

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Newbourne
Forty Niner Ridge #102
5435-B

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 _____

[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.

Print Full Name _____ Signature _____ Title _____ Date _____

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

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

jamesbruc@aol.com

RECEIVED
2007 SEP 17 PM 12 23

September 10, 2007

Via fax and U.S. Mail

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Mewbourne Oil Company
Forty Niner Ridge Unit Well No. 102 30-015-35033
1980 feet FNL & 2310 feet FEL
N½ §16-23S-30E
Eddy County, New Mexico

Dear Mr. Fesmire:

Pursuant to NMAC 19.15.14.1225, Mewbourne Oil Company ("Mewbourne") requests an emergency order allowing it to produce the above well pending the filing and approval of an application to amend Administrative Order NSL-5435-A.

Mewbourne drilled Well No. 102 as a Morrow formation test in late 2006. Due to potash considerations, it was necessary to obtain an unorthodox location for the well. This approval was granted by Administrative Order NSL-5435. The Morrow test failed, and Mewbourne attempted a completion in the Atoka formation. The Atoka unorthodox location was approved by Administrative Order NSL-5435-A. The Atoka test also failed, and Mewbourne has moved uphole to the Strawn formation. Mewbourne is in the process of applying for unorthodox location approval in the Strawn, but has not obtained approval as of this date.

Bryan Arrant in the Division's Artesia District Office has contacted Mewbourne, and has taken the position that part of the new perforations are in the Atoka formation, and part are in the Strawn formation. Mr. Arrant has required Mewbourne to obtain administrative approval for both an unorthodox Strawn location and downhole commingling of Strawn and Atoka production. Mewbourne disagrees with Mr. Arrant regarding the perforated interval, and the need for downhole commingling, but is meeting this week to address Mr. Arrant's concerns.

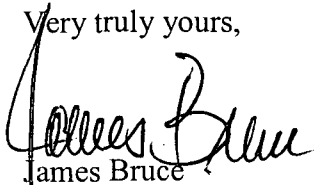
Until these matters are resolved, Mr. Arrant suggested that Mewbourne obtain temporary approval to produce the well until the appropriate applications are filed and orders obtained. ✓

✓ Attached as Exhibit A is a plat of the Forty Niner Ridge Unit Area, showing that Well No. 102 is internal to the unit area. In addition, attached as Exhibit B is a plat showing that all of Section 16 is subject to State Lease E-5229-9. Interest ownership in Section 16 is common, and there are no adversely affected offsets. Therefore, notice of this application is not required to be given to anyone.

For the foregoing reasons, Mewbourne requests that it be allowed to produce Well No. 102 ✓ through its current Strawn/Atoka perforations pending Division approval of all necessary administrative applications. Any issues regarding apportionment of production between the Strawn and Atoka can be adequately dealt with in a DHC application, if required. The granting of this application is in the interests of conservation and the prevention of waste.

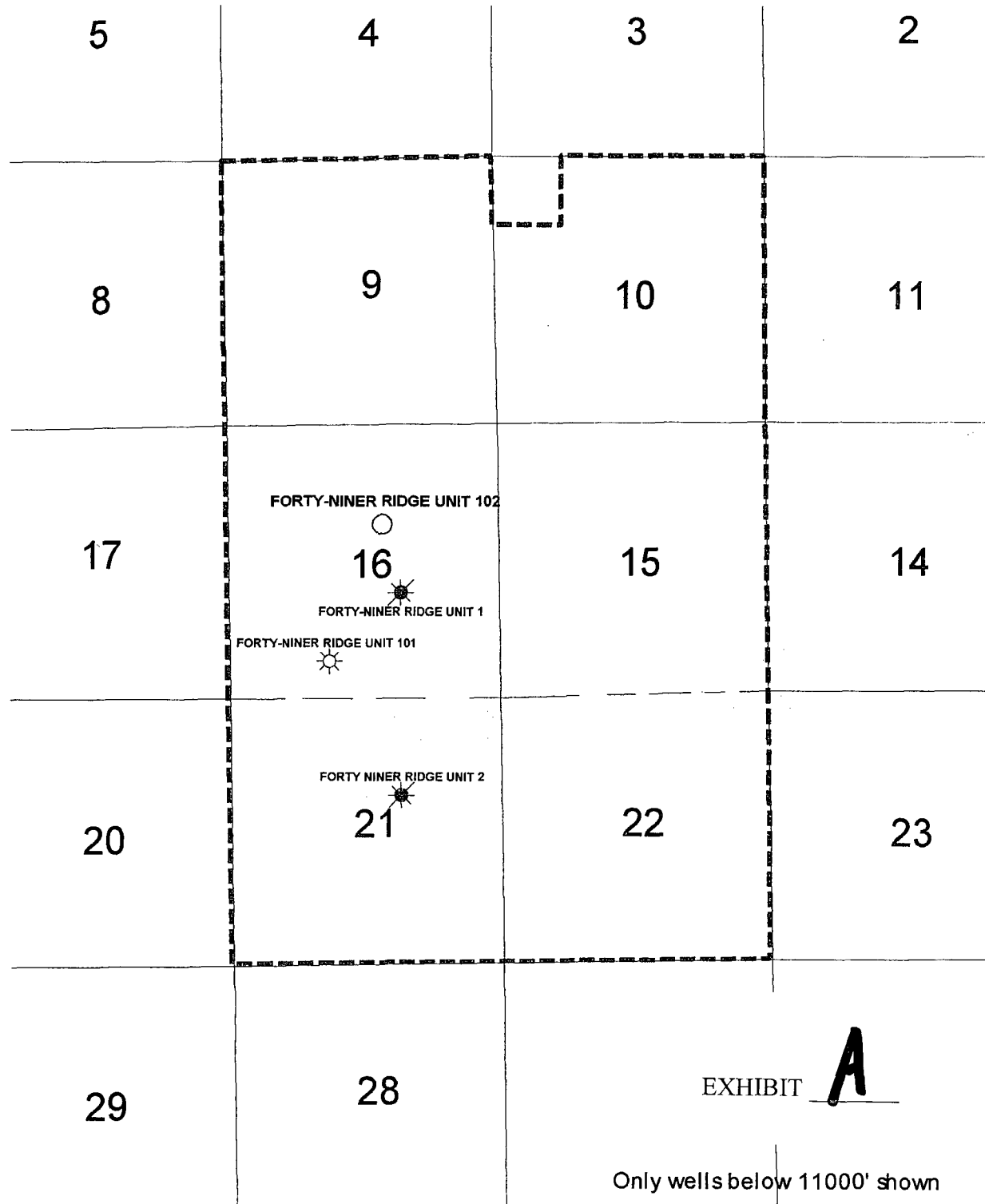
Thank you for your consideration of this matter.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A



EXHIBIT

A


Only wells below 11000' shown



Unit Boundary Outline



Morrow Participating Area

 Mewbourne Oil Company		
Forty-Niner Ridge Unit Well # 102 T23S-R30E Eddy County, New Mexico		
Author: Steve Smith	Date: 24 July, 2006	
Scale: 1" = 3000'		

N

U.S.

U.S.

U.S.

Chevron
HBP
104965

8

EXHIBIT "B"

9

Strata Prod.

5-1-74
0531075

Willis
Montgomery
TD 3118

10

CHEVRON(OPER.)
FORTY NINER RIDGE UNIT

U.S.

U.S.

U.S. 9

Mewbourne
8-1-2015
114355
\$1300.00

Mewbourne
(Rich. & Bass)

05229

Strata Prod.

7-1-74
0543748

Strata Prod.
5-1-74
0531731

Strata Prod.

5-1-74
0531277

17

Southwest
Roy.
Exxon-Fed.
TD 7436
DA 7-2-91

(wo) 6
I-SWD
(1)
(wo)

(Geffy)
Del. Disc.
(Morrow
Disc)
(3.7 Mil.)
(F95)

"Forty Niner Ridge Ut."

U.S.

101

State

Strata
Prod.
HBU

23 30

U.S.

1-SWD
Bargo
Remuda
Basin-Fed.
Tates Fe.
Texaco
(543827)

Chevron
HBP
104965

Strata
HBP
104965

Rich Bass
HBP
E-5229

Marile
Water, M.I.
Lena
James et al.

Rich-Bass
HBP
E-5229
State

(Rich-Bass)
HBP (Strata)
E-5229
Strata Prod.

5-1-74
0531731
U.S.

20

(Strata)

(Geffy)
Bn. Spr.
Disc

21

Mewbourne
(wo) 2
FII 10531731
(24 Mil.)

HBU
10531731

Strata Prod.

HBP
104965

Strata S/R
El Paso Expl.
06441

"Forty Niner
Ridge Unit"

22

6 Strata Prod.
Forty Niner
Ridge Ut.

U.S.

Rich-Bass
HBP
E-5229

State

COG O.E.G.
HBP
81622

(WDW)
Santa Fe Ener.
Charger-Fed.
TD 7450

29⁸

2
COG Op.
Gold Rush
Fed.

28

COG O.E.G.
HBP
81622

EXHIBIT

B

Poc
FWI
Del
P16



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 23, 2007

Steven J. Smith
Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, TX 79701

RE: Forty-Niner Ridge Unit Well No. 102 (API No 30-015-35033)
1980 feet from the North Line, 2310 feet from the East line, Unit G
Section 16, Township 23 South, Range 30 East, NMPM, Eddy County
320 Acres, N/2 of Section 16 Dedication

Administrative Order NSL-5435-A

Dear Mr. Smith:

Reference is made to the following:

- (a) your application (administrative application reference No. pTDS0702252793 for non-standard location [NSL]) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 22, 2006, on behalf of Mewbourne Oil Company, OGRD 14744 ("Mewbourne"); and
- (b) the Division's records pertinent to Mewbourne's request.

Mewbourne proposes to re-complete the above referenced well at the above referenced unorthodox gas well location within Section 16 and requests to produce from the Atoka within a 320-acre spacing unit consisting of the N/2 of Section 16. The proposed well would be the first well in this spacing unit and would be a Wildcat since it is further than 1 mile from any existing Atoka gas pool or previous Atoka production.

Division Rule 104.C(2) requires deep gas wells located in southeast New Mexico to be located no closer than 660 feet from any quarter section line within any standard 320 acre spacing unit. This well location is un-orthodox because it is located 330 feet from the western boundary of the NE/4 of Section 16.

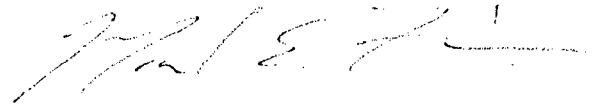
Your application states this well location was first approved by the Division with NSL-5435 on August 15, 2006 as a Morrow formation gas well completion, after being moved west from a standard location at the request of Mosaic Potash Carlsbad, Inc. Since that approval, the Morrow has not proved to be producible and Mewbourne now wishes to attempt a completion in

the Atoka. All of Section 16 is included in State Lease E-5229-9. Also royalty, and working interest ownership in the Atoka formation is common throughout all of Section 16 and all working interest owners have elected to participate in this re-completion attempt.

Division Rule 104.F allows the Division director to grant location exceptions in order to prevent waste and protect correlative rights. Your application on behalf of Mewbourne has been duly filed and notice has been provided as required under the provisions of Division Rules 104.F and 1210.A. In order to prevent waste and protect correlative rights, the above-described non-standard Wildcat Atoka gas well location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark E. Fesmire', is written over a horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/wvjj

cc: New Mexico Oil Conservation Division – Artesia
State Land Office – Oil, Gas, and Minerals Division

JAMES BRUCE
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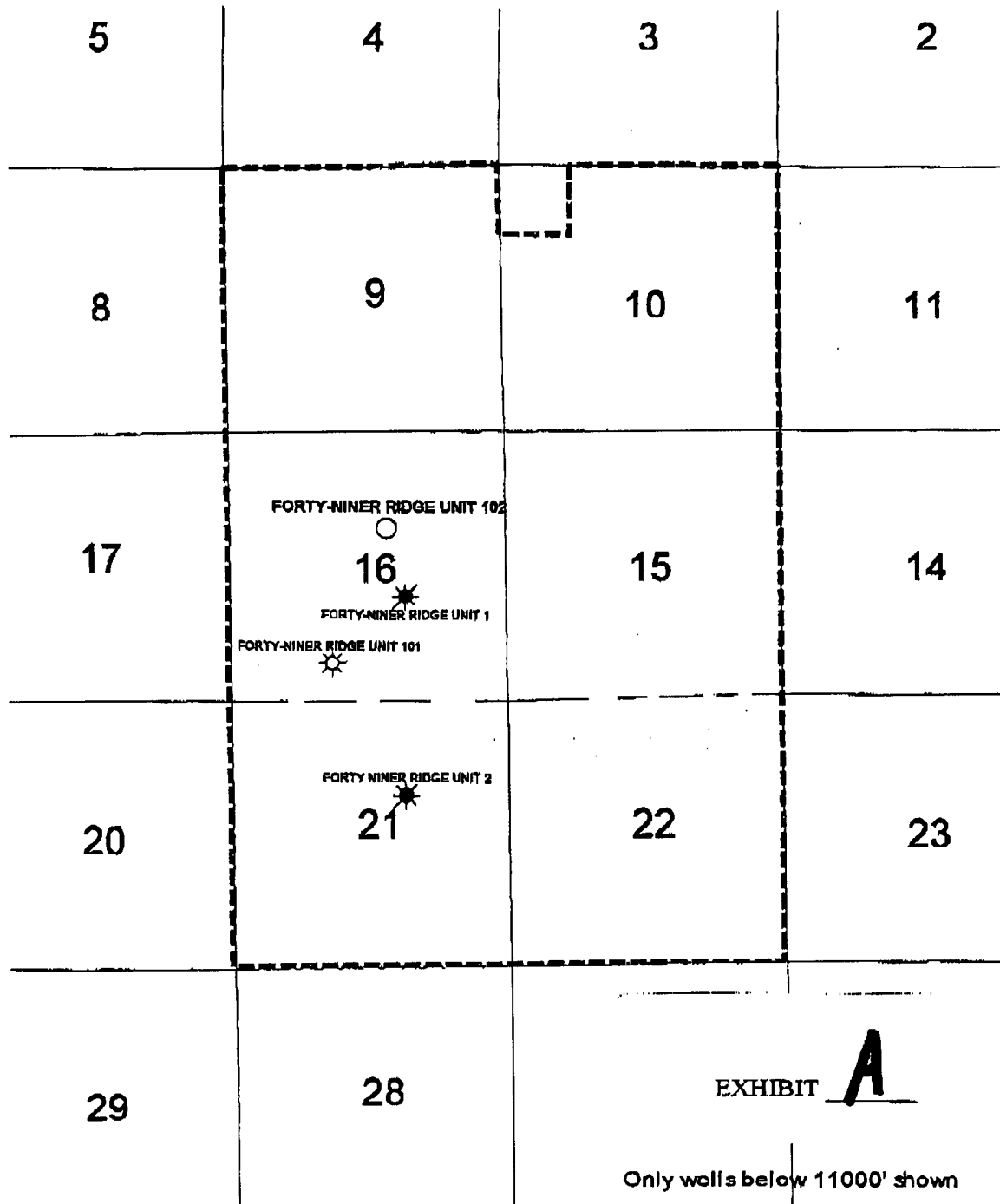
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James Bruce

Attorney for Mewbourne Oil Company

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Morrow Participating Area

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Forty-Niner Ridge Unit Well # 102 T23S-R30E Eddy County, New Mexico		
Author: Steve Smith	Date: 24 July, 2009	Scale: 1" = 3000'

