

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



July 1, 2016

Mewbourne Oil Company
Attn: Mr. Dusty Wallace

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7431

Mewbourne Oil Company
OGRID 14744
BEBOP 36 W1MD State Well No. 2H
API No. 30-015-43320

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	185` FSL & 450` FWL	M	36	25S	31E	Eddy
Penetration Point	330` FSL & 450` FWL	M	36	25S	31E	Eddy
Final perforation (and terminus)	338` FNL & 532` FWL	D	36	25S	31E	Eddy

Proposed Gas Spacing Unit:

<u>Description</u>	<u>Acres</u>	<u>Formation (Product)</u>	<u>Pool Code</u>
W/2 of Section 36	320	Ross Ranch; Wolfcamp (Gas)	84335

Reference is made to your application received on June 10, 2016.

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 Division Rule 19.15.15.10.B NMAC, which provides for 320-acre units, with wells located at least 660 feet from a unit outer boundary. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed gas spacing unit than any location that would be a standard location under the applicable pool rules.

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


It is our understanding that Mewbourne Oil Company is seeking this location to maximize the recovery of gas reserves within the formation underlying the W/2 of Section 36.

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 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved in order to prevent waste and protect correlative rights.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.


DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas, and Minerals Division