4	9414810699945018053721
NMOCD 811 S. First St. Artesia, NM 88210 Attn: Paul Kautz	N/A	9414810699945018053745

25S - 28E



-  320-Acre Spacing Unit
-  Affected Offset Acreage/Tracts

Mewbourne Oil Company
Application for Unorthodox Well Location
Devon 8 W2PM Fee #1H
Affected Offset Acreage



Devon & WZPM
Fee #14

SAINT JOHN

SAN LORENZO

ROCK SPUR

FED BLUFF

285

So. Malaga St.

Map containing numerous text labels for land tracts, including owner names (e.g., Yates Pet., Occidental Perm., Mewbourne Oil), lease numbers (e.g., 1-2010, 2-2010), and well identifiers (e.g., 21-2016, 21-2018). The map also shows various lease expiration dates and well locations marked with symbols.

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:(805) 334-6176 Fax:(505) 334-6170
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(805) 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 C-102
 August 1, 2011
 Permit 224570

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-43879	2. Pool Code 97949	3. Pool Name WC-015 S252815D;WOLFCAMP (GAS)
4. Property Code 316710	5. Property Name DEVON 8 W2PM FEE	6. Well No. 001H
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3002

10. Surface Location

UL - Lot M	Section 9	Township 25S	Range 28E	Lot Idn M	Feet From 530	N/S Line S	Feet From 185	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 8	Township 25S	Range 28E	Lot Idn M	Feet From 330	N/S Line S	Feet From 330	E/W Line W	County Eddy
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12. Dedicated Acres 320.00	13. Joint or Infill	14. Consolidation Code	15. 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

	OPERATOR CERTIFICATION
	<p><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 bottom hole location(s) 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.</i></p> <p>E-Signed By: Monty Whetstone Title: Vice President Operations Date: 8/4/2016</p>
	SURVEYOR CERTIFICATION
	<p><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></p> <p>Surveyed By: Robert Howett Date of Survey: 7/7/2016 Certificate Number: 19680</p>

Lowe, Leonard, EMNRD

From: Corey Mitchell <cmitchell@Mewbourne.com>
Sent: Thursday, October 27, 2016 2:21 PM
To: Lowe, Leonard, EMNRD
Subject: RE: NSL application for DEVON 8 W2PM FEE NO. 1H

Leonard,

Sorry for the phone tag. We are wanting the pool on our Devon 8 W2PM Fee No. 1H to be the Sulphate Draw; Wolfcamp (Gas) Pool (85780).

I think this is what you were looking for. Let me know if you still need something else. Thanks.

Corey Mitchell
Land Department
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, TX 79701
Bus. (432) 682-3715
Fax (432) 685-4170

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Thursday, October 27, 2016 3:03 PM
To: Corey Mitchell
Subject: RE: NSL application for DEVON 8 W2PM FEE NO. 1H
Importance: High

Corey Mitchell,

Thank you for updating the C-101.

For your pending application please inform the OCD what is the correct pool you are seeking for your NSP application.

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
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/>

From: Corey Mitchell [mailto:cmitchell@Mewbourne.com]
Sent: Thursday, October 27, 2016 1:52 PM

To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Subject: RE: NSL application for DEVON 8 W2PM FEE NO. 1H

Leonard,

We submitted a new C-101 today to revise the pool to the SULPATE DRAW; WOLFCAMP (GAS) POOL [# 85780]. Hopefully this will be reflected online soon. Let me know if you need anything else. Thanks.

Corey Mitchell
Land Department
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, TX 79701
Bus. (432) 682-3715
Fax (432) 685-4170

From: Lowe, Leonard, EMNRD [<mailto:Leonard.Lowe@state.nm.us>]
Sent: Wednesday, October 26, 2016 3:40 PM
To: Corey Mitchell
Subject: NSL application for DEVON 8 W2PM FEE NO. 1H
Importance: High

Mr. Corey Mitchell,

Re: Mewbourne NSL application for DEVON 8 W2PM FEE NO. 1H well, API # 30-015-43879

The information provided within the application are conflicting.

Your request is seeking the SULPATE DRAW; WOLFCAMP (GAS) POOL [# 85780]

Review of your C-101 for API # 30-015-43879 specifies DEVON 8 W2PM FEE NO. 1H is seeking the POOL: WC-015-S252815D; Wolfcamp (Gas) [# 97949].

Which pool are you requesting?

Your application is suspended until further information in received.

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
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

Lowe, Leonard, EMNRD

From: Corey Mitchell <cmitchell@Mewbourne.com>
Sent: Wednesday, October 26, 2016 2:48 PM
To: Lowe, Leonard, EMNRD
Subject: RE: NSL application for DEVON 8 W2PM FEE NO. 1H

Leonard,

The pool should be the SULPATE DRAW; WOLFCAMP (GAS) POOL [# 85780]. I will have our guys refile the C-101 to reflect the correct pool name.

Also, I believe you called last week with a questions on our Hollywood application??

I hope this helps. Let me know if you need anything else. Thanks.

Corey Mitchell
Land Department
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, TX 79701
Bus. (432) 682-3715
Fax (432) 685-4170

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Wednesday, October 26, 2016 3:40 PM
To: Corey Mitchell
Subject: NSL application for DEVON 8 W2PM FEE NO. 1H
Importance: High

Mr. Corey Mitchell,

Re: Mewbourne NSL application for DEVON 8 W2PM FEE NO. 1H well, API # 30-015-43879

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Your request is seeking the SULPATE DRAW; WOLFCAMP (GAS) POOL [# 85780]

Review of your C-101 for API # 30-015-43879 specifies DEVON 8 W2PM FEE NO. 1H is seeking the POOL: WC-015-S252815D; Wolfcamp (Gas) [# 97949].

Which pool are you requesting?

Your application is suspended until further information in received.

Leonard Lowe
Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department

McMillan, Michael, EMNRD

From: Kautz, Paul, EMNRD
Sent: Monday, October 31, 2016 2:14 PM
To: Corey Mitchell; McMillan, Michael, EMNRD
Subject: RE: Devon 8 W2PM Fee Well No. 1H Pool

Michael,

- 1) The northern half of Sec 6 is in the SULPHATE DRAW;WOLFCAMP (GAS) [85780]
- 2) The eastern half of sec 9 is already in the WC-015 S252815D;WOLFCAMP (GAS) [97949]
- 3) Mewbourne already has 3 wells permitted for the WC-015 S252815D;WOLFCAMP (GAS) [97949] in the S/2 of 7, 8 and 9.
- 4) The well in sec 8 is closer to the WC-015 S252815D;WOLFCAMP (GAS) [97949]
- 5) 30-015-43879 is already permitted for the WC-015 S252815D;WOLFCAMP (GAS) [97949]

Therefore, we should keep it in the WC-015 S252815D;WOLFCAMP (GAS) [97949].

Paul Kautz
Hobbs District Geologist
NM Oil Conservation Div.
1625 N French Dr.
Hobbs, NM 88240
575-393-6161 Ext. 104

From: Corey Mitchell [mailto:cmitchell@Mewbourne.com]
Sent: Monday, October 31, 2016 12:05 PM
To: McMillan, Michael, EMNRD; Kautz, Paul, EMNRD
Subject: RE: Devon 8 W2PM Fee Well No. 1H Pool

Mr. McMillan,

I will let Paul confirm, but I believe it should be the Sulphate Draw; Wolfcamp (Pool code 85780) as this is the Wolfcamp pool our well is in in the adjacent section (Section 6). Let me know if you need anything from me. Thanks.

Corey Mitchell
Land Department
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, TX 79701
Bus. (432) 682-3715
Fax (432) 685-4170

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Monday, October 31, 2016 12:38 PM
To: Corey Mitchell; Kautz, Paul, EMNRD
Subject: Devon 8 W2PM Fee Well No. 1H Pool

Paul:

can you tell me what would be the Wolfcamp Pool for the Mewbourne Oil Company. Devon W2PM Fee Well No. 1H? API 30-015-43879.

Would it be the Sulphate Draw; Wolfcamp (Pool code 85780) or the WC-015-S252815D;Wolfcamp, Gas (Pool code 97949)?

Thanks

MICHAEL A. MCMILLAN

Engineering Bureau, Oil Conservation Division

1220 south St. Francis Dr., Santa Fe NM 87505

O: 505.476.3448

Michael.McMillan@state.nm.us

Mewbourne Oil Company
Corey Mitchell
500 W Texas, STE 1020
MIDLAND TX 79701-4279

Devon 8 W2PM No 1H CM

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New Mexico Oil Conservation Division
Attn: Leonard Lowe, Division Director
1220 S SAINT FRANCIS DR
SANTA FE NM 87505-4225

