

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



May 18, 2018

Cy Shook
cshook@mewbourne.com

NON-STANDARD LOCATION

Administrative Order NSL-7717

Mewbourne Oil Company [OGRID 14744]
El Mar 21 W2NC Federal Com Well No. 5H
API No. 30-025-44750

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	215 FSL & 2510 FWL	D	21	26S	33E	Lea
Penetration Point	330 FSL & 2310 FWL	D	21	26S	33E	Lea
Final perforation/ Terminus	330 FNL & 2310 FWL	M	21	26S	33E	Lea

Proposed Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 of Section 21	320	Salado Draw; Wolfcamp (GAS)	84410

Reference is made to your application received on April 27, 2018.

You have requested to drill this well at an unorthodox gas well location described above in the referenced pool or formation. Subject B of 19.15.15.10 NMAC governs this pool and provides for 320-acre units, with wells to be located at least 660 feet from unit outer boundaries.

This well's completed interval is as close as 330 feet to the southern/northern edge, 330 feet to the eastern edge, and 467 feet to the southeastern/northeastern edge of the project area. Encroachment will impact the following tracts.

Section 28, T26S R33E encroachment to the W2 and N2
Section 21, T26S R33E encroachment to the E2
Section 16, T26S R33E encroachment to the W2 and S2

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

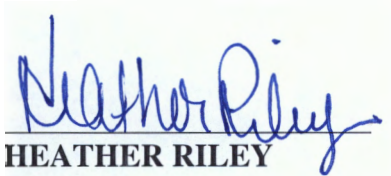
Division understands you seek this unorthodox location to maximize the recovery of oil and gas reserves within the Wolfcamp formation underlying the W2 of Section 21.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.


HEATHER RILEY
Director

HR/lrl

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