



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 30, 1998

Mewbourne Oil Company
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87501

Administrative Order NSL-4023

Dear Mr. Bruce:

Reference is made to: (i) your original application for administrative review on behalf of the operator, Mewbourne Oil Company ("Mewbourne"), dated April 22, 1998; and, (ii) the records of the Division in Santa Fe, including the files in Division Case Nos. 11955 and 11967: all of which concern Mewbourne's request to drill its proposed Carlsbad "22" Federal Com. Well No. 1 at an unorthodox gas well location in the Strawn, Atoka, and Morrow formations 896 feet from the North line and 1764 feet from the West line (Unit C) of Section 22, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico. The W/2 of said Section 22 is to be dedicated to said well in order to form a standard 320-acre gas spacing and proration unit for gas production from: (i) either the Undesignated Avalon-Strawn Gas Pool or the Undesignated Northeast Happy Valley-Strawn Gas Pool; (ii) either the Undesignated Avalon-Atoka Gas Pool or the Undesignated Crozier Bluff-Atoka Gas Pool; and, (iii) either the Undesignated Avalon-Morrow Gas Pool or the Undesignated Burton Flat-Morrow Gas Pool.

It is our understanding that the subject well is to be drilled to a depth sufficient to test the Morrow formation; however, the shallower Strawn formation is the primary zone of interest. The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the gas bearing Strawn formation of either the Undesignated Avalon-Strawn Gas Pool or the Undesignated Northeast Happy Valley-Strawn Gas Pool than a well drilled at a location considered to be standard.

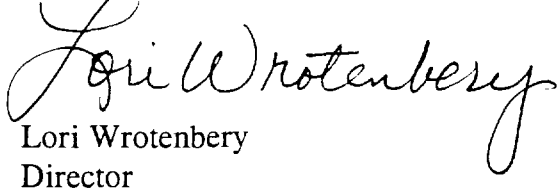
The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location within the proposed 320-acre unit comprising the W/2 of said Section 22 for Mewbourne's proposed Carlsbad "22" Federal Com. Well No. 1 in the

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appropriate pool designation for the Strawn, Atoka, and Morrow intervals is hereby approved.

Sincerely,



Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
U. S. Bureau of Land Management - Carlsbad
W. Thomas Kellahin, Legal Council for Devon Energy
Corporation in Case 11955 - Santa Fe
J. Scott Hall, Legal Council for Mewbourne in Case 11967 - Santa Fe
File: Case 11955
Case 11967 ✓