



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 25, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Mewbourne Oil Company
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Administrative Order NSL-5382

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pTDS0-612458381*) filed on behalf of the operator Mewbourne Oil Company ("MOC") and submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 4, 2006; and (ii) the Division's records in Artesia and Santa Fe: all concerning MOC's request to drill its proposed Geronimo "30" Federal Well No. 3 at an unorthodox oil well location 1980 feet from the North line and 1515 feet from the West line (Unit F) of Section 30, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico. The SE/4 NW/4 of Section 30 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit within the Undesignated North Lusk-Bone Spring Pool (41450).

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

It is the Division's understanding that the NW/4 of Section 30 comprises a single federal lease (*U. S. Government lease No. NM-9016*) in which MOC is the leasehold operator and all mineral interest is common; therefore, there are no adversely effected offsets to the subject 40-acre tract.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Bone Spring oil well location for MOC's proposed Geronimo "30" Federal Well No. 3 is hereby approved.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script that reads "Mark E. Fesmire".

Mark E. Fesmire, P. E.

Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
U. S. Bureau of Land Management – Carlsbad