

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey, Division Director**  
Oil Conservation Division



December 3, 2013

Mewbourne Oil Company  
Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-6898**  
**Administrative Application Reference No. pPRG1332238582**

**Mewbourne Oil Company**  
OGRID 14744  
**Marathon Road 15 NC Federal Well No. 1H**  
**API No. 30-025-Pending**

**Proposed Location:**

|                   | <u>Footages</u>    | <u>Unit</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|-------------------|--------------------|-------------|-------------|-------------|--------------|---------------|
| Surface           | 180 FSL & 1800 FWL | N           | 15          | 20S         | 34E          | Lea           |
| Penetration Point | 630 FSL & 1800 FWL | N           | 15          | 20S         | 34E          | Lea           |
| Terminus          | 330 FNL & 1800 FWL | C           | 15          | 20S         | 34E          | Lea           |

**Proposed Project Area:**

| <u>Description</u>    | <u>Acres</u> | <u>Pool</u>          | <u>Pool Code</u> |
|-----------------------|--------------|----------------------|------------------|
| E/2 W/2 of Section 15 | 160          | Lea-Bone Spring Pool | 37570            |

Reference is made to your application received on November 13, 2013

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by the special rules for the Lea-Bone Spring Pool, which provide for 80-acre units, with wells located not more than 150 feet from the center of a quarter-quarter section, and Rule 16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

December 2, 2013

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Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location for engineering reasons, in order to maximize production of hydrocarbons underlying this project area without waste.

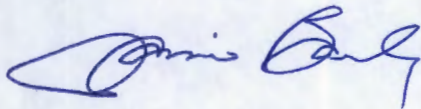
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey  
Director

JB/mam

cc: New Mexico Oil Conservation Division – Hobbs  
United States Bureau of Land Management