

DATE IN 6/2/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 7/3/08	TYPE DHC 4646	APP NO. PKVR0818535438
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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

SR Production Engineer
Title

06/25/08
Date

rterrell@mewbourne.com
e-mail Address

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

RECEIVED
2008 JUL 2 PM 3 08

June 25, 2008

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

RE: Form C-107A
Parkchester "24" State #2
Recompletion & Commingle

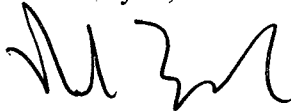
To Whom It May Concern:

Please find enclosed the following for the application to downhole commingle production from the Winchester Morrow and Winchester Upper Pennsylvanian Gas Pool zones in the referenced well:

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

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

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

Mewbourne Oil Company PO Box 5270, Hobbs, NM 88240
Operator Address
Parkchester "24" State #2 D - Sec 24, T19S, R28E Eddy
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 14744 Property Code 13206 API No. 30-015-35689 Lease Type: Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	UPPER Winchester Upper Pennsylvanian Gas Pool		LOWER Winchester Morrow
Pool Code			87600
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9582' - 9900'		10922' - 11034'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure (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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Est. Rate: Rates: 500 MCF 5 BO, 0 BW	Date: Rates:	Date: 06/25/08 Rates: 180 MCF 0 BO, 4 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 100 % 74 %	Oil Gas % %	Oil Gas 0 % 26 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X 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 X No
Will commingling decrease the value of production? Yes No X
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 X 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 TITLE Sr Production Engineer DATE 06/25/08

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

E-MAIL ADDRESS rterrell@mewbourne.com

MEWBOURNE OIL COMPANY
Parkchester "24" State #2
Unit Letter D, Sec 24 T19S R28E
Winchester Morrow and Winchester Upper Pennsylvanian Gas Pool
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 perms showing current production. Atoka is estimated.

Winchester Morrow (Current production 180 MCF 0 BO, 4 BW)
Winchester Upper Pennsylvanian Gas Pool (estimated 500 MCF, 5 BO, 0 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 commingle.

The well is completed with 5 ½" 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 Winchester Upper Pennsylvanian Gas Pool interval (upper zone) up the annulus (5 ½" - 2 ⅞") 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 Winchester Upper Pennsylvanian Gas Pool 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 productive zone.

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State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-102
Permit 56175

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-35689	2. Pool Code 87600	3. Pool Name Upper Winklesky Penn. Gas Pool
4. Property Code 13206	5. Property Name PARKCHESTER 24 STATE	6. Well No. 002
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3360

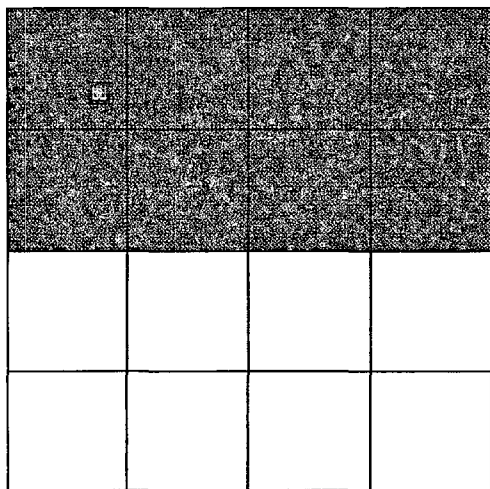
10. Surface Location

UL - Lot D	Section 24	Township 19S	Range 28E	Lot Idn	Feet From 900	N/S Line N	Feet From 990	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill	14. Consolidation Code	15. Order No.						

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

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.

E-Signed By: Monty Whetstone

Title: Vice President Operations

Date: 6/26/2007

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.

Surveyed By: Gary Jones

Date of Survey: 5/30/2007

Certificate Number: 7977

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Form C-102
Permit 56175

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-35689	2. Pool Code 87600	3. Pool Name WINCHESTER;MORROW (GAS)
4. Property Code 13206	5. Property Name PARKCHESTER 24 STATE	6. Well No. 002
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3360

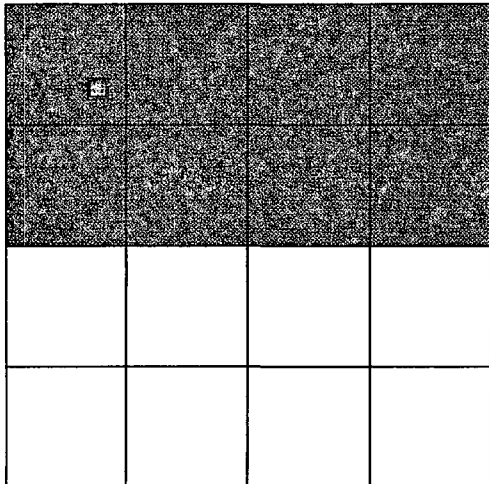
10. Surface Location

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11. Bottom Hole Location If Different From Surface

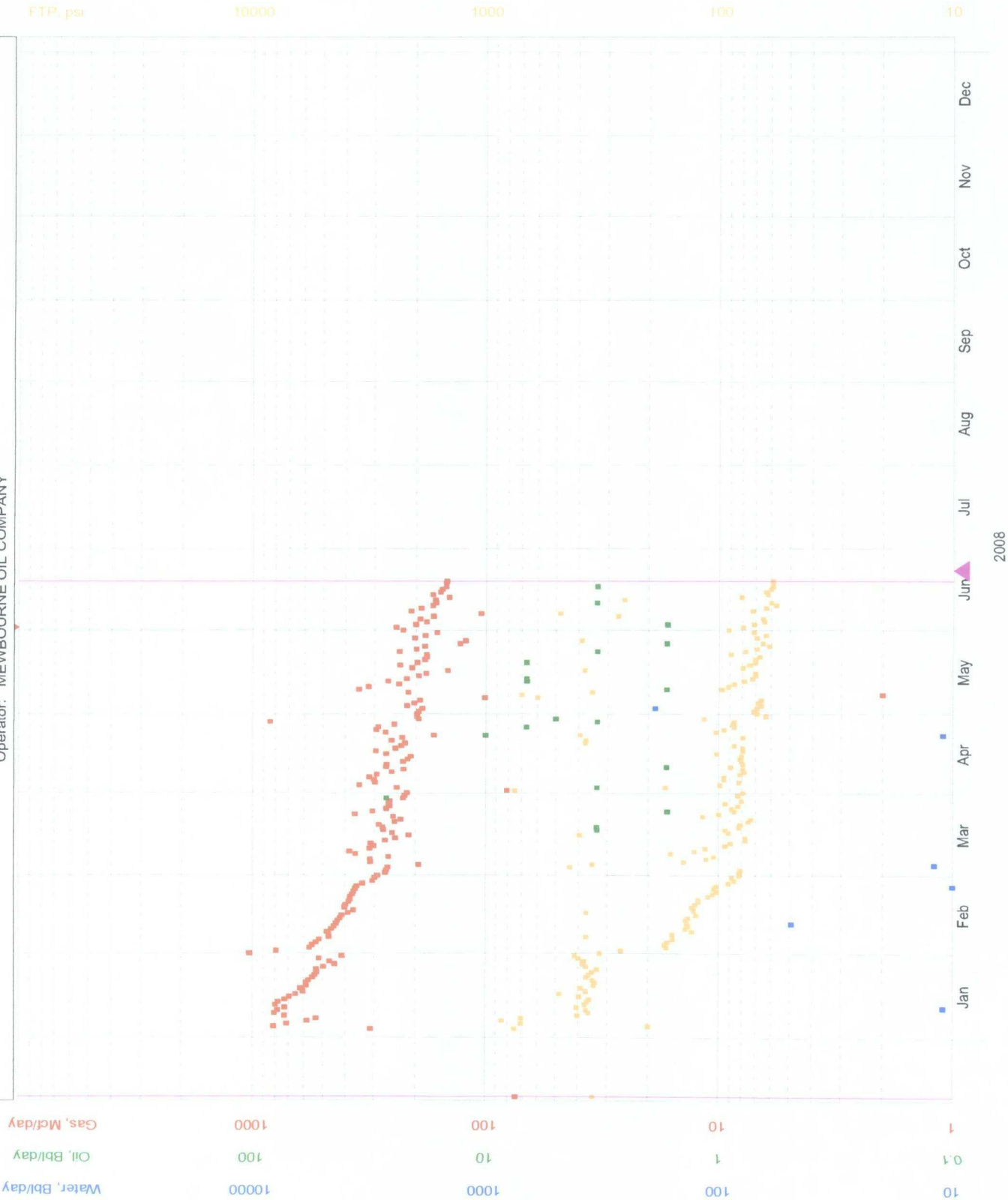
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	OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including 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> E-Signed By: Monty Whetstone Title: Vice President Operations Date: 6/26/2007	
	SURVEYOR CERTIFICATION <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> Surveyed By: Gary Jones Date of Survey: 5/30/2007 Certificate Number: 7977	

Lease: PARKCHESTER "24" ST. #2

Location: 24-19S-28E
Reservoir: MIDDLE MORROW
Field: WINCHESTER
City: EDDY, NM
Operator: MEWBOURNE OIL COMPANY



Gas, Mcf/day
Ref= 6/2008
Cum= 53352

Oil, Bbl/day
Ref= 6/2008
Cum= 92

Water, Bbl/d
Ref= 6/2008
Cum= 498

FTP, psi
Ref= 6/2008
Cum= 29127