

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



November 26, 2012

Mewbourne Oil Company  
Attn: Mr. James Bruce, Attorney

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-6709**  
**Administrative Application Reference No. pDKB1230057946**

**Mewbourne Oil Company**  
OGRID 14744  
**Norte 13 HE Federal Well No. 1H**  
**API No. 30-025-40588**

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1780 FNL & 330 FEL	H	13	19S	32E	Lea
Penetration Point	1780 FNL & 330 FEL	H	13	19S	32E	Lea
Terminus	1780 FNL & 330 FWL	E	13	19S	32E	Lea

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 of Section 13	320	undesigned East Lusk; Bone Spring Pool	41442

Reference is made to your application received on October 26, 2012.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by the Special Rules and Regulations for the East Lusk Bone Spring Oil Pool, which provide for 160-acre units, with wells located not less than 660 feet from any unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer than applicable rules permit to outer boundaries of the project area.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location for engineering reasons, in order to efficiently produce the reserves underlying this project area.

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 [19.15.15.9 NMAC].

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 "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey  
Director

JB/db

cc: New Mexico Oil Conservation Division – Hobbs  
United States Bureau of Land Management