

OCD-ARTESIA
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FEB 04 2008

FORM APPROVED
OMB No 1004-0137
Expires: March 31, 2007OCD-ARTESIA
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.		6. If Indian, Allottee or Tribe Name
1 Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7 If Unit or CA/Agreement, Name and/or No NMNM104028
2 Name of Operator Mewbourne Oil Company 14744		8. Well Name and No Henry "8" Federal Com #1
3a Address P. O. Box 7698, Tyler, TX 75711	3b Phone No (include area code) (903) 561-2900	9. API Well No. 30-015-34927
4 Location of Well (Footage, Sec, T, R, M, or Survey Description) 1218' FSL & 1820' FEL of Sec 8 T20S R29E		10. Field and Pool, or Exploratory Area Strawn/Morrow
		11 County or Parish, State Eddy Co., NM

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input type="checkbox"/> Other <u>Downhole commingling of production</u>

- 13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SUBJECT TO LIKE
APPROVAL BY STATE

Please see Form C-107A and C-102 attached.

Request approval to DHC Undes. Strawn (Gas) and Burton Flat; Morrow, East (Gas).

Applying with OCD to downhole commingle these zones pursuant to 19.15.5.303 (C) 3 (b) exceptions. The Strawn is to be perforated from 10502-10550' and Morrow is perf'd from 11256-11516'. Anticipated average production from Strawn is 250 MCFD, 2 BO, 2 BW. Average Morrow production was 230 MCFD, 0 BO, 1 BW. Allocation method is by ratio of stabilized production: Strawn, oil 100%, gas 52%. Morrow oil 0%, gas 48%. Commingling these 2 pools will not reduce value of remaining production. Ownership in both pools is identical. Both zones included in CA#NMNM104028.

Procedure to downhole commingle: Perforate Strawn 10502-10550'. Run 2 7/8" tbgr, set pkr @ +/-10400'. Acidize w/5000 gals 15% HCL. Test. PWOL. Test Atoka squeeze. Drill BP @ 11215'.. Clean to 11747'. Set 2 7/8" tbgr @ +/- 11200'. Production from Strawn/Morrow commingled.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Janet Burns

Signature

Title

Reg. Tech.

Date

1/25/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office

Date

JAN 29 2008

WESLEY W. INGRAM

PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Mewbourne Oil Company P. O. Box 7698, Tyler, TX 75711
Operator Address
Henry "8" Federal Com #1 O - Sec 8, T20S, R29E Eddy
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 14744 Property Code 35784 API No. 30-015-34927 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Undesig. Strawn (Gas)		Burton Flat; Morrow, East (Gas)
Pool Code			73320
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,502 - 10,550'		11,256 - 11,516'
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		SI below plug
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: 250 MCFD 2 BO, 2 BW	Date: Rates:	Date: 9/25/07 Rates: 230 MCFD 0 BO, 1 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 % 52 %	Oil Gas % %	Oil Gas 0 % 48 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ 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 ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
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 ☒ No ☐
NMOCD Reference Case No. applicable to this well: _____

Attachments:

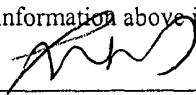
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation 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 _____ Reg. Tech. _____ DATE 1/23/08
TYPE OR PRINT NAME Janet Burns TELEPHONE NO. (903) 561-2900
E-MAIL ADDRESS _____

**Henry "8" Federal Com 1
Mewbourne Oil Company
January 29, 2008
Conditions of Approval**

- 1. Subsequent report required for new completion in Strawn.**
- 2. Completion report required for Strawn completion.**
- 3. Subsequent report required when down hole commingling has been approved (include DHC order number) and when it actually begins.**
- 4. Allocation to be verified after completion in Strawn formation.**

WWI 012908