

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



July 3, 2013

Mewbourne Oil Company
c/o Mr. James Bruce, Attorney

ADMINISTRATIVE NON-STANDARD PRORATION UNIT ORDER

Administrative Order NSP-1968
Administrative Application Reference No. pAXK1315555260

Mewbourne Oil Company
OGRID 14744

Subject Pool: WC-015 S2528150; Wolfcamp (Pool Code 97949)

Subject Units: SW/4 of Section 22
Township 25 South, Range 28 East, Eddy County, New Mexico

NW/4 of Section 27
Township 25 South, Range 28 East, Eddy County, New Mexico

Subject Well: San Lorenzo 22/27 LE Well No. 2H
API No. 30-015-41153
SHL: 2260 FSL & 760 FWL of Section 22
BHL: 2310 FNL & 660 FWL of Section 27

Reference is made to your application received on June 4, 2013. You have also requested a non-standard location for this well. That application is addressed separately by Administrative Order NSL-6826.

You have requested an exception pursuant to Rule 19.15.15.11.B(2) NMAC, to approve a non-standard gas spacing and proration unit comprising 320 acres, consisting of the entire area described above as the Subject Units. Division rules do not authorize formation of a non-standard spacing unit configured as you have requested. However, such rules do authorize formation of the two non-standard units describe above, which can then be combined into a project area for a horizontal well. In the interest of administrative economy the Division is treating your application as an application to form the two Subject Units.

Your application has been duly filed under the provisions of said Rule 19.15.15.11.B and Rule 19.15.4.12.A(3) NMAC. It is understood that you have given due notice of this application to all owners of all interests in lands that could have been included in any standard 320-acre gas proration unit that included either of the Subject Units, to whom notice is required by Rule 19.15.4.12.A(3) NMAC.

Pursuant to the authority conferred by Rule 19.15.15.11.B(2), the Subject Units are hereby approved.

The Subject Units shall be dedicated, as a project area, to the Subject Well, to be operated by Mewbourne Oil Company.

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,



Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia
New Mexico State Land Office
United States Bureau of Land Management