



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

November 20, 1997

Mewbourne Oil Company  
c/o J. Scott Hall  
P. O. Box 1986  
Santa Fe, New Mexico 87501-1986

ADMINISTRATIVE ORDER NSL-3745-A

Dear Mr. Hall:

Reference is made to your application on behalf of the operator Mewbourne Oil Company ("Mewbourne"), dated November 17, 1997, and to the records of Division Administrative Order NSL-3745, dated December 27, 1996, and Division Cases 11713 and 11758, for approval to drill the Scanlon Draw "35" State Well No. 1 (API No. 30-015-29384) at an unorthodox gas well location to test the Morrow formation 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 35, Township 18 South, Range 28 East, NMPM, North Turkey Track-Morrow Gas Pool, Eddy County, New Mexico. The W/2 of said Section 35 is to be dedicated to the well to and from a standard 320-acre gas spacing and proration unit for said pool.

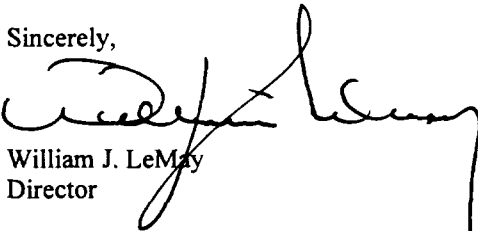
This request essentially serves to void the two previous orders issued for this well: (i) Administrative Order NSL-3745 which approved this same well and (ii) Division Order No. R-10869, which order canceled the provisions of NSL-3745. At this time all the previous objecting parties have reached an agreement and waivers of objection have been submitted.

The geologic interpretation submitted in this matter indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,



William J. LeMay  
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Arteria  
New Mexico State Land Office - Santa Fe  
Ernest Carroll - Artesia  
File: Case 11713  
Case 11758 /  
NSL-3745