

DATE IN 3-4-10	SUSPENSE	ENGINEER DB	LOGGED IN 3-4-10	TYPE NSI	PTG-W APP NO. 1006352002
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NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



Mowbourne  
(14744)

Bradley 29 Fed Com #1H  
30-015-37481

**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]

Eddy

[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 \_\_\_\_\_

2010 MAR - 3 P 4: 39

RECEIVED OGD

[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.

Ocean Munds-Dry Ocean Munds-Dry Attorney 3-3-10  
Print or Type Name Signature Title Date  
omundsdry@hollandhart.com  
e-mail Address

## Brooks, David K., EMNRD

---

**From:** Ocean Munds-Dry [Omundsdry@hollandhart.com]  
**Sent:** Tuesday, March 09, 2010 3:21 PM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Mewbourne Oil Company - Bradley 29 Fed Com #1; NSL Application  
**Attachments:** Bakers Dir Plan before gyro.pdf

David:

- 1) Mewbourne has a JOA covering the S/2 of Section 29 and the working interest owners are the same in the N/2 S/2.
- 2) Mewbourne is going to re-submit its C-102 to create a 160-acre project area consisting of the S/2 S/2 of Section 29. I should receive the amended C102 in the morning and will forward to you.
- 3) As noted, this is an existing vertical well which Mewbourne plans to re-enter and turn horizontal in the Bone Spring. The wellbore will penetrate the top of the Bone Spring in the vertical and then the well will kick off to go lateral into the Bone Spring. Let me know if that addresses your question.

Thanks,  
Ocean

---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Monday, March 08, 2010 2:58 PM  
**To:** Ocean Munds-Dry  
**Subject:** Mewbourne Oil Company - Bradley 29 Fed Com #1; NSL Application

Dear Ocean:

I have several issues with this application.

1<sup>st</sup> you indicate that the noticed parties own interests in the E/2 SE/4 of Section 30. What about the N/2 S/2 of Section 29?

2<sup>nd</sup> your C-102 shows a project area comprising the S/2 SW/4 and SW/4 SE/4 of Section 29. Since the pool rules for the Santo Nino Bone Spring Pool provide for 80-acre units, this is not a permissible project area under Rule 16.7.I. To create this spacing unit, an NSP application would be required, either to designate the entire project area as a non-standard 120-acre unit, or to designate the SW/4 SE/4 as a non-standard 40-acre unit so that you could combine whole spacing units.

3<sup>rd</sup> I am unsure of the configuration of the well. You state that the well has been drilled as a vertical well to the Morrow. However, you indicate that the point of penetration of the Bone Spring is to be 1120 FSL and 1894 FEL. This leads me to conclude that your kick off point is above the top of the Bone Spring, and the point of penetration indicated is the point at which the horizontal shaft will penetrate the BS. However, your use of the present tense: "The well bore penetrates the Bone Spring at a point . . . [etc]" is somewhat confusing.

I would greatly appreciate your addressing these questions.

Sincerely

David

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March 3, 2010

**HAND-DELIVERED**

Mark E. Fesmire, P.E.  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: Application of Mewbourne Oil Company for administrative approval of an unorthodox well location for its Bradley 29 Fed Com Well No. 1H to be drilled from a surface location 1050 feet from the South line and 1905 feet from the East line and a bottomhole location 990 feet from the South line and 330 feet from the West line of Section 29, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico.

Dear Mr. Fesmire:

Mewbourne Oil Company ("Mewbourne") hereby seeks administrative approval pursuant to the provisions of Division Rules 19.15.15.13 and 19.15.16.14 for an unorthodox well location for its Bradley 29 Fed Com Well No. 1H. This well is located in Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico and is to be drilled in the Bone Spring formation at a surface location 1050 feet from the South line and 1905 feet from the East line and a bottomhole location 990 feet from the South line and 330 feet from the West line of Section 29, Eddy County, New Mexico. A 120-acre project area has been dedicated to this horizontal well comprised of the SW/4 SE/44, S/2 SW/4 of Section 29.

This location is unorthodox because the Bone Spring formation under this acreage is governed by the Santo Nino-Bone Spring Pool rules which provide for wells on 40-acre spacing units to be located no further than 150 feet from the center of the governmental quarter-quarter section line. Division Rule 19.15.16.14 defines the "Penetration Point" as "the point where the wellbore penetrates the top of the pool from which it is intended to produce." The wellbore penetrates the Bone Spring formation at a point 1120 feet from the South line and 1894 feet from the East line of Section 29 and is therefore closer than allowed by Division rules. The bottomhole location will be 990 feet from the South line and 330 feet from the West line. Also, all of the directional wellbore's producing interval is projected to be outside of the producing area.



Mewbourne and its partners have drilled the Bradley 29 Fed Com No. 1 H Well at the surface location described hereinabove to a total depth of 12,050 feet. During drilling of this well we encountered the following formations:

- 1) Second Bone Spring Sand – The porosity in the 2nd Sands was lower than anticipated and would not justify a vertical well completion.
- 2) Strawn – The main Strawn objective was not present in this wellbore. The porosity encountered was low and would not justify a commercial completion.
- 3) Middle Morrow – The Sands encountered were thin and appear to be wet by log analysis.
- 4) Lower Morrow – The Sands encountered were thin and appear to be wet by log analysis.

Mewbourne has determined that its best opportunity is to drill out of the Bradley 29 Fed Com No. 1H wellbore and to attempt a horizontal Second Bone Spring Sand completion going West. Due to the existing well location, the presence of existing vertical producing wells located on the acreage to drilled with the horizontal wellbore and due to existing pool rules, the entire wellbore for the Bradley 29 Fed Com No. 1H Well will be unorthodox.

**Exhibit A** is a plat showing the location of the well. **Exhibit B** is the C-102 for this well.

A copy of this application with all attachments was mailed to the parties listed in **Exhibit C** attached hereto who own Operating Rights in the E/2 SE/4 of Section 30, Township 18 South, Range 30 East, Eddy County, New Mexico. Said parties were advised that if they have an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date notice was sent. It was also advised that if no objections were received by the Division within twenty days, the Division Director could approve the application.

Your attention to this application is appreciated.

Sincerely,

*Ocean Munds-Dry*  
Ocean Munds-Dry  
Attorney for Mewbourne Oil Co.

Enclosures

cc: OCD/Artesia, District 2

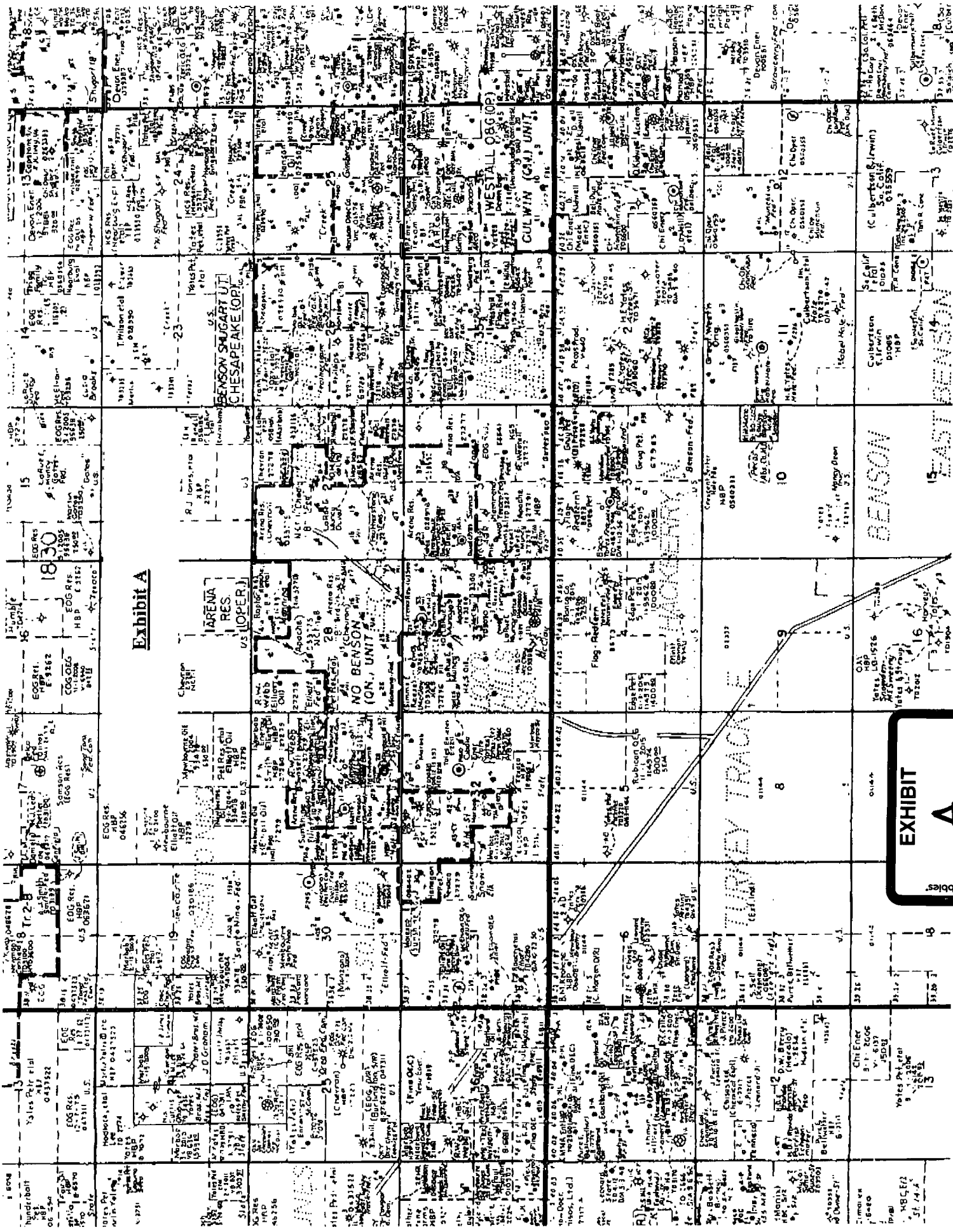


Exhibit A

EXHIBIT  
A

BENSON

EAST BENSON

TURKEY TRACK

BENSON SAUGART UT  
CHESAPEAKE (ORI)

NO BENSON  
(ON UNIT)

JARENA  
RES (LOPER)

CULWIN (CA) UNIT

TWEETAL (OBG) UNIT

# Exhibit B

DISTRICT I  
1222 N. French St., Hobbs, NM 88240

DISTRICT II  
1221 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
1600 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV  
1222 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 5 Copies

## OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-37AB1</b>	Pool Code <b>SABOO</b>	Pool Name <b>Santa Nina Bone Spring</b>
Property Code <b>37976</b>	Property Name <b>BRADLEY "29" FEDERAL COM</b>	Well Number <b>1</b>
OGRI No. <b>1A7A2</b>	Operator Name <b>MEWBOURNE OIL COMPANY</b>	Elevation <b>3432'</b>

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>0</b>	<b>29</b>	<b>18 S</b>	<b>30 E</b>		<b>1050</b>	<b>SOUTH</b>	<b>1905</b>	<b>EAST</b>	<b>EDDY</b>

#### 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
<b>M</b>	<b>29</b>	<b>18 S</b>	<b>30 E</b>		<b>990</b>	<b>South</b>	<b>330</b>	<b>West</b>	<b>Edgy</b>
Dedicated Acres <b>120</b>	Joint or Well	Consolidation Code	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

	<p><b>OPERATOR CERTIFICATION</b></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 holds a mineral interest in the land underlying the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u><i>C. M. Young</i></u> Date: <u>3/3/10</u></p> <p>Printed Name: <u>N. M. Young</u></p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of recent surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Signature: <u><i>W. O. Jones</i></u></p> <p>Professional Surveyor</p> <p>W. O. Jones</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BAGB SURVEYS</p>
	<p><b>SURFACE LOCATION</b></p> <p>Lat - N 32°42'50.35"</p> <p>Long - W 103°59'28.44"</p> <p>NMSPCE - N 823828.404</p> <p>E 605219.710</p> <p>(NAD-27)</p>

EXHIBIT  
**B**

**Exhibit C**

Chisos Ltd.

✓ 670 Dona Ana Road, SW  
Deming, New Mexico 88030

Pure Energy Group, Inc.

✓ 22610 U.S. Hwy. 281, Suite 218  
San Antonio, Texas 78258

Myco Industries, Inc.

105 S. 4<sup>th</sup> Street  
Artesia, New Mexico 88210

John A. Yates, Individually and as  
Trustee of Trust Q created  
u/w/o of Peggy A. Yates, deceased  
105 S. 4th Street  
Artesia, New Mexico 88210

✓ Hanagan Petroleum Corporation

✓ P.O. Box 1737  
Roswell, New Mexico 88202-2107

Yates Drilling Company

105 S. 4<sup>th</sup> Street  
Artesia, New Mexico 88210

✓ New Tex Oil Company

✓ P.O. Box 297  
Hobbs, New Mexico 88240

Ronadero Company, Inc.

P.O. Box 746  
Big Horn, Wyoming 82833-0746

Natalie V. Hanagan

1922 18<sup>th</sup> Ave., W  
Williston, North Dakota 58801

✓ Robert J. Leonard,

Trustee of the Leonard Trust  
P.O. Box 400  
Roswell, New Mexico 88202

Sacramento Partners

A Limited Partnership  
105 S. 4<sup>th</sup> Street  
Artesia, New Mexico 88210

Mariner Energy, Inc.

2000 W. Sam Houston Pkwy. S., Suite 2000  
Houston, Texas 77042-3622

EXHIBIT

C

tabbles



## Brooks, David K., EMNRD

---

**From:** Brooks, David K., EMNRD  
**Sent:** Monday, March 08, 2010 2:58 PM  
**To:** 'Ocean Munds-Dry'  
**Subject:** Mewbourne Oil Company - Bradley 29 Fed Com #1; NSL Application

Dear Ocean:

I have several issues with this application.

1<sup>st</sup> you indicate that the noticed parties own interests in the E/2 SE/4 of Section 30. What about the N/2 S/2 of Section 29?

2<sup>nd</sup> your C-102 shows a project area comprising the S/2 SW/4 and SW/4 SE/4 of Section 29. Since the pool rules for the Santo Nino Bone Spring Pool provide for 80-acre units, this is not a permissible project area under Rule 16.7.I. To create this spacing unit, an NSP application would be required, either to designate the entire project area as a non-standard 120-acre unit, or to designate the SW/4 SE/4 as a non-standard 40-acre unit so that you could combine whole spacing units.

3<sup>rd</sup> I am unsure of the configuration of the well. You state that the well has been drilled as a vertical well to the Morrow. However, you indicate that the point of penetration of the Bone Spring is to be 1120 FSL and 1894 FEL. This leads me to conclude that your kick off point is above the top of the Bone Spring, and the point of penetration indicated is the point at which the horizontal shaft will penetrate the BS. However, your use of the present tense: "The well bore penetrates the Bone Spring at a point . . . [etc]" is somewhat confusing.

I would greatly appreciate your addressing these questions.

Sincerely

David

**Brooks, David K., EMNRD**

---

**From:** Ocean Munds-Dry [Omundsdry@hollandhart.com]  
**Sent:** Wednesday, March 10, 2010 8:33 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Mewbourne Oil Company - Bradley 29 Fed Com #1; NSL Application  
**Attachments:** Mewbourne C102.JPG

David: Here is the updated C102.

Thanks,  
Ocean

---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Monday, March 08, 2010 2:58 PM  
**To:** Ocean Munds-Dry  
**Subject:** Mewbourne Oil Company - Bradley 29 Fed Com #1; NSL Application

Dear Ocean:

I have several issues with this application.

1<sup>st</sup> you indicate that the noticed parties own interests in the E/2 SE/4 of Section 30. What about the N/2 S/2 of Section 29?

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Sincerely

David

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1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., 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-102  
Revised October 12, 2005

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

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-37481	Pool Code 54600	Pool Name San Lorenzo Bone Springs
Property Code 37976	Property Name BRADLEY "29" FEDERAL COM	Well Number 1
GRID No. 1A744	Operator Name MEWBOURNE OIL COMPANY	Elevation 3432'

Surface Location

UL or lot No. 0	Section 29	Township 18 S	Range 30 E	Lot Idn	Feet from the 1050	North/South line SOUTH	Feet from the 1905	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No. M	Section 29	Township 18 S	Range 30 E	Lot Idn	Feet from the 990	North/South line South	Feet from the 330	East/West line West	County Eddy
Dedicated Acres 160	Joint or Infill	Consolidation Code	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

				<b>OPERATOR CERTIFICATION</b>  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 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.  Signature: <i>G. M. Young</i> Date: 3/3/10  Printed Name: G. M. Young	
				<b>SURVEYOR CERTIFICATION</b>  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.  AUGUST 31, 2008 Date Surveyed Signature & Seal of Professional Surveyor: <i>[Signature]</i> W.O. No. 21687 Certificate No. Gary L. Jones 7977  BASIN SURVEYS	



March 19, 2010

**VIA HAND-DELIVERY**

Mr. David Brooks  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

RECEIVED OOD  
2010 MAR 19 P 4:14

**Re: Application of Mewbourne Oil Company for administrative approval for its  
Bradley 29 Federal Com No. 1H.**

Dear Mr. Brooks:

Mewbourne Oil Company has submitted an application for approval of a non-standard location for its Bradley "29" Federal Com Well No. 1 in Section 29, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico.

Mewbourne has received waivers from: Hanagan Petroleum Corporation, The Leonard Trust, Chisos, Ltd., Pure Energy Group, Inc. and New Tex Oil Company. These waivers are attached.

Thank you for your attention to this matter. Please let me know if you have any questions.

Sincerely,

*Ocean Munds-Dry*  
Ocean Munds-Dry  
Attorney for Mewbourne Oil Company

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

March 3, 2010

Via Certified Mail-Return Receipt No. 7124

Mark E. Fesmire, P.E.  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Application of Mewbourne Oil Company for administrative approval of an unorthodox well location for its Bradley "29" Federal Com No. 1H Well drilled from a surface location 1050 feet from the South line and 1905 feet from the East line and a bottomhole location 990 feet from the South line and 330 feet from the West line of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Gentlemen:

New Tex Oil Company, as an offset owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at the captioned surface location to the bottomhole location referenced above to evaluate the Bone Spring formation. It is our understanding that the above referenced bottomhole location is unorthodox because the Bone Spring formation under this acreage is governed by the Santo Nino-Bone Spring Pool rules which provide for wells on 40-acre spacing units to be located no further than 150 feet from the center of the governmental quarter-quarter Section line. Division Rule 19.15.16.14 defines the "Penetration Point" as "the point where the wellbore penetrates the top of the pool from which it is intended to produce." The wellbore penetrates the Bone Spring formation at a point 1120 feet from the South line and 1894 feet from the East line of said Section 29 and is therefore closer than allowed by Division rules. The bottomhole location will be 990 feet from the South line and 330 feet from the West line of said Section 29. Also, part of the directional wellbore's producing interval is projected to be outside the producing area.

This letter is to advise that New Tex Oil Company has no objection to the granting of a drilling permit at the referenced surface and bottomhole locations as applied for. New Tex Oil Company hereby waives objection for a administrative approval for the above described unorthodox location.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**NEW TEX OIL COMPANY**

By: 

Hal Brunson  
President

Date: 3/3/10

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

March 3, 2010

Via Certified Mail-Return Receipt No. 7124

Mark E. Fesmire, P.E.  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Application of Mewbourne Oil Company for administrative approval of an unorthodox well location for its Bradley "29" Federal Com No. 1H Well drilled from a surface location 1050 feet from the South line and 1905 feet from the East line and a bottomhole location 990 feet from the South line and 330 feet from the West line of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Gentlemen:

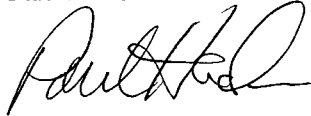
Pure Energy Group, Inc., as an offset owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at the captioned surface location to the bottomhole location referenced above to evaluate the Bone Spring formation. It is our understanding that the above referenced bottomhole location is unorthodox because the Bone Spring formation under this acreage is governed by the Santo Nino-Bone Spring Pool rules which provide for wells on 40-acre spacing units to be located no further than 150 feet from the center of the governmental quarter-quarter Section line. Division Rule 19.15.16.14 defines the "Penetration Point" as "the point where the wellbore penetrates the top of the pool from which it is intended to produce." The wellbore penetrates the Bone Spring formation at a point 1120 feet from the South line and 1894 feet from the East line of said Section 29 and is therefore closer than allowed by Division rules. The bottomhole location will be 990 feet from the South line and 330 feet from the West line of said Section 29. Also, part of the directional wellbore's producing interval is projected to be outside the producing area.



This letter is to advise that Pure Energy Group, Inc. has no objection to the granting of a drilling permit at the referenced surface and bottomhole locations as applied for. Pure Energy Group, Inc. hereby waives objection for a administrative approval for the above described unorthodox location.

Sincerely yours,

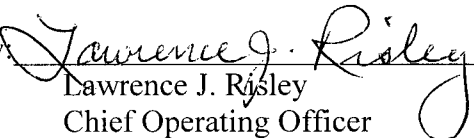
**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**PURE ENERGY GROUP, INC.**

By:   
Lawrence J. Risley  
Chief Operating Officer

Date: 3/8/2010

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

March 3, 2010

Via Certified Mail-Return Receipt No. 7124

Mark E. Fesmire, P.E.  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Application of Mewbourne Oil Company for administrative approval of an unorthodox well location for its Bradley "29" Federal Com No. 1H Well drilled from a surface location 1050 feet from the South line and 1905 feet from the East line and a bottomhole location 990 feet from the South line and 330 feet from the West line of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico

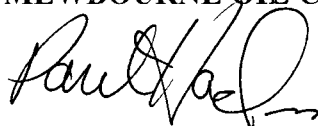
Gentlemen:

Chisos, Ltd., as an offset owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at the captioned surface location to the bottomhole location referenced above to evaluate the Bone Spring formation. It is our understanding that the above referenced bottomhole location is unorthodox because the Bone Spring formation under this acreage is governed by the Santo Niño-Bone Spring Pool rules which provide for wells on 40-acre spacing units to be located no further than 150 feet from the center of the governmental quarter-quarter Section line. Division Rule 19.15.16.14 defines the "Penetration Point" as "the point where the wellbore penetrates the top of the pool from which it is intended to produce." The wellbore penetrates the Bone Spring formation at a point 1120 feet from the South line and 1894 feet from the East line of said Section 29 and is therefore closer than allowed by Division rules. The bottomhole location will be 990 feet from the South line and 330 feet from the West line of said Section 29. Also, part of the directional wellbore's producing interval is projected to be outside the producing area.

This letter is to advise that Chisos, Ltd. has no objection to the granting of a drilling permit at the referenced surface and bottomhole locations as applied for. Chisos, Ltd. hereby waives objection for an administrative approval for the above described unorthodox location.

Sincerely yours,

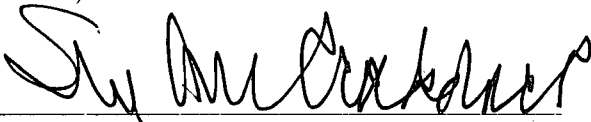
**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**CHISOS, LTD.**

By: 

Sue Ann Craddock  
President

Date: 03/03/2010

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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Gentlemen:

The Leonard Trust, as an offset owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at the captioned surface location to the bottomhole location referenced above to evaluate the Bone Spring formation. It is our understanding that the above referenced bottomhole location is unorthodox because the Bone Spring formation under this acreage is governed by the Santo Nino-Bone Spring Pool rules which provide for wells on 40-acre spacing units to be located no further than 150 feet from the center of the governmental quarter-quarter Section line. Division Rule 19.15.16.14 defines the "Penetration Point" as "the point where the wellbore penetrates the top of the pool from which it is intended to produce." The wellbore penetrates the Bone Spring formation at a point 1120 feet from the South line and 1894 feet from the East line of said Section 29 and is therefore closer than allowed by Division rules. The bottomhole location will be 990 feet from the South line and 330 feet from the West line of said Section 29. Also, part of the directional wellbore's producing interval is projected to be outside the producing area.

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Sincerely yours,

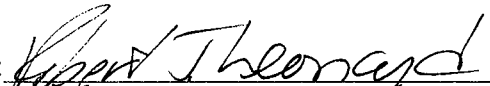
**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**THE LEONARD TRUST**

By:   
Robert J. Leonard, Trustee

Date: 3/5/10

# MEWBOURNE OIL COMPANY

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March 3, 2010

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Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
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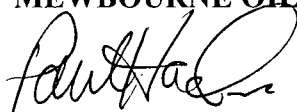
Gentlemen:

Hanagan Petroleum Corporation, as an offset owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at the captioned surface location to the bottomhole location referenced above to evaluate the Bone Spring formation. It is our understanding that the above referenced bottomhole location is unorthodox because the Bone Spring formation under this acreage is governed by the Santo Nino-Bone Spring Pool rules which provide for wells on 40-acre spacing units to be located no further than 150 feet from the center of the governmental quarter-quarter Section line. Division Rule 19.15.16.14 defines the "Penetration Point" as "the point where the wellbore penetrates the top of the pool from which it is intended to produce." The wellbore penetrates the Bone Spring formation at a point 1120 feet from the South line and 1894 feet from the East line of said Section 29 and is therefore closer than allowed by Division rules. The bottomhole location will be 990 feet from the South line and 330 feet from the West line of said Section 29. Also, part of the directional wellbore's producing interval is projected to be outside the producing area.

This letter is to advise that Hanagan Petroleum Corporation has no objection to the granting of a drilling permit at the referenced surface and bottomhole locations as applied for. Hanagan Petroleum Corporation hereby waives objection for a administrative approval for the above described unorthodox location.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**HANAGAN PETROLEUM CORPORATION**

By: 

Michael G. Hanagan  
President

Date: 3/6/10

HOLLAND & HART LLP



**Ocean Munds-Dry**  
omundsdry@hollandhart.com

March 19, 2010

**VIA HAND-DELIVERY**

Mr. David Brooks  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

RECEIVED-OCOD  
2010 MAR 19 P 4:14

**Re: Application of Mewbourne Oil Company for administrative approval for its  
Bradley 29 Federal Com No. 1H.**

Dear Mr. Brooks:

Mewbourne Oil Company has submitted an application for approval of a non-standard location for its Bradley "29" Federal Com Well No. 1 in Section 29, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico.

Mewbourne has received waivers from: Hanagan Petroleum Corporation, The Leonard Trust, Chisos, Ltd., Pure Energy Group, Inc. and New Tex Oil Company. These waivers are attached.

Thank you for your attention to this matter. Please let me know if you have any questions.

Sincerely,

*Ocean Munds-Dry*  
Ocean Munds-Dry  
Attorney for Mewbourne Oil Company

**Holland & Hart LLP**

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻



# MEWBOURNE OIL COMPANY

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March 3, 2010

Via Certified Mail-Return Receipt No. 7124

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Gentlemen:

New Tex Oil Company, as an offset owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at the captioned surface location to the bottomhole location referenced above to evaluate the Bone Spring formation. It is our understanding that the above referenced bottomhole location is unorthodox because the Bone Spring formation under this acreage is governed by the Santo Nino-Bone Spring Pool rules which provide for wells on 40-acre spacing units to be located no further than 150 feet from the center of the governmental quarter-quarter Section line. Division Rule 19.15.16.14 defines the "Penetration Point" as "the point where the wellbore penetrates the top of the pool from which it is intended to produce." The wellbore penetrates the Bone Spring formation at a point 1120 feet from the South line and 1894 feet from the East line of said Section 29 and is therefore closer than allowed by Division rules. The bottomhole location will be 990 feet from the South line and 330 feet from the West line of said Section 29. Also, part of the directional wellbore's producing interval is projected to be outside the producing area.

This letter is to advise that New Tex Oil Company has no objection to the granting of a drilling permit at the referenced surface and bottomhole locations as applied for. New Tex Oil Company hereby waives objection for a administrative approval for the above described unorthodox location.

Sincerely yours,


**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**NEW TEX OIL COMPANY**

By: 

Hal Brunson  
President

Date: 3/3/10

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
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March 3, 2010

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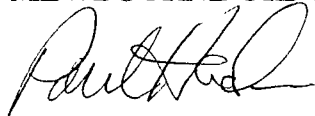
Gentlemen:

Pure Energy Group, Inc., as an offset owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at the captioned surface location to the bottomhole location referenced above to evaluate the Bone Spring formation. It is our understanding that the above referenced bottomhole location is unorthodox because the Bone Spring formation under this acreage is governed by the Santo Nino-Bone Spring Pool rules which provide for wells on 40-acre spacing units to be located no further than 150 feet from the center of the governmental quarter-quarter Section line. Division Rule 19.15.16.14 defines the "Penetration Point" as "the point where the wellbore penetrates the top of the pool from which it is intended to produce." The wellbore penetrates the Bone Spring formation at a point 1120 feet from the South line and 1894 feet from the East line of said Section 29 and is therefore closer than allowed by Division rules. The bottomhole location will be 990 feet from the South line and 330 feet from the West line of said Section 29. Also, part of the directional wellbore's producing interval is projected to be outside the producing area.

This letter is to advise that Pure Energy Group, Inc. has no objection to the granting of a drilling permit at the referenced surface and bottomhole locations as applied for. Pure Energy Group, Inc. hereby waives objection for a administrative approval for the above described unorthodox location.

Sincerely yours,

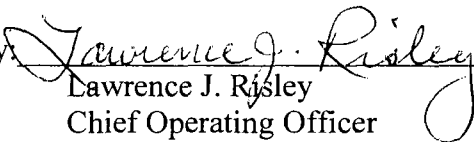
**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**PURE ENERGY GROUP, INC.**

By:   
Lawrence J. Risley  
Chief Operating Officer

Date: 3/8/2010

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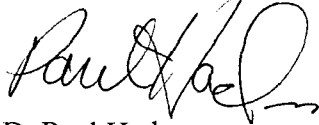
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Sincerely yours,


**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**CHISOS, LTD.**

By: 

Sue Ann Craddock  
President

Date: 03/02/2010

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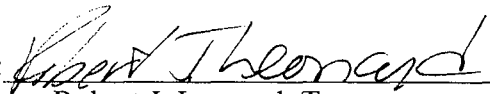
**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**THE LEONARD TRUST**

By:   
Robert J. Leonard, Trustee

Date: 3/5/10



# MEWBOURNE OIL COMPANY

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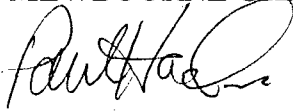
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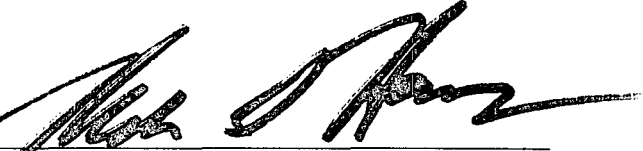
**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**HANAGAN PETROLEUM CORPORATION**

By: 

Michael G. Hanagan  
President

Date: 3/6/10



March 19, 2010

**VIA HAND-DELIVERY**

Mr. David Brooks  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

RECEIVED OGD  
2010 MAR 19 P 4:14

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Dear Mr. Brooks:

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Thank you for your attention to this matter. Please let me know if you have any questions.

Sincerely,

*Ocean Munds-Dry*  
Ocean Munds-Dry  
Attorney for Mewbourne Oil Company

# MEWBOURNE OIL COMPANY

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FAX (432) 685-4170

March 3, 2010

Via Certified Mail-Return Receipt No. 7124

Mark E. Fesmire, P.E.  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Drive  
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Sincerely yours,


**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**NEW TEX OIL COMPANY**

By: 

Hal Brunson  
President

Date: 3/3/10

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Gentlemen:

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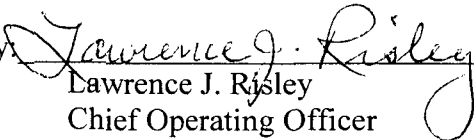
**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**PURE ENERGY GROUP, INC.**

By   
Lawrence J. Risley  
Chief Operating Officer

Date: 3/8/2010

# MEWBOURNE OIL COMPANY

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MIDLAND, TEXAS 79701

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Re: Application of Mewbourne Oil Company for administrative approval of an unorthodox well location for its Bradley "29" Federal Com No. 1H Well drilled from a surface location 1050 feet from the South line and 1905 feet from the East line and a bottomhole location 990 feet from the South line and 330 feet from the West line of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico

Gentlemen:

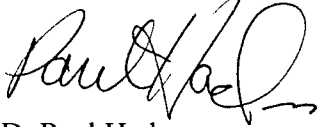
Chisos, Ltd., as an offset owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at the captioned surface location to the bottomhole location referenced above to evaluate the Bone Spring formation. It is our understanding that the above referenced bottomhole location is unorthodox because the Bone Spring formation under this acreage is governed by the Santo Nino-Bone Spring Pool rules which provide for wells on 40-acre spacing units to be located no further than 150 feet from the center of the governmental quarter-quarter Section line. Division Rule 19.15.16.14 defines the "Penetration Point" as "the point where the wellbore penetrates the top of the pool from which it is intended to produce." The wellbore penetrates the Bone Spring formation at a point 1120 feet from the South line and 1894 feet from the East line of said Section 29 and is therefore closer than allowed by Division rules. The bottomhole location will be 990 feet from the South line and 330 feet from the West line of said Section 29. Also, part of the directional wellbore's producing interval is projected to be outside the producing area.



This letter is to advise that Chisos, Ltd. has no objection to the granting of a drilling permit at the referenced surface and bottomhole locations as applied for. Chisos, Ltd. hereby waives objection for a administrative approval for the above described unorthodox location.

Sincerely yours,


**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**CHISOS, LTD.**

By: 

Sue Ann Craddock  
President

Date: 03/02/2010

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

March 3, 2010

Via Certified Mail-Return Receipt No. 7124

Mark E. Fesmire, P.E.  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Application of Mewbourne Oil Company for administrative approval of an unorthodox well location for its Bradley "29" Federal Com No. 1H Well drilled from a surface location 1050 feet from the South line and 1905 feet from the East line and a bottomhole location 990 feet from the South line and 330 feet from the West line of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico

Gentlemen:

The Leonard Trust, as an offset owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at the captioned surface location to the bottomhole location referenced above to evaluate the Bone Spring formation. It is our understanding that the above referenced bottomhole location is unorthodox because the Bone Spring formation under this acreage is governed by the Santo Nino-Bone Spring Pool rules which provide for wells on 40-acre spacing units to be located no further than 150 feet from the center of the governmental quarter-quarter Section line. Division Rule 19.15.16.14 defines the "Penetration Point" as "the point where the wellbore penetrates the top of the pool from which it is intended to produce." The wellbore penetrates the Bone Spring formation at a point 1120 feet from the South line and 1894 feet from the East line of said Section 29 and is therefore closer than allowed by Division rules. The bottomhole location will be 990 feet from the South line and 330 feet from the West line of said Section 29. Also, part of the directional wellbore's producing interval is projected to be outside the producing area.

This letter is to advise that The Leonard Trust has no objection to the granting of a drilling permit at the referenced surface and bottomhole locations as applied for. The Leonard Trust hereby waives objection for a administrative approval for the above described unorthodox location.

Sincerely yours,

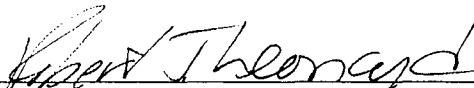
**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**THE LEONARD TRUST**

By:   
Robert J. Leonard, Trustee

Date: 3/5/10

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

March 3, 2010

Via Certified Mail-Return Receipt No. 7124

Mark E. Fesmire, P.E.  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Application of Mewbourne Oil Company for administrative approval of an unorthodox well location for its Bradley "29" Federal Com. No. 1H Well drilled from a surface location 1050 feet from the South line and 1905 feet from the East line and a bottomhole location 990 feet from the South line and 330 feet from the West line of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico

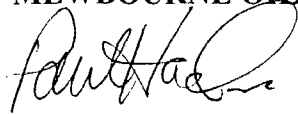
Gentlemen:

Hanagan Petroleum Corporation, as an offset owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at the captioned surface location to the bottomhole location referenced above to evaluate the Bone Spring formation. It is our understanding that the above referenced bottomhole location is unorthodox because the Bone Spring formation under this acreage is governed by the Santo Nino-Bone Spring Pool rules which provide for wells on 40-acre spacing units to be located no further than 150 feet from the center of the governmental quarter-quarter Section line. Division Rule 19.15.16.14 defines the "Penetration Point" as "the point where the wellbore penetrates the top of the pool from which it is intended to produce." The wellbore penetrates the Bone Spring formation at a point 1120 feet from the South line and 1894 feet from the East line of said Section 29 and is therefore closer than allowed by Division rules. The bottomhole location will be 990 feet from the South line and 330 feet from the West line of said Section 29. Also, part of the directional wellbore's producing interval is projected to be outside the producing area.

This letter is to advise that Hanagan Petroleum Corporation has no objection to the granting of a drilling permit at the referenced surface and bottomhole locations as applied for. Hanagan Petroleum Corporation hereby waives objection for a administrative approval for the above described unorthodox location.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb

**HANAGAN PETROLEUM CORPORATION**

By: 

Michael G. Hanagan  
President

Date: 3/6/10