



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 28, 1999

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

Telefax No. (505) 982-2151

Administrative Order NSL-4319

Dear Mr. Bruce:

Reference is made to your application dated June 8, 1999 on behalf of the operator, Mewbourne Oil Company, for its proposed Empire "18" State Com. Well No. 1 to be drilled at an unorthodox Morrow gas well location 1650 feet from the South line and 990 feet from the East line (Unit I) of Section 18, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 18, being a standard 293.96-acre lay-down gas spacing and proration unit for the South Empire-Morrow Gas Pool, is to be dedicated to this well.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard within the SE/4 of Section 18.

The application has been duly filed under the provisions of New Mexico Oil Conservation Division ("Division") Rule 104.F.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
U. S. Bureau of Land Management - Carlsbad