

DATE IN 9/3/02	SUBMITTED 9/23/02	ENGINEER MS	LOGGED IN KW	TYPE NSL	APP NO. 224831964
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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 individual with managerial and/or supervisory capacity.

James Bruce
 Print or Type Name

JAMES BRUCE
 P. O. BOX 1056
 SANTA FE, NM 87504

Signature

Attorney for Applicant
 Title

jamesbruc@aol.com
 e-mail Address

Date

8/30/02

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

324 MCKENZIE STREET
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

August 30, 2002

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Mewbourne Oil Company ("Mewbourne") applies for administrative approval of an unorthodox oil well location in the Strawn formation for the following well:

<u>Well:</u>	✓ Fren "8" Fed. Com. Well No. 5 (30-015-32349)
<u>Location:</u>	676 feet FNL & 1381 feet FWL
<u>Unit:</u>	NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico

The well will be drilled to a depth sufficient to test the Atoka formation (Undesignated East Loco Hills-Atoka Gas Pool or Undesignated North Shugart-Atoka Gas Pool). The well location is orthodox in the Atoka formation. However, Mewbourne also intends to test the Strawn formation. Based on the nearest Strawn pools, the Strawn formation will be an oil-bearing formation. Attached as Exhibit A is a Form C-102 for the well.¹

✕ The application is based on topographic and geologic reasons. Attached as Exhibit B is a topographic map, which shows that there are pipelines, roads, and existing wells in the area, which restrict well locations.

✕ Mewbourne also wants to locate the well at the proposed location for geologic considerations. Attached as Exhibit C is a Strawn structure map. An orthodox location appears to be better than an unorthodox location. However, Mewbourne has proprietary seismic data which indicates that this location is better than an orthodox

¹Please note that this well was originally numbered Well No. 6, but has been re-numbered as Well No. 5. Also, the original Fren "8" Fed. Com. Well No. 5, in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8, has been re-numbered as Well No. 3.

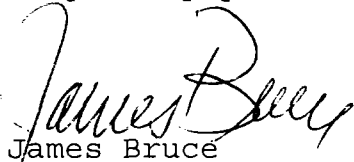
location.

Mewbourne's Fren "8" Fed. Com. Well No. 1, in the NW¹/₄NW¹/₄ of Section 8, is a Morrow producer. The Atoka was not productive in the No. 1 well, and thus there should be no issue of simultaneous dedication. However, Mewbourne recognizes that there cannot be two Atoka wells in the same quarter section.

Attached as Exhibit D is a land plat of Section 8. The entire N¹/₂ of Section 8 is comprised of United States Lease NM 33437, and interest ownership therein is common as to the Strawn formation. Because the Strawn unorthodox location is interior to the lease, offset operators were not notified of this application. In addition, the W¹/₂ of Section 8 is governed by an operating agreement, and all working interest owners will share in production from the Strawn as well as the Atoka.

Please call me if you need any further information on this matter.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

DISTRICT II

811 South First, Artesia, NM 88210

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
		Und. Atoka
Property Code	Property Name	Well Number
	FREN "8" FEDERAL COM.	6
OGRID No.	Operator Name	Elevation
	MEWBOURNE OIL COMPANY	3695

Surface Location

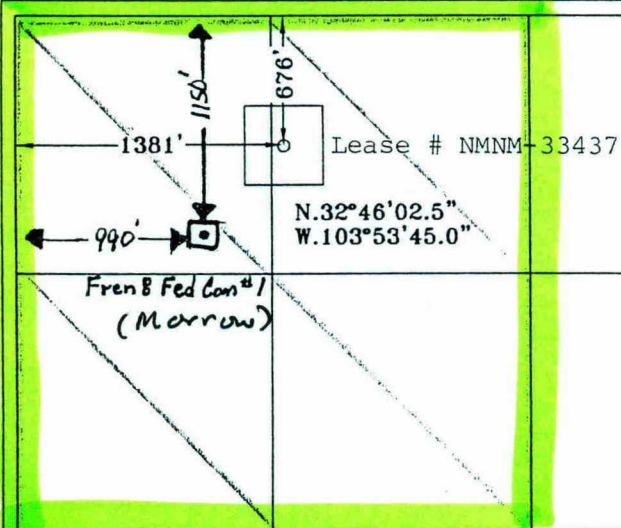
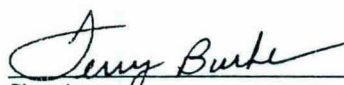

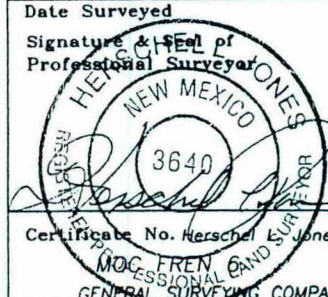
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	8	18S	31E		676	NORTH	1381	WEST	EDDY

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.
320			

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 the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Terry Burke Printed Name Drilling Foreman Title May 15, 2002 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. 3/06/2002 Date Surveyed  Signature & Seal of Professional Surveyor Certificate No. Herschel E. Jones RLS 3640 MOC FREN GENERAL SURVEYING COMPANY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

5. Lease Designation and Serial No.

NMNM 33437

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Fren 8 Federal Com #6

9. API Well No.

10. Field and Pool, or Exploratory Area

North Shugart Atoka

11. County or Parish, State

Eddy, N.M.

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Mewbourne Oil Company

3. Address and Telephone No.

PO Box 5270, Hobbs, N.M. 88241 (505) 393-5905

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

676' FNL & 1381' FWL Unit Letter 'C'
Sec. 8 T-18S R-31E

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Name Change
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

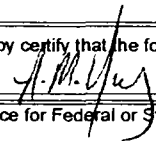
13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Mewbourne Oil Company has applied for an APD for the Fren 8 Fed Com #6. That application was sent in on May 15, 2002. Mewbourne Oil Company would like to change the above captioned well name from the Fren 8 Federal Comm #6 to the Fren 8 Federal Com #5.

If any questions, please contact me @ 505-393-5905.

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

Signed



Title N.M. Young District Manager

Date 06/06/02

(This space for Federal or State office use)

Approved by

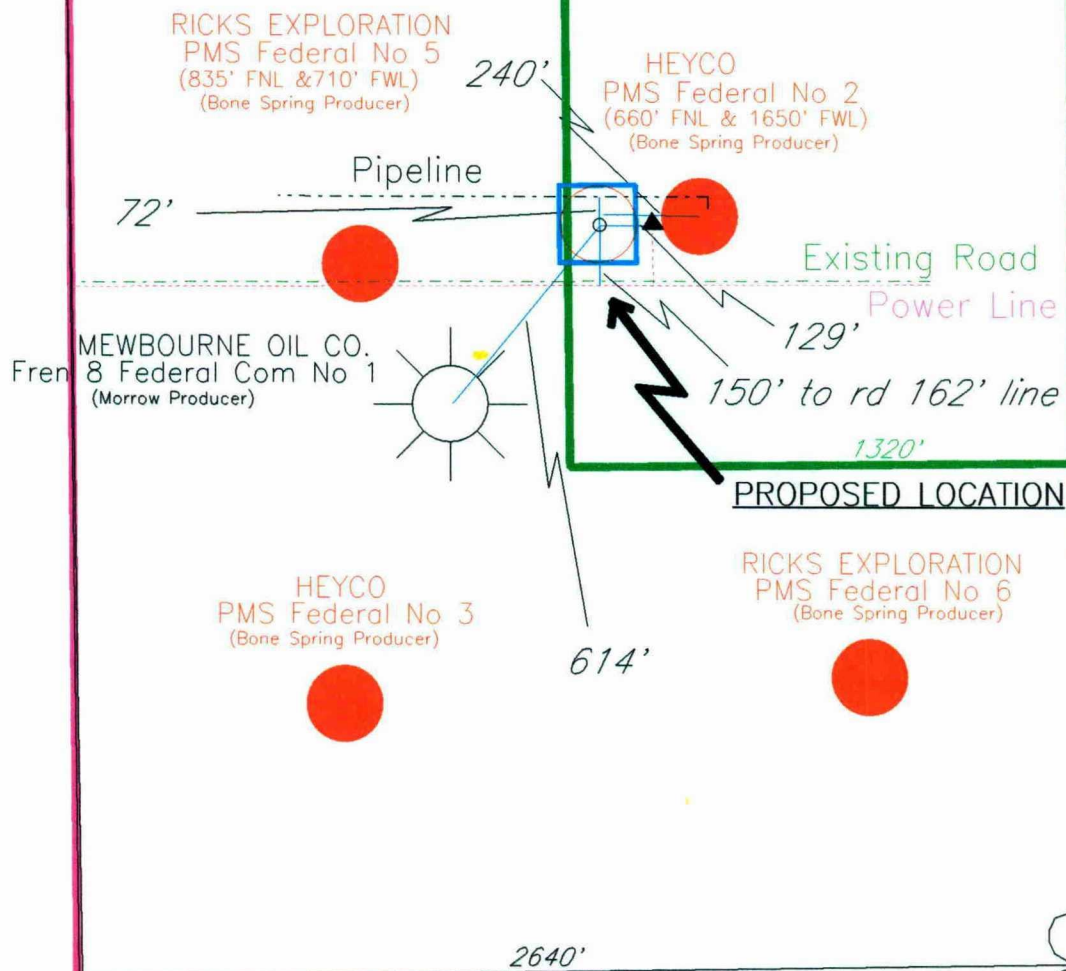
Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side



NW/4 SECTION 8

- 40 ACRE PRORATION UNIT
- 320 ACRE PRORATION UNIT
- Pad for Proposed Location
- ▲ Powerline Pole
- Proposed Location
(676' FNL & 1381' FWL)

(pipeline, powerline, and road as identified / measured in field)

LEGEND

- All Wells
- Wells TD > Greater 9000'

Scale 1:6000.

100. 0. 100. 200. 300. 400. 500. feet

Meybourne Oil Company

Fren 8 Fed Com #5
Surface Layout Plat
T18S, R31E, Eddy County, NM

B Insalaco

6/12/2002

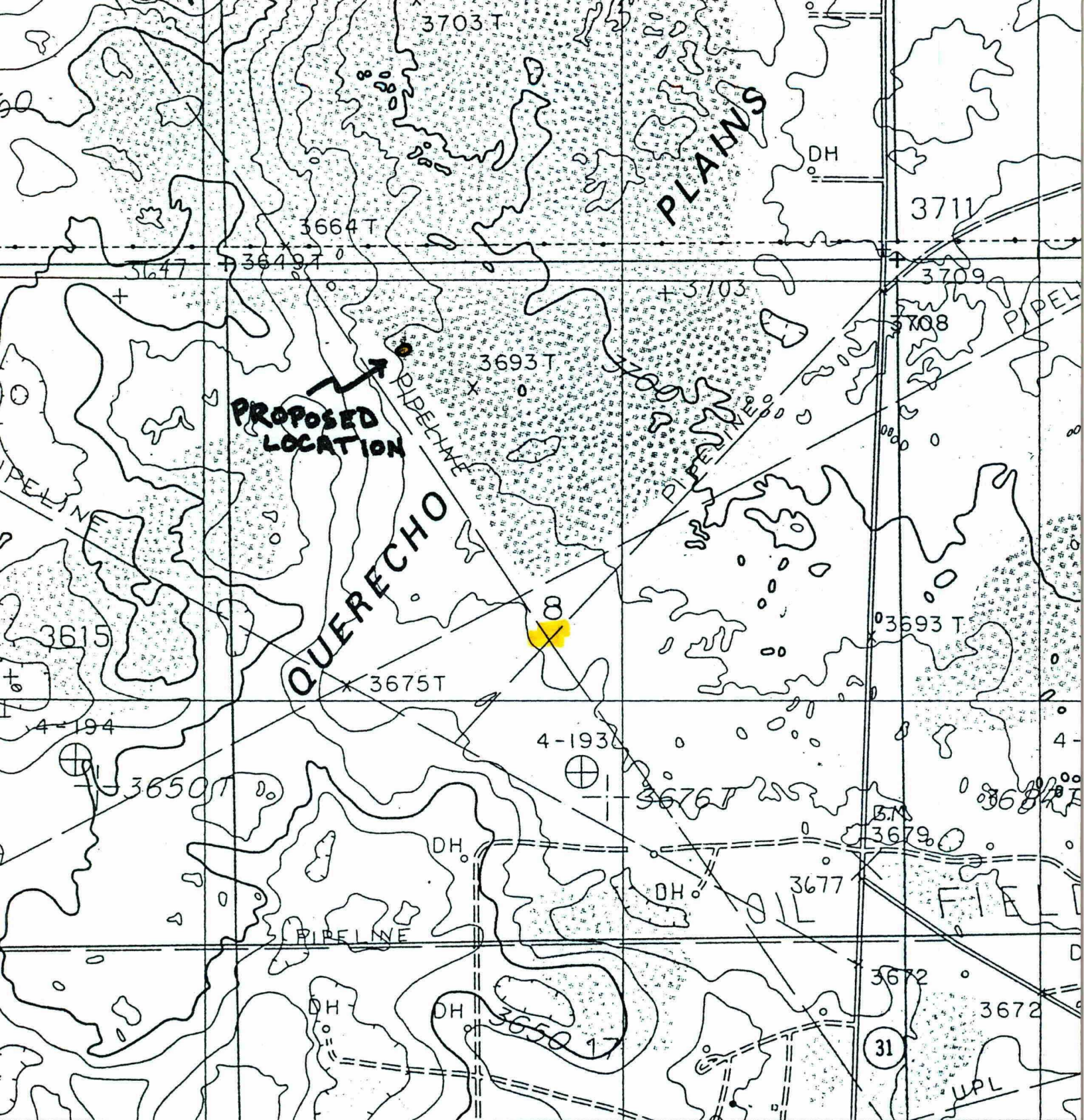
Location Exception

Scale 1:6000.

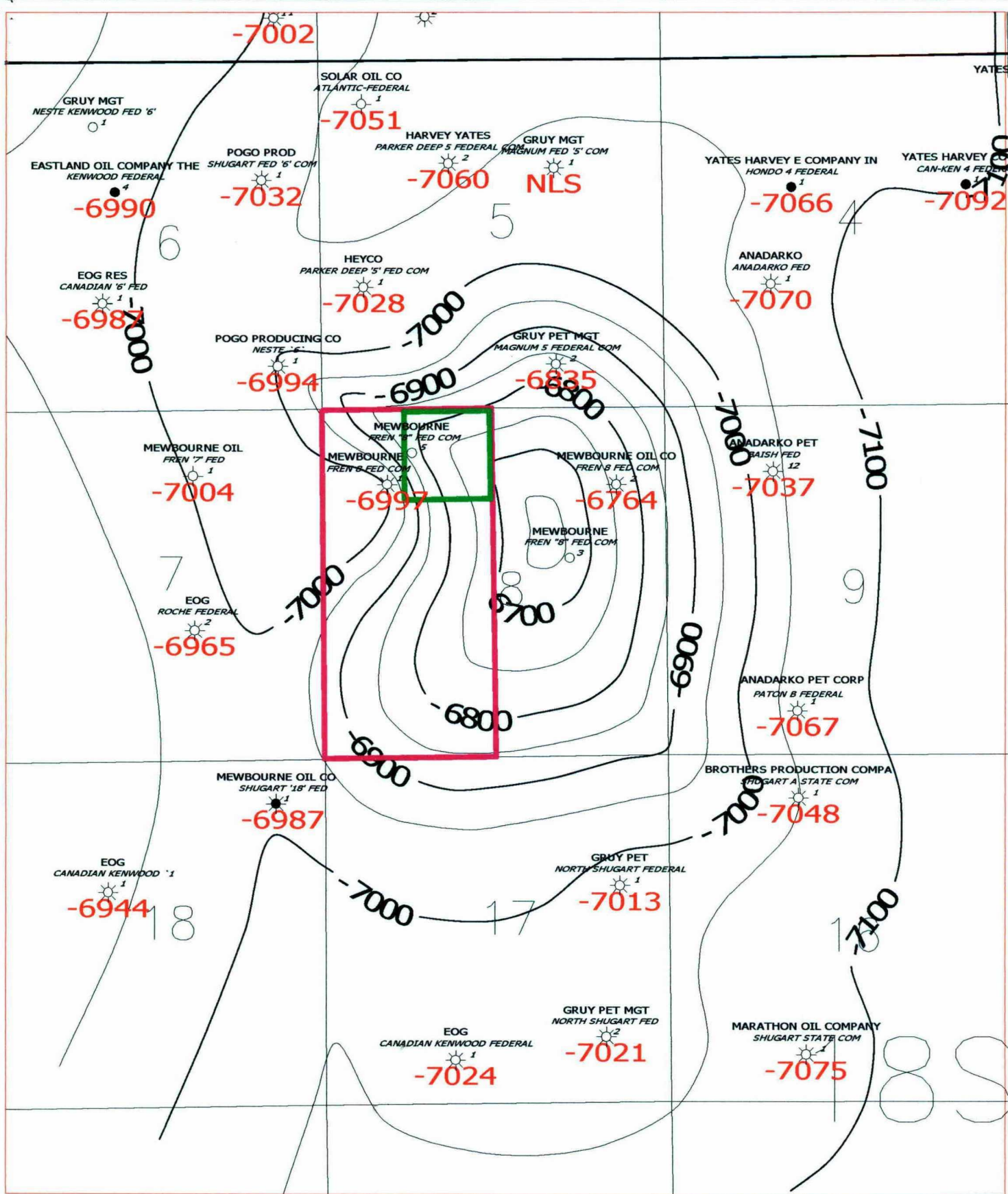
Blumberg No. 5208

EXHIBIT

13



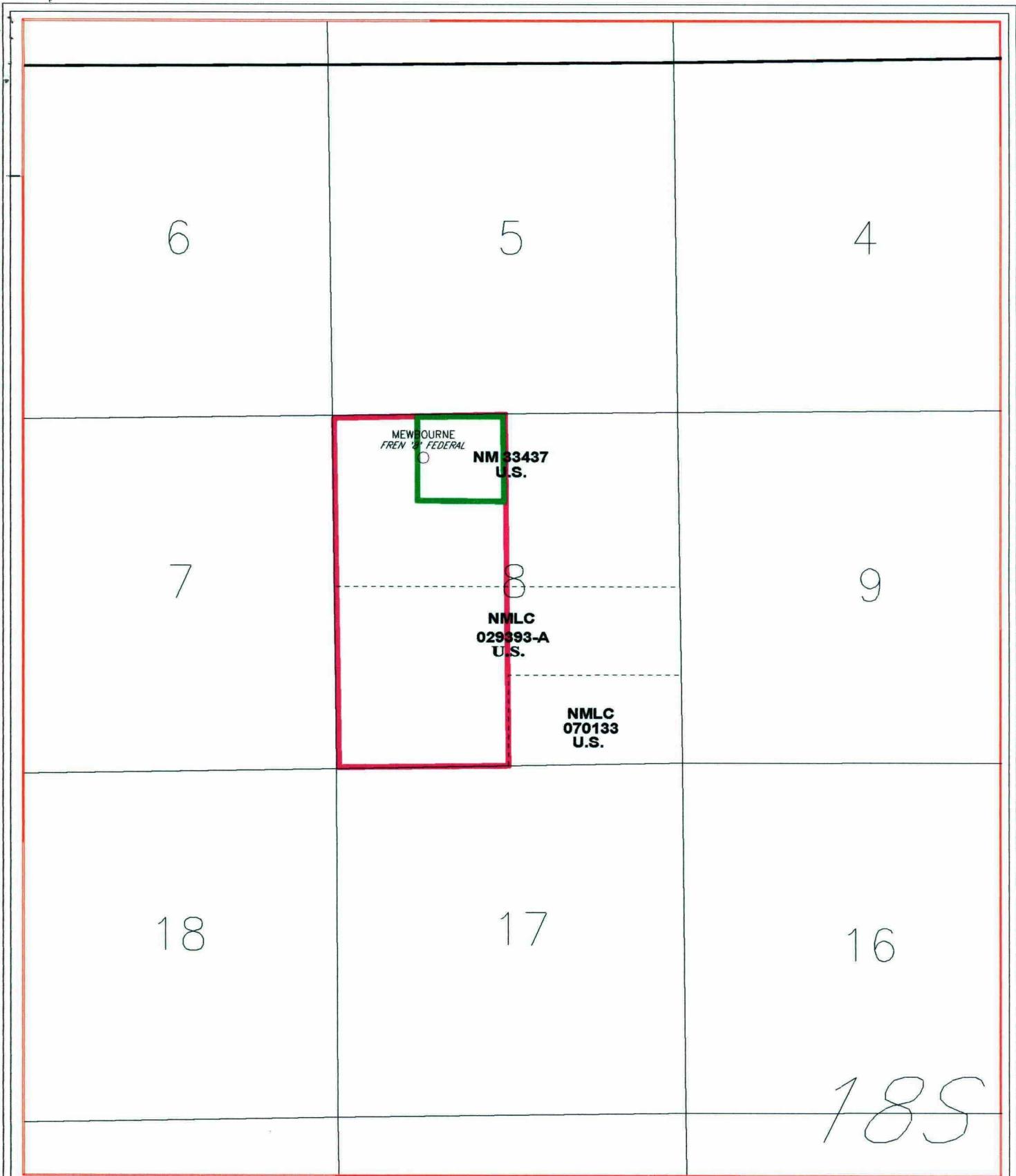
Mewbourne Oil Company		
Fren 8 Fed Com #5 Eddy County, New Mexico Topographic Plat		
D. Vaden		5/23/2002
Scale 1:1000		



Only wells greater than 11,000' shown



Mewbourne Oil Company		
Location Exception MOC Fren "8" Federal Com #5 Structure Strawn Lime		
Ralph Nelson	01-507	5/23/2002
Scale 1:24000		



40 ACRE PRORATION UNIT



320 ACRE PRORATION UNIT



Mewbourne Oil Company

Fren 8 Fed Com #5 - Location Exception
Land Plat
T18S, R31E, Sec. 8, Eddy County, NM

Dana Vaden

5/23/02

Scale 1:24000

SECBLAND.GPJ

Blumberg No. 5208

EXHIBIT

D

County Eddy Pool East Loco Hills - AtoKa Gas

TOWNSHIP 17 South Range 31 East NMPM

6	5	4	3	2	1	
7	8	9	10	11	12	
18	17	16	15	14	13	
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

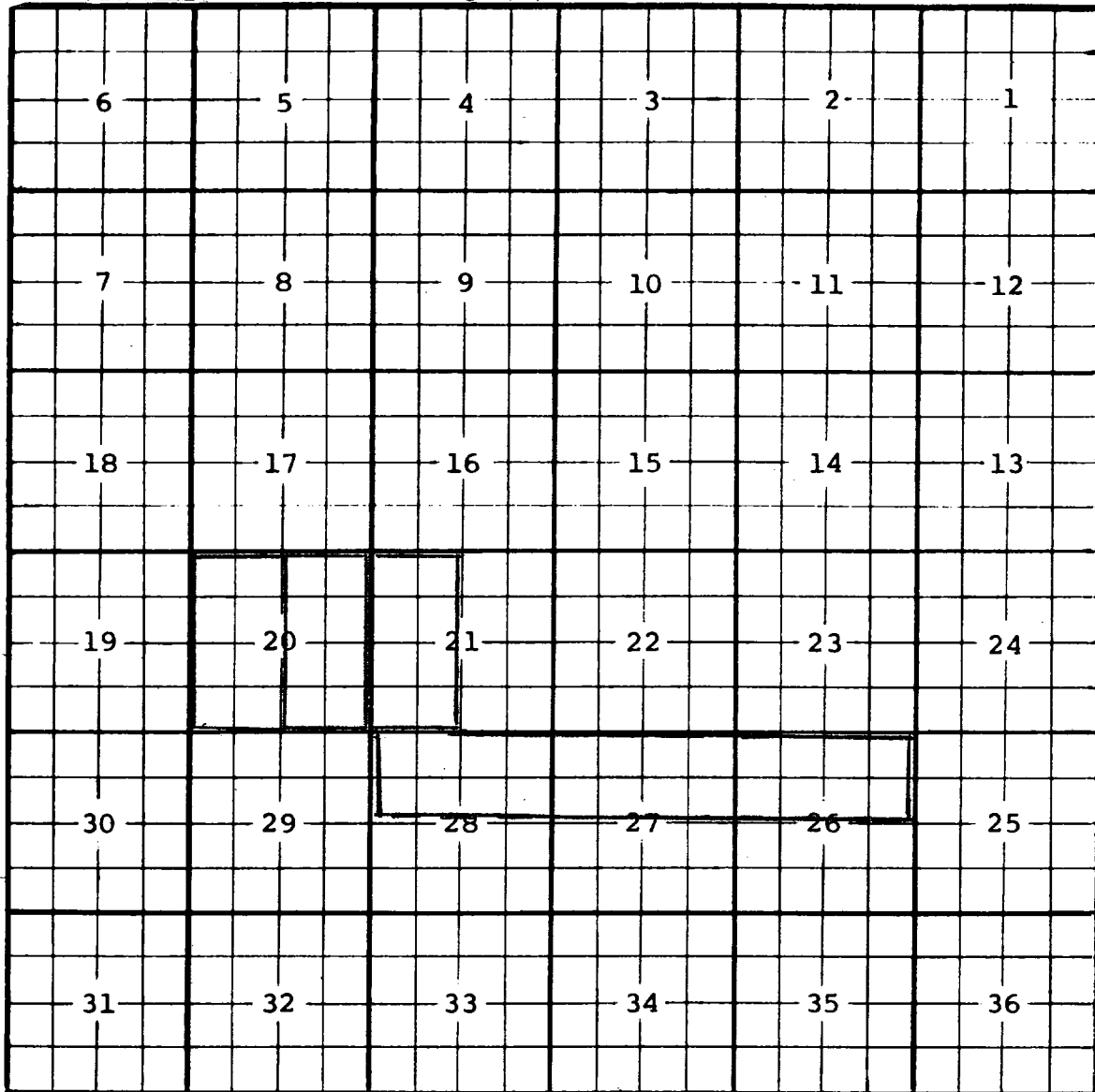
Description: W/2 Sec. 33 (R-10822, 6-16-87)

County Eddy Pool North Shugart - Atoka Gas

TOWNSHIP 18 South

Range 31 East

NMPM



Description: $\frac{E}{2}$ Sec 20 (R-5609, 1-1-78)

Ext: $\frac{W}{2}$ Sec 21 (R-5838, 11-1-78) Ext: $\frac{W}{2}$ Sec. 20 (R-6211, 12-21-79)

Ext: $\frac{N}{2}$ Sec. 26, $\frac{N}{2}$ Sec. 27, $\frac{N}{2}$ Sec. 28 (R-7158, 12-8-82)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

May 30, 2002

Mewbourne Oil Company
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Administrative Order NSL-4740

Dear Mr. Bruce:

Reference is made to your application dated May 9, 2002 (*application reference No. pKRV0-213540632*) on behalf of the operator Mewbourne Oil Company ("Mewbourne"), for an: (i) unorthodox wildcat Strawn oil well location; and (ii) unorthodox Atoka gas well location in either the Undesignated North Shugart-Atoka Gas Pool (85290) or Undesignated East Loco Hills-Atoka Gas Pool (96702), for its proposed Fren "8" Federal Com. Well No. 5 to be drilled 2276 feet from the North line and 1471 feet from the East line (Unit G) of Section 8, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

The SW/4 NE/4 (Unit G) of Section 8, being a standard 40-acre oil spacing and proration unit for wildcat Strawn oil production, and the E/2 of Section 8, being a standard 320-acre stand-up gas spacing and proration unit within either Atoka gas pool, are to be dedicated to this well.

Your application submitted on behalf of Mewbourne has been duly filed under the provisions of New Mexico Oil Conservation Division ("Division") Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding that Mewbourne seeks this location exception for both topographical and geological reasons.

It is further understood that the NE/4 of Section 8 is a single federal lease (U. S. Government Lease No. NM-33437) with common ownership in which Mewbourne is the leasehold operator; therefore, there are no adversely effected offsets to the subject 40-acre tract within the Strawn interval.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Strawn wildcat oil well location and Atoka gas well location for Mewbourne's proposed Fren "8" Federal Com. Well No. 5 is hereby approved.

Administrative Order NSL-4740

Mewbourne Oil Company

May 30, 2002

Page 2

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery / LME".

Lori Wrotenbery
Director

LW/MES/kv

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