



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



July 2, 2008

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-5862

Re: Mewbourne Oil Company
Crow Flats 28 Federal Well No. 1H
API No. 30-015-36214
Unit D, Section 28-16S-28E
Eddy County

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-15549542**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Mewbourne Oil Company (Mewbourne) on June 3, 2008, and

(b) the Division's records pertinent to this request.

Mewbourne has requested to complete the above-referenced well at an unorthodox Grayburg oil well location, 400 feet from the North line and 1300 feet from the West line (Unit D) of Section 28, Township 16 South, Range 28 East, N.M.P.M., in Eddy County, New Mexico. The NW/4 NW/4 of Section 28 will be dedicated to this well in order to form a standard 40-acre spacing unit in the undesignated East Red Lake-Queen/Grayburg Pool (51340). This pool is governed by statewide Rule 104.B(1), which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 40 feet from the eastern unit boundary.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location in order to comply with United States Bureau of Land Management surface siting requirements.



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It is also understood that notice of this application to offsetting operators or owners is unnecessary because of common ownership.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a prominent initial "M" and a long, sweeping underline.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
United States Bureau of Land Management - Carlsbad