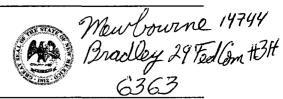
SUSPENSE ENGINEER LOGGED IN

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

		ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATION WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE	INS
Applic	[DHC-Do	ndard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] nhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] ol Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]: lified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]	
[1]	[A]	PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD IPI EOR PPR Other: Specify	
[2]	NOTIFICA [A] [B] [C] [D] [E]	Offset Operators, Leaseholders or Surface Owner ☐ Application is One Which Requires Published Legal Notice ☐ Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office ☐ For all of the above, Proof of Notification or Publication is Attached, and/or, ☐ Waivers are Attached	
[3]		CURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TY	/PE
approv	al is accurate ation until the	FION: I hereby certify that the information submitted with this application for administrated complete to the best of my knowledge. I also understand that no action will be taken of quired information and notifications are submitted to the Division.	
WILL Print o	IAU F. C r Type Name	Statement must be completed by an individual with managerial and/or supervisory capacity. ATTORNEY Signature Title	1/11 om_



William F. Carr Phone 505-988-4421 Fax 505-983-6043 wcarr@hollandhart.com

March 11, 2011

HAND-DELIVERED

Daniel Sanchez
Acting Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Application of Mewbourne Oil Company for Administrative Approval of an Unorthodox Well Location and a non-standard spacing and proration unit for its Bradley "29" Federal Com Well No. #3H, a horizontal well to be drilled from an unorthodox surface location 1620 feet from the North line and 25 feet from the West line (Unit E) to an unorthodox bottom hole location 1650 feet from the North line and 330 feet from the West line on a non-standard spacing and proration unit comprised of the S/2 N/2 of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Sanchez:

Re:

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 Bradley "29" Federal Com Well No. 3H to be drilled as a horizontal well at a point 1620 feet from the North Line and 25 feet from the West line to a true vertical depth of approximately 8216 feet with a measured depth of approximately 12,946 feet and then in an westerly direction with a lateral length in The Bone Spring formation of approximately 440 feet to an unorthodox bottom hole location 1650 feet from the North 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. This well will evaluate the Second Bone Sand interval in the Bone Spring formation which is the principal objective in the well. A 160-acre non-standard spacing and proration unit/project area comprised of the S/2 N/2 of Section 29 will be dedicated to the well in the Bone Spring formation.

This well is governed by the Special Rules and Regulations for the Santo Nino-Bone Spring Pool which provide for oil wells to be located on standard spacing units containing 80-acres with wells to be located within 150 feet of the center of a governmental quarter-quarter section or lot (Order No. R-8546). This well location is unorthodox in the Bone Spring formation to the North,



March 14, 2011 Page 2

East and West because its surface and bottom hole locations are less than 510 feet from the project area boundary – thereby closer than permitted by the applicable rules.

This unorthodox oil well location is required for topographic reasons. (Topographic Map attached as Exhibit D) The well was originally staked at a location 1650 feet from the North line and 150 feet from the West line of Section 29 which was in a large sand dune feature and was denied by the Bureau of Land Management. The BLM required Mewbourne to find a surface location on the East side of Section 29. The proposed unorthodox location has been BLM approved and arc cleared.

Attached hereto as Exhibit A is a plat showing the location of the subject spacing unit, the proposed unorthodox well location and adjoining spacing units and wells. Exhibit B is a copy of the Acreage Dedication Plat for the well (Division Form C-102) that shows the survey location of the well.

Exhibit C is a list of affected persons as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC. A copy of this application, including all attachments, has been mailed to each of these offset operators/affected persons by certified mail-return receipt requested in accordance with Rule 19.15.4.12 A (2)(a). Each owner 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.

Your attention to this application is appreciated.

Very truly yours,

William F Carr

cc:

Attorney for Mewbourne Oil Company

New Mexico Oil Conservation Division – Artesia

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DISTRICT I 1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102 Revised October 15, 2009

Submit one copy to appropriate
District Office

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

1301 W. Grand Avenue, Artesia, NM 88210

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-015-38660	Pool Code	Pool Name		
30-015-38660	Santo Nino Bone Spring			
Property Code	Property Nan			
	BRADLEY "29" FEE	ERAL COM: 3H		
OGRID No.	Operator Name			
4744 MEWBOURNE OIL COMPANY				
	Surface Loc	ation		

UL or lot No. Section Township Lot Idn Feet from the North/South line Feet from the East/West line County Range WEST **EDDY** 28 18 S 30 E 1620 NORTH 25 Ε Bottom Hole Location If Different From Surface Lot Idn North/South line UL or lot No. Section Township Range Feet from the Feet from the East/West line County r. 29 18 S 30 · E 1650 NORTH 330 WEST **EDDY** Joint or Infill Consolidation Code Dedicated Acres Order No. 160

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

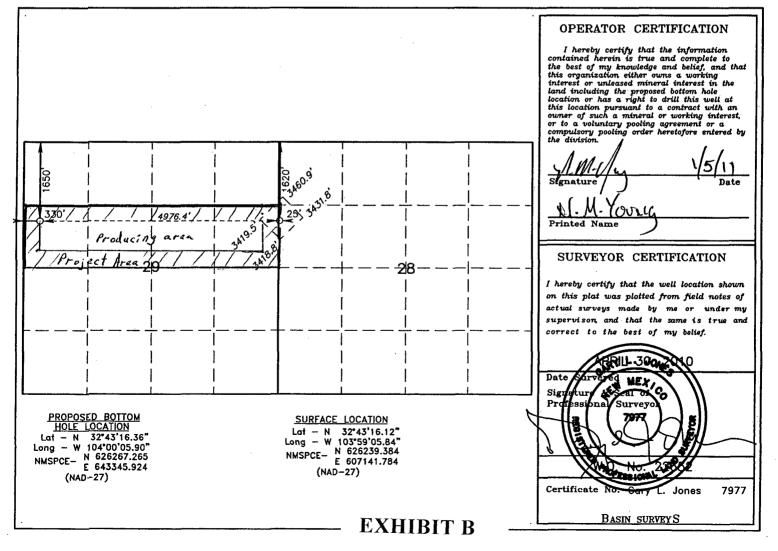


EXHIBIT C

Application of Mewbourne Oil Company for Administrative Approval of an Unorthodox Well Location for its Bradley "29" Federal Com Well No. 3H, Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

NOTICE LIST

<u>Section 28, All</u> T-18-S, R-30 E, NMPM

Mewbourne Oil Company, Operator

Chesapeake Operating, Inc. P.O. Box 18496 Oklahoma City, Oklahoma 73154 Attn: Craig Barnard

Section 29, N/2 N/2 and S/2 T-18-S, R-30 E, NMPM

Mewbourne Oil Company, Operator

Non-operating interest owners in the N/2 N/2 of Section 29:

Tritex Energy A, LP 15455 North Dallas Parkway, Suite 600 Addison, Texas 75001 Attn: Don Ritter

Whiting Oil and Gas Corporation 400 West Illinois Suite 1300 Midland, Texas 79701 Attn: Paul Colwell

OXY Y-1 Company Post Office Box 4294 Houston, Texas 77210-4294 Attn: Katie Almeida Hanagan Petroleum Corporation Post Office Box 1737 Roswell, New Mexico 88202 Attn: Mike Hanagan

Myco Industries, Inc. 105 South Fourth Street Artesia, New Mexico 88210 Attn: Chuck Moran

Sacramento Partners A Limited Partnership 105 South Fourth Street Artesia, New Mexico 88210 Attn: Chuck Moran

John A. Yates, Individually and as Trustee of the Trust Q created u/w/o Peggy A. Yates, deceased 105 South Fourth Street Artesia, New Mexico 88210 Attn: Chuck Moran

New Tex Oil Company Post Office Box 297 Hobbs, New Mexico 88240

Attn: Hal Brunson

Non-operating interest owners in the N/2 S/2 of Section 29:

Chisos LTD. 670 Dona Ana Road, SW Deming, New Mexico 88030 Attn: Sue Ann Craddock

Pure Energy Group, Inc. 22610 U. S. Hwy.281, Suite 218 San Antonio, Texas 78258 Attn: Larry Risley

<u>Section 30, E/2 and W/2 NW/4</u> <u>T-18-S, R-30-E, NMPM</u>

Chesapeake Operating, Inc. P.O. Box 18496 Oklahoma City, Oklahoma 73154 Attn: Craig Barnard

Non-operating interest owners in the E/2 NE/4 of Section 30:

Myco Industries, Inc. 105 South Fourth Street Artesia, New Mexico 88210 Attn: Chuck Moran

John A. Yates, Individually and as Trustee of the Trust Q created u/w/o Peggy A. Yates, deceased 105 South Fourth Street Artesia, New Mexico 88210 Attn: Chuck Moran

Sacramento Partners A Limited Partnership 105 South Fourth Street Artesia, New Mexico 88210 Attn: Chuck Moran

Charles H. Robinson, Jr 3021 Bryn Mawr Dr. Dallas, Texas 75225-7819

Pure Energy Group, Inc. 22610 U. S. Hwy.281, Suite 218 San Antonio, Texas 78258 Attn: Larry Risley

Permian Hunter Corporation Long, LLC 275 East South Temple, Suite 250 Salt Lake City, Utah 84111 Attn: Larry Lunt Permian Investment Corporation 1451 S. Miami Ave., No. 405 Miami, Florida 33130 Attn: Anna S. Mitchell

OXY-Y-1 Post Office Box 4295 Houston, Texas 77210-4294 Attn: Permian Basin- Land Manager

New Tex Oil Company Post Office Box 297 Hobbs, New Mexico 88240 Attn: Mr. Hal Brunson

Monarch Oil & Gas, Inc. Ron J. Green and Amie A. Green 110 West Country Club, Suite 6 Roswell, New Mexico 88201

Apache Corporation 303 Veterans Airpark, Suite 3000 Midland, Texas 79705

Stephen E. Kessler, Trustee of the Kessler Family Trust 5316 E. Calle Del Media Phoenix, Arizona 85018

Hutchings Oil Company
Post Office Box 1216
Albuquerque, New Mexico 87103-1216
Attn: Sealy H. Cavin, Jr.

Hanagan Petroleum Corporation Post Office Box 1737 Roswell, New Mexico 88202

Richard Escobedo 7088 S. Garrison St. Littleton, Colorado 80128

Chesapeake Operating, Inc. P.O. Box 18496

Jerry Wilbanks Post Office Box 160 Artesia, New Mexico 88211

Charles I. Wellborn and J. D. Wellborn Trustees of the Charles I Wellborn and J. D. Wellborn Revocable Trust 3819 La Hacienda, NE Albuquerque, New Mexico 87110

Warren, Inc.
Post Office Box 10400
Albuquerque, New Mexico 87104

George L. Scott, III Post Office Box 40 Cedar Crest, New Mexico 87008

Non-operating interest owners in the E/2 SE/4 of Section 30:

Myco Industries, Inc. 105 South Fourth Street Artesia, New Mexico 88210 Attn: Chuck Moran

John A. Yates, Individually and as Trustee of the Trust Q created u/w/o Peggy A. Yates, deceased 105 South Fourth Street Artesia, New Mexico 88210 Attn: Chuck Moran

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105 South Fourth Street
Artesia, New Mexico 88210
Attn: Chuck Moran

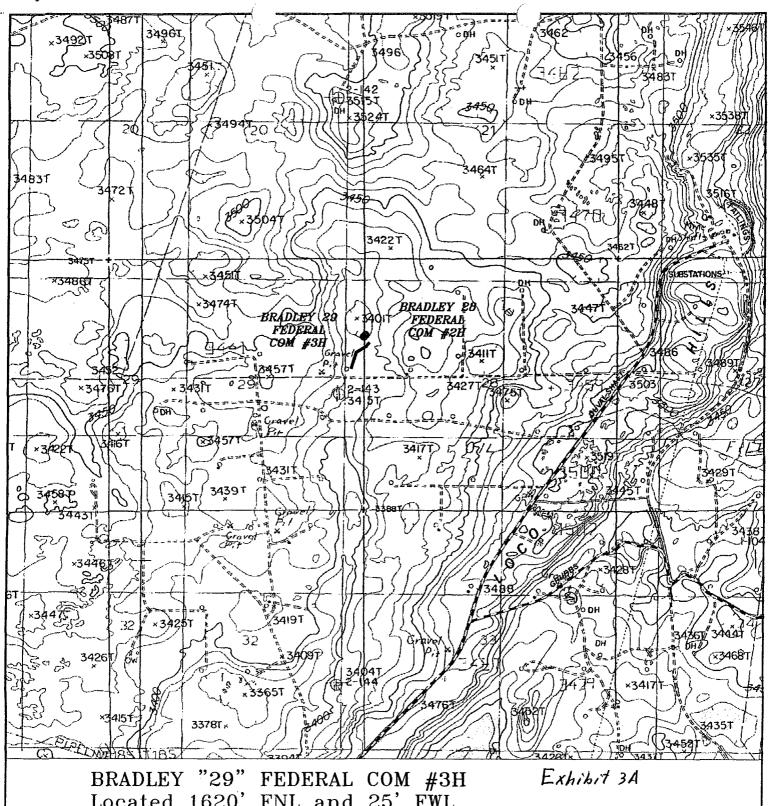
Pure Energy Group, Inc. 22610 U. S. Hwy.281, Suite 218 San Antonio, Texas 78258 Attn: Larry Risley OXY-Y-1 Post Office Box 4295 Houston, Texas 77210-4294 Attn: Permian Basin- Land Manager

New Tex Oil Company Post Office Box 297 Hobbs, New Mexico 88240 Attn: Mr. Hal Brunson

Chisos LTD. 670 Dona Ana Road, SW Deming, New Mexico 88030

Section 30, E/2 NW/4 and SW/4 T-18-S, R-30-E, NMPM

Mewbourne Oil Company



BRADLEY "29" FEDERAL COM #3H Exhibit 3A Located 1620' FNL and 25' FWL Section 28, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (575) 393-7316 - Office (575) 392-2206 - Fax basinsurveys.com

	W.O. 1	Number:	JMS	22652	Section Company		
TO CONTRACTOR OF	Surve	y Date:	04-3	30-2010			
100000000000000000000000000000000000000	Scale: 1" = 2000'						
	Date:	05-03-	-2010				

MEWBOURNE OIL COMPANY