



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 25, 2010

Ms. Ocean Munds-Dry
Holland & Hart, LLP
P.O. Box 2208
Santa Fe, NM 87504

Administrative Order NSL-6166

**Re: Mewbourne Oil Company
Bradley 29 Federal Com. Well No. 1H
API No. 30-015-37481
1050 feet FSL and 1905 feet FEL
Unit O, Section 29-18S-30E
Eddy County, New Mexico**

Dear Ms. Munds-Dry:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-06352002**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Mewbourne Oil Company [OGRID 14744] (Mewbourne) on March 4, 2010, and

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

Mewbourne has requested to drill the above-referenced well as a horizontal well in the Bone Spring formation, at a location that will be unorthodox under Division Rule 16.14.B(2). The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 1050 feet from the South line and 1905 feet from the East line (Unit O) of Section 29, Township 18-S, Range 30-E, NMPM, Eddy County, New Mexico

Point of Penetration: 1120 feet from the South line and 1894 feet from the East line (Unit O) of said section



Terminus 990 feet from the South line and 330 feet from the East line
(Unit M) of said section

The S/2 S/2 of Section 29 will be dedicated to the proposed well to form a project area comprising two adjacent, standard 80-acre spacing units in the Santo Nino-Bone Spring Pool (54600). Spacing in this pool is governed by the Special Rules for the Santo Nino-Bone Spring Pool, as promulgated in Order No. R-8546, issued on November 17, 1987, which provide for 80-acre units comprising two adjacent quarter-quarter sections within the same section, with wells to be located no more than 150 feet from the center of a quarter-quarter section. This location is unorthodox because all of the producing interval will be more than 150 feet north of the north-south center line of the project area, and therefore outside the producing area.

Your application on behalf of Mewbourne has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that Mewbourne is seeking this location in order to utilize an existing wellbore.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, 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 5.9.

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', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

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