

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

February 1, 1994

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mewbourne Oil Company
c/o Hinkle, Cox, Eaton, Coffield & Hensley
P.O. Box 2068
Santa Fe, NM 87504-2068

Attention: James Bruce

ADMINISTRATIVE ORDER NSL-3349

Dear Mr. Bruce:

Reference is made to your application dated January 18, 1994 on behalf of the operator, Mewbourne Oil Company, for a non-standard Bone Spring gas well location for the existing Federal "V" Well No. 2, which when drilled in mid-1991 and completed as an oil well in the Oil Millman Ranch-Bone Spring Pool was dedicated to a standard 40-acre oil spacing and proration unit comprising the NW/4 NE/4 (Unit B) of Section 8, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico, at a standard oil well location 660 feet from the North line and 2210 feet from the East line of said Section 8.

It is our understanding that this well has been reclassified a "gas well" pursuant to Rule 5 of the General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico/Temporary Special Rules and Regulations for the Oil Millman Ranch-Bone Spring Associated Pool, as promulgated by Division Order No. R-5353, as amended by Order No. R-5353-M (dated August 31, 1993). Concurrently with reclassification, the location is also considered to be unorthodox pursuant to Special Rule 2(b).

By the authority granted me under the provisions of Rule 2(c) of said rules applicable to this pool, the above-described unorthodox gas well location is hereby approved. Further, the NE/4 of said Section 8 shall be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said pool.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad