



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



April 22, 2010

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

**Administrative Order NSL-6187**

**Re: Mewbourne Oil Company  
Lakewood 34 Federal IP Well No. 1H  
API No. 30-015-37710  
2390 feet FNL and 370 feet FEL  
Unit H, Section 34-19S-25E  
Eddy County, New Mexico**

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-09650634**) 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 April 1, 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 Yeso 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: 2390 feet from the North line and 370 feet from the East line  
(Unit H) of Section 34, Township 19S, Range 25E, NMPM,  
Eddy County, New Mexico

Point of Penetration: same as surface location

Terminus 330 feet from the South line and 370 feet from the east line  
(Unit P) of said section



The E/2 SE/4 of Section 34 will be dedicated to the proposed well to form a project area comprising two standard, 40-acre spacing units in the Seven Rivers Yeso Pool (55670). This pool is governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because a portion of the producing interval will be less than 330 feet from the northern boundary 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 for engineering reasons, in order to maximize the portion of the producing interval within the producing area that the horizontal shaft of the well will penetrate.

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', written in a cursive style.

Mark E. Fesmire, P.E.  
Acting Director

MEF/db

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