

3/20/08 DATE IN	 SUBPENSE	WJ ENGINEER	3/20/08 LOGGED IN	(DHC 4000) MPC	WNT 08080 42553 APP NO
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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 _____

- [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.

Robin Terrell
Print or Type Name

[Signature]
Signature

SR Production Engineer 03/19/08
Title Date

rtterrell@mewbourne.com
e-mail Address

District I
1623 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Grande Road, Artesia, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Mewbourne Oil Company PO Box 5270, Hobbs, NM 88240
Address DAC 4000
Lease Esperanza "19" Federal Com #1 1 - Sec 19, T21S, R27E Eddy
Well No. Unit Letter-Section-Township-Range County
OGRID No. 14744 Property Code 33255 API No. 30-015-33160 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>UNDES.</u> La Huerta Atoka		Burton Flat Morrow <i>Pro</i>
Pool Code	<u>TA100</u>		73280
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10598' - 11156'		11286' - 11334'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure <small>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)</small>			
Oil Gravity or Gas BTU <small>(Degree API or Gas BTU)</small>			
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: Est. Rate: Rates: 1000 MCF 3 BO, 3 BW	Date: Rates:	Date: 03/18/08 Rates: 500 MCF 0 BO, 1 BW
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil Gas 100 % 66 %	Oil Gas % %	Oil Gas 0 % 34 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No
Are all produced fluids from all commingled zones compatible with each other? Yes No
Will commingling decrease the value of production? Yes No
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE *Robin Terrell* TITLE Sr Production Engineer DATE 03/19/08

TYPE OR PRINT NAME Robin Terrell TELEPHONE NO. (575) 393-5905

E-MAIL ADDRESS rterrell@mewbourne.com

MEWBOURNE OIL COMPANY
PO BOX 5270
HOBBS, NM 88240
575-393-5905
FAX 575-397-6252

March 19, 2008

Engineering Bureau
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Form C-107A
Esperanza "19" Fed Com #1
Recompletion & Commingle

To Whom It May Concern:

Please find enclosed the following for the application to downhole commingle production from the Burton Flat Morrow and La Huerta Atoka zones in the referenced well:

Form C107A
Attachments information
Form C-102 for both zones
Administrative Application Checklist

A copy of Form C-107A is being mailed today to the Bureau of Land Management in Carlsbad.

Mewbourne Oil Company would appreciate this commingle request being processed as soon as possible. If you need further information, please call me at (575) 390-4816.

Thank you,



Robin Terrell
SR Production Engineer

MEWBOURNE OIL COMPANY
Esperanza "19" Fed Com #1
Unit Letter I, Sec 19 T21S R27E
Burton Flat Morrow and La Huerta Atoka
Eddy Co., NM

Attachments to C-107A

1. **C102 for each zone to be commingled showing its spacing unit & acreage dedication.**
2. **Production curve for existing Morrow perfs showing current production. Atoka is estimated.**

Burton Flat Morrow (Current production 500 MCF 0 BO, 1 BW)
La Huerta Atoka (estimated 1000 MCF, 3 BO, 3 BW)

3. **Notification list of working, royalty and overriding royalty interests for uncommon interest cases.**

No uncommon interests.

4. **Additional statements and data to support commingling.**

The well is completed with 5 1/2" OD casing. In order to dually complete the well to recover all economic reserves, the use of small diameter special clearance tubing would be required. Performing a dual completion as described could not be economically justified for a zone with limited deliverability. To produce the Atoka interval (upper zone) up the annulus (5 1/2" - 2 7/8") is not recommended due to liquid loading and insufficient velocity to lift produced fluids with the estimated gas rates listed above. The addition of the Atoka as a commingled zone will prevent waste that would not otherwise be possible due to the increased cost to produce each individual zone. Commingling will prevent early abandonment of each production zone.

Form 3160-5
(September 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

5. Lease Serial No.
NM-0354232

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Esperanza "19" Federal Com #1

9. API Well No.
30-015-33160

10. Field and Pool, or Exploratory Area
Burton Flat Morrow

11. County or Parish, State
Eddy County, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Mewbourne Oil Company 14744

3a. Address
PO Box 5270 Hobbs, NM 88240

3b. Phone No. (include area code)
505-393-5905

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)
1980' FSL & 393' FEL, Unit Letter I of Sec 19-T21S-R27E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other Downhole
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	commingle adding new zones
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletes horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Mewbourne Oil Company request approval to DHC Burton Flat Morrow & La Huerta Atoka. Morrow is currently producing from 11286' to 11334' with rates of 500 MCF, 0 BO, 1 BW. The Atoka is to be perforated from 10598' to 10616', 10838' to 10846', 10980' to 10986', 11076' to 11084' & 11150' to 11156' and flow with anticipated rates of 1000 MCF, 3 BO, 3 BW. Commingling of these 2 pools will not reduce the value of remaining reserves. The ownership of both pools is identical. Both zones included in NM-0354232.

Procedure to downhole commingle: Perforate Atoka @ 10598' to 10616', 10838' to 10846', 10980' to 10986', 11076' to 11084' & 11150' to 11156' & flowtest well & PWOL. Produce well until rates fall below 1000 MCF/d. Pull tbg. Set temporary plug to isolate Morrow perfs @ 11286' to 11334'. RIH w/tbg & set pkr @ 10500'. Frac Atoka perfs @ 10598 to 11156' w/3000 gals of 15% HCl & 50000# of HSP. Flow test & PWOL. Produce well until rate falls below 1000 MCF/d. Release pkr & pull tbg. Drill out plug over Morrow perfs. Land EOT @ 11270' & PWOL.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Robin Terrell Title Sr Production Engineer

Signature  Date 03/18/08

Approved by (Signature) _____ Name (Printed/Typed) _____ Title _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office _____ Date _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on next page)

1625 N. French Dr., Hobbs, NM 88240

Energy, Minerals and Natural Resources Department

Instruction on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

DISTRICT II
 811 South First, Santa Fe, NM 87510

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name <i>La Huerta Atoka Gas Pool</i>
Property Code	Property Name <i>ESPERANZA "19" FEDERAL COM.</i>	Well Number <i>1</i>
OGRID No. <i>14744</i>	Operator Name <i>MEWBOURNE OIL COMPANY</i>	Elevation <i>3159'</i>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<i>1</i>	<i>19</i>	<i>21S</i>	<i>27E</i>		<i>1980</i>	<i>SOUTH</i>	<i>393</i>	<i>EAST</i>	<i>EDDY</i>

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres <i>315.08</i>	Joint or Infill	Consolidation Code	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

	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Terry Burke</i> Signature Terry Burke Printed Name Drilling Foreman Title November 5, 2003 Date</p>	
	<p>SURVEYOR CERTIFICATION</p> <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><i>10/23/2003</i> Date Surveyed</p> <p><i>[Signature]</i> Signature, Seal of Professional Surveyor HERSCHEL JONES NEW MEXICO 3849 Certificate No. Herschel Jones RLS 3640 ESPERANZA 19S MEWBOURNE OIL COMPANY</p>	

0 330' 660' 990' 1850' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

111 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Hondo Rd., Aztec, NM 87410

DISTRICT IV
8040 South Paseo, Santa Fe, NM 87505

Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		E. Burton Flat Morrow
Property Code	Property Name	Well Number
	ESPERANZA "19" FEDERAL COM.	7
GRID No.	Operator Name	Elevation
14744	MEWBOURNE OIL COMPANY	3159'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	19	21S	27E		1980	SOUTH	393	EAST	EDDY

Bottom Hole Location If Different From Surface

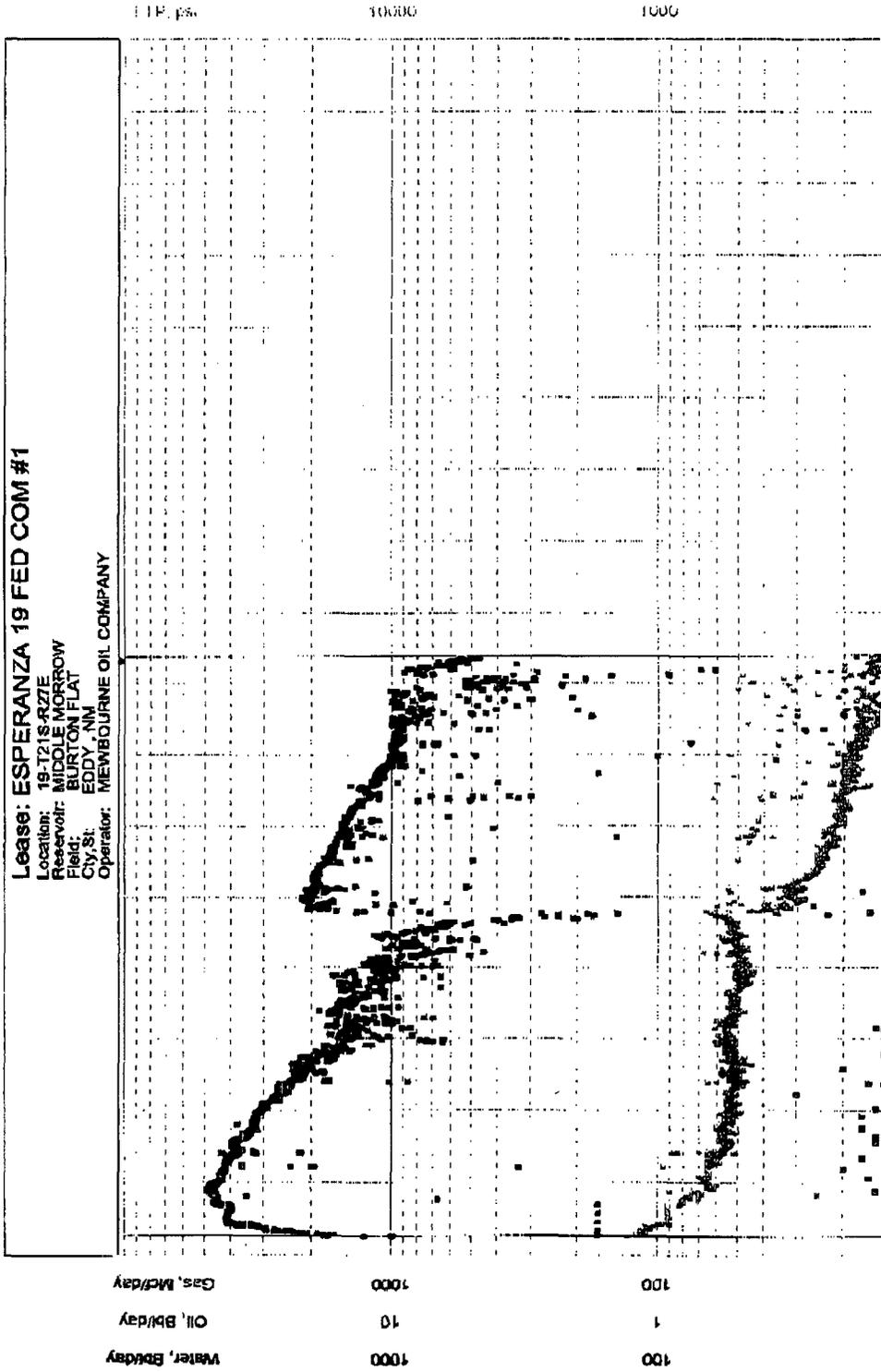
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
315.08			

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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Terry Burke</i> Signature</p> <p>Terry Burke Printed Name</p> <p>Drilling Foreman Title</p> <p>November 5, 2003 Date</p>	
	<p>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>10/23/2003 Date Surveyed</p> <p><i>[Signature]</i> Signature of Pool of Professional Surveyors</p> <p>HERSCHEL JONES NEW MEXICO 3640 Certification No. Herschel Jones RLS 3640 ESPERANZA "19" FEDERAL COM. GENERAL SURVEYING COMPANY</p>	
	<p>Lease # NM-03544232</p>	
	<p>3158 316 3151 3174 1980'</p>	

330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'



Gas, Mcf/day	2715080
Ref	3/2008
Cum	2715080
Oil, Bbl/day	28
Ref	3/2008
Cum	28
Water, Bbl/d	3654
Ref	3/2008
Cum	3654
FIP, psia	47
Ref	3/2008
Cum	635403

FAX TRANSMISSION

**MEWBOURNE OIL
PO BOX 5270
HOBBS, NM 88241
505-393-5905
FAX 505-397-6252**

To: William Jones Date: 3/20/08
Phone 476 3448
Fax: 505 476-3462 Pages: (plus cover) 8

From: Robin Tennell

Subject: Commodore Esperanza 19#1
