

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



June 22, 2013

Mewbourne Oil Company
c/o Mr. James Bruce, Attorney

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6819
Administrative Application Reference No. pPRG1314339932

Mewbourne Oil Company
OGRID 14744
Owl Draw 27 DA Fee Com. Well No. 2H
API No. 30-015-41263

Proposed Location:

| | <u>Footages</u> | <u>Unit</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|-------------------|-------------------|-------------|-------------|-------------|--------------|---------------|
| Surface | 500 FNL & 150 FEL | A | 28 | 26S | 27E | Eddy |
| Penetration Point | 518 FNL & 430 FWL | D | 27 | 26S | 27E | Eddy |
| Terminus | 660 FNL & 330 FEL | A | 27 | 26S | 27E | Eddy |

Proposed Project Area:

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------|--------------|----------------------|------------------|
| N/2 of Section 27 | 320 | Wildcat Wolfcamp gas | |

Reference is made to your application received on May 22, 2103.

You have requested to drill this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.10.B [19.15.15.10.B NMAC], which provides for 320-acre units, with wells located at least 660 feet from a 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 less than 660 feet from an outer boundary 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.

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 blue ink, appearing to read "Jami Bailey".

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia