HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

FAX (505) 982-8623

CLARENCE E. HINKLE (1901 W E. BONDURANT, JR. (1913-1973) ROY C SNODGRASS, JR (1914-1987)

JOE W. WOOD RICHARD S MORRIS

WASHINGTON, D.C.

January 6, 1993

700 UNITED BANK PLAZA POST OFFICE BOX 10 ROSWELL, NEW MEXICO 88202 (505) 622-65(0 FAX (505) 623-9332

2800 CLAYDESTA CENTER 6 DESTA DRIVE POST OFFICE BOX 3580 MIDLAND, TEXAS 79702 (915) 683-4691 FAX (915) 683-6518

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LEWIS C COX
PAUL W EATON
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HAROLD L HENSLEY JR.
STUART D SHANDR
ERIC D LANPHERE
C D MARTIN
PAUL J KELLY ID

PAUL J KELLY, JR ROBERT P TINNIN, JR

MARSHALL G MARTIN

OWEN M LOPEZ

OWEN M LOPEZ
DOUGLAS L LUNSFORD
JOHN J KELLY
NICHOLAS J NOEDING
T CALDER EZZELL JR.
WILLIAM B BURFORD*
RICHARD E OLSON
RICHARD R WILFONG*
THOMAS J MEBRIDE
STEVEN D. ARNOLD
LIMES L WECHSLER

JAMES J WECHSLER NANCY S CUSACK

JEFFREY L. FORNACIARI JEFFREY D. HEWETT

JEFFREY D HEWETT
JAMES BRUCE
JERRY F SHACKELFORD*
JEFFREY W HELLBERG*
ALBERT L PITTS
THOMAS M HNASKO
JOHN C CHAMBERS*

GARY D COMPTONS MICHAEL A. GROSS THOMAS D. HAINES, JR.

GREGORY J. NIBERT

DAVID T. MARKETTE"

MARK C. DOW

VIA HAND DELIVERY

KAREN M RICHARDSON FRED W SCHWENDIMANN JAMES M HUDSON

JAMES M HOUSON
WILLIAM P JOHNSON
WILLIAM P JOHNSON

STANLEY K. KOTOVSKY, JR

BETTY H LITILE'
RUTH S MUSGRAVE
ELLEN S CASEY
S BARRY PAISNER
MARGARET CARTER LUDEWIG
STEPHEN M. CRAMPTON
MARTIN MEYERS
GREGORY S WHEELER
ANDREW J CLOUTIER
JAMES A GILLESPIE
AARY W. LESCON

H R THOMAS KARA L KELLOGG

BETTY H LITTLE*

GARY W. LARSON

STEPHANIE LANDRY

NORMAN D EWART

MOLLY MCINTOSH

STEPHANIE LANDRY
JOHN R KULSETH, JR
MARGARET R MENETT
BRIAN T. CARTWRIGHT*
LISA K. SMITH*
JAMES KENT SCHUSTER*
ROBERT H. BETHEA*
BRADLEY W. HOWARD
CHARLES A. SUTTON*
LORDMAN D. EWART

Michael E. Stogner Oil Conservation Division 310 Old Santa Fe Trail Santa Fe, New Mexico 87503

> Case No. 10,650, the Application of Mewbourne Oil Company for an Unorthodox Gas Well Location, Eddy

County, New Mexico

Dear Mr. Stogner:

The above application was originally filed as a request for administrative approval. Enron Oil and Gas Company and Read & Stevens Inc. filed objections, and the matter was set for hearing on the January 7 docket. Enron and Read & Stevens have now waived objection, and copies of their waivers are attached hereto as Exhibits A and B. Attached as Exhibit C are waivers from other offsets. As a result, Mewbourne requests that the application be placed in line for administrative approval, so that a hearing is not needed. Until the application is approved administratively, we request that Case No. 10,650 be continued until the January 21 docket.

Mewbourne is anxious to commence drilling the subject well, and thus prompt consideration of the application is requested.

JGB5\93013.c

SS JAM & MAL SE

Michael E. Stogner January 6, 1993 Page Two

Also enclosed is an Affidavit Regarding Notice, with certified return receipts attached.

Please call me if you have any questions.

Very truly yours,

HINKLE, COX, EATON, COFFIELD

9 HENSLEY

ames Bruce

JB:frs

1.3 (f) 3 AM 2 52

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

915 / 682-3715

December 23, 1992

Enron Oil & Gas Company 508 W. Wall, Suite 1100 Midland, Texas 79701

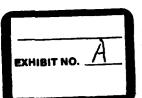
Attn: Patrick J. Tower

Re: Unorthodox Location Application Cedar Breaks "2" State No. 2 well E/2 of Section 2-18S-30E Eddy County, New Mexico

Gentlemen:

This letter shall evidence in writing the agreement between Mewbourne Oil Company (Mewbourne) and Enron Oil and Gas Company (Enron) concerning Mewbourne's unorthodox location application for the Cedar Breaks 2 State No. "2" well.

- 1) Enron agrees to immediately withdraw its protest of Mewbourne's unorthodox location for the Cedar Breaks 2 State "2" well located 990' FNL & 990 FEL of NE/4 of Section 2-18S-30E and hereby consents to said location waiving all objections thereto.
- In consideration of Enron dropping its protest, Mewbourne agrees to grant Enron a one (1) time waiver for one (1) well located no closer than 990' from the end and 660' from the side boundary of any 320 acre spacing unit that is contiguous to Sec. 2-18S-30E for a period of one year from January 1, 1993.
- 3) Mewbourne agrees to furnish Enron with well information 30 days from the completion of the Cedar Breaks 2 State No. "2" well. Enron agrees to furnish Mewbourne with well information 30 days from completion of any well that Enron drills at an unorthodox location in which Mewbourne grants a waiver to as set out above.
- It is agreed and understood that it is the intent of Mewbourne but not the obligation to drill the Cedar Breaks "2" State No. 2 well and that the foregoing sets forth the entire agreement between the parties and that there are no verbal or oral agreements between the parties not set out in writing herein.



Enron Oil & Gas Company December 22, 1992 Page 2

Should the above correctly set forth our agreement, please so signify by executing and dating this agreement in the space provided below, returning one original executed copy to the attention of the undersigned.

Sincerely,

MEWBOURNE OIL COMPANY

Landman

AGREED TO THIS 23rd day of December, 1992 by Enron Oil & Gas Company.

Gary L. Thomas

Agent & Attorney-in-Fact

25 20 11 8 100 CO.

g∃, :.∃A NOISING NA THEONOS THE

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

915 / 682-3715

November 5, 1992

Mr. Michael Stogner New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Read and Stevens Inc. ,as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-185-30E, Eddy County, New Mexico.

This letter is to advise that Read and Stevens Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Miles Prograt

Read & Stevens, Inc. By: Charles B. Read, PresidentMike Bogart Landman

sy: - Charles Fred

Title: Frederick |
Date: 11/19/92

* Subject to the terms of the attached Letter Agreement between Read & Stevens Inc. and Mewbourne Oil Company dated November 18, 1992.

EXHIBIT NO. B

PHONE 505 622-3270

FAX: 505 622-8643

HATTED BANK PLAZA 400 N. PENN. BUITE 1000

> CHARLES B. READ PRESIDENT

Read & Stevens Inc. Od Producers 9 0 Box 1514

Romall Nam Marin 88200

November 18, 1992

Mewbourne Oil Company 500 W. Texas - Suite 1020 Midland, Texas 79701

Attn: Mr. Mike Bogart Landman

Re: Loco Hills Prospect Application for Unorthodox Location Cedar Breaks 2 State "2" E/2 Section 2, 185-30E Eddy County, NM

Gentlemen:

In response to your letter dated November 6, 1992 regarding the captioned matter, please be advised that Read & Stevens, Inc. agrees to waive any objection to your unorthodox location subject to the following conditions:

- 1) Read & Stevens will not object to Mewbourne's application for unorthodox location if Mewbourne will agree not to oppose a similar application by Read & Stevens for its proposed test well to be located in the W/2 of Section 1, T185-RJOE, Eddy County, NM.
- 2) Mewbourne and Read & Stevens agree to a mutual exchange of electric and mud logs and drilling and completion reports on their respective wells set out above. The information will be furnished within 48 hours from the time that it becomes available.

Read & Stevens, Inc.

Mr. Mike Bogart Page -2-November 18, 1992

If Mewbourne agrees to the above conditions, please sign and date the attached copy of this letter and return to the undersigned.

Respectfully,

READ & STEVENS, INC.

Charles B. Read. President

Accepted this 22 rd day in November, KSW 1992.

CBR/pm Enclosure

Mewbourne Oil Company

Title

/u/wpdoc/pamela/CBR/Mewbourne

*Subject to the terms of the attached Letter Agreement between Read and Stevens and Mewbourne Oil Company dated December 23, 1992.

MOUNTEXAS, SUITE 1020 MIDLAND, TEXAS 79701

FOS - 622 - 5710 mx o 505-622-8643

(915) 682-3715 FAX (915) 685-4170

January 4, 1993

Read and Stevens, Inc. P. O. Box 1518 Roswell, New Mexico 88202

Attn: Mr. Bob Watson

Re: Loco Hills Prospect
Mewbourne's Unorthodox Location Application
Cedar Breaks "2" State #2
E/2 Section 2-18S-30E
Eddy County, New Mexico

Gentlemen:

In response to your proposed Letter Agreement dated November 18, 1992 and our subsequent discussions regarding the captioned matter, please be advised that Mewbourne Oil Company (Mewbourne) agrees to the conditions proposed by Read and Stevens, Inc. (Read and Stevens) subject to the following revisions:

- 1) Read and Stevens proposed unorthodox location in the NW/4 of Section 1 shall be located no closer than 990' from the west line of Section 1.
- 2) The exchange of information provided for in Paragraph 2 of Read and Stevens' letter shall be accomplished within 45 days of receipt of said logs and reports.
- 3) It is agreed and understood that by Mewbourne consenting to not oppose an unorthodox location application by Read and Stevens in the NW/4 of Section 1, Mewbourne is not waiving its right to oppose the configuration of the spacing and proration unit, for formations spaced 320 acres, for a well located in the NW/4 of Section 1-T185-R30E.
- 4) It is agreed and understood that Read and Stevens will withdraw its protest of Mewbourne,'s Unorthodox Location Application scheduled for January 7, 1993.
- 5) This letter is to supercede and replace our letter of December 23, 1992 as previously submitted.

JAN 05 '93 69184 01/04/93 15:46

F.02

Read and Stevens, Inc. January 4, 1993 Page 2

Should the foregoing be acceptable to Read and Stevens, please indicate so in the space provided and return one (1) copy to the undersigned.

Yours truly,

Mewbourne Oil Company

Kenneth S. Waits

day of January, 1993

Read & Stevens, Inc.

By: Charles B. Read, President

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

915 / 682-3715

RECEIVED
DEC 1 1992

November 5, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Todd Memorial Trust _____, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S 30E, Eddy County, New Mexico.

This letter is to advise that <u>Todd Memorial Trust</u> has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Miche + Degarters)

Mike Bogart Landman

By: / Title Co-Tuette

Date: 1/27/77

EXHIBIT NO.

500 W TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

915 / 682-3715

RECEIVED DEC 9 1962

November 6, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Amoco Production Company, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-185-30E, Eddy County, New Mexico.

This letter is to advise that <u>Amoco Production Company</u> has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Marke Beautiful

Mike Bogart Landman

By: Sarat V. Delang, BUTT Title: Hobbs Resource Manager

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

915 / 682-3715

November 5, 1992

Mr. Michael Stogner New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Application for Unorthodox Location Drilling Permit

> > Loco Hills Prospect

Cedar Breaks 2 State "2" Well Section 2-18S-30E N.M.P.M.

E/2

Eddy County, New Mexico

Gentlemen:

Paul Slayton , as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that <u>Paul Slayton</u> has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Thike Bogart (KC)

Mike Bogart Landman

By: Slaylon
Title: Owner
Date: 11-10-92

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701 915 / 682-3715

RECEIVED NOV 1 4 1992

November 5, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County New Mexico

Eddy County, New Mexico

Gentlemen:

Rio Pecos Corporation , as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that Rio Pecos Corporation has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart (KG)

Mike Bogart Landman

By: Mark Chillen
Title: Mark Mark
Date: 11/12/92

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

915 / 682-3715

November 6, 1992

Mr. Michael Stogner New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Annomitchell Keenan, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that <u>Anne Mitchell Keenan</u> has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mile Dogart (KC)

Mike Bogart Landman

By: Crue m (Zecon

Date: 1/9/92

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

915 / 682-3715

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NUV 1 8 ...

November 5, 1992

Mr. Michael Stogner New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe. New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

OXY USA, Inc. ,as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that <u>OXY USA, Inc.</u> has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart (xc)

Mike Bogart Landman

By: Kuhand - forguera Title: Regulatory Affair about

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

RECEIVED NUV 2 3 1992

November 5, 1992

Mr. Michael Stogner New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

William Patrick Dooley , as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that <u>William Patrick Dooley</u> has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogaet (KC)

Mike Bogart Landman

By: Twin Horly
Title: Pusonai Representation 17 u.P. Sor G Cota Ge
Date: 11-24-92

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

915 / 682-3715

RECEIVED NUV 2 4 1992

November 5, 1992

Mr. Michael Stogner New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Meridian Oil Inc. , as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that <u>Meridian Oil Inc.</u> has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart (190)

Mike Bogart Landman

By Title: Kayu Jateras Orn Shire Ref

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701 915 / 682-3715

> RECFIVED NOV 2 4 1992

November 5, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe. New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Meridian Oil Company Successor in interest of Odessa Natural Gasoline Company, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that <u>Meridian Oil Company Successor in interest of Odessa Natural Gasoline Company</u> has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Begand (KC)

Mike Bogart Landman

By: Arie States

Title: Egylafory Englishice

Date: 11/23/92

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

No. 10,650

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO))ss.
COUNTY OF SANTA FE)

James Bruce, being duly sworn upon his oath, deposes and states:

- 1. I am over the age of 18 and have personal knowledge of the matters stated herein.
 - 2. I am an attorney for Applicant herein.
- 3. Applicant has conducted a good faith, diligent effort to find the correct addresses of interest owners entitled to receive notice of the Application herein.
- 4. Notice of the Application was provided to the interest owners at their correct addresses by certified mail. Copies of the certified return receipts are attached hereto.

5. Division notice rules have been complied with.

James Bruce

SUBSCRIBED AND SWORN TO before me this 6 th day of January, 1993, by James Bruce.

Notary Public

My commission expires:

JGB5\93020.d

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DOMESTIC RETURN RECEIPT DOMESTIC RETURN RECEIPT **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the PRTURN TO: Space on the reverse side. Failure to do this will prevent this d. Lu your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this Juid from being returned to you. The return receipt fee will provide you the name of the person delivered to and the being returned to you are selected to any the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxies for additional service is requested.

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Receipt
Not Merchandise On of addressee Always ed ain signature of addressee 8 Addresser's Address (CALY of and 2 when additional services are desired, and complete Addressee's Address (ONL) Insured 849 or agent and DATE VELIVERED or agent and DATE DELIVERED 852 requested and fee paids requested and fee poids P 080 146 080 146 Arricle Number Article Number A wass obtain sign Type of Service:

| Refrected
| Certified | Expressibilities Type of Service Registered نما NUS.G.P.O 1989-238-815 +US GP.0 1989-238-815 Amoco Production Company 智 Avenal, California 93204 NON 77253 Keenan 202 SENDER: Complete items 1 3 and 4. Houston, Texas P. O. Box 3092 P. O. Box 248 Signature - Addressee Signature - Addressee Ann Mitchell Article Addressed to 3. Article Addressed to: Signature - Agent PS Form 3811, Apr PS Forth 3811, AN Date of Del afsafure. Date of Ö 4 DOMESTIC RETURN RECEIPT SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4 DOMESTIC RETURN RECEIPT Pr. in address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this baild fit. In address in the "It is return receipt fee will provide you the name of the person delivered to and the pare of delivered. For additional letter the following services are available. Consult postmaster for fees the pare of delivery. For additional services is address. 2 Restricted Delivery 1. C. Show to whom delivered, date, and addressee's address. 2 Restricted Delivery Complete items 1 and 2 when additional services are desired, and complete items Return Receipt for Merchandist Insured
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Outputn Receipt Put your address in the "HETURIN TO" Space on the reverse side. Failure to do this will prevent this from being returned to you. The return receipt fee will provide you the name of the person delivered to the delivered to delivery. For additional fees the following services are available. Consult postmassier for and cheek boxies for additional services, the quested.

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AX Certified
Express Mail Article Number 080 146 Type of Service:

| Registered |
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| Express Mail œ æ Д *USGPO 1989.238-815 . U.S G.P.O. 1989-239-815 Corp. Anadarko Petroleum Corp (Extra charge) 105 S. 4th Street Artesia, NM 88210 (Exira charge) 77251 Yates Petroleum Houston, Texas Signature - Addressee PS Form 3811, Apr. 1989 0. Box 1330 Signature - Addressee Article Addressed to: PS 1 Jrm 3811, Apr. 1989 6. Signature - Agent Article Addressed to 7-6-6-1 6. Signature - Agent Date of Delivery 7. Date of Delivery ا او . بم

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PS Form 3811, Apr 110 **第10** Midland, Texas × Suite 460 Put your address in the TRETURN TOT Space on the reverse side. Failure to do this will prevent the different being returned to you. The return receipt fee will provide you the name of the person delivered; and the date of delivery. For address feel of following services are available. Consult postmaster for fees and check bowies! for additional service(s) requested. SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. daddess in the TRETURN TOT Space on the reverse side. Failure to do this will prevent this card no gratured to vice. The return receipt fee will provide you the name of the person delivered to and case of delivery. For additional fees the following services are available. Consult postmaster for fees in table knows of additional services frequests. Article Addressed to Date of Delivery SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Signature Signature -Marchandis for Merchandis .ε signature of addressee Show to whom delivered date, and addressee's address Pecos Corporation 2 - Restricted Delivery s Address (O.Y.L.Y Insured Louisiana TE DELIVERED 823 Erro charge Addressee P 080 146 4. Article Number ype of Service B > 10 Registered 79701 Certified Show to whom delivered, date, and addresses's address USGPO 1989-238-815 #SON or agent and DATE DELIVERED XXC envired Article Number Always obtain signature of addressee Registered ype of Service (Extra charge) Roswell, NM 88201 Addressee's Address (CNI) ii Express Mar the Bakene parameter 080 **~** P. O. Box 1936 DOMESTIC RETURN RECEIPT Paul Slayton 146 Restricted Delivery Signature - Addressee Article Addressed to Agent Return Receip!

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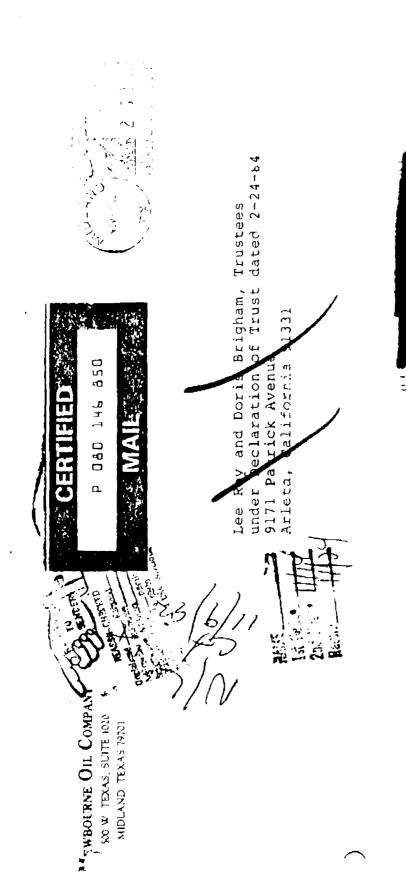
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Mewbourne Oil Company

500 W. TEXAS, SUITE 1020 * MIDLAND, TEXAS 79701 / 915 / 682-3715

November 3, 1992

New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504 Attn: Division Director

Gentlemen:

Mewbourne Oil Company finds it necessary to apply for and receive administrative approval of an unorthodox location to drill an 11,600' Morrow well on its Loco Hills Prospect located in Section 2, T18S, R30E, Eddy County, New Mexico. A location of 990' FEL (nearest side boundary) and 990' FNL (nearest end boundary) in this section would give Mewbourne Oil Company the opportunity to encounter a sufficient amount of net Lower Morrow Sand porosity to make a commercial well.

Enclosed you will find a Lower Morrow Structure/Isopach map and Morrow Cross Section A-A'. The map shows our proposed unorthodox location with an open circle while a standard location is marked by an "X". As you can see from the Isopach map, the Lower Morrow Brown Sand identified on Cross Section A-A' has a greater likelihood of being thick enough to be productive in the northeast corner of this section. Conversely a standard location would not give Mewbourne Oil a reasonable chance to meet it's minimum thickness of 10' of porous sand needed to have a reasonable expectation of economic success.

The unorthodox location Mewbourne Oil seeks will be almost a mile from the nearest producing Morrow gas well, the Enron Oil and Gas Company Cedar Lake "35" Federal Com. #1 (location B, Section 35, 17S, 30E), which has just been drilled and completed this year. It is also moving away from and further updip in a structurally more favorable position than the other two Morrow penetration wells in Section 2.

Mewbourne Oil Company has notified the offset operators and

New Mexico Oil Conservation Division November 3, 1992 Page 2

unleased mineral owners of our intention to apply for this unorthodox location.

Sincerely,

Dexter Harmon

District Geologist

Enclosures: Lower Morrow Structure/Isopach Map

Morrow Cross Section A-A'

Morrow Penetration Production Study

OFFSET LEASEHOLD OWNERSHIP All in Eddy County, New Mexico Below 5000'

TRACT NO. 1: Section 1-18S-30E N/2, N/2SE/4, NE/4SW/4

1) Read and Stevens Inc. P. O. Box 1518 Roswell, New Mexico 88202

TRACT NO. 2: Section 1-18S-30E S/2SE/4, SE/4SW/4

- 1) Enron Oil and Gas Corporation P. O. Box 1188 Houston, Texas 77251
- 2) Yates Petroleum Corporation 105 S. 4th Street Artesia, New Mexico 88210
- 3) Read and Stevens, Inc.
- 4) Todd Memorial Trust c/o Robert Armstrong P. O. Box 1973 Roswell, New Meixco 88201
- 5) Meridian Oil Inc. (formerly Southland Royalty Company) 21 Desta Drive Midland, Texas 79705
- 6) Paul Slayton
 P. O. Box 1936
 Roswell, New Mexico 88201
- 7) William Patrick Dooley
 P. O. Drawer G
 Artesia, New Mexico 88210
- 8) Rio Pecos Corporation 110 W. Louisiana, Suite 460 Midland, Texas 79701

TRACT NO. 3: Section 1-18S-30E W/2SW/4

1) Mewbourne Oil Company

TRACT NO. 4: Section 35-17S-30E SW/4

1) Enron Oil and Gas Corporation

- 2) Meridian Oil Company, Successor in interest of El Paso Production Company 801 Cherry Street Fort Worth, Texas 76102
- 3) Ann Mitchell Keenan P. O. Box 248 Avenal, California 93204
- 4) Lee Roy and Doris Brigham, Trustees under Declaration of Trust dated 2-24-84 9171 Patrick Avenue Arleta, California

TRACT NO. 5: Section 35-17S-30E N/2SE/4

Enron Oil and Gas Corporation

TRACT NO. 6: Section 35-17S-30E NE/4

1) Enron Oil and Gas Corporation

TRACT NO. 7: Section 36-17S-30E SW/4SW/4

- 1) Meridian Oil Company Successor in interest of El Paso Production Company
- 2) Meridian Oil Company Successor in interest of Odessa Natural Gasoline Company 801 Cherry Street Fort Worth, Texas 76102

TRACT NO 8: Section 36-17S-30E SE/4SW/4

- 1) Amoco Production Company P. O. Box 3092 Houston, Texas 77253
- 2) Enron Oil and Gas Corporation

<u>TRACT NO. 9:</u> Section 36-17S-30E W/2SE/4 & NE/4SE/4

1) Amoco Production Company

TRACT_NO. 10: Section 36-17S-30E SE/4SE/4

1) Anadarko Petroleum Corporation P. O. Box 1330 Houston, Texas 77251

TRACT NO. 11: Section 36-17S-30E N/2SW/4

1) Amoco Production Company

- 1) Amoco Production Company
- 2) Enron Oil and Gas Company

1) OXY USA, Inc. P. O. Box 300 Tulsa, Oklahoma 79102

