



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.
Director

Oil Conservation Division

September 25, 2007

OCT 05 2007
OCD-ARTESIA

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

Administrative Order NSL-5435-B

Re: Forty Niner Ridge Unit Well No. 102
30-015-35033
G-16-23S-30E
Eddy County

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pDKB07-26856551**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 17, 2007, on behalf of Mewbourne Oil Company (Mewbourne); and

(b) the Division's records pertinent to Mewbourne's request, including the Division's records in connection with Administrative Orders NSL 5435 and NSL 5435-A

Mewbourne has requested to complete its Forty Niner Ridge Unit Well No. 102 at an unorthodox Strawn gas well location; 1980 feet from the North line and 2310 feet from the East line (Unit G) of Section 16, Township 23 South, Range 30 East, N.M.P.M., in Eddy County, New Mexico. The N/2 of Section 16 will be dedicated to this well in order to form a standard 320-acre wildcat Strawn spacing unit. This request is governed by statewide Rule 104.C(2), which provides that wells may be located no closer than 660 feet to a quarter section boundary. The proposed location is approximately 330 feet from the western boundary of the NE/4 of Section 16.

Your application on behalf of Mewbourne has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that this location was selected to utilize an existing wellbore originally drilled to a deeper formation.

The encroachment in this case is internal to the unit. Accordingly, there are no "affected persons" who must be notified of this application.

Pursuant to Division Rule 104.F(2) the above-described non-standard location is hereby approved.

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.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia