

MEWBOURNE OIL COMPANY

500 W, TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

May 18, 1992

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

Attention: Mr. David R. Catanach

RE: Angell Ranch Prospect
Angell Ranch "26" State #1
990' FNL and 990' FEL
Section 26-T19S-R27E
Eddy County, New Mexico

Dear Mr. Catanach:

Mewbourne Oil Company finds it necessary to apply for and receive an unorthodox location to drill an 10,950' Morrow well on its Angell Ranch Prospect located in Section 26, T19S, R27E, Eddy County, New Mexico. A location of 990' FNL (nearest side boundary) and 990' FEL (nearest end boundary) in this section would give Mewbourne Oil Company the opportunity to encounter a sufficient amount of Morrow Sand to make a commercial well.

Enclosed you will find three Morrow Sand Isopach Maps, a Structure Map on the Base of the Morrow and Morrow Cross Section A-A'. Each 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 Maps, the Green, Orange and Brown Morrow Sands identified on Cross Section A-A' all have 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.

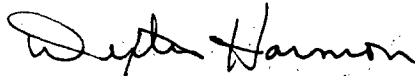
The unorthodox location Mewbourne Oil seeks will not be moving toward any nearby producing Morrow gas wells. The nearest Morrow well, the Kerr-McGee #1 Lakewood State Com. (location K, Section 25), has been inactive since 1989.



Mewbourne Oil Company has notified the offset operators and unleased mineral owners of our intention to apply for this unorthodox location.

Sincerely,

Mewbourne Oil Company

A handwritten signature in cursive script, appearing to read "Dexter Harmon".

Dexter Harmon
District Geologist

DLH/nb

Enclosures: Structure Map of Base of Morrow
Middle Morrow Green Isopach Map
Lower Morrow Orange Isopach Map
Lower Morrow Brown Isopach Map
Morrow Cross Section A-A'

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

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DARREN T. GROCE*
MOLLY MCINTOSH

*NOT LICENSED IN NEW MEXICO

CERTIFIED MAIL

Mr. Gary Green
Santa Fe Energy Operating
Partners, L.P.
550 West Texas, Suite 1330
Midland, Texas 79701

Re: Application of Mewbourne Oil Company for administrative
approval of an unorthodox gas well location, Section 26,
Township 19 South, Range 27 East, N.M.P.M., Eddy County

Dear Mr. Green:

My client Mewbourne Oil Company has applied to the Oil
Conservation Division for administrative approval of an
unorthodox gas well location for a Morrow test (approximately
10,950 feet deep), to be drilled 990 feet FNL and 990 feet FEL of
Section 26. In reviewing the documentation provided by
Mewbourne, I discovered that Santa Fe Energy is an offsetting
lessee to the west. The attached plat indicates Santa Fe Energy
is the lessee of the SE $\frac{1}{4}$ §22 and NE $\frac{1}{4}$ §27 (federal leases NM 56724
and NM 86111). Although the proposed well is moving away from
your leases, OCD rules require that Santa Fe Energy be notified
of the application.

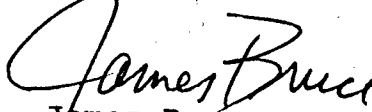
If you have any questions, please contact Paul Haden at
Mewbourne's Midland office. If Santa Fe Energy has an objection,
it should be communicated promptly to the OCD.



Mr. Gary Green
May 21, 1992
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Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

A handwritten signature in cursive script, reading "James Bruce". The signature is written in dark ink and is positioned above the typed name "James Bruce".

By: James Bruce

JB:le
Enclosure

HINKLE, COX, EATON, COFFIELD & HENSLEY

OIL CONSERVATION DIVISION
RECEIVED

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*NOT LICENSED IN NEW MEXICO

Mr. William Lemay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Angell Ranch "26" State No. 1 Well; 990 feet FNL and 990 feet FEL of Section 26, Township 19 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Lemay:

Mewbourne Oil Company requests administrative approval for an unorthodox gas well location for the above described well. The well will be drilled to a depth sufficient to test the Morrow formation, and the N $\frac{1}{2}$ of Section 26 will be dedicated to the well.

Enclosed in support of this application are three sets of the following materials:

Exhibit A: Geological discussion.

Exhibit B-1: Isopach of Lower Morrow Brown Zone.

Exhibit B-2: Isopach of Lower Morrow Orange Zone.

Exhibit B-3: Isopach of Middle Morrow Green Zone.

Exhibit C: Structure map.

Exhibit D: Cross section.

Exhibit E: Land plat indicating offset operators, lessees, or unleased owners;

Mr. William Lemay
May 21, 1992
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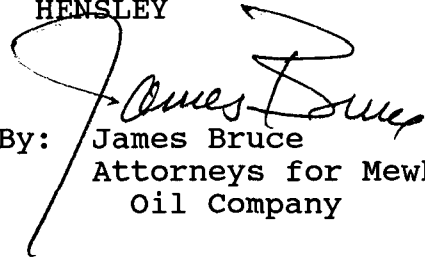
Exhibit F: Notice letters mailed to the offset operators, lessees, or unleased owners by certified mail.

Exhibit G: Additional notice letter sent to Santa Fe Energy Operating Partners, L.P. (The notice letters sent by Mewbourne Oil Company failed to notify the offsets to the west of the well unit. These west offsets are Santa Fe Energy, Yates Petroleum, and Gulf Oil. However, Yates Petroleum and Chevron (Gulf) have been notified due to their ownership of other offsetting tracts, and thus the additional notice letter was sent only to Santa Fe Energy.)

Please contact me if you need any further information on this application.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By:  James Bruce
Attorneys for Mewbourne
Oil Company

JB:le