

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



June 26, 2017

Mewbourne Oil Company
Attn: Mr. Tyler Jolly

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7537

Mewbourne Oil Company
OGRID 14744
Salado Draw 10 W1PA Federal Com Well No. 2H
API No. 30-025-42837

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	250' FNL & 530' FEL	A	15	26S	33E	Lea
Penetration Point	330' FSL & 330' FEL	P	10	26S	33E	Lea
Final perforation/ Terminus	330' FNL & 330' FEL	A	10	26S	33E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Section 10	640	Red Hills, Wolfcamp (Gas)	83600

Reference is made to your application received on May 3, 2017

You have requested to drill this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by Special Rules for the Red Hills, Wolfcamp Gas, pool R-3073, as amended, which provides for 640 acre-units, with wells to be located no closer than 660 feet to the outer boundary of the section and Rule 19.15.16 14 B (2) NMAC concerning directional wells. The surface location is unorthodox, and is permitted by Rule 19.15.16 15.B (4) NMAC which allows for surface locations to be outside the project area provided, that the completed interval is entirely within the project area.

Your application has been duly filed under the provisions of Division Rules 19 15.15 13 NMAC and 19.15 4 12 A (2) NMAC

It is our understanding that the applicant is requesting this non-standard location in order to maximize recovery of oil and gas reserves from the Wolfcamp formation underlying Section 10

This NSL is valid for the Redhills, Wolfcamp Gas Pool or any and all gas pools requiring 660 foot setbacks

Pursuant to the authority conferred by Division Rule 19 15 15.13 (B) NMAC, the above-described unorthodox location is hereby approved

The above approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15 5 9 NMAC

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


DAVID R. CATANACH
Director

DRC/lrl

cc Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office