

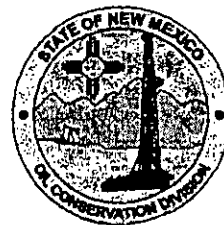
State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary-Designate

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

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



December 26, 2013

Mewbourne Oil Company  
Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-6980**  
**Administrative Application Reference No. pPRG1333950020**

**Mewbourne Oil Company**  
OGRID 14744  
**Layla 35 MD Fee Well No. 2H**  
**API No. 30-015-41730**

Oil Conservation Division  
Case No. \_\_\_\_\_  
Exhibit No. 2

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	150 FSL & 660 FWL	M	35	23S	28E	Eddy
Penetration Point	330 FSL & 660 FWL	M	35	23S	28E	Eddy
Terminus	330 FNL & 660 FWL	D	35	23S	28E	Eddy

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 of Section 35	320	Culebra Bluff; Wolfcamp, South (Gas)	75750

Reference is made to your application received on December 5, 2013.

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 statewide Rule 15.10.B [19.15.15.10.B NMAC], which provides for 320-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from a unit boundary.

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].

December 26, 2013

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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 black ink, appearing to read "Jami Bailey", written in a cursive style.

Jami Bailey  
Director

JB/mam

cc: New Mexico Oil Conservation Division – Artesia