

MEWBOURNE OIL COMPANY

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

November 16, 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

Styx 17 W2PA Fee Com #1H (API No. 3001543950)

Surface Location: 250' FNL & 305' FEL (Unit A – Section 20, T23S, R28E)
First Take Point: 330' FSL & 330' FEL (Unit P – Section 17, T23S, R28E)
Bottomhole Location: 330' FNL & 330' FEL (Unit A – Section 17, T24S, R28E)
Last Take Point: 330' FNL & 330' FEL (Unit A – Section 17, T24S, R28E)
Proration Unit: E/2 Section 17, T-23-S, R-28-E, NMPM, Eddy County, New Mexico
Pool: Culebra Bluff; Wolfcamp, South (Gas) Pool (75750)

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 Styx 17 W2PA Fee Com #1H well. This well will be drilled as a horizontal gas well in the Culebra Bluff; Wolfcamp, South (Gas) Pool (75750).

The Styx 17 W2PA Fee Com #1H will be dedicated to a standard 320-acre gas spacing and proration unit comprising the E/2 of Section 17. There are currently no other existing Wolfcamp producing wells within the proposed spacing unit.

Culebra Bluff; Wolfcamp, South (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 E/2 of Section 17.

Mewbourne Oil Company
Unorthodox Location Application
Styx 17 W2PA Fee Com #1H
Page 2 of 2

The affected offset acreage comprises the all of Section 8, W/2 of Section 9, W/2 of Section 16, W/2 of Section 17, N/2 of Section 20, NW/4 of Section 21, Township 23 South, Range 28 East, Eddy County, NMPM (See Attached Map). There are currently no Wolfcamp producers within the offset acreage:

Consequently, notice of this application is being provided to OXY USA WTP, Limited Partnership, OXY USA Inc., OXY Y-1 Company, Yates Petroleum Corporation, MRC Permian Company, Scratch Properties LLC, David Petroleum Corporation, BC Operating Inc., COG Operating LLC, Chevron Midcontinent, LP, and BNSF Railway Company.

Attached is a Form C-102 showing the surface, first take point, last take point, and bottomhole locations for the Styx 17 W2PA Fee 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 November 16, 2016.

In summary, approval of the application will provide Mewbourne Oil Company the opportunity to recover additional oil and gas reserves from the Culebra Bluff; Wolfcamp, South (Gas) Pool underlying the E/2 of Section 17 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: (575) 793-6164 Fax: (575) 793-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Bravo Road, Artesia, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3400 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
ARTESIA DISTRICT
Submit one copy to appropriate District Office

NOV 03 2016

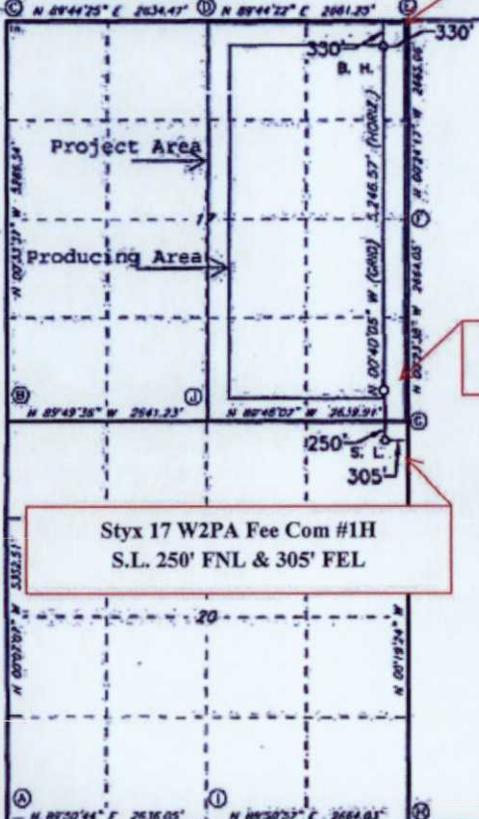
RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-43950		2 Post Code 75750		3 Pool Name Culebra Bluff; Wolfcamp, South (Gas)					
4 Property Code 317080		7 Property Name STYX 17 W2PA FEE COM			6 Well Number 1H				
10 GRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3037'				
10 Surface Location									
UL or lot no. A	Section 20	Township 23S	Range 28E	Lot Idn	Feet from the 250	North/South line NORTH	Feet from the 305	East/West line EAST	County EDDY
11 Bottom Hole Location If Different From Surface									
UL or lot no. A	Section 17	Township 23S	Range 28E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 330	East/West line EAST	County EDDY
12 Dedicated Access 320		13 Joint or Infill		14 Consolidation Code		15 Order No.			

No allowable will be assigned to this completion until all in **BHL/LTP: 330'** or a non-standard unit has been approved by the division.
FNL & 330' FEL



CEODITIC DATA
NAD 27 GRID - NM EAST

SURFACE LOCATION
N: 477892.5 - E: 571826.5
LAT: 32.29713613° N
LONG: 104.101525274° W

BOTTOM HOLE
N: 477137.5 - E: 571565.3
LAT: 32.31155474° N
LONG: 104.10168711° W

CORNER DATA
NAD 27 GRID - NM EAST

FTP: 330' FSL & 330' FEL

C: FOUND 3/4" IRON ROD
N: 477444.9 - E: 568298.4

D: FOUND COTTON SPINDLE
N: 477458.8 - E: 568232.3

E: FOUND 1/2" REBAR
N: 477488.9 - E: 571892.9

F: FOUND 1/2" IRON ROD
N: 474804.5 - E: 571911.7

G: FOUND COTTON SPINDLE
N: 472141.1 - E: 571930.0

H: FOUND 1/2" REBAR
N: 468822.6 - E: 571950.1

I: FOUND 1/2" IRON ROD
N: 468815.8 - E: 568296.6

J: FOUND 1/2" IRON ROD
N: 472151.8 - E: 568290.7

12 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 retained 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 customary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Bradley Bishop* Date: **11-03-2016**

Printed Name: **Bradley Bishop**

Email Address:

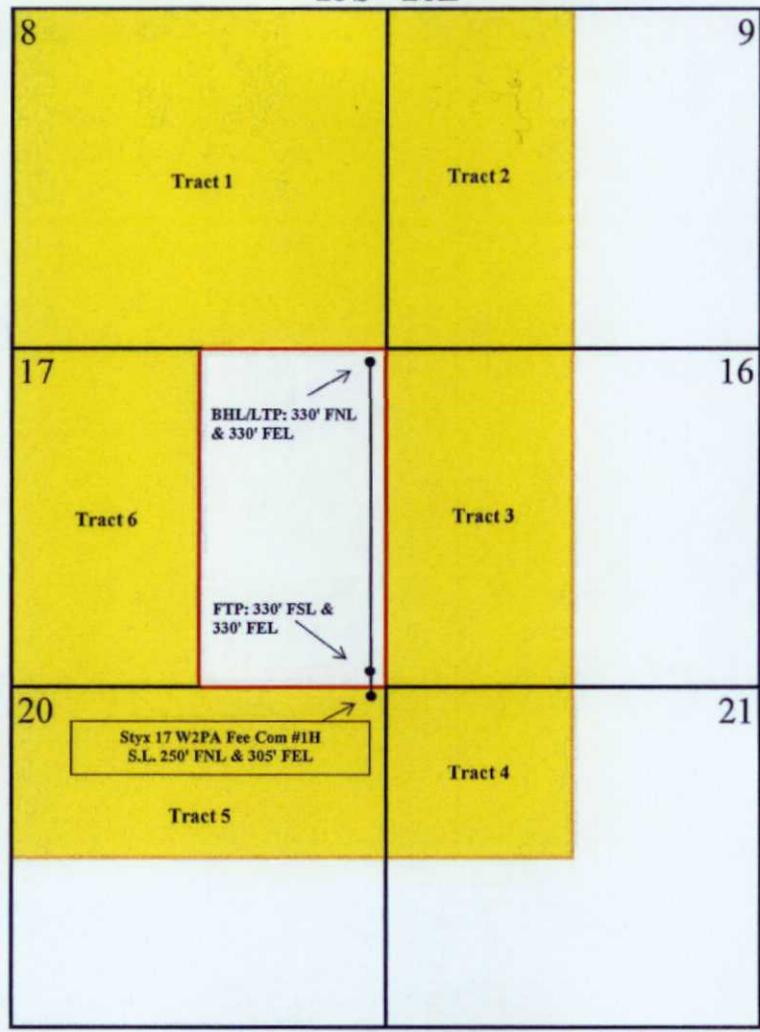
13 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: **10-5-2016**

Signature and Seal of **ROBERT M. HOWETT**
NEW MEXICO
19680
PROFESSIONAL SURVEYOR

19680
Certificate Number

23S - 28E



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

Mewbourne Oil Company
Application for Unorthodox Well Location
Styx 17 W2AP Fee Com #1H
Affected Offset Acreage

Notice List

Mewbourne Oil Company

Application for Unorthodox Well Location

Styx 17 W2PA Fee Com #1H, Section 17, T23S, R28E

Eddy County, New Mexico

Owners Noticed	Tract Numbers	Certified Tracking Number
OXY USA WTP, Limited Partnership PO Box 4294 Houston ,TX 77210 Attn: John Schneider	1, 6, 5	9414810699945019116876
OXY USA Inc. PO Box 4294 Houston ,TX 77210 Attn: John Schneider	2	9414810699945019116920
OXY Y-1 Company PO Box 4294 Houston ,TX 77210 Attn: John Schneider	2	9414810699945019116975
Yates Petroleum Corporation 105 S. Fourth St. Artesia, NM 88210 Attn: Janet Richardson	2, 3	9414810699945019117019
MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240 Attn: Nick Weeks	2, 4	9414810699945019117026
Scratch Properties LLC PO Box 1287 Artesia, NM 88221	2	9414810699945019117071

Owners Noticed	Tract Numbers	Certified Tracking Number
David Petroleum Corporation 116 W. First St. Roswell, NM 88201	3	9414810699945019117132
BC Operating Inc. PO Box 50820 Midland, TX 79710 Attn: Caleb Hopson	3, 6, 5	9414810699945019117187
COG Operating LLC 600 W. Illinois Avenue Midland, Texas 79701 Attn: Rita Buress	6	9414810699945019117200
Chevron Midcontinent, LP 1400 Smith St. Houston, TX 77002 Attn: Amber Delach	4	9414810699945019117255
BNSF Railway Company 2500 Lou Menk Drive, AOB-3 Fort Worth, TX 76131	4	9414810699945019117286
NMOCD 811 S. First St. Artesia, NM 88210 Attn: Paul Kautz	NA	9414810699945019117316

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

November 15, 2016

Via Certified Mail

See Attached List

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

Styx 17 W2PA Fee Com #1H (API No. 3001543950)

Surface Location: 250' FNL & 305' FEL (Unit A – Section 20, T23S, R28E)
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Bottomhole Location: 330' FNL & 330' FEL (Unit A – Section 17, T23S, R28E)
Last Take Point: 330' FNL & 330' FEL (Unit A – Section 17, T23S, R28E)
Proration Unit: E/2 Section 17, T-23-S, R-28-E, NMPM, Eddy County, New Mexico
Pool: Culebra Bluff; Wolfcamp, South (Gas) Pool (75750)

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 the Styx 17 W2PA Fee Com #1H well located at the surface, first take point, last take point, and bottomhole locations described above. The well will test Culebra Bluff; Wolfcamp, South (Gas) Pool and will be dedicated to a standard 320-acre gas spacing and proration unit comprising the E/2 Section 17, T-23-S, R-28-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 E/2 of Section 17.

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: Friday, November 18, 2016 9:25 AM
To: Lowe, Leonard, EMNRD
Subject: Application for Unorthodox Well Location
Attachments: NSL NMOCD - Styx 17 W2PA Fee Com #1H.pdf

Leonard,

I have attached our Application for Unorthodox Well Location for our Styx 17 W2PA Fee Com #1H well in Section 17-T23S-R28E, Eddy County, NM.

Please let me know if you have any questions or concerns.

Thank you,

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