

DATE IN <u>4-22-10</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>4-22-10</u>	TYPE <u>NSL</u>	APP NO. <u>1011257010</u>
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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



Mewbourne
Wright Draw 25D #1

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 _____

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 RECEIVED OOD

- [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.

WILLIAM F. CARR *William F. Carr* ATTORNEY 4/22/10
 Print or Type Name Signature Title Date

wcarr@hollandhart.com
 e-mail Address



April 22, 2010

HAND-DELIVERED

Mark E. Fesmire, P. E., J.D.
Director
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 APR 22 P 1:42

Re: Application of Mewbourne Oil Company for Administrative Approval of an Unorthodox Well Location for its Wyatt Draw "25" D Well No. 1, located 210 feet from the North line and 330 feet from the West line (Unit D) of Section 25, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Fesmire:

Pursuant to the provisions of Oil Conservation Division General Rule 19.15.15.13 NMAC, Mewbourne Oil Company hereby seeks administrative approval of an unorthodox oil well location for its Wyatt Draw "25" D Well No. 1 at a point 210 feet from the North line and 330 feet from the West line of Section 25, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. This well will be drilled to a depth of approximately 3,700 feet to test all formations from the surface through the Undesignated Yeso formation which is the principal objective in the well. A standard 40-acre spacing and proration unit comprised of the NW/4 NW/4 of said Section 25 is dedicated to the well in the Yeso formation.

This pool is governed by the General Rules and Regulations of the Oil Conservation Division which provide for oil wells to be located on standard spacing units containing 40-acres with wells to be located no closer than 330 feet to from the outer boundary of the spacing unit (19.15.15.9 NMAC). This well location is unorthodox in the Undesignated Yeso formation because it is 210 feet from the North line of the dedicated spacing unit -- or 120 feet closer to the spacing unit boundary than permitted by the applicable rules.

This unorthodox oil well location is required for topographic reasons. Attached hereto as Exhibit A is a topographical map which shows the well location and the location of the North Seven Rivers Wash that intersects this 40-acre spacing unit. Mewbourne



originally staked this location 330 feet from the North and West Lines of Section 25 but this location was unacceptable due to the large deep draw on the south side of the location. The well was moved to the current unorthodox well location 210 feet from the North line and 330 feet from the West line of the Section which is a drillable location in a semi-flat open pasture with a pit area to the south. This location has been approved by the private surface owner who objects to a location on the south side of the draw.

Attached hereto as Exhibit B is a plat showing the general location of the subject spacing unit, the proposed unorthodox well location and adjoining spacing units and wells. Exhibit C is a copy of the Application for Permit to Drill and Acreage Dedication Plat for the well (Division Forms C-101 and C-102) that show the survey location of the well. All of the working interest owners in the S/2 of Section 24 and the N/2 of Section 25 are subject to a Joint Operating Agreement dated January 15, 2010 by and between Mewbourne Oil Company as operator and Murchison Oil & Gas Inc. et al as non-operators covering depths from the surface to the top of the Bone Spring formation. Accordingly, the ownership in these tracts is common with the ownership in the 40-acre spacing unit dedicated to the Wyatt Draw "25" D Well No. 1. The only working interest owner in this acreage not subject to this Joint Operating Agreement is Nearburg Exploration Company, LLC which is the operator of offsetting affected tract in the SE/4 SE/4 of Section 23, Township 19 South, Range 25 East, NMPM and is therefore the only affected person to whom notice of this application is required.

A copy of this application, including all attachments, has been mailed to Nearburg Exploration Company by certified mail-return receipt requested in accordance with Rule 19.15.4.12 A (2) (a). Nearburg has been advised that if it has an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date this notice was sent.

Enclosed is a proposed administrative order of the Division.

Your attention to this application is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr".

William F. Carr
Attorney for Mewbourne Oil Company

Enclosures

cc: New Mexico Oil Conservation Division – Artesia

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

Form C-101
Permit 111829

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address MEWBOURNE OIL CO PO BOX 5270 HOBBS, NM 88241		2. OGRID Number 14744
		3. API Number
4. Property Code	5. Property Name WYATT DRAW 25 D	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	25	19S	25E	D	210	N	330	W	EDDY

8. Pool Information

Undesignated Yeso 0

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3404
14. Multiple N	15. Proposed Depth 3700	16. Formation Yeso Formation	17. Contractor	18. Spud Date 5/1/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Prg. Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	11	8.625	24	700	400	0
Prod	7.875	4.5	11.6	3700	700	0

Casing/Cement Program: Additional Comments

MOC proposes to drill & test the Yeso. Will have on location & working all H2S safety equipment before Queen formation. If commercial, production casing will be run & cemented. Will perforate & stimulate as needed for production.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	4000	Schaffer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCDC guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/>	OIL CONSERVATION DIVISION	
	Approved By:	
	Title:	
	Approved Date:	Expiration Date:
	Email Address:	
	Date:	Phone:

EXHIBIT C

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 111829

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name Undesignated Yeso
4. Property Code	5. Property Name WYATT DRAW 25 D	6. Well No. 001
7. OGRID No. 14744	8. Operator Name MEWBOURNE OIL CO	9. Elevation 3404

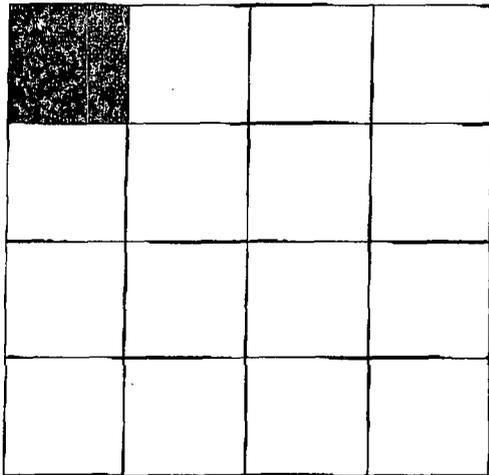
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	25	19S	25E		210	N	330	W	EDDY

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 40.00		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:
Title:
Date:

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: 3/19/2010
Certificate Number: 7977

EXHIBIT C

Permit Comments

Operator: MEWBOURNE OIL CO , 14744
Well: WYATT DRAW 25 D #001
API:

Created By	Comment	Comment Date
NMYOUNG	Mud Program: 0-700 FW spud mud & LCM w/lime for pH control. 700' - 3700 FW w/LCM & caustic for pH control.	4/5/2010
NMYOUNG	Form C144 CLEZ mailed to NMOCD 04/05/10	4/5/2010

April __, 2010

Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701

Attention: William F. Carr

Administrative Order NSL-_____

Dear Mr. Carr:

Reference is made to the following: **(i)** your application dated April 22, 2010 on behalf of the operator, Mewbourne Oil Company (“Mewbourne”); and **(ii)** the records of the New Mexico Oil Conservation Division (“Division”) in Santa Fe: all concerning Mewbourne’s request for approval of a non-standard gas well location to be applicable to the Undesignated Yeso formation, which is governed by Oil Conservation Division General Rule 19.15.15.9 NMAC.

The NW/4 NW/4 of Section 25, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico is dedicated to this well to form a standard 40-acre oil spacing and proration unit.

This application has been duly filed under the provisions of Rule 19.15.15.9 NMAC.

The data submitted with this application indicates that this unorthodox oil well location is required for topographic reasons. Mewbourne originally staked at a standard location 330 feet from the North and West lines of said Section 25 but this location was unacceptable because the North Seven Rivers Wash intersects this 40-acre spacing unit on the south side of the location. The well was moved to the current unorthodox well location 210 feet from the North line and 330 feet from the West line of the Section which is a drillable location that has been approved by the fee surface owner.

By the authority granted me under the provisions of Rule 19.15.15.9 NMAC of the general rules of the Oil Conservation Division, the following described unorthodox gas well location within this 40-acre unit is hereby approved:

**Wyatt Draw “25” D Well No. 1
210’ FNL & 330’ FWL (Unit D)**

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

Sincerely,

Mark E. Fesmire, P.E., J.D.
Director

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad